

alinma.com

Strategic progress.

Accelerated growth. Sustainable value.

Annual Report 2024



الإنماء
alinma





"My primary goal is to create an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavor"

Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al Saud
King of Saudi Arabia



"We are a G20 country. One of the biggest world economies. We are in the middle of 3 continents. Changing Saudi Arabia for the better means helping the region and changing the world"

Mohammed Bin Salman Bin Abdulaziz Al Saud
Crown Prince, Prime Minister, Chairman of the Council of
Economic and Development Affairs

Theme of the Year

Strategic Progress. Accelerated Growth. Sustainable Value.

In 2024, we continued our transformative journey, achieving remarkable progress and delivering sustainable growth that exemplifies the strength of our strategy. Guided by a clear vision and rooted in the principles of Shariah-compliance, we surpassed key milestones, solidifying our position as one of Saudi Arabia's most forward-thinking financial services brand, offering distinct solutions that empower our stakeholders and communities with confidence and foresight. Our unwavering focus on innovation, customer-centricity, and operational excellence has ensured that we deliver the fastest, most convenient, and cutting-edge financial solutions that anticipate customers' needs and provide proactive insights, all while advancing the Kingdom's ambitious Vision 2030 agenda.

We continued to raise the bar and surpass expectations, achieving outstanding results across all aspects of our operations. From record-breaking financial performance to groundbreaking innovations in digital banking and sustainability, we demonstrated resilience and agility in a rapidly evolving economic and regulatory landscape. These successes are a testament to the disciplined execution of our 2025 Strategy, which has enabled us to navigate challenges, capitalize on opportunities, and enhance our contribution to the Kingdom's economic transformation.

Through strategic investments in technology, human capital, and sustainable practices, we are not just meeting the demands of today but building the foundation for long-term prosperity. Our journey in 2024 underscores the enduring relevance of our strategic priorities, as we continue to deliver meaningful progress, expand our impact, and create lasting value for our customers, shareholders and nation.



2024 At a Glance

A Snapshot of Our Growth



Becoming a leading and highly valued brand in Saudi Arabia's banking sector and the Middle East.

Operational Highlights



Saudization rate

96%

Monthly average users

23.8 Mn

(Smart phone users' logins)

Female staff

22%

Digital transactions

98.6%

Daily average users

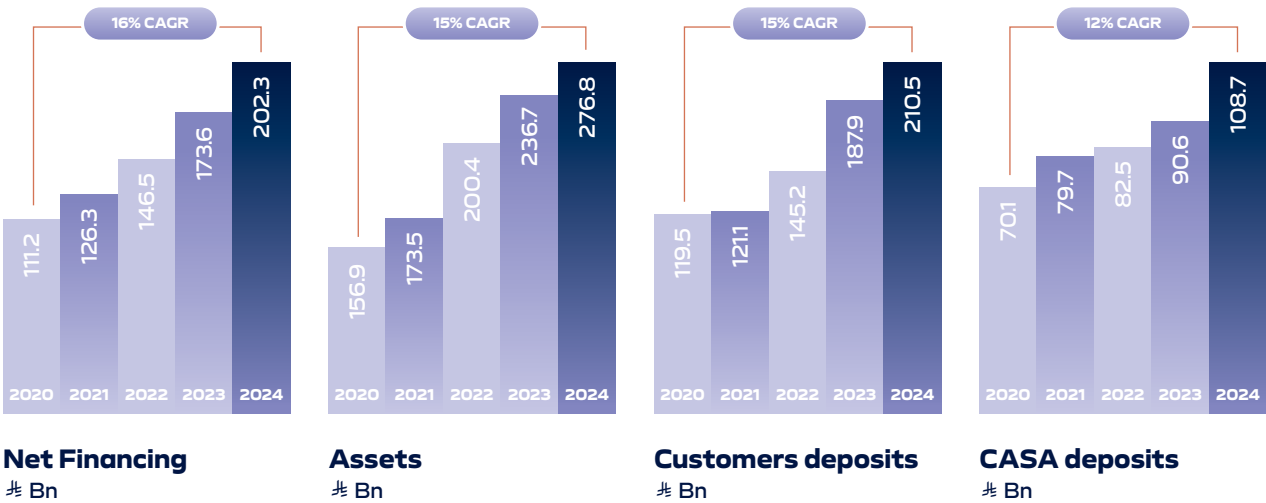
780K

(Smart phone users' logins)

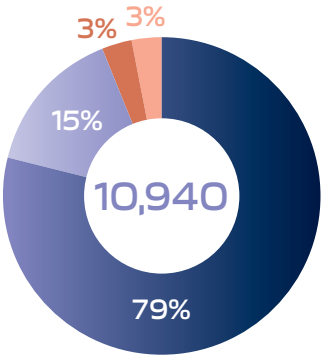
Active users

5.5 Mn

Financial Highlights



Operating income composition
Bn



- Funded income 79%
- Free from banking services 15%
- Investment gains/dividends 3%
- Exchange income 3%

ROE (#2 in KSA)

18.80%
(2023: 17.22%)

ROA (#1 in KSA)

2.27%
(2023: 2.21%)

NPL ratio

1.06%
(2023: 1.61%)

NIMs

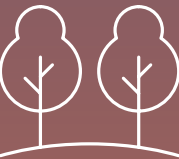
3.70%
(2023: 3.81%)



Rating Strength

Fitch: A- (Stable)
Moody's: A2 (Stable)
S&P Global: A- (Stable)

Sustainability and CSR Highlights



Planted **175,000** mangrove trees in Rabigh absorbing around 22,000 tons of greenhouse gases.



350 employees contributed around 3,410 hours to volunteering this year



Launched a specialized funding solution for purchasing **electric vehicles**



Forbes Names alinma a Top **Sustainability Leader**



Donated to **18 youth-run** non-profit organizations



SR 15 million donated to restore **300 homes**



Awards and Achievements

A Year of Prestigious Achievements



The Digital Banker Awards

Best Islamic Savings Account of the Year

Best API Initiative



KSA IRBA

Best Islamic Digital Bank in Saudi Arabia 2024



Saudi Trade Finance Summit

KSA Best Islamic Finance bank 2024

KSA Best Transaction Bank team 2024



Global Business Outlook

Best Investor Relations Bank

Best Emerging Islamic Banking CEO



Transform MEA

"iz" Wins Gold Award for Outstanding Brand Identity



INSIGHTS

Call Centre of the Year (Strategically Aligned)

Best Call Centre Manager



Middle East by MEIRA

2nd Place for Best Investor Relations by CEO



Extel

Most Honored Company



Finnovex

Excellence in Islamic Banking Award



DigiBank Summit

Excellence in Digital Innovation - Islamic Award





This year, alinma reflects on the success and impact of its five-year strategy, which has been a catalyst for reaching major milestones and achieving significant growth. Our consistent strong financial and operational performance over these years highlights the strategy's excellence and enduring value.



Contents

01 Bank Profile

- 16 About alinma
- 20 Year in Review
- 22 Our Journey
- 24 Geographical Footprint
- 26 Saudi Vision 2030
- 30 Stakeholder Engagement
- 32 Investment Case
- 34 Shareholder Information

02 Strategic Review

- 38 Chairman's Statement
- 42 CEO's Message
- 48 Business Model
- 50 Strategy
- 55 Case Study: "iz" Success Story
- 56 Digital Transformation and Innovation
- 60 Market Overview
- 64 CFO's Review
- 68 Operating Review
- 88 Subsidiaries
- 94 Risk Management
- 100 Sustainability

03 Governance

- 118 Board of Directors Report
- 119 Board of Directors
- 124 Non-Board Committee Members
- 127 Executive Management
- 174 Shariah Committee
- 179 Audit Committee Report

04 Financial Statements

- 183 Independent Auditors' Report
- 188 Consolidated Statement of Financial Position
- 189 Consolidated Statement of Income
- 190 Consolidated Statement of Comprehensive Income
- 191 Consolidated Statement of Changes in Equity
- 193 Consolidated Statement of Cash Flows
- 195 Notes to the Consolidated Financial Statements



alinma's focus and investment centered on enhancing customer experience, unlocking new business opportunities and delivering sustainable growth.



Our commitment to people and the planet is unwavering. At alinma, strong ethics, governance, and sustainability drive a culture of positive social and environmental impact.



Our strategy continues to deliver outstanding progress on our journey to drive sustainable growth and create lasting value.



01 Bank Profile

- 16 About alinma
- 20 Year in Review
- 22 Our Journey
- 24 Geographical Footprint
- 26 Saudi Vision 2030
- 30 Stakeholder Engagement
- 32 Investment Case
- 34 Shareholder information

About alinma

Committed to Financial Excellence

alinma proudly stands as a leading provider of dynamic, innovative, and Shariah-compliant financial services in Saudi Arabia. We are committed to empowering individuals, businesses, and institutions with tailored banking solutions that adapt to their evolving needs and aspirations. Since our establishment in 2006 by royal decree, we have played a pivotal role in strengthening the national economy through a comprehensive banking framework built on global best practices and supervised by the Saudi Central Bank.

At alinma, we offer a comprehensive range of banking services tailored to meet the needs of individuals, businesses, and small and medium enterprises. Backed by a highly skilled team, we ensure an advanced banking experience that aligns with our customers' aspirations. Our offerings include diverse financing solutions—personal, real estate, and auto financing—alongside current accounts, payments, cards, savings and protection products, and specialized financial solutions for businesses.

We are dedicated to providing an innovative digital banking experience that meets the evolving needs of our diverse customers. By leveraging cutting-edge technologies, we ensure seamless access to comprehensive financial services with efficiency and ease. Our digital solutions empower customers with a wide range of

tools to manage their banking transactions swiftly and securely, anytime and anywhere. From self-service account management and advanced payment systems to a diverse suite of products and services, we deliver a smooth, integrated, and future-ready banking experience.

We remain steadfast in our commitment to supporting the national economy and contributing to the goals of Saudi Vision 2030. Through continuous programs and initiatives, we drive the growth of the banking sector while exceeding customer expectations. At the same time, we uphold our social responsibility by integrating our core values into every aspect of our operations and activities, ensuring a customer-centric and value-driven approach.



Our Vision:
To be the most forward-thinking financial services brand, offering distinct solutions that empower our stakeholders and communities with confidence and foresight



Our Mission:
To deliver the fastest, most convenient, and innovated financial solutions that anticipate customers' needs and provide proactive insights



Our Values:
We're innovative

The value "Innovative" signifies a dedication to creativity, continuous improvement, and the pursuit of inventive solutions. It encourages a forward-thinking mindset, adaptability to change, and active problem-solving to enhance efficiency and effectiveness within an organization.

We're transparent

Transparency reflects our commitment to open communication and clear decision-making, fostering trust among all stakeholders. We enhance both customer and employee experiences by simplifying customer experience and delivering financial solutions in a clear and transparent manner.

We're collaborative

The value "Collaborative" underscores a dedication to teamwork, open communication, and collective problem-solving. It promotes a culture of mutual support, values diverse contributions, and recognizes the power of working together toward shared goals.

Towards passion

The value of "Passion" reflects a deep commitment and strong dedication to alinma's mission, goals, and values. It drives our employees to stay one step ahead, giving their best and dedicating their energy and efforts wholeheartedly to achieve excellence.

About alinma continued

Our Positioning:

Ever since its inception, alinma has steadily grown to be one of the largest growing banks in Saudi Arabia and a leading Shariah-compliant financial institution in the region. The Bank's continuous strong financial performance and growing local presence has made alinma one of the top traded stocks in the Kingdom, with an exponentially growing market capitalization which stood at ﷲ 72.4 billion as of December 31, 2024.

alinma builds on this strong financial foundation to meet the aspirations of all stakeholders, focused on, sustainable growth, meeting customer needs, empowering employees, and long-term returns for shareholders.

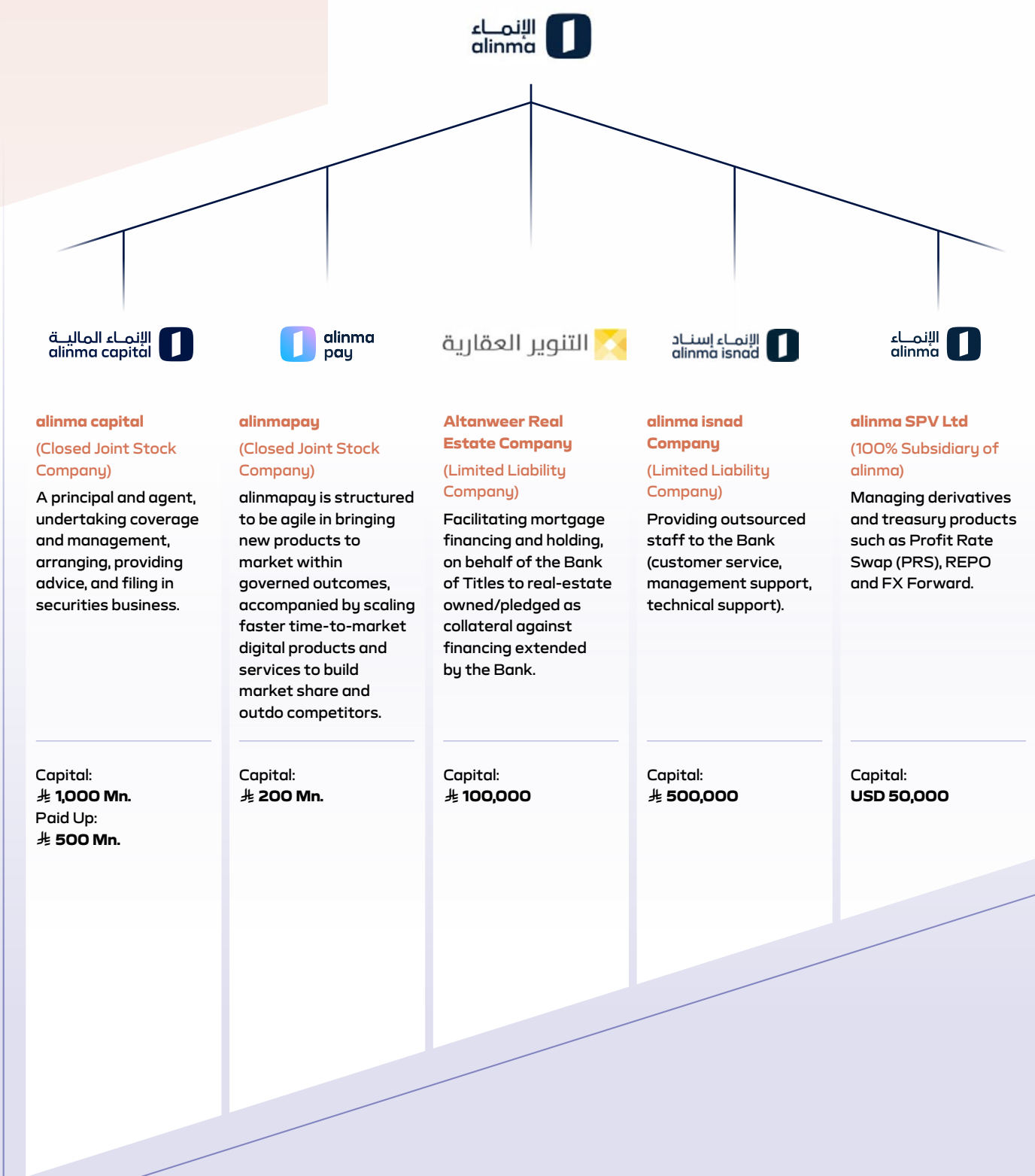
Managed by highly qualified professionals equipped with exceptional management skills and invaluable experience, the Bank strides forward into the realm of open banking as envisaged by Vision 2030. The Bank prioritizes digitalization, adopting digital transformation throughout its product and service delivery, providing efficiency, speed and customer satisfaction.

With a strong commitment to governance, alinma's structure, systems, and processes ensure its management of risk is of the highest caliber. The Bank is rated A- by Fitch Ratings, A2 by Moody's and A- by S&P Global reflecting the Bank's conservative risk appetite, sound capital ratios, solid profitability metrics, and a healthy funding and liquidity profile.

alinma provides a comprehensive set of banking, advisory and financial services that are all fully Shariah-compliant. alinma operates a network of 115 branches, 1,483 ATMs, and 161,716 POS terminals across all regions of the Kingdom of Saudi Arabia.



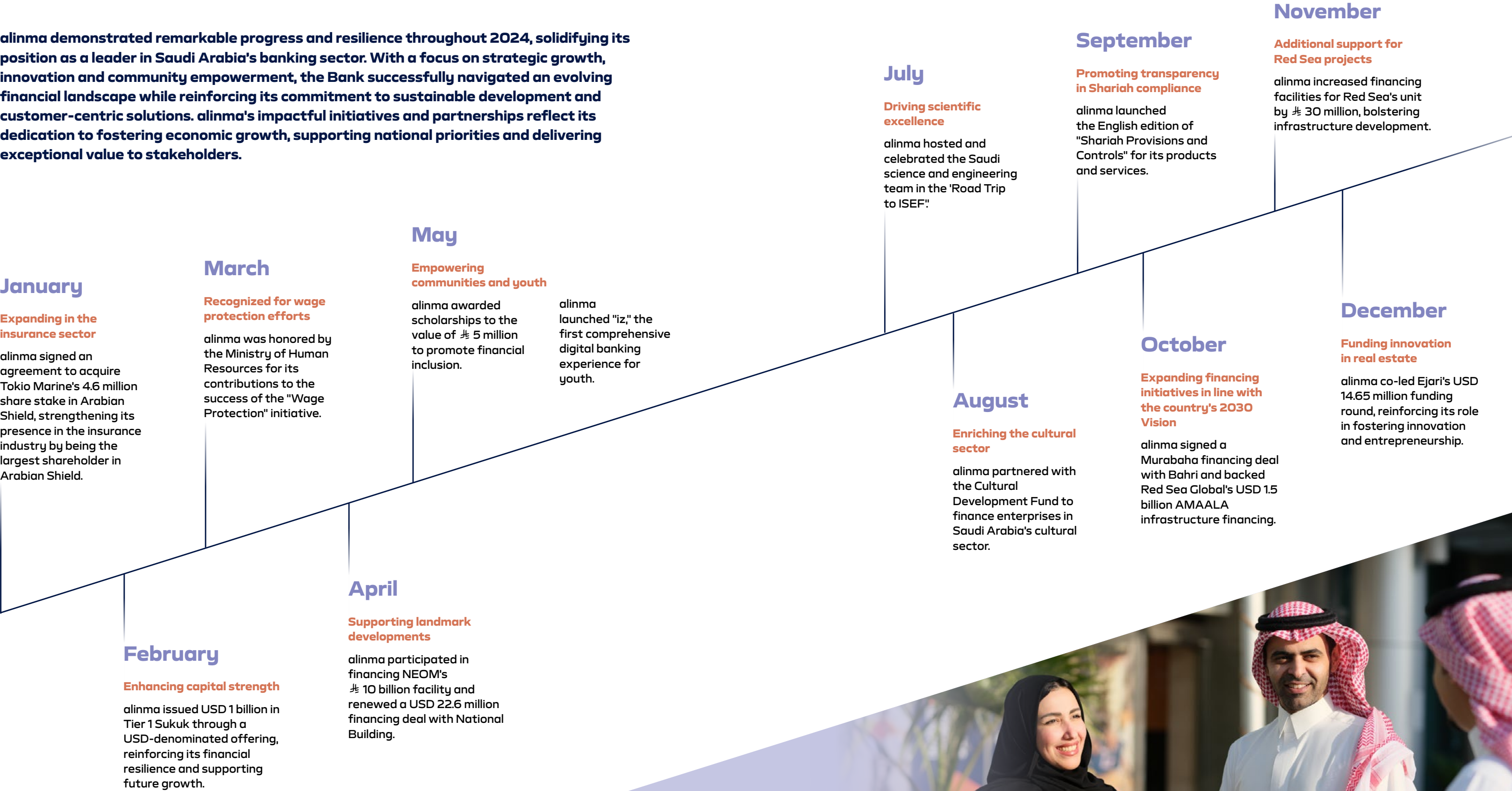
Our Subsidiaries



Year in Review

A Year of Growth and Achievement

alinma demonstrated remarkable progress and resilience throughout 2024, solidifying its position as a leader in Saudi Arabia's banking sector. With a focus on strategic growth, innovation and community empowerment, the Bank successfully navigated an evolving financial landscape while reinforcing its commitment to sustainable development and customer-centric solutions. alinma's impactful initiatives and partnerships reflect its dedication to fostering economic growth, supporting national priorities and delivering exceptional value to stakeholders.



Our Journey

A Legacy of Excellence

alinma's journey to become a pioneering force in Saudi Arabia's banking sector reflects an unwavering commitment to innovation, customer focus and transformative growth. Through visionary leadership and a dedication to Shariah-compliant excellence, alinma has consistently introduced groundbreaking services that redefine banking experiences and set new benchmarks across the industry.

With milestones spanning market-first products, digital banking advancements and a strategic focus on sustainability, alinma has become a vital player in the Kingdom's financial ecosystem, supporting Vision 2030 and fostering progress for customers, stakeholders and the wider community.

2006

Establishment
alinma was established by Royal Decree No. on 28 March 2006.

2007

Young Corporate Bank
alinma began providing Shariah-compliant banking services, asset management and brokerage services through its affiliates.

2015

Ersal remittance service launches
alinma launched the Ersal money transfer service, a joint venture between the Bank and the Saudi Postal Corporation, to facilitate international remittances from the Kingdom of Saudi Arabia using the latest in transfer technology and leveraging international best practices.

2017

E-Learning Academy
alinma took a major step in the training and development of its staff with the establishment of the alinma e-Learning Academy, providing employees access to vast e-Learning resources designed to improve personal, functional and other business skills.

2008

Publicly Listed Company
alinma launched its successful IPO and became a publicly listed company on the Saudi Stock Exchange (Tadawul).

2018

"mada Pay" service
alinma launched the "mada Pay" NFC payment service, enabling partners (customers) to securely load their alinma mada debit and credit cards onto the "mada Pay" app and make seamless POS payments by simply tapping their Android smart devices on any mada Atheer terminal. Designed for speed and convenience, "mada Pay" was ideal for partners making quick, small-value purchases on the go.

2009

First to launch Infinite Debit Card in Saudi Arabia
alinma became the first bank in the Kingdom of Saudi Arabia to issue the Infinite Debit Card from VISA, which was branded as "alinma Infinite" and offered by invitation only.

2019

First digital branch
alinma launched its first digital branch in the Kingdom, in Riyadh, as part of its ongoing effort to provide convenient, self-service banking solutions to its customers.

Joining MSCI Emerging Markets Index
alinma was among 31 Saudi companies to join the MSCI Emerging Markets Index, supporting increased flow of foreign liquidity to the Tadawul and enhanced overall trading volume.

2010

First standalone branch in Riyadh
alinma launched its first standalone branch in Riyadh's Suweidi district, in line with the Bank's overall plan to expand its branch network in order to better provide its customers with a broad range of Shariah-compliant products and services that meet their needs.

2020

Major capital increase
alinma increased its capital to ﷲ 20 billion from ﷲ 15 billion via stock dividends to fund the next stage of growth.

2022

Becoming an official partner of MBS League
alinma signed a sponsorship agreement with the Saudi Professional League to become an official partner of the Prince Mohammed bin Salman Professional League.

2012

E-channel services for the blind
For the first time in the Kingdom of Saudi Arabia, alinma implemented electronic channel banking services for the blind, emphasizing the Bank's commitment to serving all of its customers and being a socially responsible force in the community.

2021

alinma 2025 Strategy launched
alinma rolled out its ambitious five-year Strategic plan, anchored to three primary goals that reflect the Bank's envisioned positioning by the year 2025.

2023

Signing of "Burj alinma" construction agreement
alinma signed a construction agreement with Arabian Construction Company to establish "Burj alinma" as the Bank's new head office and permanent home in Riyadh.

Release of first Sustainability Report
alinma released its first standalone Sustainability Report, a critical step in its journey to complete disclosure and reporting of all material factors, to give investors and other stakeholders the complete picture on its sustainability credentials and progress.

2013

First comprehensive smartphone application
alinma launched its first comprehensive smartphone application allowing its customers to execute all their banking operations through their smartphones.

First earnings call
alinma held its first earnings call, a key step in engaging directly with key stakeholders, including investors and analysts, to outline the Bank's unique proposition and growth story.

2024

Capital increase to ﷲ 25 billion
alinma increased its capital by 25% to ﷲ 25 billion, through the issuance of bonus shares in a 1:4 ratio, capitalizing ﷲ 5 billion from retained earnings.

Launch of AMAD Sustainability and Social Responsibility Program
alinma launched "AMAD" in line with its commitment to serving the community and protecting the environment to contribute to a sustainable future and a vibrant society, in support of the goals of Vision 2030.

2014

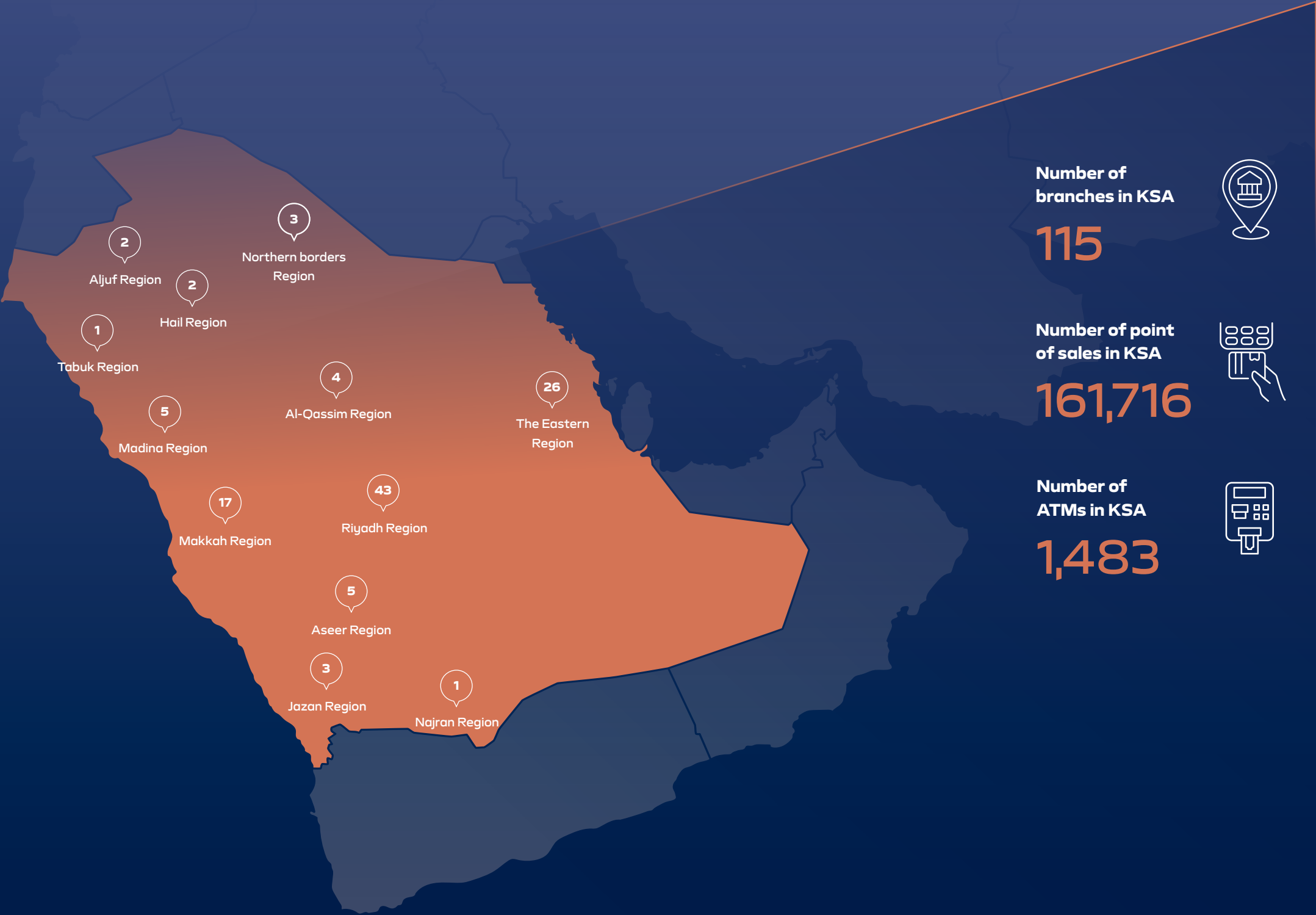
First dividends distributed
alinma distributed its first dividends to shareholders.

Tier 1 Sukuk issuance
alinma issued Tier 1 Sukuk amounting to ﷲ 5 billion through a Shariah-compliant arrangement, following approval from regulatory authorities and the Bank's Board of Directors.

Unveiling of "iz" digital banking experience for youth
alinma unveiled "iz", the first comprehensive digital banking experience for youth, reaffirming its commitment to providing cutting-edge digital banking services and its dedication to offering top-notch banking solutions tailored specifically for youth.

Geographical Footprint

Connecting Communities: alinma's Strong Network



Number of
branches in KSA

115



Number of point
of sales in KSA

161,716



Number of
ATMs in KSA

1,483



alinma branches

City	Region	Branches
Riyadh	Riyadh Region	38
Jeddah	Makkah Region	11
AlKhobar	The Eastern Region	7
Dammam	The Eastern Region	6
Makkah	Makkah Region	4
Medina	Madina Region	4
Al-Hofuf	The Eastern Region	2
Aljubail	The Eastern Region	2
Buraidah	Al-Qassim	4
Dhahran	The Eastern Region	3
Hafr Al-Batin	The Eastern Region	2
Hail	Hail Region	2
Jazan	Jazan Region	2
Taif	Makkah Region	2
Abha	Aseer Region	1
Ad-Dawadimi	Riyadh Region	1
Alahsa	The Eastern Region	1
Albahah	Aseer Region	1
Al-Bukayriyah	Al-Qassim	1
AlKharj	Riyadh Region	1
Al-Majma'ah	Riyadh Region	1
Al-Qatif	The Eastern Region	1
Al-Qurayyat	Aljuf Region	1
Al-Zulfi	Riyadh Region	1
Arar	Northern Borders	1
Ar-Rass	Al-Qassim	1
Bisha	Aseer Region	1
Khamis Mushait	Aseer Region	1
Najran	Najran Region	1
Rafha	Northern borders	1
Ras Tanura	The Eastern Region	1
Sabya	Jazan Region	1
Unaizah	Al-Qassim	1
Sakaka	Aljuf Region	1
Tabuk	Tabuk Region	1
Turaif	Northern Borders	1
Shaqra	Riyadh Region	1
Khafji	The Eastern Region	1
Ahad Rfeedah	Aseer Region	1
Yanbu	Madina Region	1

Saudi Vision 2030

alinma is proud to support the ambitions of the Kingdom and the goals of Vision 2030. Through the alignment of our business strategy, initiatives, and activities, we drive sustainable value for the Kingdom.

Vision 2030 Goal

To lower the rate of unemployment from 11.6% to 5%

Strategic Objectives/Initiatives

- Cultural transformation to attract and retain the best talent in the KSA
- Acquire top talent including new capabilities

2024 Highlights/Achievements

- Achieved 96% Saudization rate

2025 Goals

- Continue hiring Saudi talent to maintain and improve the Saudization rate



Vision 2030 Goal

To increase SME financing as a percentage of bank financing from 8.3% to 20%

Strategic Objectives/Initiatives

- Grow high quality SME segment
- Drive Kafalah growth
- Drive SME growth through program-based financing
- Develop supply chain finance
- Develop product bundles for SMEs

2024 Highlights/Achievements

- Expanded SME assets by 38.5% compared to last year
- Supported 25 small businesses through our CSR team's initiatives with a fund of ﷲ 200,000

2025 Goals

- Deliver tailored products and services digitally
- Enhance operational efficiency
- Launch a digital SME attacker channel
- Empower and fund 75 entrepreneurs and small business

Vision 2030 Goal

To increase percentage of university graduates who joined the labor market after graduation from 41.2% to 75%

Strategic Objectives/Initiatives

- Future Bankers Program: An annual distinguished program for fresh graduates that end with employment, offering intensive one-year training across various tracks, including a specialized track in artificial intelligence.
- Target young talents and qualify them to move from the academic field to work through job shadowing programs, first day initiatives from Misk, cooperation with universities, artnerships and sponsorships in exhibitions and others

2024 Highlights/Achievements

- Enrolled 260 graduates into the bank through the Future Banker program since its inception
- Graduated 22 students from the Jadeer program in cooperation with the Ministry of Human Resources
- Participated in Job Shadowing initiatives with King Fahd University of Petroleum and Minerals and King Saud University, engaging 15 candidates
- Delivered cooperative training initiatives, equipping more than 350 candidates with on-the-job training

2025 Goals

- Position the organization as the preferred choice for job seekers
- Attract more than 400 candidates across all fields and departments through programs, cooperation, partnerships, and other initiatives
- Collaborate with universities in sponsoring student clubs - workshops
- Include over 20 candidates in Job Shadowing initiatives

Vision 2030 Goal

To increase percentage of women's participation in the labor market from 35.1% to 40%

Strategic Objectives/Initiatives

- Cultural transformation to attract and retain the best talent in the KSA
- Acquire top talent including new capabilities

2024 Highlights/Achievements

- Achieved a 22% female representation in the total workforce
- Launched women empowerment programs through our CSR team to equip 55 women for leadership roles

2025 Goals

- Recruit female talent to maintain and improve women's participation in the workforce
- Empower female employees by creating a women empowerment division to support and nurture qualified female talent
- Continue empowering women through our CSR team's leadership and financial training programs



Saudi Vision 2030 continued

Vision 2030 Goal

To increase volunteers to one million per year

Strategic Objectives/Initiatives

- Engage in various forms of volunteering, including traditional volunteering and professional volunteerism, utilizing unique expertise, insights, and resources to advance industries and professions

2024 Highlights/Achievements

- Engaged more than 350 employees in 32 volunteering activities, contributing a total of 3,410 hours and benefiting about 8,500 people

2025 Goals

- Continue to serve the third sector and the community through our CSR team's initiatives by dedicating opportunities to impact over 30,000 individuals

Vision 2030 Goal

To increase percentage of employed persons with disabilities who are able to work from 12.3% to 15%

Strategic Objectives/Initiatives

- Empower individuals with disabilities by launching the Athar Program, a six-month training initiative that enhances their skills and ensures sustainable employment, fostering workforce inclusivity and economic participation
- Achieve 4% of the total workforce consisting of employees with disabilities by end of 2026

2024 Highlights/Achievements

- Earned recognition from the Ministry of Human Resources and Social Development for the Athar program initiative
- Achieved 1.8% representation of people with disabilities in our total workforce
- Launched a specialized program through our CSR team to empower people with disabilities in the workplace, targeting 18 individuals internally and externally this year

2025 Goals

- Achieve the target of hiring 36 employees in 2025, representing 1.2% of the total staff, to support the strategic goal by 2026
- Continue to empower approximately 100 people with disabilities in the workplace, both internally and externally, through our CSR team's initiatives

Vision 2030 Goal

To promote home ownership to reach 70%

Strategic Objectives/Initiatives

- Deliver the best customer experience and achieve operational excellence
- Reduce home finance and PF TAT through process optimization
- Enhance digitization to streamline operations and improve efficiency
- Digitalize the home financing journey for a seamless customer experience.

2024 Highlights/Achievements

- Implemented nine new Mortgage features to improve customer experience, and product offering
- Launched Mortgage Re-finance product tailored to our customer's needs and complementing mortgage eco-system products suite
- Continue to renovate 300 houses in the Riyadh region through our CSR team's initiative, with project completion expected by 2026
- Continue to support home ownership for alinma security guards by providing 20 houses by 2025 through our CSR team's initiatives

2025 Goals

- Enhance digital journeys and app functionality.
- Optimize turnaround time (TAT) for key products and services
- Continue to support home ownership for the Bank's security guards by providing 100 houses through our CSR team's initiative

Vision 2030 Goal

To increase percentage of major companies that provide CSR programs from 12.3% to 15%

Strategic Objectives/Initiatives

- Increase the percentage of major companies offering CSR programs from 12.3% to 15%, fostering corporate social responsibility and community impact

2024 Highlights/Achievements

- Committed to allocate 1% of its annual net profit for CSR programs and initiatives

2025 Goals

- Invest ﷲ 32 million in 2024 for CSR programs and initiatives to promote financial inclusion, reduce financial literacy gaps, support entrepreneurs, drive social impact, and strengthen social practices
- Expand financial inclusion to two key segments (incubated charities by Misk and crafters) with an allocated fund of approximately ﷲ 5 million
- Empower over 500 women through the launch of the Women Better Money Habits initiative
- Train over 750 youth in financial management skills
- Volunteer to transfer financial knowledge to over 7,000 beneficiaries
- Raise financial awareness among more than 6,500 students in six local universities.
- Launch Amad to fund 25 small businesses in seed stage
- Provide microfinance funding to over 285 women and offer financial literacy support
- Renovate 300 houses by allocating ﷲ 15 million to support underprivileged families in Riyadh while empowering them with financial knowledge



Stakeholder Engagement

alinma values its enduring partnerships, recognizing their pivotal role in delivering sustained value.

Stakeholder Group	Investors	Government Institutions and Regulators	Customers	Employees	Business Partners	Society and Environment
How we engage	- Annual General Assembly Meeting - Extraordinary General Meetings - The Bank's website - Interim financial statements - Investor presentations and quarterly earning calls - Press conferences and releases - Investor disclosures and road shows - One to one discussions and meetings - Annual Report - Announcements made to the Saudi Exchange - Investor Relations road shows and conferences - Dedicated Investor Relations website - Dedicated communication channels for individual shareholders	- Consultation - Relationship-building meetings - Annual General Assembly Meeting - Annual Report - Interim financial statements - Announcements made to the Saudi Stock Exchange - Extraordinary General Meetings	- Customer visits - ATMs - Online banking - Service centers - Branches - Media advertisements - Corporate website - Customer workshops - Social media - Customer satisfaction surveys	- Induction program - Career development guidance - Staff societies - Training programs - Volunteerism - Special staff events - Internal communication - Employee satisfaction survey - Virtual meetings - alinma e-Learning Academy	- Supplier relationship management - On-site visits and meetings - Performance review meetings - Quality assurance inspections	- Service channels - Press releases, conferences and media briefings - Informal briefings and communication - Public events - Corporate website - Social media - Educational programs - MSME financing - Assistance to the needy and vulnerable - Programs for SMEs - Youth and employment projects
Key items discussed	- Financial performance - Governance - Risk management - Business expansion plans - Transparency and disclosure - Business continuity - Sustainable growth - Strategy updates - Shareholder returns - Dedicated Investor Relations Department - Dedicated Sustainability Department - Dedicated CSR Department	- Compliance with directives and codes - Microfinance and SME development - Financial performance - Cyber security - Saudization - Governance - Employment generation - Strategy	- Financial support for revival of business - Speedy service - Customer security and privacy - Service quality - Affordability of services and convenience - Financial education and literacy - Access to financial services - Enrolment to digital platforms - Real time information	- Performance standards - Training and development - Saudization - Remunerations and benefits - Retirement benefit plans - Diversity and inclusion - Safety at the workplace - Corporate value - Employee care focused on mental health	- Contractual performance - Continued business opportunities - Maintaining healthy relationships - Timely settlement of dues - Collaboration for new technological advances in the financial sector - Opportunities for growth - Agile and convenient approach	- Affordable financing - Community empowerment - Financial inclusion - MSME financing - Ethics and business conduct - Environmental performance - Employment opportunities - Assistance to disadvantaged groups - University Scholarship Program for children from underprivileged families - Financial awareness and Trust Program designed to enhance financial literacy
How we create value for this stakeholder group	- Delivering consistent financial performance and shareholder returns - Enhancing transparency through regular disclosures and reports - Providing timely and comprehensive investor updates and communications - Delivering up-to-date financial performance, sustainability, CSR and strategy updates, ensuring full transparency and accountability - Actively engage with institutional investors and individual shareholders.	- Ensuring full compliance with regulatory requirements and directives - Supporting national goals such as Saudization and economic diversification	- Providing reliable and secure financial services tailored to customer needs - Enhancing access to banking services through digital platforms and innovations - Delivering superior customer service and support across all channels - Ensuring fast and convenient service across all client segments - Creating a value proposition for youth customers - Developing diversified and accessible channels and products for foreign customers to meet their needs	- Investing in professional development through training programs and career guidance - Promoting diversity, inclusion and workplace safety - Offering competitive remuneration, benefits and retirement plans - Creating a healthy and supportive work environment by focusing on mental health care	- Building long-term, mutually beneficial relationships with suppliers and partners - Collaborating on innovative financial technologies and advancements	- Promoting financial inclusion and access to affordable financing solutions - Supporting MSMEs and youth employment projects to drive economic growth - Empowering the youth through the University Scholarship Program for children from underprivileged families - Delivering financial awareness through the Trust Program designed to enhance financial literacy

Investment Case



alinma stands as a significant financial institution within the Kingdom of Saudi Arabia, boasting a robust presence in the country's banking landscape. Established in 2006 as a Shariah-compliant institution, it swiftly emerged as a key player in the banking sector, upholding principles that align with Shariah-compliance. The Bank has strategically expanded its reach, operating via an extensive network of branches and ATMs across Saudi Arabia, ensuring accessibility for its growing clientele. The Bank has nurtured strong ties with government entities, corporate partners and retail clients enabling the provision of a diverse array of financial services that cater to the varied needs of its customers.

Key achievements

- Best Digital Transformation Program (The Digital Banker Awards)
- Most Innovative Shariah-Compliant Corporate Financing Product - Bai Ajel - Saudi Arabia 2024 (International Finance Awards)
- The Fastest Growing Corporate Bank - Saudi Arabia 2024 (International Finance Awards)
- The Innovation Hero Award – (Temenos)
- JP Morgan STP (Straight-Through Processing) Award
- CEO of the Year 2024 (IRBA)
- Bank of the Year - KSA (The Banker)
- Best Consumer Digital Bank for Best in Transformation - Global (Global Finance)
- Best Consumer Digital Bank for Best Open Banking APIs - Saudi Arabia (Global Finance)
- CSR Award (HRSD)
- Leading Corporate for Investor Relations - Saudi Arabia (MEIRA)

In 2021, alinma rolled out its ambitious five-year strategic plan anchored to three primary goals that reflect the Bank's envisioned positioning by the year 2025; to be recognized and celebrated as the fastest and most convenient bank in the Kingdom, to obtain the top Net Promoter Score (NPS) in the rapidly evolving Saudi banking sector, and to be the leading employer of choice across KSA banks in a booming and highly competitive job market. The Bank's 2021-2025 Strategy is in sync with Saudi Vision 2030, the comprehensive reform plan driving Saudi Arabia's global integration. alinma aligns its goals with this vision, aiming to boost SMEs and the private sector's role in the GDP, enhance women's economic involvement, reduce unemployment, encourage homeownership, elevate household savings and expedite the shift to a cashless society. As a leading digitally-driven bank in the Kingdom, it capitalizes on growth opportunities presented by this transformative agenda.

2025 Strategic pillars

- To be the fastest and most convenient bank in the Kingdom of Saudi Arabia
- To be No. 1 in Net Promoter Score (NPS)
- To be the employer of choice across KSA banks

Strategic ambitions

Bank-wide:

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

Retail:

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

Corporate:

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

Treasury:

- Become core partner for corporate clients for their hedging and investment needs
- Grow Financial institution customer franchise with dedicated coverage team
- Maintain and evolve high quality asset and liability function

Consistent success in generating profits and delivering returns to shareholders is backed by a solid capital position, healthy liquidity and a stable deposit base. This strong foundation allows us to meet customer needs effectively while ensuring sustainable returns for shareholders.

Financing Growth	Deposits Growth
16.52%	12.05%
CAR	LCR
17.74%	122%
NSFR	ROE
108.2%	18.8%
ROA	
2.27%	

alinma's initial stride toward achieving full transparency and comprehensive reporting encompasses all significant aspects, offering investors and stakeholders a complete view of sustainability credentials and advancements. This approach involves utilizing the Materiality Matrix methodology to pinpoint the environmental, social and governance facets crucial to both the Bank and its stakeholders.

Key accomplishments

One of the largest financial institutions in the world, London Stock Exchange Group (LSEG), acknowledged alinma as the leader of disclosure on ESG in the Kingdom and fourth in the Middle East and North Africa.

alinma was awarded the "Most Innovative ESG Initiative - Saudi Arabia in 2024" by Global Brands Magazine.

As one of the Kingdom's foremost financial institutions on the rise, alinma presents a compelling investment case built on four foundational pillars. Each pillar embodies the Bank's strategic vision, operational excellence, and commitment to sustainable growth, in full alignment with the broader economic goals of the Kingdom of Saudi Arabia and the Bank's commitment to value creation for its shareholders and all its stakeholders.

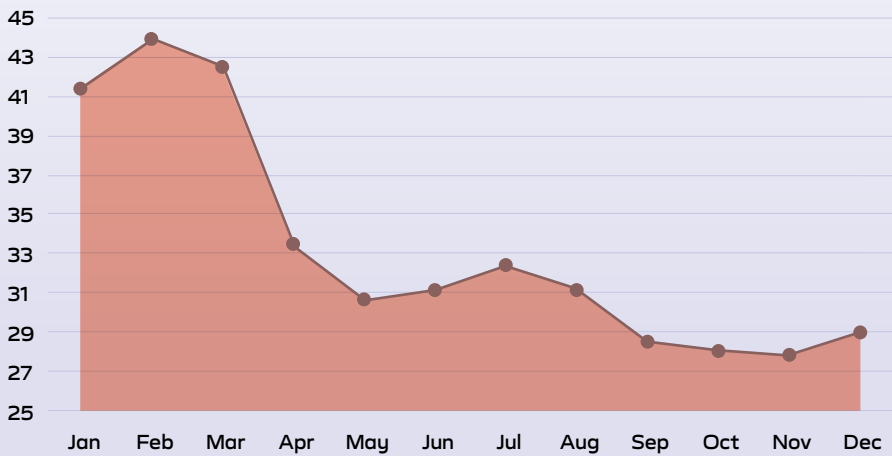
Shareholder Information

alinma's Investor Relations (IR) is dedicated to creating long-term value by maintaining strong, transparent relationships with shareholders, investors, and analysts. Through timely and accurate disclosures, we ensure the market has a clear understanding of the Bank's financial performance, strategic direction, and competitive positioning. Beyond reporting numbers, we actively shape and communicate alinma's story highlighting our leadership in digital transformation, innovation, and sustainable growth reinforcing investor confidence in our long-term vision. By bridging the gap between management and the investment community, we align expectations, enhance market perception, and position alinma as a forward-thinking institution driving strong, sustainable returns in an evolving financial landscape.

Share information

Listing date:	03 June 2008
Exchange:	Saudi Exchange
Symbol:	1150
ISIN:	SA122050HV19
Number of shares issued:	2,500,000,000
Closing price as of December 31, 2024:	ﷲ 28.95
Market cap as of December 31, 2024:	ﷲ 72.4 billion
Foreign ownership limit:	Actual ownership – 13.74% as of December 31, 2024
Free float:	10% is owned by PIF, the rest is free float

Share price performance

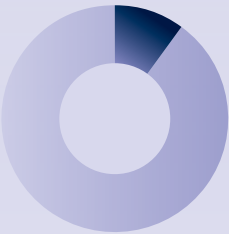


#4
Traded stock in KSA,
by number of trades

#5
Traded stock in KSA,
by value

Major Shareholders

10%
Public Investment
Fund



2024 Conferences details

Conference Name	Date	Country	Attendees
Saudi Capital Market Forum 2024	19-20 Feb 2024	KSA	CFO and Head of IR
Goldman Sachs, Goldman Sachs MENA Conference 2024	4 Mar 2024	UAE	CEO, CFO and Head of IR
EFG Hermes, The 18th Annual One on One Conference	6-7 Mar 2024	UAE	CEO, CFO and Head of IR
Morgan Stanley, 15th Saudi Arabia and 4th MENA Conference	15-16 May 2024	UK	CEO, CFO and Head of IR
Bank of America, 2024 BofA Securities Emerging Markets Corporate Conference	29-31 May 2024	US	CEO, CFO
Goldman Sachs, 12th Annual CEEMEA Financials Symposium	9-10 Sep 2024	UK	CEO, CFO and Head of IR
EFG Hermes, 10th Annual London Conference	11-12 Sep 2024	UK	CEO, CFO and Head of IR
JP Morgan, JP Morgan Saudi Arabia Investor	21-22 Oct 2024	US	CEO, CFO and Head of IR
Bank of America, MENA Conference 2024	5 Nov 2024	KSA	CFO and Head of IR
2024 MEIRA Annual Conference & Awards	11-12 Dec 2024	UAE	Head of IR

Investor meetings and conferences

Investor meetings	# Attendees
Q4 2024	127
Q3 2024	61
Q2 2024	38
Q1 2024	104
Q4 2023	98
Q3 2023	32
Q1 + Q2 2023	180

Year	# Conferences
2024	10
2023	7





02 Strategic Review

38	Chairman's Statement
42	CEO's Message
48	Business Model
50	Strategy
55	Case Study: "iz" Success Story
56	Digital Transformation and Innovation
60	Market Overview
64	CFO's Review
68	Operating Review
88	Subsidiaries
94	Risk Management
100	Sustainability

Chairman's Statement

Towards Excellence Beyond Expectations

Net Income
ﷲ 5.8 Bn
+21%

" Thanks to our balanced financial strategies and proactive planning, the Bank maintained steady growth, demonstrating resilience and agility in adapting to market changes, and responding to the needs of customers"

Dr. Abdulmalik
bin Abdullah Al-Hogail
Chairman of the Board
of Directors



The 2024 fiscal year marked a transformative period for alinma, characterized by remarkable growth, the introduction of innovative products and services across various sectors, and enhanced operational efficiency. We have made significant strides in advancing the digital customer experience as part of our ongoing commitment to pioneering financial services in the Kingdom. Through these efforts, we have successfully delivered sustainable and exceptional value to our investors while playing a pivotal role in supporting the initiatives of Saudi Vision 2030.



Key digital achievements in 2024 included the launch of the iz Youth app and a major update to the alinma app, both of which received widespread acclaim for their enhanced user experience.

Outstanding performance

As chairman of the alinma Board of Directors, I am pleased to present the annual report for the fiscal year ending December 31, 2024, during which we surpassed our ambitious expectations and delivered value to our many and varied stakeholders.

By the end of the year, we had successfully completed the majority of the Bank's Strategy 2025 initiatives well ahead of schedule, achieving significant milestones such as issuing our first tranche of Sukuk, worth USD 1 billion. The strong investor response to this issuance reflects continued confidence in alinma's strategy and growth trajectory.

I was particularly heartened by our notable progress in customer satisfaction, with a significant improvement in our Net Promoter Score (NPS), positioning alinma as the second highest-rated bank in the Kingdom for customer satisfaction and service recommendations.

In 2024, alinma achieved one of its strongest financial performances since its inception in 2006, recording exceptional profits and delivering solid returns for shareholders. Our total assets grew by 17%, reaching ﷲ 276.8 billion, while our financing portfolio expanded significantly, empowering corporate clients to achieve their aspirations. Net income increased by 21% to ﷲ 5.8 billion, with robust performance across all sectors. Additionally, our net financing portfolio grew by 17%,

reaching ﷲ 202.3 billion, underscoring our continued commitment to supporting both businesses and individuals.

Current and savings accounts outperformed the local market average, driven by our proactive development strategy, competitive banking products, and the high level of trust we have cultivated with our customers.

In the retail sector, alinma recorded a growth rate exceeding significantly higher than the market average, a testament to our relentless focus on improving products, enhancing customer experience, and investing in cutting-edge digital infrastructure.

Economic and regulatory environment

The 2024 fiscal year presented both challenges and opportunities in the global economy and banking sector, with monetary policies and economic conditions influencing growth and profitability. Locally, regulatory frameworks in the Kingdom underwent significant developments, prompting alinma to reinforce its compliance, transparency, and governance in alignment with the most rigorous banking standards and best practices.

Thanks to our balanced financial strategies and proactive planning, the Bank maintained steady growth, demonstrating resilience and agility in adapting to market changes, and

Chairman's Statement continued

responding to the needs of customers.

Vision 2030: Unleashing potential

Saudi Vision 2030 was a key driver of the Bank's growth in 2024, creating numerous business development opportunities; and alignment of alinma's Strategy 2025 with the pillars of Vision 2030 has significantly contributed to our overall success. From the outset, we have aimed to be a competitive, innovative banking institution that actively supports the vision's goals and supports societal development. In 2024, we expanded financing for Vision 2030-related projects and infrastructure, enhancing our financial performance and delivering strong returns on equity.

Digital Leadership: Youth and SMEs

Digital transformation is the core of alinma's Strategy 2025. We have extended our reach to various customer segments, particularly youth, through advanced digital platforms tailored to their needs and lifestyles.

Key digital achievements in 2024 included the launch of the iz Youth app and a major update to the alinma app, both of which received

widespread acclaim for their enhanced user experience. These initiatives have reinforced our position as a pioneer in digital banking services, and as a leader of transformation at this pivotal moment in the Kingdom's history.

Additionally, we expanded our digital services for SMEs, introducing specialized products to support their growth. We established strategic partnerships with fintech companies and invested in artificial intelligence to optimize operational efficiency and elevate customer experience across all digital channels.

We also launched new platforms facilitating international trade financing, significantly boosting business support and investment opportunities. This contributed to a fourfold increase in our corporate customer base compared to 2020.

Sustainability and social responsibility

Sustainability remains a fundamental pillar of alinma's operations, positioning alinma as a constructive member of the communities we serve. In 2024, we

launched an integrated sustainability strategy aligned with both local and global standards. Our initiatives included sustainable financing, adherence to responsible banking principles, participation in the Carbon Disclosure Project, and the expansion of corporate social responsibility (CSR) programs.

A key milestone was the launch of the alinma Sustainability and Social Responsibility Program, "Amad", which serves as the umbrella for our sustainability and CSR efforts, ensuring alignment with national and global objectives.

In 2024, we introduced initiatives to provide home ownership solutions for 37,000 low-income families, earning us the Social Responsibility Award. Additionally, the Bank allocated 5 million in scholarships to promote financial inclusion in partnership with the Ministry of Education and the Education Support Association, "Ta'alum". We also collaborated with the Cultural Development Fund to support vital

cultural sector projects in the Kingdom.

Human capital and career excellence

Our employees are the cornerstone of our success, and our ability to successfully cooperate and collaborate creates synergies throughout our value chains. In 2024, we significantly invested in training and development, achieving a participation rate of 75%, with training hours exceeding 86,309 hours. Our efforts were recognized with the "Innovation & Creativity Award for Employee Happiness" from the Corporate Happiness Awards GCC, reflecting the impact of our dynamic work environment and enhanced employee benefits.

The Bank also advanced its

Saudization efforts, creating numerous job opportunities for Saudi citizens and increasing the participation of women across various functions and levels of responsibility.

Governance and compliance

The Board of Directors remains dedicated to upholding best practices in governance and risk management. In 2024, we strengthened confidence in our governance frameworks while ensuring compliance with Saudi Central Bank and Capital Market Authority regulations. Additionally, we enhanced our customer data privacy policies to reinforce cybersecurity, reaffirming our commitment to ethical standards

and adherence to Shariah principles.

Looking to the future

As we step into 2025, we will continue to drive innovation and expansion, with a strong focus on enhancing digital services, integrating artificial intelligence, and increasing investments in Vision 2030 initiatives, particularly in infrastructure and sustainability. We will also launch our next five-year strategy leading up to 2030, aiming to establish alinma as the premier financial services provider in the Kingdom.

Acknowledgments

I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, for their unwavering support of the financial sector, driving national development and prosperity.

On behalf of alinma, I also express my sincere appreciation to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank, the Capital Market Authority, and all regulatory bodies for their vital role in advancing the financial sector in the Kingdom.

Lastly, I extend my heartfelt thanks to my fellow Board members, executive management, and all alinma employees for their dedication and invaluable contributions, which have been instrumental in the bank's success and growth.

By the end of the year, we had successfully completed the majority of the Bank's Strategy 2025 initiatives well ahead of schedule, achieving significant milestones such as issuing our first tranche of Sukuk, worth USD 1 billion.

CEO's Message

Driving Growth and Sustainable Progress

Total Operating Income
﷼ 10,940 Mn
+12%

" By the end of 2024, most objectives were met and, in many instances, we substantially surpassed our original goals. Indeed, nearly all Strategy 2025 financial metrics were met a full year ahead of schedule, thanks to our strategic focus and disciplined execution. "

Abdullah Ali AlKhalifa
Chief Executive Officer



alinma's 2024 financial year was distinguished by market-leading achievements and strategic advances that further elevated the Bank's position as one of Saudi Arabia's leading financial institutions. Our actions over the past four years of our Strategy 2025 have resulted in embedded innovation and customer-centric solutions, and have been in line with the Kingdom's Vision 2030 objectives. This has driven success and earned alinma recognition for our accomplishments. As one of the Kingdom's youngest bank, alinma's inclusion in the 2024 ranking of the world's top 100 banks is testament to the excellence of our strategy and unwavering focus on the development and expansion of the national economy.



Revenue from digital fees increased by 23%, while financial transactions through digital platforms grew 25%.



alinma's USD 1 billion Tier 1 Sukuk issuance was a major achievement in 2024, demonstrating the Bank's financial strength and exceptional reputation among investors.

A year of outstanding strategic achievement

During 2024, alinma reached several significant milestones and continued to deliver exceptional results for customers, shareholders, employees, and the communities we serve.

Building on our long history of innovation, trust, and excellence, we remained agile and responsive to a dynamic economy and rapidly changing financial services sector. Throughout 2024, we continued to demonstrate strategic focus and disciplined execution that has become our hallmark. At the outset of our five-year strategy in 2020, we set clear targets to improve our financial metrics, expand our market presence, and elevate our engagement with customers.

Our ambition was to become a leader in an increasingly competitive banking environment, and to leverage our advantages and achievements in innovation and embracing digital transformation to stay ahead of the curve. By the end of 2024, most objectives were met and, in many instances, we substantially surpassed our original goals. Indeed, nearly all Strategy 2025 financial metrics were met a full year ahead of schedule, thanks to our strategic focus and disciplined execution.

Over the past four years, all financial key performance indicators (KPIs) improved, reflecting a methodical approach to leveraging our resources, identifying new opportunities, and growing into new areas. Our return on equity (ROE) more than doubled over the past four years, reflecting

improved profitability and our key priority of delivering increased and sustainable value to our shareholders.

Key to our success has been executive leadership's focus to Strategy 2025, with monthly progress reviews ensuring close monitoring of each of the 86 strategic initiatives that we have continually refined and expanded upon since the strategy's inception, most of which were completed by the end of 2024, thanks to management and team commitment.

In the past 12 months, our expanded customer-centric focus yielded measurable outcomes in our retail and corporate businesses, with new and emerging opportunities across various demographics and business segments enhancing our product offerings and advanced our performance.

On the retail front, we launched a dedicated, youth-focused banking app, iz, in recognition of the rapidly growing prominence of younger Saudi consumers. The development and introduction of this app reflects our broader aspiration to identify untapped markets, harness cutting-edge technology, and craft tailored solutions that simplify our customers' everyday banking activities. iz resonated strongly with the younger generation, illustrating alinma's close alignment with Saudi Arabia's evolving demographics. Notably, the iz app has attracted more than 100,000 new to bank clients in under a year, demonstrating the app's significant impact and effectiveness in expanding our customer base.

CEO's Message continued

Strong financial performance and value creation

In 2024, alinma delivered a net income of ﷲ 5,832 million, a solid 21% increase over 2023. A primary driver of this was the 17% expansion in the Bank's financing portfolio to ﷲ 202,308 million.

Retail and corporate financing made strong contributions, with retail financing expanding by 17% and corporate financing increasing by 15%, that was complimented by customer deposits increasing by 12% mainly driven by a significant CASA growth of 20%, derived from heavy focus in customer acquisition and continuous cross selling activities.

Total operating income increased by 12% to ﷲ 10,940 million, driven by a 13% rise in funded income and 11% increase in non-funded income. This resulted in net income after zakat of ﷲ 5,832 million, a year-on-year increase of 21%, derived from a combination of better performance and improved operational efficiency.

Operating expenses grew by 11%, while cost-to-income ratio declined to 30.9%, compared to 31.3% in 2023, and well below the 36% at the end of 2020.

Total assets grew 17% to ﷲ 276,827 million, supported by a 17% increase in financing growth and a 12% rise in investments. Customer deposits advanced 12% to ﷲ 210,545 million, with CASA deposits making up 51.6% of the total, and time deposits comprising 48.4%. Meanwhile, total equity grew by 21%, mainly driven the successful issuance the Tier 1 Sukuk of USD 1 billion combined with internally generated capital. Gross funded income reached

ﷲ 16,155 million for the year, up 22% over 2023, following a 22% increase in investment income and a 22% improvement in financing income. Non-funded income also rose, increasing by 11% to ﷲ 2,291 million, from improved fees from banking services and investment gains/ dividends. Fund management fees formed the largest proportion of banking service fees at 35%, followed by card services at 21%, other fees at 20%, trade finance at 13%, and brokerage fees at 11%.

alinma maintained its market leading profitability metrics in 2024, with a return on assets of 2.27% representing a gain of six basis points, and a return on equity of 18.80% up from 17.22% in 2023. This impressive performance positioned alinma as market leading in Saudi Arabia.

Asset quality continued to advance, with improvements in both NPL and NPL coverage ratios, while a decline in the impairment charge reduced our cost of risk. Our capital adequacy was further strengthened, and other key metrics, such as NSFR, LDR and the liquidity coverage ratio underscored our consistently prudent financial management.

As previously noted, alinma's USD 1 billion Tier 1 Sukuk issuance was a major achievement in 2024, demonstrating the Bank's financial strength and exceptional reputation among investors. We secured this capital at an attractive rate, further bolstering our balance sheet and creating an even more powerful platform for future projects.

Retail Banking transformation through digital evolution

The transformation of our Retail Banking Group (RBG) under Strategy 2025 was expertly executed thanks to advanced and innovative digital technologies. The success of our strategy was also evident in the improvement of our net promoter score (NPS) from 67 to 72, the second highest score in Saudi Arabia's banking industry.

RBG's strong momentum in 2024 resulted in a 17% increase in the gross financing portfolio, with strong performances from auto financing, and a healthy expansion in home financing. This growth was driven by our strategic focus on enhancing the customer journey.

As a result of this approach, RBG has become a key player in home and personal financing. We were particularly pleased with the consumer response to our participation at Cityscape Global 2024, where over the course of the four-day event, sales volume was exceptionally high, validating alinma's reputation as the Bank of Choice for home financing.

Overall, RBG's 2024 key performance indicator results exceeded expectations. Innovations in physical branches and advancements in digital technology, helped enhancing alinma's NPS in 2024, underscoring our significant strides in delivering customer satisfaction. We grew our physical footprint by expanding our branch network from 108 in 2023 to 115 locations in 2024, while also completing the migration to mixed-gender branches.

Excellence in Corporate, SME and Treasury growth

2024 was a year of remarkable highlights for alinma's Corporate Banking Group (CBG), with assets reaching ﷲ 155.6 billion, representing 76% of the Bank's assets and 29% of operating income. We participated in major project finance deals, including a variety of sustainable projects that exemplify the Kingdom's push towards a more sustainable economy.

Efficiency, profitability, and customer satisfaction have all been substantially enhanced by the introduction of electronic credit loan origination (eCLO) and an automated credit write-up system.

In support of Vision 2030, CBG also expanded financing projects in tourism, healthcare, renewables, and infrastructure, which generated stable revenue, diversified the Bank's portfolio, and strengthened our relationships with government entities and top corporates.

An important development was the introduction of a dedicated corporate customer support team, which had a dramatic impact on turnaround times and our Net Promoter Score, and freed relationship managers for business development activities.

Our consistent emphasis on increasing our financing activities for SMEs and mid corporates resulted in a significant 39% and 60% increase respectively in 2024, playing a central role in empowering Saudi Arabia's entrepreneurial sector. Fee-based income also saw a notable increase, attributed to the successful centralization of cash

management activities and enhanced cross-selling efforts, which enabled the Bank to capitalize on existing customer relationships.

In the year under review, we further expanded our global transaction banking operations with a digital e-trade portal, liquidity management system, and tailored liability solutions. These strengthened the Bank's deposit base and enhanced customer engagement.

Our Treasury Group further cemented 2024 as a banner year, expertly navigating global economic volatility and the ongoing impact of unprecedented challenges related to monetary policy.

Technology and innovation – catalysts for customer satisfaction

At alinma, we recognize the valuable role played by digital transformation and innovation in bringing us closer to our customers and improving overall efficiency. In 2024 this resulted in enhanced customer centricity, and the leveraging of artificial intelligence and enhanced open banking integrations, which opened new business opportunities.

The Bank's digital KPI success across 2024 painted a picture of robust growth and customer adoption. Digital onboarding increased significantly, with 86% of all new customer acquisitions occurring via our digital channels. Revenue from digital fees increased by 23%, while financial transactions through digital platforms grew 25%. Overall, digital channels accounted for 11% of all financing, showcasing the growing preference for digital banking services among alinma's customers.

Customer Deposits

+12%



2024 was a year of remarkable highlights for alinma's Corporate Banking Group (CBG), with assets reaching ﷲ 155.6 billion, representing 76% of the Bank's assets and 29% of operating income.

CEO's Message continued



Our Treasury Group further cemented 2024 as a banner year, expertly navigating global economic volatility and the ongoing impact of unprecedented challenges related to monetary policy.

The adoption of efficiency-enhancing technology and process refinements led to a dramatic reduction in home financing turnaround times, which decreased from one month to under seven days, improving the customer experience substantially. This achievement is a powerful demonstration of alinma's ability to harness innovation for our customers, whether they are purchasing a home, obtaining personal financing, or transacting on our app.

Our digital-first approach

Since launching our formal digital strategy in 2021, we have made steady progress in embedding digital thinking across the entire organization; and thanks to our Digital Factory unit and well-articulated strategy, we possess robust data capabilities, as well as strong external partnerships that, together, continue to deliver next generation banking solutions.

By embracing artificial intelligence and expanding our open banking ecosystem, we have taken major steps towards creating a modern, technology-enabled platform that integrates seamlessly with customer needs. In 2024, we launched new digital platforms for our corporate customers, introduced a Banking-as-a-Service (BaaS) platform, and expanded the capabilities of our widely acclaimed app, bringing an ever-greater range of financial products and services under one convenient digital umbrella.

The Bank also made several critical enhancements in 2024 to cybersecurity measures. We updated our Customer Data Privacy Policy in recognition of our proactive approach to mitigating risk and preserving stakeholder trust as our reliance on digital technologies grows.

2025 and beyond

Looking to the future, we are committed to growth and are positioned to pivot, when necessary, to ensure that alinma continues to deliver best-in-class services and returns.

In the coming year, we intend to launch new digital solutions for the MSME segment, recognizing the sector's critical role in generating employment and diversifying the economy.

These targets reflect not just a belief in the value of technology, but our conviction that digital channels must offer a convenient experience that captures the minds and needs of our customers.

We will also continue innovating our card products to give customers the freedom to customize elements of their financial instruments to suit their lifestyles. We anticipate that gamification will enhance user engagement; accordingly, we intend to incorporate interactive features that reward customers for healthy financial habits and loyalty.

We will further develop our Banking-as-a-Service offerings, integrating with a broad array of third-party providers to enrich our open banking ecosystem. This expansion will provide customers with more choices, and it will catalyze innovation by inviting partners to build on our core infrastructure.

We intend to replicate our successful approach in the retail space by providing equally competitive and user-friendly digital solutions in business banking. This will offer companies of all sizes the tools they need to conduct business seamlessly, manage their finances responsibly, and participate in the Kingdom's visionary economic transformation.

Acknowledgements

On behalf of my executive team and all our employees, I extend our most sincere gratitude to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud, and the Crown Prince and Prime Minister, HRH Mohammed Bin Salman Bin Abdulaziz Al Saud. The unwavering commitment of our

leaders and our government to the prosperity of our nation and its people continues to shape an enabling environment.

Our regulators, the Saudi Central Bank (SAMA), the Capital Market Authority (CMA), and all other relevant parties, offered exceptional oversight of our rapidly evolving industry. We are grateful for their guidance and management.

Our successes to date and those we anticipate in the future are supported by the Kingdom's ambitious 2030 vision that has created an enduring partnership opportunity to foster financial inclusion, champion local entrepreneurship, and scale sustainable initiatives that will help secure a bright future for generations to come.

alinma's Board of Directors once again played an invaluable role, sharing wise counsel and insights. I am deeply grateful for my executive team and all alinma employees for their tireless efforts in delivering for our customers and our shareholders, whose trust forms the bedrock of our success. We thank them for their loyalty and support.

alinma remains committed to being a trusted partner and financial innovator for individuals, businesses, and communities across Saudi Arabia, generating value for our investors and for the nation.



Business Model

Our Strengths



Financial Capital Strength

- 276.8 Bn in Assets
- 210.5 Bn in Deposits
- 202.3 Bn in Financing

Human Capital Strength

- 2,906 Employees
- 22% Women
- 96% Saudi Nationals

Intellectual Capital Strength

- Shariah-compliant products
- Digital offering
- AI integration

Social and Relationship Capital Strength (as of 31 December 2024.)

- 5.53 Mn Customers.
- 23.8 Mn Monthly average users (number of smart phone user logins).
- 98.6% Digital transactions
- 10% Public Investment Fund
- 13.74% QFI

How We Create Value



Vision

To be the most forward-thinking financial services brand, offering distinct solutions that empower our stakeholders and communities with confidence and foresight.

Mission

To deliver the fastest, most convenient, and innovated financial solutions that anticipate customers' needs and provide proactive insights.

Values

- We're innovative
- We're Transparent
- We're collaborative
- Towards Passion

Our Positioning

alinma has steadily grown to become one of the Kingdom of Saudi Arabia's fastest growing financial institutions and a leading Shariah-compliant financial institution in the region. Through strategic progress and continuous innovation, we have delivered increasing value to our shareholders and impact for our stakeholders, ending 2024 with a market capitalization of 72.4 billion

Business Activities

- Facilitate payment and transactions
- Enable wealth creation and management
- Provide Shariah-compliant products and services
- Provide credit to facilitate consumption and support economy

Divisions

- Retail Banking and Digital Group
- Corporate and SME Banking division Group
- Treasury Group

Subsidiaries

- alinma capital
- alinmapay
- Altanweer Real Estate Company
- alinma isnad
- alinma SPV Ltd

Our Business Model is underpinned by:

- Robust Corporate Governance
- Sound Risk Management Framework
- Strong Sustainability Plan

Value Created



For Shareholders

Growth Dividends

- Q1: 0.25 per share
- Q2: 0.25 per share
- Q3: 0.30 per share
- Q4: 0.30 per share
- ROE: 18.8% as of 31 December 2024

For Customers

- Enable wealth creation and management
- Offering Shariah-compliant products and services
- Reducing turnaround time (TAT) for product and services
- Provide comprehensive online banking platforms for retail and corporate customers

For Employees

- Supportive, inclusive culture
- Embracing diversity
- Long-term career support
- Training programs
- Women empowerment

For Community/Society

- CSR
- Investments in environmental projects
- ESG outputs
- MSME Product and services
- Support home ownership
- Enhance financial literacy

Strategy

Strategic Progress Driving Growth and Value Creation

At alinma, our strategy continues to deliver outstanding progress on our journey to drive sustainable growth and create lasting value. By embracing customer-centric innovation, delivering exceptional experiences, and providing community-focused services, we are working to solidify our position as the financial partner of choice. Our commitment to developing and empowering our talented workforce is at the heart of our approach, as we strive to establish ourselves as a leading employer in Saudi Arabia's banking sector.

Our strategy is closely aligned with the objectives of Saudi Vision 2030, reinforcing our role in supporting the Kingdom's economic and social development. Rooted in Shariah-compliant principles, we remain steadfast in upholding ethical financial practices while fostering long-term value for all our stakeholders.



Our Vision

To be the most forward-thinking financial services brand, offering distinct solutions that empower our stakeholders and communities with confidence and foresight



Our Mission

To deliver the fastest, most convenient, and innovated financial solutions that anticipate customers' needs and provide proactive insights

Our Values



We're innovative



We're Transparent



We're collaborative



Towards Passion

Our visionary positioning

To be recognized and celebrated as the fastest and most convenient bank in the Kingdom

Description

To offer our products and services in an efficient way where we become the fastest and most convenient bank in the Kingdom

Progress in 2024

- Merged all branches
- Implemented multiple business excellence initiatives (e.g. OTP paperless, auto e-signature and OMNI channel for PF & CC) while increasing the share of digital sales for cards and personal finance
- Built and deployed the integrated portal (CIB) for Corporate/SMEs segments
- Launched new open banking API market with dynamic pricing engine to enable Banking as a Service (BaaS)

Looking beyond 2024

- Continuous improvement of TAT for key products and services
- Continue enhancement of digital journeys
- Continuously improve the digital app
- Continuous migration of products and services to digital channels
- Progressing on robotic process automation

To obtain the top Net Promoter Score (NPS) in the rapidly evolving Saudi Banking sector

Description

To achieve the best score in NPS across all Saudi banks

Progress in 2024

- Reached second place in NPS across KSA banks

Looking beyond 2024

- Continuous review of key products and services customer journeys
- Continue closing the loop of customers' feedback by contacting them after submitting their feedback
- Continuously doing root cause analysis of repetitive issues

To be the leading employer of choice across Saudi banks in a booming and highly competitive job market.

Description

Cultural transformation to attract and retain the best talent in KSA

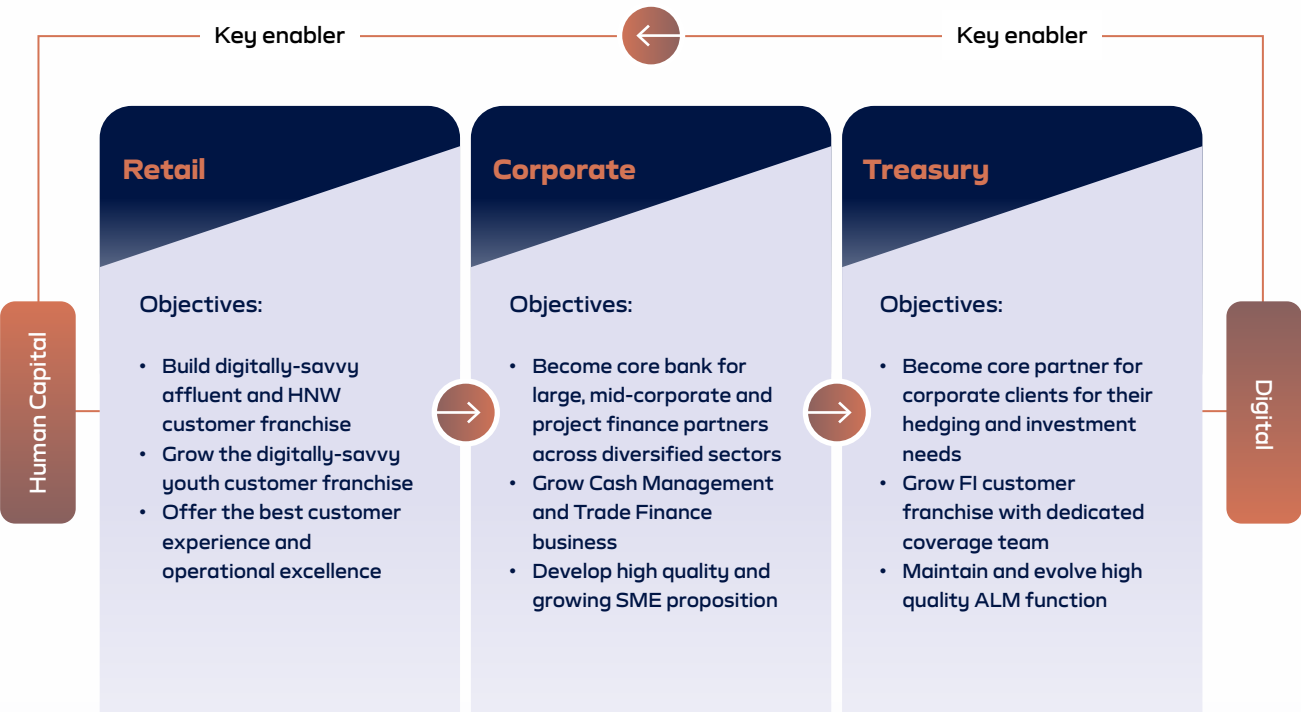
Progress in 2024

- Enhanced the benefits provided to employees in general and the education allowance in particular, which helped raise our Organizational Health Index (OHI) score to 72%
- Developed innovative recruitment programs, such as hiring individuals with disabilities and creating specialized tracks for employment in the field of AI, which contributed to reduction in turnover
- Grading system with the new salary scale enhancement
- 96% Saudization rate
- 22% female percentage of total workforce
- Conducted 77,000+ hours of training

Looking beyond 2024

- Continuously develop employees' capabilities
- Supporting social engagement
- Drive employee engagement and execute initiatives to increase the OHI score
- Create initiatives towards becoming the first employer of choice among Saudi Banks by 2025
- Continuously women empowerment and women leadership position

Strategy continued



Reflecting on our strategic progress and achievements

2021: Laying the foundation

The launch of alinma Strategy 2025 marks a transformative milestone in our journey toward becoming a leading financial institution, recognized for innovation, customer-centricity, and sustainable growth. In its first year, the strategy set the foundation for achieving our long-term vision by aligning our organizational goals with market opportunities and customer needs.

Key milestones achieved during the year included:

- Increased our Net Income by 38% to **ﷲ 2,709 million**
- One of the first banks in KSA to join the Arabian Gulf System for Financial **Automated Quick Payment Transfer (AFAQ) network**, connecting to real-time gross settlement (RTGS) platforms
- Expanded **digital self-service** zones to exist and operate in 70 branches
- Reduced the **Turn around time (TAT)** of real estate finance to 9 working days

2022: Gaining momentum

The second year of alinma Strategy 2025 represented a pivotal phase in our transformative journey, as we shifted from foundation-building to accelerating progress across strategic initiatives. In 2022, we focused on capitalizing on the groundwork laid in the previous year to drive measurable outcomes and solidify our position as a leading, innovative, and customer-centric financial institution.

The Bank achieved notable progress by:

- Growing Retail financing by 17%** and SME financing by 39%
- Launching 'ClickPay'**, a digital payment gateway that enables cashless payments for merchants and delivers flexibility and convenience to customers
- Achieving recognition as one of the top 13 companies for **Saudization leadership**
- Increasing our **Net Income to ﷲ 5,832 million**, a 21% increase on previous year

Key figures of the year

Net Income (ﷲ)

2,709 Mn

Employed

442

female staff

43%↑

2.9 Mn

customers connected via digital platforms nearly 150 million times

Key figures of the year

Net Income (ﷲ)

3,599 Mn

33%↑

Grew Retail financing by

33%

93%

increase in training

Strategy continued

2023: Achieving impact

The third year of alinma Strategy 2025 was a defining period as we transitioned from momentum-building to delivering tangible results. In 2023, our focus was on demonstrating the impact of our strategic initiatives by achieving measurable outcomes that reinforce alinma's position as a leader in innovation, operational excellence, and customer-centric financial services.

This year marked significant strides in:

- Streamlining internal processes, resulting in **SR 200 million in cost savings**
- Strengthening ESG** (Environmental, Social, and Governance) initiatives, with a 35% improvement in sustainability-linked finance
- Achieving a record **25% growth in net profit**, underscoring the effectiveness of strategic decisions

Key figures of the year

Net Income (SR)
4,839 Mn **34%** 

NPL coverage
154.9%

Net income CAGR rate
53%

631,000
Daily average users

98.4%
Digital transactions

2024: Sustaining excellence

The fourth year of alinma Strategy 2025 focused on sustaining excellence and solidifying alinma's position as a market leader. In 2024, we built upon the successes of previous years by deepening our impact, enhancing operational capabilities, and delivering exceptional value to our customers and stakeholders.

Major achievements in 2024 included:

- Exceeding **SR 276 billion in total assets**, driven by diversified revenue streams and expanded client portfolios
- Increasing the Bank's overall health score from **68 to 72**
- 39% increase** in SME financing YTD

Key figures of the year

USD 1 Bn
Sukuk issued to diversify funding base

75%
growth in deposits in corporate business

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

Built and deployed the integrated portal (CIB) for Corporate/SMEs segments

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

Launched the Supply Chain Finance product

Case Study
"iz" Success Story

A youthful opportunity in a changing market

In Saudi Arabia's dynamic financial landscape, the youth represent an untapped demographic with rapidly evolving needs. As digital natives aged 18-35 increasingly demand user-friendly, transparent and affordable financial solutions, many traditional banking products fail to address their lifestyle, savings and financial independence goals. Recognizing this gap, alinma identified an opportunity to drive financial inclusion and empowerment in alignment with Saudi Vision 2030's digital-first, cashless economy objectives.

Launching the iz App

In June 2024, alinma introduced iz, a revolutionary digital banking platform tailored specifically for Saudi youth. With its name symbolizing glory, strength and pride, iz was designed to reflect the aspirations of the Kingdom's young population. The app combines a simple onboarding process – enabling account creation in under two minutes – with a suite of features aimed at financial literacy, goal-based savings and accessible lending. Through collaborations with strategic partners, the app delivers a seamless, intuitive user experience that fosters financial independence while meeting the everyday needs of young Saudis.

A unique proposition for Saudi youth

The iz app sets itself apart with its customer-centric approach. Offering personalized savings tools, such as goal-based and shared savings accounts, it enables users to achieve lifestyle goals collaboratively. Features like Qattah, for expense-sharing, and quick access to tailored credit cards with low limits make it a practical and empowering solution. A loyalty program with rewards, preferred merchant discounts and referral incentives enhances user engagement, while financial literacy initiatives – including a two-month trial period for student credit cards – help young users gain confidence in managing their finances.

Impact and momentum in 2024

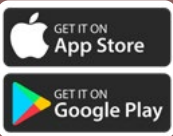
Since its launch, the iz app has rapidly gained traction, establishing itself as a leading digital banking platform for young Saudis. With significant growth in user acquisition, particularly among students and young professionals, the app has expanded alinma's market share within this vital segment. Strategic partnerships with leading technology providers and marketplace platforms have further broadened its reach and offerings. By the end of 2024, iz had already enhanced financial inclusion for thousands of Saudi youth, primed for continued growth and positioning alinma as a digital innovator driving financial empowerment across the Kingdom.



"Through the iz App, alinma is redefining digital banking for Saudi youth, empowering a generation with tools that make financial independence accessible, engaging and rewarding."



Scan to download iz mobile app



Digital Transformation and Innovation

At alinma, this was a pivotal year for its digital transformation and innovation journey. alinma’s focus and investment centered on enhancing customer experience, unlocking new business opportunities and delivering sustainable growth, spearheading a series of strategic initiatives that redefine customer and corporate banking experiences. By integrating advanced technologies, fostering strategic partnerships and leveraging data-driven insights, the Bank is building a robust and resilient organization, positioned as a leader in the evolving financial ecosystem.

A strategic approach to digital transformation and innovation

The Bank’s strategic focus during the year was on delivering customer-centric solutions that drive innovation through personalized and data-driven financial services. By leveraging artificial intelligence and enhancing Open Banking integrations, alinma aims to set industry standards while aligning with the broader objectives of Saudi Vision 2030.

alinma’s approach emphasizes venturing into new business opportunities and creating market-disrupting propositions designed to attract and engage targeted customer segments. This commitment extends to enhancing customer experiences through real-time, tailored services, ensuring seamless and intuitive interactions across all channels.

At the same time, the Bank focused on increasing operational efficiency by integrating cutting-edge technologies such as AI and automation into its processes, ensuring a future-ready infrastructure that supports sustained growth and innovation.

Reflecting the success of the Bank’s digital-driven strategy, alinma delivered outstanding results across its digital key performance indicators. Digital onboarding accounted for 86% of all new customer acquisitions, marking a 66% growth compared to the previous year. Revenue from digital fees rose by 23%, while financial transactions processed through digital platforms increased by 25%.

Digital sales also demonstrated significant progress. 20% of all bank cards were sold digitally, while personal finance sales surged by 161%, with digital channels accounting for 11% of all financing. Customer satisfaction, as reflected in the Bank’s digital Net Promoter Score (NPS), reached an impressive 72, a 41% improvement over the previous year.

Engagement metrics underscored the growing adoption of alinma’s digital services. The number of engaged users grew by 18%, while active users increased by 26%. The consistent quality of the Bank’s digital services was evident in the lifetime rating of its mobile app, which stood at an exceptional 4.8, reflecting the Bank’s ability to innovate, execute and deliver a superior digital banking experience.

Launching innovative platforms and solutions

alinma introduced a range of new propositions and services throughout the year to strengthen its market presence and enhance customer experiences. One highlight was the launch of the “iz” banking channel, a dynamic platform tailored to engage the youth segment under a fresh new brand, reflecting the Bank’s commitment to fostering financial inclusion and addressing the needs of younger customers.

In Corporate Banking, alinma unveiled a state-of-the-art digital platform, offering advanced self-service capabilities and innovative tools to streamline financial operations for businesses. This revamped corporate internet banking channel delivers an intuitive, seamless experience, with enhanced cash management solutions at its core.

The Open Banking capabilities were expanded by developing a robust API infrastructure and launching a Banking-as-a-Service (BaaS) platform, enabling innovative business use cases and new revenue streams. These advancements position alinma at the forefront of the evolving financial ecosystem, fostering greater collaboration and innovation.

To further personalize customer engagement, the Bank implemented fully automated, data-driven lifecycle management, enhancing activation, retention, and engagement through tailored experiences. Additionally, alinma ventured into beyond banking services with the launch of digital marketplaces and introduced new digital lending products, including student and professional credit cards, while streamlining mortgage, refinance and top-up processes for greater convenience.

The focus on digital capability building continued, with agile transformation delivery reaching an impressive 95% completion rate. Customer satisfaction was also prioritized, maintaining rigorous Net Promoter Score (NPS) monitoring and making strides toward achieving the top position among local banks.

Digital onboarding accounted for 86% of all new customer acquisitions, marking a 66% growth compared to the previous year. Revenue from digital fees rose by 23%, while financial transactions processed through digital platforms increased by 25%.

Digital Transformation and Innovation continued

Driving experience and efficiency with AI

alinma has embraced artificial intelligence as a core driver of innovation and operational efficiency, launching several AI-driven initiatives to enhance customer experiences and business outcomes.

AI-powered analytics have significantly improved cross-selling and upselling by delivering deeper insights into customer behavior and preferences. This capability is further demonstrated in the deployment of AI across more than 20 customer value management (CVM) scenarios, enabling highly personalized product recommendations that meet individual customer needs.

alinma's commitment to ethical AI implementation ensures that all applications align with regulatory frameworks and uphold the highest standards of integrity.

Additionally, the Bank is actively exploring the potential of generative AI for internal use cases, paving the way for innovative solutions that enhance efficiency and productivity. These AI-driven initiatives reinforce alinma's position as a forward-thinking, technology-focused institution dedicated to delivering exceptional value to customers and stakeholders alike.

Forging impactful partnerships

alinma has forged strategic alliances with leading organizations to accelerate innovation, broaden its service offerings and deliver enhanced customer experiences. Collaborating with top technology providers, the Bank has strengthened its digital banking capabilities, ensuring seamless and cutting-edge services that cater to evolving customer needs.

The Bank expanded on its marketplace partners offering diverse, value-added services that go beyond traditional banking. Additionally, we deepened our commitment to an open banking ecosystem by collaborating with 12 third-party providers (TPPs), enabling greater flexibility, security and innovation in delivering personalized financial solutions.

Digital transformation and innovation in 2025

In the year ahead, alinma aims to accelerate its digital transformation and innovation efforts through ambitious objectives and transformative initiatives designed to enhance digital adoption, customer engagement and service offerings. The Bank's key priorities include increasing digital fees by 18%, cards sold digitally by 50% and doubling the percentage of financing sold through digital channels. alinma also aims to increase the percentage of active customers, reflecting its focus on delivering highly personalized and impactful digital experiences.

To support these goals, alinma is launching a series of initiatives that include the implementation of a fully digitalized Straight-Through Processing (STP) system for lending, enabling a seamless and efficient borrowing experience. The new card products will empower customers to design personalized card offerings, while gamification will enhance engagement and customer retention.

Expanding on the business banking capabilities, alinma plans to avail new advanced digital platforms ensuring its wealth, corporate and trade customers have the right resources to manage their financial and operational needs effectively. The Bank will also further its Banking-as-a-Service (BaaS) offerings and seek marketplace expansion that will introduce unique offerings to its valued customers. These initiatives are aligned with alinma's vision to lead innovation in the banking sector and deliver exceptional value to its customers while driving sustainable growth.



Market Overview

Saudi Arabia and the GCC are experiencing revolutionary economic transformation, which is being driven by Vision 2030's diversification initiatives and strategic investments. With an emphasis on minimizing oil reliance, increasing non-oil industries, and supporting innovation, the area is presenting itself as a worldwide economic and technical powerhouse. This dynamic transition is seen in excellent performance across key sectors, including banking and finance, which are critical to the region's long-term prosperity.

Saudi Arabia and GCC: Economic trends

Saudi Arabia's economic landscape is characterized by a dynamic transformation, driven by the Kingdom's Vision 2030 initiatives. These efforts have been instrumental in diversifying the economic base, reducing reliance on oil revenues, and continuous growth in non-oil sectors. In 2024, Saudi Arabia's economy recorded a growth rate of 2.6%, fueled by a robust 3.9% expansion in non-oil activities. This reflects the success of initiatives aimed at strengthening private sector participation, enhancing investment flows, and creating a business-friendly environment.

The broader Gulf Cooperation Council (GCC) region mirrored this positive trend, with regional growth reaching 2.4%, up from 0.4% in the previous year. Economic diversification, strategic public investments, and a focus on human capital development have positioned the region as a hub for innovation and resilience.

Continued growth for Saudi Arabia

Saudi Arabia's non-oil economy remains a cornerstone of its growth trajectory, as the government continues its efforts to diversify the economy and strengthen the private sector, which is crucial for job creation. In Q3 of 2024, according to the latest recent flash estimate, the real GDP expanded by 2.8% compared to the same period in the previous year, with non-oil activities achieving a notable growth rate of 4.2%. The latest projection from the Ministry of Finance shows real GDP growing 0.8% for 2024, with non-oil activities serving as a major contributor. These projections underscore the success of ongoing reforms under Vision 2030 to stimulate private investment and economic diversification.

Inflation, as measured by the consumer price index, is forecast to remain moderate, averaging around 1.7% in 2024. The primary drivers of this inflation include rising rates in the services sector and housing rents. These factors reflect increased economic activity and demand within the non-oil sectors, signalling resilience despite global economic uncertainties. The resulting uptick in job creation has marked the strongest improvement in employment levels in nearly a decade. Wage growth has accelerated alongside input costs, partly due to higher purchase price inflation.

On the fiscal side, Saudi Arabia recorded a deficit of ﷲ 115 billion in 2024, with government spending rising by 4% year-on-year. Tax revenues are estimated to increase by 2.7% to ﷲ 366 billion compared to ﷲ 361 billion in the

previous year, while the remaining revenues which include oil revenues increased slightly by 0.9% to reach ﷲ 863 billion. In 2025, the Ministry of Finance plans to allocate over ﷲ 1.285 trillion in expenditures, projecting a deficit of ﷲ 101 billion by year-end, as the Kingdom maintains its focus on achieving sustainable economic growth and diversification.

Saudi banking sector

The Saudi banking sector operates within one of the GCC's most resilient financial environments, characterized by exceptional asset quality, robust capitalization, healthy profitability, and abundant liquidity. Supported by high oil prices and sustained government spending, it plays a pivotal role in driving non-oil GDP growth, advancing giga projects, and fueling the transformative Vision 2030 agenda.

In 2024, financing growth is projected at 8%-9%, reflecting a slight decline from the 10% recorded in 2023. Corporate lending is expected to dominate, contributing approximately 60% of new originations. This indicates strong demand for funding critical infrastructure projects and economic diversification efforts.

However, the sector faces liquidity pressures stemming from heightened competition for funding. In 2023, government-related deposits accounted for 32% of total deposits, largely comprising high-cost term deposits. This deposit structure has constrained the contribution of low-cost CASA deposits, stabilizing net financing margins at an average of 3.2%.

Asset quality remains a key strength, supported by prudent risk management and the prevalence of government-backed mortgage programs. Non-performing loans (NPLs) have stayed stable at 1.5%, underscoring the sector's resilience. Nonetheless, rising interest rates may pose challenges, as evidenced by a slight increase in stage 2 loans, which signals potential stress on corporate creditworthiness. Despite this, the sector remains well-supported by strong earnings generation and a solid capital adequacy ratio of 19.5%.

With such a solid foundation, the Saudi banking sector is well-positioned as a cornerstone of the Kingdom's economic transformation. It offers significant opportunities to accelerate Vision 2030 initiatives, fostering long-term sustainable growth.

In 2024, Saudi Arabia's economy recorded a growth rate of 2.6%, fueled by a robust 3.9% expansion in non-oil activities.

Market Overview continued

Digital transformation and innovation

The Saudi banking sector is undergoing a profound metamorphosis, driven by the ambitious goals of Vision 2030. Their direct exposure to energy transition risks remains modest, with financing to oil, gas, and power generation sectors comprising only 11% of total lending. However, the interconnected nature of these sectors underscores the importance of integrating sustainability into core banking practices. As Saudi banks finance long-term Vision 2030 projects, their ability to access global capital markets becomes crucial. Aligning with international sustainability standards is not just a matter of corporate responsibility, but a strategic necessity to meet growing financing needs and attract foreign investment.

Saudi Arabia's participation in "Project mBridge," a groundbreaking central bank digital currency (CBDC) initiative, demonstrates its commitment to financial innovation. This collaboration, led by the Bank for International Settlements (BIS) and regional partners, leverages China's e-yuan code and is compatible with the Ethereum Virtual Machine. By engaging in "mBridge," Saudi Arabia is positioning itself at the forefront of modern cross-border CBDC transactions.

This strategic involvement in digital currency development aligns seamlessly with Vision 2030's overarching goals. It not only supports the Kingdom's efforts to diversify its economy but also modernizes its financial infrastructure, enhancing Saudi Arabia's global influence and economic competitiveness on the world stage.

Sustainability and long-term outlook

The integration of environmental, social, and governance (ESG) principles into banking practices has gained momentum, with investments increasingly directed towards sustainable projects. The Saudi banking sector's exposure to energy transition risks remains limited, yet its role in financing green initiatives is expected to grow significantly.

Looking ahead, Saudi Arabia's economy is projected to maintain a positive trajectory, supported by continued reforms, rising private sector engagement, and technological innovation. Saudi Arabia is transforming its economy, shifting from oil dependency to a diversified, innovation-driven model. The government is strategically developing non-oil sectors, attracting international investments, and creating new economic opportunities.

Key reforms are focusing on expanding private sector growth, increasing female workforce participation, and modernizing economic infrastructure. Additionally, by reducing reliance on oil revenues, Saudi Arabia is building a more sustainable and flexible economic foundation for future generations.

The latest projection from the Ministry of Finance shows real GDP growing 0.8% for 2024, with non-oil activities serving as a major contributor.



CFO's Review

Delivering Progress, Sustaining Growth

Gross Funded Income
ﷲ 16,155 Mn
+22%

" A key driver of our excellent results this year was the 16% increase in financing to ﷲ 206.1 Bn, coming in higher than the Saudi banking industry average for 2024 "

Adel Saleh Abalkhail
Chief Financial Officer



On the background of overall economic changes in 2024, characterized by continued high interest rates and many changes taking place in the banking industry, alinma delivered an exceptional performance. Our continuing support of the Vision 2030 roadmap for the economic transformation of our country and our dedicated focus on core banking activities were integral to the Bank's achievements in the 2024 financial year.



The Bank's balance sheet continued to strengthen in 2024, with total assets growing 17% to reach ﷲ 276,827 Mn as a result of the 17% increase in financing growth and 12% growth in investments.



Current and savings account (CASA) deposits, which showed strong growth of 20%, comprised 51.6% of all deposits in 2024, while time deposits were 48.4%.

By leveraging our resilience and adaptability in the face of an unprecedented interest rate cycle, alinma earned ﷲ 5,832 million in net profits after zakat for the year, representing a substantial 21% increase compared to 2023.

Retail and corporate financing drive performance

A key driver of our excellent results this year was the 16% increase in financing to ﷲ 206.1 billion, coming in higher than the Saudi banking industry average for 2024. With strong performances being delivered by all our operating segments, alinma once again validated its profile as the fastest growing bank in Saudi Arabia. Although the youngest bank in Saudi Arabia, we have made substantial inroads into the banking sector, with our market share in assets, financing, deposits, and CASA all increasing in 2024.

Higher rates extend margins

Total operating income increased 12% to ﷲ 10,940 million in the year to 31 December 2024, driven in large part by a 13% increase in funded income and 11% in non-funded income. As a result, net income after zakat increased 21% to ﷲ 5,832 million.

The growth in operating expenses continued to slow in this year , coming in at 11% higher this year compared to 2023. While our cost to income ratio continue to decrease reaching 30.9% with 0.4ppt decrease year-on-year..

Vision 2030 project financing gathers momentum

Our industry-beating credit performance was headlined by a 17% increase in the Retail Banking Group's gross financing portfolio, which benefited from new products, such as revolving credit cards and auto financing options, and an increase in home financing.

Corporate Bank financing was 15% higher, thanks to the growth in contributions from all corporate segments. Our project financing operation, which is strategically aligned with Vision 2030, delivered a particularly strong performance of 21% growth, while SME financing made considerable progress by 39%, supported by new leadership and strategic initiatives.

As of the end of the year, alinma's overall gross financing portfolio was divided into 66% large corporate and project finance, 5% mid-corporates, SMEs accounted for 5%, home financing came in at 12%, and personal and other retail financing was 12%.

Strong asset growth

The Bank's balance sheet continued to strengthen in 2024, with total assets growing 17% to reach ﷲ 276,827 million as a result of the 17% increase in financing growth and 12% growth in investments.

CFO's Review continued

The balance sheet was also reinforced by a healthy increase in customer deposits, which were 12% higher at ₪ 210,545 million. Current and savings account (CASA) deposits, which showed strong growth of 20%, comprised 51.6% of all deposits in 2024, while time deposits were 48.4%. Growth in total assets was positively impacted by increases in the value of our investments, growth in SAMA, and interbank balances. Our liabilities were 16% higher, largely due to the 12% increase in customer deposits.

Our total equity grew by 21%, primarily supported by the successful issuance of Tier 1 Sukuk. Our inaugural international issuance was well received, reflecting strong investor confidence and competitive pricing.

Gross funded income increased 22% to ₪ 16,155 million, thanks to the hefty 22% rise in investment income and financing income coming in 22% higher. The net profit margin decreased by 10 bps to 3.70%.

Robust cross-selling activity supported the increase in non-funded income, which rose 11% to ₪ 2,291 million. Fund management fees comprised the largest portion fees from banking services at 35%, while card services fees accounted for 21%, other fees for 20% and trade finance services and brokerage fees 13% and 11% respectively.

Market-leading metrics

alinma's key profitability metrics remained market leading in 2024, with a return on assets (ROA) of 2.3%, reflecting a 10 basis points

improvement, and a return on equity (ROE) of 18.8%, up from 17.2% in 2023. This impressive performance placed alinma second among all Saudi Arabian banks.

After accounting for the 11% increase in operating expenses, which was due in large part to a rise in employee, G&A costs, our positive Jaws (the comparison between total operating income growth and expenses growth) saw the cost-to-income ratio improve to 30.9% (2023: 31.3%), substantially lower than the 36% at the end of 2020. The steady decline in this ratio is once again evidence of our operating efficiency strategy, digitalization, process optimization, and the positive impact of the 2025 strategy on our overall performance.

Continuous improvement in asset quality

In the year under review, alinma's non-performing loans (NPL) ratio decreased 55 basis points to 1.06%, reflecting the continued improvement in the quality of our assets and the growth in the financing portfolio. Our non-performing loans coverage ratio increased to 172.3%, reflecting our prudent and conservative approach. The impairment charge for financing was 17% lower than 2023 at of ₪ 1,050 million, while our cost of risk declined 22 bps to 0.55%, reflecting the Bank's excellent due diligence processes in assessing assets and the high quality of its financing portfolio.

Strong capital position

The Bank maintained its healthy capital and liquidity ratios, with the capital adequacy ratio coming in at 17.7% compared to 17.5% in 2023. The

net stable funding ratio (NSFR) remained healthy at 108.2% well above regulatory minimum.

Our loan to deposit ratio (LDR), increased 2.8ppts to 83.3%, while the liquidity coverage ratio decreased 25 ppts to 13.8%. Our ongoing focus on strong liquidity and efficiency that remain comfortably within regulatory limits provides investors with confidence about the prudential management of the Bank.

Executing our 2025 Strategy

alinma's 2025 Strategy continued to advance activities aligned with projects identified in Vision 2030. Equally important was alinma's support of the SME sector by providing financing and banking services to ensure this segment achieves the growth and GDP contribution targeted by the country's vision.

alinma has been particularly focused on capturing the opportunities that have emerged from the ongoing diversification of the economy, the expansion of the SME sector, and growing demand for project financing of public-private partnerships. This approach has been exceptionally successful, as evident in the growth of our financing in all business segments.

Underpinning this growth were our activities supporting the diverse needs of different corporate segments and the diversification of the portfolio by tapping into new client segments.

Digital transformation gathers momentum

Our digital journey reached new milestones in 2024 with the launch

of our youth-focused digital banking app, "iz". This innovative platform demonstrates our commitment to serving the younger demographic, and reinforced our position as a leader in digital banking solutions. Evidence of our value proposition aligning with the ambitions and needs of young Saudis is the exceptional increase in our youth customer base in 2024.

During the year, our penetration of digital banking in Saudi Arabia strengthened, the Retail Banking Group averaged 23.8 million monthly average users, based on smart phone logins, with 98.6% of all transactions taking place on our digital platforms.

Share capital increase

During the financial year, the Bank's share capital increased by 25% following the issue of bonus shares. On December 31, 2023, the Board recommended a capital increase to ₪ 25 billion, representing a 25% increase. This was executed during 2024 by issuing bonus shares in a 1:4 ratio, capitalizing ₪ 5 billion from retained earnings.

Significant advances in sustainability

alinma's ESG score improved significantly from 28 to 68 in 2024, placing alinma among

the top 25% of banks worldwide in ESG performance. Environmental and social responsibility metrics went from 14 to 57, while the governance score rose from 53 to 88. These remarkable achievements underscore the Bank's dedicated and strategic efforts to embed sustainability practices throughout its operations, positioning ESG as a core pillar in our long-term strategy. Additionally, the incorporation of tangible ESG measures has delivered cost-savings to the Bank, notably, our energy costs decreased after installing solar panels.

alinma in 2025

In the coming year, we will focus on completing our 2025 strategic initiatives. We have set ambitious financial and non-financial targets for the year, which we aim to outperform.

A key focus for the coming year will be the development of the 2030 strategy, which will chart our course for the coming years. As ever, our priorities will be to deliver value to our shareholders, provide innovative solutions to our customers, and contribute to the realization of Saudi Vision 2030.

Total Equity

+21%

Non-funded Income

₪ 2,291 Mn

Share Capital

+25%



Robust cross-selling activity supported the increase in non-funded income, which rose 11% to ₪ 2,291 million.

Operating Review

alinma stands at the forefront of providing comprehensive and integrated best practice services designed to meet the diverse needs of our clients. Through our multifaceted approach, we offer a broad spectrum of financial solutions that cater to individuals, small and medium-sized businesses, and large corporations alike, ensuring a seamless and efficient banking experience.



Retail Banking Group

Our Retail Banking business serves individuals across all segments (private, diamond, platinum, and gold) and small to medium-sized businesses. It delivers a comprehensive range of financing products and solutions, deposit accounts, cards, and other banking services across its network of branches, private banking centers, sales centers, and call center, and through our digital channels via mobile and internet banking. The Bank strives to empower its customers and enhance their financial well-being with personalized solutions that create a fast and convenient customer experience and journey in our branches and digital channels.

2024 Key achievements

- Achieved 16.8% growth in financing portfolio (83% growth in auto lease)
- Achieved 1.5X growth in remittance business and 2.0X growth in card spend
- Achieved 3rd place in Saudi Market for Retail deposits and customer base
- Completed all branch Merger Plan



Corporate Banking Group

The Corporate Banking Group (CBG) provides specialized financing, deposits, and a suite of products and services to cater to the unique requirements of corporate and institutional customers. alinma is dedicated to supporting businesses in achieving their financial goals and fostering growth.

The CBG provides financing to the following client segments: Small and Medium Enterprises (SMEs), Mid Corporates, Large Corporates, and Project and Structured Finance. Our Global Transaction Banking (GTB) department provides cash management solutions, manages non-borrowing clients for liability generation, and provides trade finance solutions. Other support departments within the CBG include Customer Support, Portfolio management, and Corporate Banking Excellence.

2024 Key achievements

- Launched eCLO phase 2 covering ICB, PSF, CCB and SME traditional
- Launched the Supply Chain Finance product
- +15% (YoY) growth in Corporate financing including SMEs
- 75% growth in deposits
- 25% growth in trade finance income

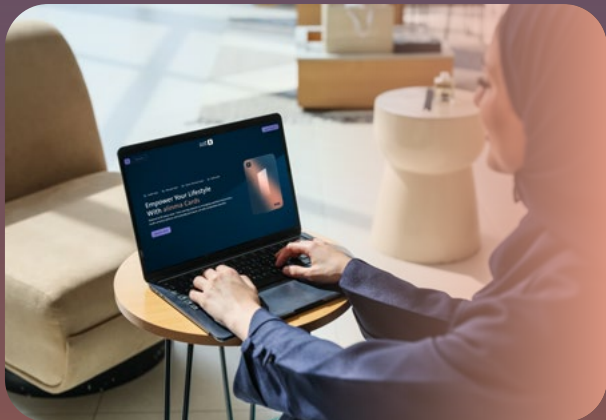


Treasury Group

alinma's Treasury Department plays a pivotal role in enhancing the income stream of the Bank by improving yield income generated from investment activities, as well as special commission and fee income through various Treasury FX and profit rate solutions. In addition to that, Treasury applies sophisticated products, such as GMRA and FX Swap, to secure liquidity at a lower and competitive cost. Treasury also supports balance sheet growth by maintaining a healthy and sound funding mix.

2024 Key achievements

- USD 1 billion Sukuk issued to diversify funding base
- Executed bilateral financing with a total amount of USD 300 million
- Executed PRS transactions to hedge floating rate assets worth ﷲ 4.6 billion
- +8.5 billion growth in Profit Rate Swap (PRS)
- Net growth in the investment book + ﷲ 4.8 billion



Operating Review
Retail Banking Group

Growth, Innovation and
Customer-Centric Excellence



RBG successfully enhanced its coverage and servicing model to tailor its offering to HNW clients' needs by streamlining coverage by relationship managers and team leaders and establishing a credit team dedicated to private banking clients.



alinma's Retail Banking Group (RBG) has achieved consistent growth in the past four years, expanding its customer base to over five million customers, of which an impressive 90% of these relationships were established via its digital channels.

Since 2021, when the Bank's 2025 Strategy was launched, RBG has been extremely successful in leveraging best-in-class and emerging technologies to meet the evolving needs of its customers in Saudi Arabia, while simultaneously delivering seamless banking experiences.

Alongside its market-leading customer-facing platforms, RBG has also been at the forefront of product innovation, introducing a suite of banking offerings that played a key role in driving its competitive position, deposits and asset and revenue growth.

Market-leading product innovation

One of the best performers has been the auto lease product, which was launched in December 2022. Enthusiastically embraced by Saudi customers, RBG's auto lease book has reached ﷲ 2.8 billion in only two years. Furthermore, it has significantly enhanced and complemented alinma's personal finance offering by expanding its vehicle financing suite of products.

RBG's Shariah-compliant revolving credit card, introduced in late 2021, played a pivotal role in growing alinma's card business to nearly ﷲ 1 billion. The digital time deposit, introduced in 2022, was another impressive innovation, providing one of the best customer experiences in the domestic market by offering customers flexible, online-only deposit services with deposit durations varying from one month to three years. Substantial improvements in convenience have resulted in RBG attracting more than ﷲ 43 billion in term deposits since the product was introduced to the market.

To align with changing regulations governing the Real Estate Development Fund's (REDF) initiatives, RBG augmented its tailored mortgage offerings over the past four years. In doing so, RBG remained abreast of market changes, offering products that meet the evolving real estate financing needs of its customers.

This was also the case in RBG's personal finance business line, which evolved over the past four years to reflect the new regulatory environment for personal debt burden ratios. With its new products, customers' borrowing needs were met within the constraints of responsible lending criteria.

Rationalizing the branch network for optimal customer satisfaction

At the operational level, RBG optimized its branch network by merging ladies sections with branches to improve efficiency and customer service. A complete revamp of all branch operations and customer-facing activities offered a substantially enhanced journey and experience, enabled by digitalization, migration to electronic channels and simplification.

Three new private banking centers were opened to cater to high-net-worth (HNW) customers. This was accompanied by revamped segmentation of clients and new products and services. RBG successfully enhanced its coverage and servicing model to tailor its offering to HNW clients' needs by streamlining coverage by relationship managers and team leaders and establishing a credit team dedicated to private banking clients.

Financing portfolio

+16.8%

Number of ATMs

1,483

Number of branches

115

RBG's Shariah-compliant revolving credit card, introduced in late 2021, played a pivotal role in growing alinma's card business to nearly ﷲ 1 billion



Operating Review
Retail Banking Group continued

Importantly, RBG's private banking business continuously collaborated with other divisions in the Bank, including alinma capital (AIC) to deepen client relationships and maximize cross-selling prospects.

alinma is proud to report that these RBG enhancements, along with a redefined value proposition for private banking clients, contributed to alinma achieving the second-highest net promoter score (NPS) among Saudi banks in recognition of service excellence and customer satisfaction.

RBG's performance in 2024

In the financial year under review, RBG continued its track record of exceptional performance, buoyed by its well-deserved reputation for innovation, customer engagement and digital transformation.

A key feature of the year was alinma's participation in Cityscape Global 2024 in Riyadh. This event was the world's largest real estate exhibition to date, with attendees from the global real estate industry showcasing innovative projects and facilitating significant business deals.

alinma's RBG had a very successful outcome from its participation in Cityscape Global, breaking all records by securing the highest number of real estate financing applications.

New-to-Bank strategy pays dividends

Equally driving momentum during 2024 was RBG's "New-to-Bank" (NTB) strategy, which was integral to alinma surpassing the crucial five million customer milestone this year. The NTB initiative prioritized youth and women customers, capitalizing on all strategic opportunities to cross-sell in segments that are increasingly playing a role in the country's economy through their rising employment numbers. This element of RBG's strategy was very successful in growing the customer base and bottom-line profitability.

With a rapidly growing younger demographic in Saudi Arabia, RBG's launch of its innovative "iz" youth mobile phone app proved very successful in delivering tailored financial solutions to these increasingly discerning customers.

RBG's performance in 2024 was also boosted by new strategic partnerships with government and semi-government entities, which led to growth in government deposits and new product adoption. RBG focused on further building its relationships with Government entities, charities and other non-person/non-corporate entities.

The successes of the past year demonstrated RBG's ability to attract large public sector and non-profit organizations, and alinma believes this will represent a sizeable portion of its business in time.

RBG wins at Islamic banking

In 2024, alinma once again demonstrated its commitment to innovation and customer-centric banking by introducing a non-Zakat paying investment pool for its savings and Nama products. This strategic initiative offered RBG customers new Shariah-compliant options for managing their investments.

A non-Zakat paying pool, established by RBG and approved by alinma's Shariah Committee, enabled customers to invest their funds without the obligation to pay Zakat on deposits. This innovative approach was warmly received by customers who must deal with the complexities of Zakat calculations on their investment returns.

RBG complemented its new non-Zakat pool by launching a USD-denominated savings account product in late 2024 to offer a secure savings option for expatriates and international traders dealing in the US currency. This move positioned alinma as the go-to bank to set up KSA-based USD-denominated accounts.

RBG's flagship time deposit product, Nama, also underwent significant enhancements. A new investment range was introduced, making high-yield investments more accessible to a broader customer base.

Furthermore, RBG implemented a differentiated profit rate structure for Nama deals, tailoring returns based on the investment amount and thus offering more personalized financial solutions.

By addressing the long-standing concern of Zakat calculations on investments, RBG simplified the investment process for its customers and potentially enhanced their returns. This move provided alinma with a significant competitive edge in the Islamic banking sector, attracting new customers and encouraging existing ones to increase their deposits.

Excellent KPI trajectory in 2024

RBG's results against its key strategic and financial targets in 2024 showed sustained momentum that surpassed expectations, with total financing assets growing 16% and deposits surging 112% compared to 2023. Yield income increased by 23%, and financing sales across personal, real estate and auto lease segments showed robust growth.

RBG also made notable gains in market shares in highly competitive segments. Its share of the real estate sales market rose from 5% to 6%, while its remittance services doubled its market share to 4.5%.

Driving an optimal customer experience

RBG's unstinting focus on enhancing the customer experience was reflected in several initiatives implemented in 2024 that elevated service delivery standards.

The introduction of an escrow account portal had the effect of automating real estate payment processes, expediting purchase times. The introduction of paperless services by using one-time password (OTP) authentication achieved an impressive 73% adoption rate. Additionally, RBG migrated 77% of its retail services to self-service digital platforms, providing both convenience and efficiency for its customers.

Branch innovations, such as the implementation of teller cash recycling technology in 70% of branches and the appointment of dedicated lounge managers in flagship locations, further streamlined operations and enriched the in-branch experience. These initiatives contributed to a significant improvement in alinma's NPS score, which rose from 67 to 72 by the end of 2024.

Targeting double-digit growth in 2025

Looking ahead, RBG will complete its 2020–2025 strategic initiatives in the coming year, further embedding alinma's position as a leader in the Saudi financial services sector.

RBG has set its sights on double-digit growth in assets and deposits, while also launching 30 new products in its financing, cards and account categories in the coming year.

Further technological innovation, including the development of AI-driven platforms, process optimization and smart queuing systems, will boost operational efficiency, which in turn will further amplify the customer experience.

At the bricks and mortar level, RBG expects to expand its physical network by opening three new branches in the coming year, while renovating other locations as part of its commitment to accessibility and service excellence.

RBG migrated 77% of its retail services to self-service digital platforms, providing both convenience and efficiency for its customers.

Operating Review
Treasury Group



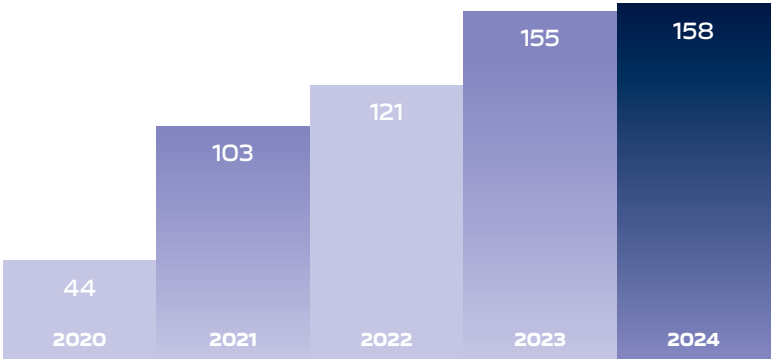
Treasury team successfully arranged alinma's first-ever USD-denominated AT1 issuance of USD 1 billion.



alinma's Treasury division has emerged as a cornerstone of innovation and growth, driving the Bank's strategic vision and reinforcing its leadership in Saudi Arabia's financial landscape. Since the commencement of the Bank's 2025 Strategy, Treasury has consistently delivered transformative solutions, advanced operational capabilities and expanded its product offerings to meet the evolving needs of its clients. Guided by a commitment to excellence and powered by cutting-edge technologies, the division has solidified its position as a trusted partner for corporate clients and financial institutions while achieving significant milestones that reflect its contribution to alinma's overall success.

Over the past four years of the 2025 Strategy, the Treasury division of alinma has demonstrated its commitment to innovation, growth and excellence in financial services, implementing the Bank's strategic vision in line with Saudi Arabia's economic objectives, encapsulated in Vision 2030. Underpinning the performance over this period was the adoption and implementation of the first phase of MUREX, a leading treasury system renowned for its robust capabilities and industry reputation.

Total agreements tailored to the Bank and clients



MUREX has had a transformative impact on alinma's Treasury division, enabling it to significantly enhance its product infrastructure and operational capabilities. It facilitated comprehensive coverage of complex products while also enhanced its risk management monitoring. In the fast-moving environment of treasury operations, it was also fundamental to the division's roll out of real-time processing. This advanced system delivered seamless scalability, allowing Treasury to handle high transaction volumes efficiently while minimizing operational challenges.

The chosen Treasury partner for Saudi corporate clients

Treasury's strategic focus in 2024 encompassed several key areas, including positioning itself as a core partner for corporate clients for their hedging and investment needs; growing the product range to offer a comprehensive value proposition; and achieving ₪ 21 billion in hedging products traded.

The division also focused on expanding the financial institution (FI) customer franchise with dedicated coverage teams and maintaining and evolving a high-quality asset and liability management function. It concentrated on optimizing the

balance sheet by growing quality liquid assets and diversifying funding sources, and continuously innovating treasury products to meet evolving market demands.

Delivering key milestones

During 2024, the Treasury team successfully arranged alinma's first-ever USD-denominated AT1 issuance of USD 1 billion, which was oversubscribed, reflecting strong investor confidence in the Bank.

Treasury executed bilateral financing with domestic and international banks of USD 300 million, and it established and activated a fully-fledged derivatives desk in line with its strategic growth initiatives. Additionally, the division arranged a cashflow hedge of ₪ 4.5 billion in anticipation of interest rate cuts and concluded structured deposit transactions amounting to ₪ 2 billion.

Treasury continued to diversify its product offerings, introducing new solutions such as unfunded cover for structured deposits. These innovations, coupled with the cross-sell initiative launched in 2022, resulted in a substantial increase in profitability and client base.

(YoY) growth

+15%

Deposits

+75%

Trade finance income

+25%

During 2024, the Treasury team successfully arranged alinma's first-ever USD-denominated AT1 issuance of USD 1 billion, which was oversubscribed, reflecting strong investor confidence in the Bank.



Operating Review
Treasury Group continued

Treasury successes during the year yielded impressive results in market performance. alinma's ranking as a Primary Dealer by the National Debt Management Center improved to second place from fifth in 2023. The Bank's FX market share increased to 9% from 6.5%, despite the country's overall lower volumes of FX trades in 2024, and Treasury executed ٢٤.5 billion in FX Wa'ad and ٢٤.17 billion in profit rate swaps.

Growing customer base through cross-selling and new products

In 2022, Treasury established a cross-sell initiative with alinma's Corporate and Retail divisions, using dedicated joint visits to clients to introduce new derivatives products. As a result, the volume of products sold increased, leading to a substantial increase in profitability and the expansion of the Bank's client base.

Treasury also expanded its foreign exchange offering by introducing FX Forward and Flexi Forward products in 2022, enabling clients to hedge their FX risk and exposures in foreign currencies.

The Bank's funding base solutions were expanded with the introduction of new liquidity management products such as FX Swap, Plain Vanilla Repo and Evergreen Repo based on the innovative double Wa'ad concept in 2021. Additionally, in 2023 a senior unsecured USD-denominated SUKUK program was established, to be used when market conditions are suitable and to diversify Treasury's sources of funding.

Furthermore, Treasury incorporated tailored solutions into template agreements to attract clients and banks, resulting in a growing corporate and banking client base and higher volumes in products sold. alinma is considered a leader in Shariah-compliant variations of typically conventional products into the Saudi market in collaboration with international banks. Typical products and solutions include evergreen REPOs; REPOs to maturity; direct lending investment, and collateral investment without commodity.

Treasury's tailored in-house solutions were successful in overcoming transactional challenges that arose as a result of expanding its product offering. These included the late payments solution, which compensated the Bank for costs arising from late payments, as well as collateral investment to permit the Bank to earn returns on cash collateral balances.

The adoption of an enhanced confirmation and communication process this year minimized the effort associated with deal execution. Furthermore, alinma introduced benchmark optionality, by adding caps, floors and ranges on the benchmark to enhance yields and attract more long-term deposits. Treasury also added periodic and floating payment options last year to the repo double Wa'ad product to avail new funding mechanisms and attract new international banks.

Raising the bar with MUREX 2

During 2024, Treasury successfully implemented and deployed the second phase of MUREX, further consolidating its position as an innovator in the Kingdom's sophisticated financial sector.

The functionality offered by the new MUREX phase allowed Treasury to enhance the complexity and variety of its current products as well as providing the opportunity to offer 11 new Over the Counter derivatives solutions that have been successful in meeting the evolving needs of the Bank's clients.



New Over the Counter Treasury solutions

- 1. Cross Currency SWAP
- 2. Structured Deposit Collared rate
- 3. Structure Deposit Range accrual
- 4. PRS Collared rate
- 5. PRS Range accrual to cover float vs. float
- 6. PRS CapFloor
- 7. TRF FX
- 8. TRF FX EKI
- 9. TRF FX KO Barrier
- 10. Equity-linked Structured Deposit
- 11. Commodity-linked Structured Deposit

Following the implementation of the latest phase, the division is well positioned to vie for the accolade of the most innovative Treasury in Saudi Arabia and internationally.

Following the implementation of the latest phase, the division is well positioned to vie for the accolade of the most innovative Treasury in Saudi Arabia and internationally.

Maintaining momentum in 2025

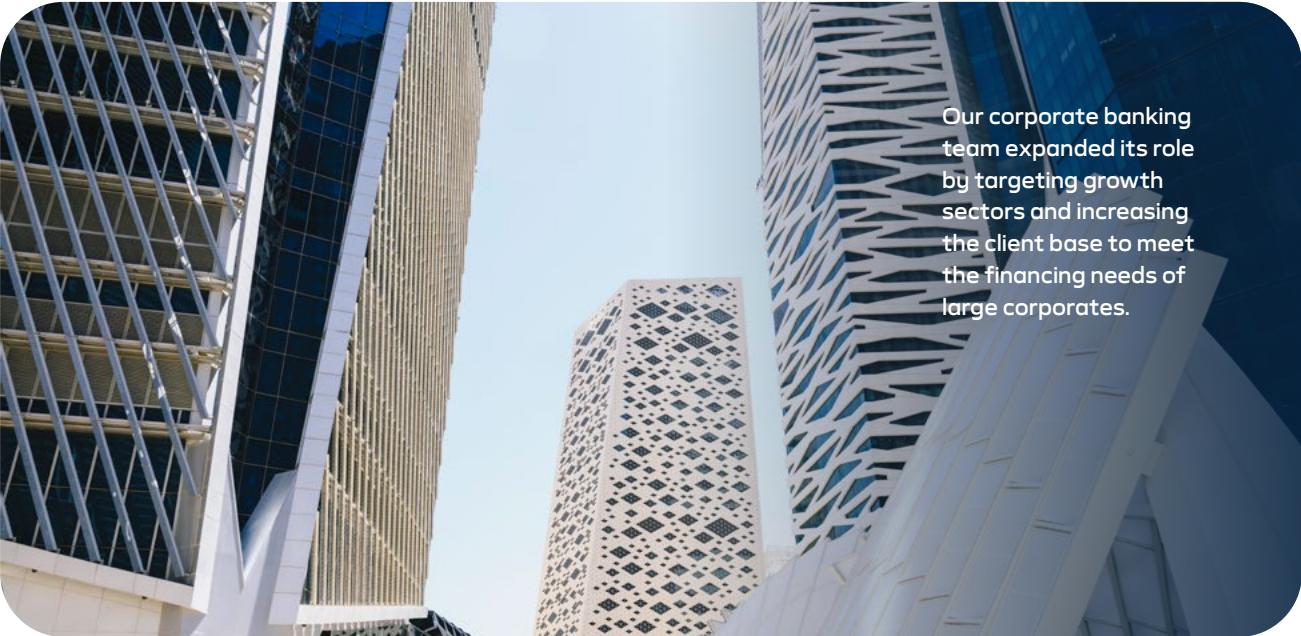
Looking ahead to next year, Treasury has several ambitious objectives and initiatives. These include offering a full suite of customized derivatives products to the Bank's customers, including commodities hedging, FX options, commodities and equities options.

Treasury also intends to finalize the development and deployment of several products, including target redemption forward in FX, cross-currency swap for hedging and deposits linked to indices.

Additionally, the Bank plans to become a member of Muqassa, the clearing house of the Saudi Tadawul Group, to enhance available funding sources.

These strategic initiatives underscore Treasury's commitment to maintaining its position as a leader in financial innovation and service excellence in Saudi Arabia and beyond. With its continued focus on technological advancement, product innovation and market expansion, alinma's Treasury division is well-positioned to meet the evolving needs of its clients and contribute to the Bank's overall growth and success in the coming years.

Operating Review
Corporate Banking Group



Our corporate banking team expanded its role by targeting growth sectors and increasing the client base to meet the financing needs of large corporates.

alinma's Corporate Banking Group's(CBG) exceptional performance and innovation throughout the five-year 2025 Strategy has laid a strong foundation for future achievements and made an essential contribution to the Bank's overall success to date. Over the past four years, Corporate Banking implemented a range of strategic initiatives that proved instrumental in the Bank reaching and exceeding targets and objectives and establishing it as one of the leading financial institutions in Saudi Arabia.

Technology empowering efficiency and engagement

A significant milestone during the four-year period was the launch of eCLO, alinma's electronic credit loan origination system, which has streamlined credit and operational processes.

The introduction of eCLO was complemented by the adoption of an automated credit write-up system to facilitate the electronic journey of files from initiation to approval, documentation, and limit implementation.

These advancements were embedded in Corporate Banking's workflows, significantly improving operational efficiency and transparency across the credit lifecycle. The outcome has been a meaningful enhancement of both profitability and customer engagement.

Fourfold increase in corporate customers

One of the primary objectives of the 2025 Strategy was to increase the number of corporate customers the Bank serves, and in this respect, initiatives have been extremely successful.

Guided by the 2025 Strategy, the customer base, including all our SME clients, has quadrupled from 900 in 2020 to 4,067 by the end of 2024. Driving this growth was a concerted effort to cater to the varying needs of different corporate segments. These efforts included increasing the customer base for both borrowing and non-borrowing clients, an enhanced focus on the Mid Corporate Banking Segment to cater to emerging corporates and diversifying the portfolio by tapping into new client segments.

Driving impact aligned with Vision 2030

Corporate Banking has taken a proactive approach to addressing the priority projects outlined in Saudi Arabia's Vision 2030 initiatives. In particular, CBG has focused on key national growth sectors such as tourism, healthcare, renewable energy, and infrastructure, which offer substantial opportunities for the Bank.

By financing projects in these sectors, CBG, and alinma overall, contribute to the nation's long-term growth by promoting economic diversification, which in turn reduces the dependency on oil.

The benefits to alinma are substantial. Vision 2030 projects are large-scale and long-term, providing sustained revenue opportunities, financial stability, and growth. Involvement in these visionary initiatives positions the Bank as a key player in shaping the Kingdom's modernization and future economy. It also strengthens the Bank's relationships with Government entities and major corporates, enhancing alinma's reputation and influence in the financial markets. Furthermore, as a highly visible financier of these world-class projects, alinma is recognized for its commitment to global standards and innovation, making it an attractive partner for international investors entering the Saudi market.

Sustainability as a core business practice

alinma continued to enhance its overall sustainability understanding and integration into lending and investment activities throughout the Bank this year, including developing a comprehensive sustainable finance framework that was implemented. Sustainability, a leading ESG research, ratings, and data firm, endorsed the alinma Sustainable Finance Framework as credible, impactful, and aligned with internationally recognized principles such as the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green financing Principles 2023, and Social financing Principles 2023.

Non-funded business

ﷲ 22.14 Bn

Growth in assets

+ ﷲ 20 Bn

CBG's contributions to alinma's overall financial performance were substantial, accounting for 76% of the Bank's assets and 29% of its operating income by the end of 2024.



Operating Review

Corporate Banking Group continued

The Bank remains committed to fostering environmental responsibility and advancing the circular carbon economy. In 2024, it assessed Net Zero-aligned reduction requirements, taking meaningful steps to align its operations with global sustainability objectives. Central to its approach is a steadfast focus on customer empowerment, incorporating customer insights as a standard practice to deliver solutions that meet evolving needs. By fostering stronger connections and demonstrating the value of a customer-centric approach, alinma is building trust and driving progress towards a more sustainable and inclusive financial ecosystem.

Investment in talent and employee retention

As part of alinma's overarching strategy to expand its reach and penetration of the large, mid-corporate, and project finance segments, Corporate Banking strengthened its team in the past four years by recruiting highly qualified professionals.

This has positioned Corporate Banking as the core banking partner for the targeted business segments across multiple sectors, delivering an incomparable customer experience and the fastest turnaround time in the Kingdom.

Additionally, in the highly competitive world of corporate banking, where skilled and experienced talent is at a premium, Corporate Banking established a quantitative and qualitative performance-based

incentive scheme for front-line staff. As well as fostering excellence and aligning individual goals with the Bank's overall organizational objectives, the initiative has instilled a culture of high performance and motivation among employees and enhanced alinma's reputation as an employer of choice.

A year of unprecedented success

In 2024, Corporate Banking had one of its most successful years under the 2025 Strategy. A key highlight was double-digit growth in assets, surpassing ₪ 20 billion. The Group achieved its targets with a focus on enhancing operating income through fund-based and non-fund-based income while minimizing costs.

The non-funded business expanded strongly, growing from ₪ 19.1 billion to ₪ 22.14 billion in outstanding commitments. CBG's contributions to alinma's overall financial performance were substantial, accounting for 76% of the Bank's assets and 29% of its operating income by the end of 2024.

Other highlights included the introduction of a Shariah-compliant overdraft product, which is expected to provide an additional suite of financial products and positively impact profitability in the years to come.

Customer-centric innovations

CBG had a fully operational dedicated Corporate Customer Support team in 2024, marking a significant leap in customer-centric

innovations. This strategic move yielded substantial improvements in operational efficiency and customer satisfaction, while simultaneously allowing relationship managers (RMs) to focus on their core business acquisition activities.

The fully functional Corporate Customer Support team effectively reduced the RMs' workloads, giving them more time and resources for nurturing client relationships and pursuing new business opportunities.

Within the new Customer Support team specialized units were established to support business planning and performance, liaise with IT for enhancing business requirements, cross sell and lead management, financing booking process and streamlining operational efficiencies from end-to-end to improve customer experience.

agency function strengthens market position under Project and Structured Financing Division

During 2024, CBG's Project and Structured Financing (PSF) division introduced an agency function for syndicated transactions to manage syndicated financing or agency roles in structured finance.

This addition to the PSF role positions alinma as a trusted intermediary, promoting stronger relationships with clients, enhancing its capabilities in managing complex financial structures, and ensuring proper monitoring and compliance with covenants and financial agreements to protect the Bank's reputation and mitigating risks.

Acting as an agent will also increase the Bank's visibility in transactions, potentially leading to opportunities for additional lending, advisory roles, or cross-selling products.

Large Corporate Banking segment growth

Our Large Corporate Banking team further expanded their role in meeting the financing requirements of large corporates by strategizing inroads into growth sectors and growing the client base. This, coupled with positioning themselves as one of the premier large corporate banks offering tailor-made financial solutions, enhanced our corporate relationships and increased our share of wallet.

Our large corporate banking business accounts for more than 40% of CBG's assets and was the largest contributor to our trade finance operation in 2024, accounting for 70% of new business.



Operating Review

Corporate Banking Group *continued*

Mid Corporate Banking expansion

The strategic focus on expanding Mid Corporate Banking to target emerging corporates resulted in a significant increase in the asset portfolio in 2024, which increased 60.5%.

This segment's growth in terms of fee-based income also increased dramatically, contributing to a rise in trade and management fees.

Additionally, enhanced relationships with mid-corporates allowed the Bank to cross-sell products, improving overall client profitability, while also providing a sustainable growth trajectory as our clients transition into larger corporates over time.

Accelerating progress in Global Transaction Banking

alinma made several advancements in Global Transaction Banking (GTB) in 2024, including enhancements to the corporate internet banking platform and the development of a digital e-trade portal.

A liquidity management system was developed in partnership with digital banking, offering real-time financial insights and liquidity forecasting. Enhancements to eCommerce services and B2B channels, including ERP integration and API-based services, improved customer engagement.

The Bank leveraged its digital transformation and fintech partnerships strategy to introduce Banking as a Service (BaaS) to enhance the current payroll cards offering.

In addition, the introduction of Islamic trade-funded products, including export discounting and availization, along with the launch of supply chain finance solutions, further diversified the Bank's offerings and income stream.

During the year, tailor-made liability products were introduced to cater to the needs of corporate clients to enhance the Bank's liabilities.

Awards and recognition

CBG's achievements were recognized with multiple awards in 2024, including the titles of "Fastest Growing Corporate Bank – Saudi Arabia" and "Most Innovative Shariah-Compliant Corporate Financing Product – Bai Ajel." These accolades reflect the Group's commitment to excellence and innovation.

Looking ahead: 2025 and beyond

As CBG moves into 2025, it remains committed to advancing digital banking services and exploring AI-driven innovations. These initiatives, coupled with the Group's continued focus on Vision 2030 projects, position it for sustained growth and leadership in Saudi Arabia's financial sector.

Several key initiatives have been identified for the coming year. CBG will embark on a targeted approach to expand and strengthen its client relationships. By strategically identifying top clients in each segment, CBG aims to establish and expand these important partnerships. This initiative will be complemented by efforts to broaden

the customer base, adding quality names to the portfolio and simultaneously reducing concentration risk.

A special emphasis will be placed on forging strategic partnerships with government and semi-government owned entities, recognizing their pivotal role in the Kingdom's economic landscape.

Additionally, the CBG plans to increase its penetration in the SME and mid-corporate segments, tapping into these dynamic and growing sectors of the Saudi economy.

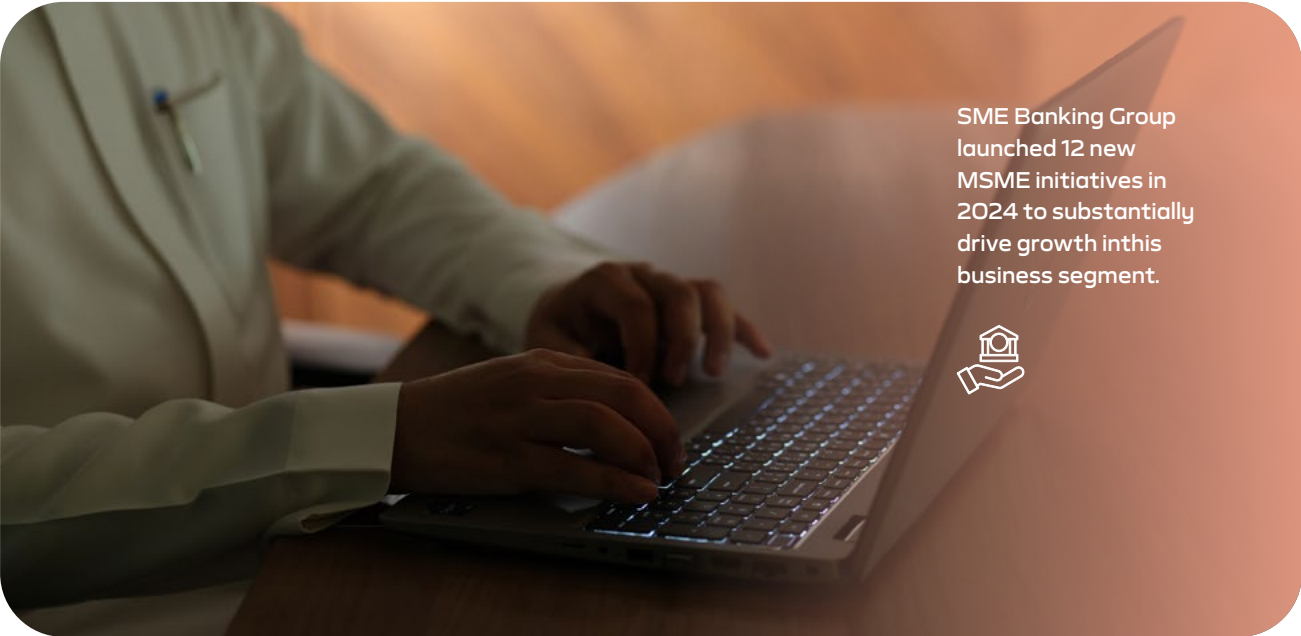
Steps will be taken to improve non-yield income via increasing cross-sell penetration and expanding share of wallet among existing and new clients.

A key focus will be on generating liabilities, with particular attention given to increasing operating accounts. To support these financial objectives, CBG is enhancing 360-degree customer profitability view, enabling more targeted and effective cross-selling.

In line with alinma's commitment to innovation, CBG will continue to improve its digital solutions to enhance the ease of banking for corporate clients. This will be augmented by integrating AI tools to identify new opportunities and enhance corporate relationships. The outcome is expected to be streamlined processes, improved decision-making, and a more personalized banking experience for corporate clients.



Operating Review
SME Banking Division



SME Banking Group launched 12 new MSME initiatives in 2024 to substantially drive growth in this business segment.



Saudi Arabia's small and medium enterprises have benefited enormously from innovative financing products launched by alinma. alinma's SME Banking division Group has played a pivotal role in broadening access to funding for SMEs, more than doubling its assets in this segment from **ﷲ 4 billion in 2020 to ﷲ 11.3 billion by the end of 2024.**

Expanding access to finance for small Saudi businesses

The number of SMEs in Saudi Arabia increased substantially – more than 180% – to more than 1.3 million businesses from 2016 to 2023. This vibrant and thriving sector, which accounts for almost half of the Kingdom's employment, and nearly 30% of its GDP, is, importantly, contributing at least one third of Saudi Arabia's non-oil GDP.

Capitalizing on this growing market opportunity, alinma's SME Banking division Group's impressive performance over the past four years reflects the significant investment made in establishing enduring relationships with entrepreneurs and small business owners. Over the same period, the number of clients served by the division has increased fourfold from 521 in 2020 to 2,132 by the end of 2024. alinma has entrenched its position as the leading financial institution in Saudi Arabia that is providing innovative financing solutions to this economically vital sector.

Integral to SME Banking division Group's success in the SME sector is its participation in the Kafalah Program, a Saudi Arabian Government initiative aimed at facilitating SME access to finance. Vision 2030, the nation's blueprint for transformation, has identified the SME sector as a vital component for the diversification of the economy, aiming to increase its contribution to the overall GDP to 35% by 2030. alinma's SME Banking division Group has grown the number of its Kafalah clients by a factor of four, from 253 in 2020 to 1,050 in 2024. This is a strong testimony to the Bank's support of Vision 2030 and its innovation in funding products for SMEs that previously faced challenges in securing financing.

In line with this expanding client base, the SME Banking division Group's performance had a larger impact on alinma's overall financial results in 2024 compared to the previous year. It contributed 6% of the Corporate

Banking Group's assets, 3.2% of non-interest-bearing financing (NIBs) and 1.7% of off-balance sheet items.

A new structure for greater impact

In 2024, SME Banking division Group rolled out several strategic improvements to enhance its service offerings and operational efficiency. The division unveiled a new organizational structure for micro, small and medium enterprises (MSMEs) in the third quarter of the year to streamline processes, optimize resource allocation and ultimately boost the Bank's performance in the SME sector.

The new structure comprises three pillars: MSME Classic/Regular Lending; MSME Program-based Lending; and MSME Product Management.

MSME Classic Lending focuses on traditional lending models, catering to businesses that have been in business for a minimum of three years, and which can provide audited financial statements. The team in this pillar applies rigorous financial analysis to evaluate the stability and creditworthiness of potential borrowers.

The second pillar, MSME Program-based Lending, offers pre-approved products that do not require audited financials. Rather, it relies on specific criteria such as point-of-sale proceeds, average current account deposits and e-commerce transactions, enabling greater flexibility and faster processing times for eligible firms.

Number of Kafalah clients

1,050

Number of clients served by SME

2132

In line with this expanding client base, the SME Banking division Group's performance had a larger impact on alinma's overall financial results in 2024 compared to the previous year. It contributed 6% of the Corporate Banking Group's assets, 3.2% of non-interest-bearing financing (NIBs) and 1.7% of off-balance sheet items.



Operating Review
SME Banking Division continued

The final pillar, which supports the first two, is MSME Product Management, which is responsible for product development, portfolio management and establishing agreements with public and private sector entities.

The new structure's integrated approach ensures that alinma offers a comprehensive suite of services tailored to the evolving needs of Saudi Arabia's SME landscape.

Alongside the organizational restructuring, SME Banking division Group launched 12 new MSME initiatives in 2024 to substantially drive growth in this business segment.

These initiatives cover a wide range of improvements, from developing proactive lead generation mechanisms to automating credit limit estimations and standardizing financing pricing. The Bank is also enhancing its digital capabilities, including improving online application forms and integrating customer-facing application tracking functionality.

12 new MSME initiatives

1. Transitioned towards the target coverage model
2. Developed and deployed proactive outbound and inbound lead generation mechanisms
3. Enhanced online application e-form on alinma's website
4. Centralized Client and Kafalah activities maintenance under the Corporate Excellence team to enhance efficiency and RM focus
5. Enhanced archiving process and deployed digital signatures
6. Redefine working model with documentation team
7. Automate the estimation of credit limits and standardize financing pricing / tenure
8. Developed customer facing application tracking functionality and integrated it into the new Credit Limit Origination System (eCLO)
9. Improved the overall customer feedback gathering and tracking mechanism
10. Conducted market analysis to prioritize sectors and sub-sectors based on risk appetite and market size
11. Enhanced product features with tiered eligibility criteria and availed expanded limits across products
12. Rolled out targeted marketing campaigns to attract new customers

Launching new partnerships and technologies

alinma's commitment to supporting SMEs extends beyond traditional banking services. In 2024, the Bank entered strategic partnerships with key institutions to further its support for the SME sector. It signed an agreement with the Cultural Development Fund to finance SMEs in the cultural sector, promoting innovation and creativity in this growing sector of Saudi Arabia's economy. Additionally, a new partnership with Monsha'at, backed by a ﷲ 800 million portfolio, was created to provide crucial financial support to MSMEs to drive economic growth and job creation.

As a member of the Public Investment Fund (PIF) portfolio, alinma contributed to the PIF Private Sector Hub platform to expand development of SMEs across the Kingdom. This initiative aligns with the Bank's broader mission to be a catalyst for economic development and empower SMEs to reach their full potential.

A significant technological advancement in 2024 was the full transition to the new Credit Limit Origination System (eCLO) for both classic and program-based lending. This automation has dramatically reduced processing times and improved overall efficiency in evaluating financing applications, enabling faster decision-making and fund disbursement.

Awards and recognition

alinma's efforts in the SME sector in 2024 did not go unnoticed. It was recognized as the Best SME Banking division/SME Platform in the KSA by Global Finance. It was also named, by Monsha'at, as the Highest Growing Bank for Funding Micro, Small and Medium Enterprises in 2023, in recognition of its effective strategies in empowering startups and supporting sustainable growth.

SME Banking Division Group in 2025

Looking ahead to 2025, alinma's SME Banking division Group is poised to build on its successes and further enhance its offerings. Implementation of the 12 initiatives launched in 2024 will continue, with a focus on modernizing operations, improving customer experience and leveraging digital technologies to streamline processes.

These efforts are expected to cement alinma's position as a leader in SME Banking division in Saudi Arabia, contributing to the nation's economic diversification and growth, in line with Vision 2030.

Subsidiaries

Accelerating Growth through Strategic Subsidiaries

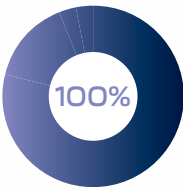


In 2024, alinma's subsidiaries delivered outstanding results, driving innovation and efficiency across key areas. With significant advancements in asset management, e-wallet solutions, real estate and derivatives operations, they contributed substantially to the Bank's growth and strengthened its position in the market.

الإنماء المالية
alinma capital

ALINMA CAPITAL

alinma shareholding



alinma capital, a wholly owned subsidiary of alinma, is an underwriter, manager of investment funds and portfolios, and provider of advisory and custodial services. alinma capital's strategy is closely aligned with alinma's 2025 Strategy, and accordingly, has improved its focus on cross-selling products and services.

alinma capital offers alinma customers capital market products and services including securities trading, investment management and investment banking services.

2024 Performance

alinma capital achieved significant milestones during 2024, reinforcing its position as a leading player in the investment sector. Recognized as the third-largest asset manager by Forbes, alinma capital managed 90 billion in Assets under Management (AuM) and introduced 7 new private funds across diverse

sectors, including real estate, private equity, healthcare, financing, Murabaha and fixed income, collectively adding 1.6 billion to its AuM.

On the investment banking front, alinma capital successfully executed 15 transactions in debt and equity capital markets, underscoring its expertise and commitment to delivering value-driven financial solutions.

2025 Outlook

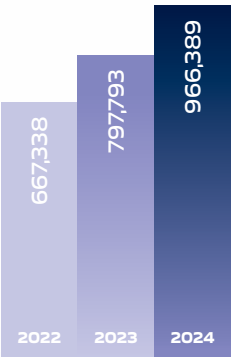
In the year ahead, alinma capital will focus on further strengthening its leadership in the region's asset management sector by expanding assets under management through the launch of new funds targeting both local and international markets, spanning conventional and alternative investments.

In investment banking, alinma capital will build on its success by driving equity capital market transactions across both the main and NOMU markets, while also advancing debt issuance initiatives, including sukuk.

Additionally, in brokerage, alinma capital plans to enhance its offerings by introducing trading access to new global markets, complementing its existing portfolio of services.

Revenue

﷼ '000s



Net Profit

﷼ '000s

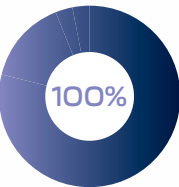


Subsidiaries continued



ALINMA PAY

alinma shareholding



alinmapay, recently rebranded from Saudi Financial Technology Company, is a wholly owned subsidiary of alinma. Established in 2019, its mandate is to drive innovation, expand market reach domestically and internationally, and deliver faster collaboration and partnerships. It is also empowered to explore other areas, such as Open Banking and advanced analytics, while seeking new opportunities to cross-sell and extend its product mix.

alinmapay is structured to be agile in bringing new products to market within governed outcomes, accompanied by scaling faster time-to-market digital products and services to build market share and outdo competitors.



As a licensed payments company, alinmapay was also established to support the Saudi Vision 2030 objectives and its Financial Sector Development Program by promoting financial inclusion as the Kingdom evolves into a cashless society. It was one of the first providers of e-wallets for individuals in Saudi Arabia. It now targets multiple customer segments, and since inception, has expanded its suite of payment solutions to include, among others, its online payment gateway ClickPay, which enables online merchants to accept payments via various channels.

alinmapay's ambition is to provide a full suite of merchant products and services to micro, small and medium enterprises (MSMEs). Accordingly, it works closely with the Bank's extensive range of merchant and business services focused on the merchant landscape.

alinmapay also invests in innovative Fintech solutions and new financial technology ideas via its venture capital operation, set up in late 2022. These initiatives are designed to expand its strategic partnerships and investments.

alinmapay experienced significant progress in executing its strategy, expanding e-wallet features, and excelling in marketing initiatives, resulting in a doubled customer base compared to 2023, reaching over one million users. Among these, 32% actively transacted, and 50% were highly engaged with the wallet, driving notable growth in usage and overall performance. Transactions processed through the wallet surged by nearly 100%, exceeding ₪ 8 billion, while international remittances grew by 24%, with transaction values surpassing ₪ 700 million.

The adoption of alinmapay cards soared, with the issuance of cashback cards increasing by 288%, contributing to a 156% rise in live card adoption. As a result, 70% of alinmapay users now rely on its cards for daily banking activities, with cashback card transactions alone accounting for over ₪ 1.7 billion. This robust growth positively impacted all products and services across the platform.

The Company introduced cutting-edge technologies and completely revamped the user experience within the alinmapay app, enhancing usability and engagement. Simultaneously, it strengthened its governance and security frameworks, ensuring a safe and seamless banking experience for users.

On the merchant side, alinmapay doubled its e-payment gateway customer base in 2024, processing transactions exceeding ₪ 10 billion. The Company continues to develop new products and services tailored for merchants, particularly targeting micro, small and medium-sized businesses.

In addition to operational achievements, alinmapay invested in several venture capital funds and local fintech companies, actively participating in multiple pipeline investment deals. These efforts align with its strategic vision to leverage its VC investment arm to support innovation and growth in the fintech ecosystem.

2025 Outlook

In the year ahead, alinmapay aims to solidify its position as one of the top three wallets in Saudi Arabia, excelling in usability, features and adoption, while becoming a leading partner for the Kingdom's SMEs and microbusinesses. On the investment front, the Company aspires to be the investor and venture builder of choice for fintech's in Saudi Arabia, driving innovation and growth in the sector.

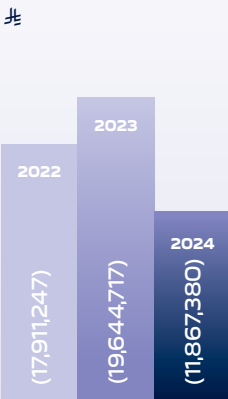
alinmapay is set to expand its reach across diverse customer segments, introducing enhanced e-wallet features that cater to specific needs. These plans include elevating the customer experience, launching tailored offerings and collaborating with an expanded network of service and product partners to enrich its ecosystem.

For merchants, the Company will focus on further growing its suite of products and services, delivering a distinctive digital value proposition, and building an integrated merchant services ecosystem. By creating a robust network of tailored solutions, alinmapay aims to provide a comprehensive offering for its targeted business customers, fostering deeper relationships and driving mutual success.

Revenue



Net Profit

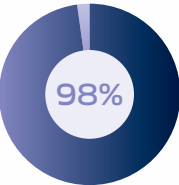


Subsidiaries continued



ALTANWEER REAL ESTATE COMPANY

alinma shareholding



Altanweer Real Estate Company (AREC), established in 2009, serves as alinma's dedicated real estate arm, playing a pivotal role in managing the Bank's real estate activities. AREC oversees the acquisition of properties for financing purposes, manages and maintains real estate deeds, and handles the purchase of properties required for the Bank's operations.

It facilitates the transfer of property titles through mortgages, ensures secure management of deeds held as guarantees and executes the sale, purchase and title transfer of properties in line with its core mandate. AREC's expertise reinforces alinma's strategic goals and operational efficiency within the real estate sector.

2024 Performance

AREC played a critical role in representing alinma's interests within the real estate sector during 2024, seamlessly managing operations to ensure continuity and compliance. AREC assumed responsibility for conducting

mortgage functions on behalf of the Bank whenever the Bank's registry faced temporary suspension, demonstrating its adaptability and operational efficiency. Additionally, the Company updated electronic deeds to incorporate the unified entity number and facilitated the transition from physical deeds to fully digital formats, enhancing transparency, accessibility and alignment with modern technological standards.

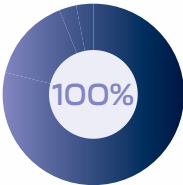
2025 Outlook

In the year ahead, AREC will focus on finalizing the transition of all manual deeds to fully digital formats, completing the modernization of paper-based deeds. The Company will continue its efforts to register real estate deeds within the official real estate registry, ensuring comprehensive alignment with digital and regulatory standards. Through these initiatives, AREC aims to enhance operational efficiency, strengthen compliance and support alinma's strategic objectives in the real estate sector.



ALINMA SPV LIMITED

alinma shareholding



alinma SPV Limited, a wholly owned subsidiary of alinma established in 2022 in the Cayman Islands, serves as a specialized entity for managing the Bank's derivatives and financing products. These include profit rate swaps, FX forwards and REPO transactions, with plans to expand its offerings as additional products receive approval from alinma's Shariah Committee and relevant departments.

2024 Performance

alinma SPV Limited operates as a pass-through entity, efficiently managing the increasing volumes of derivatives transactions conducted with foreign counterparties. This role creates value for the Bank by enabling a range of global financial activities.

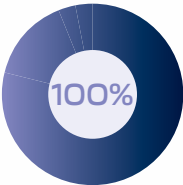
2025 Outlook

In the year ahead, alinma SPV Limited will expand its capabilities to accommodate additional products and counterparties aligned with the Bank's strategic plans, ensuring seamless integration and support for future financial innovations.



ALINMA ISNAD

alinma shareholding



Established in late 2019 as a wholly owned subsidiary of alinma, alinma isnad plays a vital role in supporting the Bank's operations. The Company focuses on delivering recruitment services to alinma and its subsidiaries, promoting Saudization initiatives, ensuring the consistent quality of services and optimizing financial costs to enhance overall efficiency. Through its strategic efforts, alinma isnad contributes to the Bank's commitment to operational excellence and national development goals.

alinma isnad made significant strides in advancing its strategic objectives during 2024. The Company successfully increased the hiring rate of women, achieving a 33% representation within the workforce. It also streamlined operations by closing more than 80% of outsourced company arrangements within alinma, enhancing efficiency and reducing costs. Additionally, alinma isnad launched a comprehensive performance system project, further strengthening workforce management and aligning employee contributions with organizational goals.

2025 Outlook

In the year ahead, alinma isnad Company will focus on expanding its reach by offering its services beyond alinma.

Revenue



Net Profit



Risk Management

alinma is committed to developing and maintaining the highest standards of risk management, in line with industry and international best practice, with an objective to identify, mitigate and manage risks in a structured and effective manner in order to safeguard its assets and the interests of its shareholders.



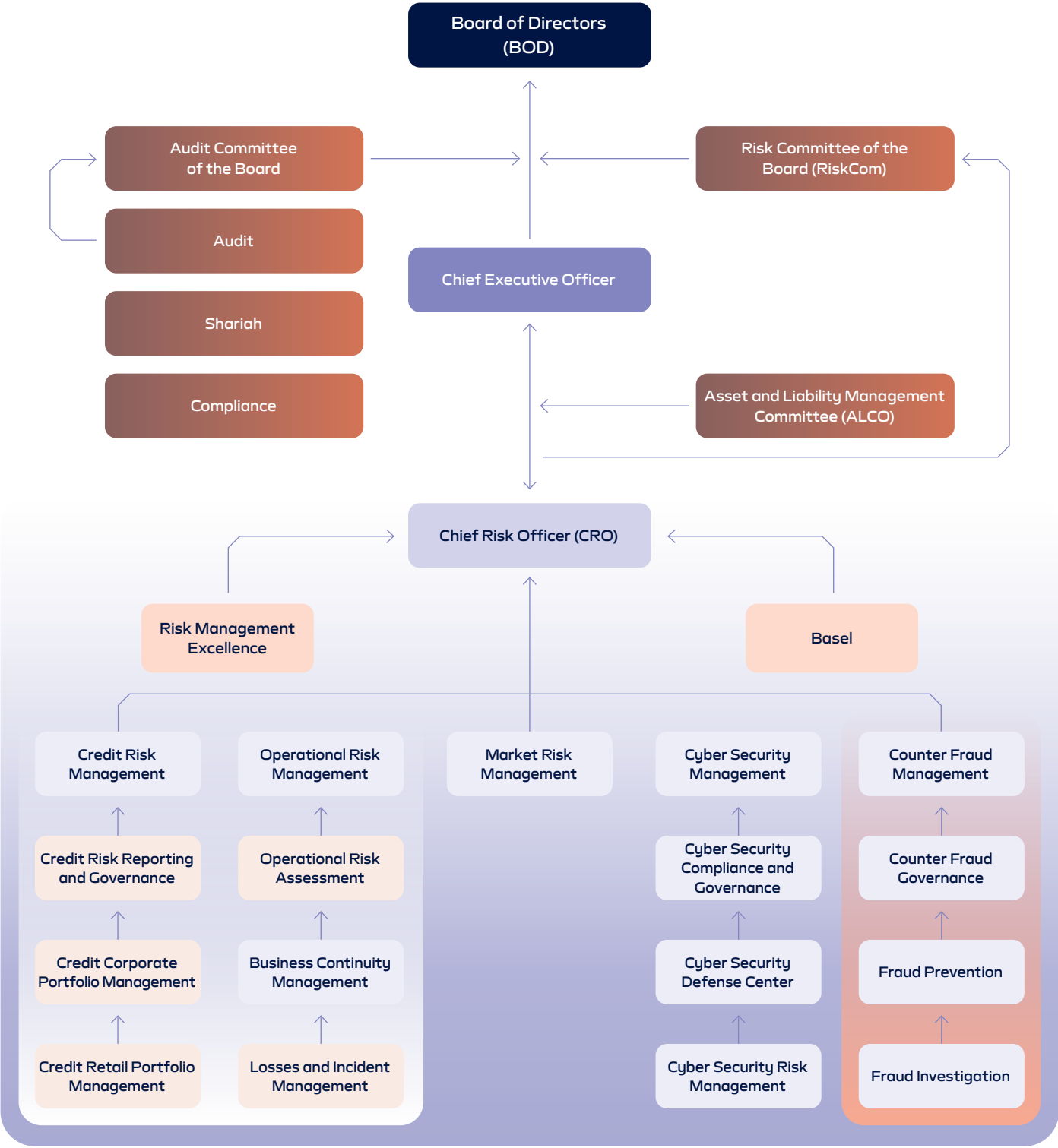
The Bank's Risk Management Governance (RMG) operates within a periodically evaluated risk mitigation framework, which considers existing and emerging economic risks stemming from global and domestic challenges. In conjunction with other material factors, this has ensured strong growth and success for alinma during the year under review.

The Bank has a robust risk identification and management procedure, aligned to its overarching governance process. Identifying existing risks while being conscious of emerging risks in an uncertain era, any deviations from the routines and business norms are quickly grasped and remedied. The key changes that were introduced to the RMG structure clearly demonstrate alinma is vigilant and agile in risk management.

Operating within an evolving industry and growing economy can also present new challenges. The Bank's Risk Management Group is viewed as the whistle-blower function, alerting the Bank to minimize losses and optimize profits. Business growth and profit generation being the objective of the Bank's operation, similar focus and attention is afforded to the RMG for sustainable business with long-term growth goals.

Risk Management framework

The Bank's strong performance while navigating the uncertain environment without major incident was underpinned by its RMG structure, which views risk mitigation and management as non-negotiable. The Board of Directors and the Board Risk Management Committee worked in tandem to enforce a strong organizational structure and framework that contributed to a growing balance sheet while averting adverse incidents.



Risk Management continued

Three Lines of Defense Model

The Bank's risk management framework is based on the Three Lines of Defense model, demonstrating alinma's integrated and collaborative effort across all levels of the Bank to ensure effective enterprise risk organization.



Risk Management highlights in 2024

The RMG continued to enhance the Bank's day-to-day risk management practices to strengthen credit quality of the newly acquired obligors and exiting portfolios. The Bank's objective is to have the industry's best risk management practices for managing risks in its lending and investment portfolios.

A number of key changes were carried out to the Bank's RMG structure during the year under review. To enhance focus on counter fraud risk, a separate Counter Fraud Management function was created and within Counter Fraud Management three sub-units were launched to reflect the Bank's efforts to ensure its risks remain within the set parameters.

Lending growth continued to outpace deposit growth in the Kingdom during the year under review, yet the Bank's credit profile, with minor changes to the risk profile of certain sectors, was well managed. The cost of funds increased due to the profit rate increase by the Saudi Central Bank (SAMA). However, this was mitigated by reprising or moving corporate deposits to mature in one year and corporate financing accounts to 76% of the total financing book of the Bank.

In addition, there have been a range of initiating and sustaining initiatives that instill a pervasive risk-awareness culture throughout the organization, fostering a collective understanding of risk management responsibilities at all levels and creating a proactive risk conscious environment in the Bank.

Risk appetite

The Bank's risk appetite depends on the types and amount of risk the Bank is willing to take, while pursuing its business goals and social responsibilities. Given the financing growth that has emerged and considering the still dynamically challenging global economies that have a direct impact on Saudi Arabia's economy that is largely oil-export dependent, the Bank was cautious in expanding the boundaries of its risk appetite this year.

Principal risks

The Bank's principal risks are those that have the potential to cause a temporary or long-lasting breakdown in banking operations and revenue generation at alinma, if unchecked, unidentified or unmanaged. Broadly, these can be categorized as financial and non-financial risks.

Financial risks and mitigation

Credit risk

Credit risk arises when a counterparty fails to fulfill its contractual obligations to the Bank. To minimize the risk of a counterparty failing to meet its obligation, the Bank is committed to a strong pro-active credit process to ensure that origination quality will meet the institutional risk appetite and will fulfill the criteria under which credits are extended. All credit proposals are subjected to a high degree of due diligence intended to identify all risk associated with granting the credit.

An internal credit-rating model is employed to determine the Obligor Risk Rating (ORR), which quantifies the obligor's probability of default. In addition, ratings from major credit rating agencies are taken into account, provided they are available and disclosed by clients. A key element of this process is the target market, which acts as the first filter to ensure that the Bank avoids initiating or maintaining relationships with obligors that do not align with its strategic goals or desired risk profile. The Risk Acceptance Criteria (RAC) establishes the conditions under which the Bank is willing to engage in or continue a credit relationship with an obligor that meets the target market criteria. The credit assessment for individual obligors of retail asset products is performed through an automated product specific scorecard framework.

Credit Risk Management oversees the Bank's financing policies and regularly updates credit policies, guidelines and processes to manage risks within the defined risk appetite and minimize potential losses. It ensures alignment with evolving economic conditions, market trends and regulatory requirements.

The Bank actively manages diverse credit portfolios to mitigate concentration risk, ensuring broad diversification across industries, regions and customer sizes. It closely monitors obligor and sector concentrations to assess exposure and regularly conducts stress tests to evaluate potential adverse impacts on asset quality, profitability and capital. Capital adequacy is maintained by allocating sufficient capital to cover unexpected credit losses, impacting the capital adequacy ratio (CAR).

Risk Management continued

Market and liquidity risk

Equity prices, profit rates, foreign exchange rates, commodity prices and regulatory directions are the variables that pose the market risk to the Bank. This is managed under the Risk Management Division that regularly monitors the Bank's market risks, including liquidity risk.

Liquidity risk reflects the possibility the Bank will be unable to obtain funds such as customer deposits or borrowed funds, at a sustainable cost or within a necessary period to meet its obligation. As part of sound liquidity risk management program within the Bank includes, among others:

- Continuous management and Board oversight
- Implementation of appropriate liquidity management policies, procedures and risk limits
- Implementation of liquidity risk measurement and monitoring system
- Ensuring adequate level of marketable assets
- A diverse mix of existing and potential funding sources
- Comprehensive and actionable funding plans
- Appropriate plans for potential stress events

Liquidity risk arises due to various factors other than a default; they include but are not limited to, inefficient cash flow management, inability to obtain funding, unexpected economic disruptions as was seen in the scale of the pandemic, unexpected capital expenditure and profit crisis. Failure to adequately manage liquidity risk can quickly result in negative consequences that including the potential downgrading of the Bank's credit rating and its standing in the financial markets despite a strong capital and profitability level.

To avert a liquidity risk, alinma strictly adheres to Banking Control Laws and Regulations issued by SAMA and maintains statutory deposits with SAMA for the required level for total demand deposits and customer time investments. It also maintains the required liquid reserves of not less than 20% of its deposit liabilities in the form of cash and assets.

Great care is taken by the Risk Management Division to manage and avert a liquidity risk. The Bank's approach for managing the potential liquidity risks consists of several measures to efficiently support daily operations and provide for contingent liquidity demand, including:

- Maintaining sufficient amounts as an unencumbered high quality liquidity buffer, a protection against any unforeseen interruptions to cash flow
- Managing short-term and long-term cash flows via a maturity mismatch report and various indicators
- Monitoring depositor concentration at the Bank level to avoid undue reliance on large fund providers
- Diversifying funding sources to ensure proper funding mix
- Constant review and assessment of the Contingency Funding Plan

Non-financial risks

Operational risk

Operational risk arises from inadequate or failed internal processes, people and systems or from external events. The Bank's Operational Risk team works on an assurance plan to regularly test the strength of the processes and process adherence in the various business units and fixes any glitches, swiftly. The Business Environment and Internal Control framework is strictly applied to avert any unprecedented event. Similarly, the Bank's disaster recovery site and Business Continuity plan are tested periodically to build awareness and agility among the staff, in case of any adverse event.

alinma currently has insurance policies that cover potential risks resulting to the damages of assets, including a Property All Risk Insurance Policy, Banker Blanket Bond Insurance Policy, Director and Officers Insurance Policy, Third Party Liability Insurance Policy and a Money Insurance Policy.

Additionally, alinma has a credit life insurance program in place that covers the mortgage assets and borrowers' life. A fire and specified perils insurance has also been put in place to cover the Ijara and Murabaha properties. However, for the credit cards and personal financing the Bank has self-coverage.

Cyber security risk

Cyber security risks are related to the loss of confidentiality, integrity or availability of information and its system, which may negatively affect the Bank's reputation or result in financial losses. The Cyber Security Department works continuously to identify, mitigate and monitor cyber security risk to minimize it to the acceptable level. This is achieved through solid policies and procedures for cyber security risk management, in alignment with the relevant regulations, to ensure cyber security risk engagement for all Bank activities. This includes but is not limited to new products, risks of third parties and cloud services and risk assessment of business groups. In addition, the Cyber Security Department periodically performs vulnerability assessments and penetration testing covering the Bank's information assets and systems, in order to ensure their safety from security vulnerabilities. Additionally, the Cyber Security Defense Center monitors and handles the cyber security incidents and threats 24/7.

Fraud risk

Fraud pertains to the intentional use of deceitful or misleading practices in order to gain personal or financial advantages at the expense of others. It encompasses a range of deceptive activities, including but not limited to financial fraud, identity theft and cyber fraud, all of which involve the deliberate manipulation or misrepresentation of information for illicit purposes. At its essence, fraud involves a calculated and unethical exploitation of trust and vulnerabilities for personal gain.

Counter fraud risk management is an ongoing process that provides the Bank with the tools to manage fraud risk in a manner consistent with the regulatory requirements as well as organizational needs. A comprehensive fraud management program includes components such as a strong ethics policy, fraud awareness training, risk assessment, prevention measures, detection systems, investigation protocols, well-defined fraud risk strategy supported by advance monitoring tools, data analytics and real time-time detection mechanisms.

In addition, the Bank successfully implemented SAMA framework controls. This involved adopting prescribed standards, policies and procedures, establishing robust internal controls and risk management systems, continuously monitoring emerging fraud trends and techniques and ensuring robust governance and compliance within the organization with independent oversight committees.

The Bank maintains the highest standards in counter fraud governance, transparency and risk management. The robust internal controls framework is designed to safeguard the Bank's assets and its customers, ensure regulatory compliance and mitigate fraud risk effectively.

Overall, an enhanced fraud management program encompasses a comprehensive range of measures. Fraud mitigation measures include robust internal controls, conducting fraud risk assessments, real time fraud detection tools and systems, deployment of advanced fraud prevention systems to enhance security and operational efficiency and continuously monitoring emerging fraud trends and techniques.

Shariah non-compliance risk

As an Islamic Bank, Shariah-compliance is a priority. To mitigate a breach, the Bank has implemented extensive Shariah policies and procedures and established a Shariah Board and a Shariah Compliance Audit Unit to ensure strict Shariah-compliance in all activities of the Bank.

Reputational risk

Reputational risk arises from regulatory actions against the Bank, negative media publicity or customer perceptions, frauds, penalty payments, the Bank being used for financial crime, or any other non-financial or financial risk that could tarnish the strong brand visibility and standing of alinma.

As a responsible and accountable corporate citizen in the banking industry, it is of paramount importance that the Bank is vigilant and adept at identifying any possible occurrence and speedily move to mitigate the risk. To counter this risk, the Bank works within its strong RMG structure and has also introduced a scorecard-based approach to measure its reputational risk.

Sustainability
Our Approach



At the executive management level, alinma's Sustainability Committee guides the practical implementation of alinma's sustainability strategy, ensuring a unified and effective approach to positive social and environmental impact.



For alinma, our corporate responsibility to people and the planet is non-negotiable. Our uncompromising ethics, high standards of governance, and how we weave sustainability into every facet of our business and operations inspire a culture of positive social and environmental impact within alinma, within the banking sector and across the Kingdom.



ادراك مساهمة ديمومة



In 2024, we continued to advance alinma's sustainability. Guided by the six pillars of our sustainability strategy, we nurtured our natural environment, supported our employees, served our customers and community and strengthened our governance. While alinma pursues sustainability because it is the right thing to do, we are also proud of the external recognition we have received in awards and improved ESG ratings.

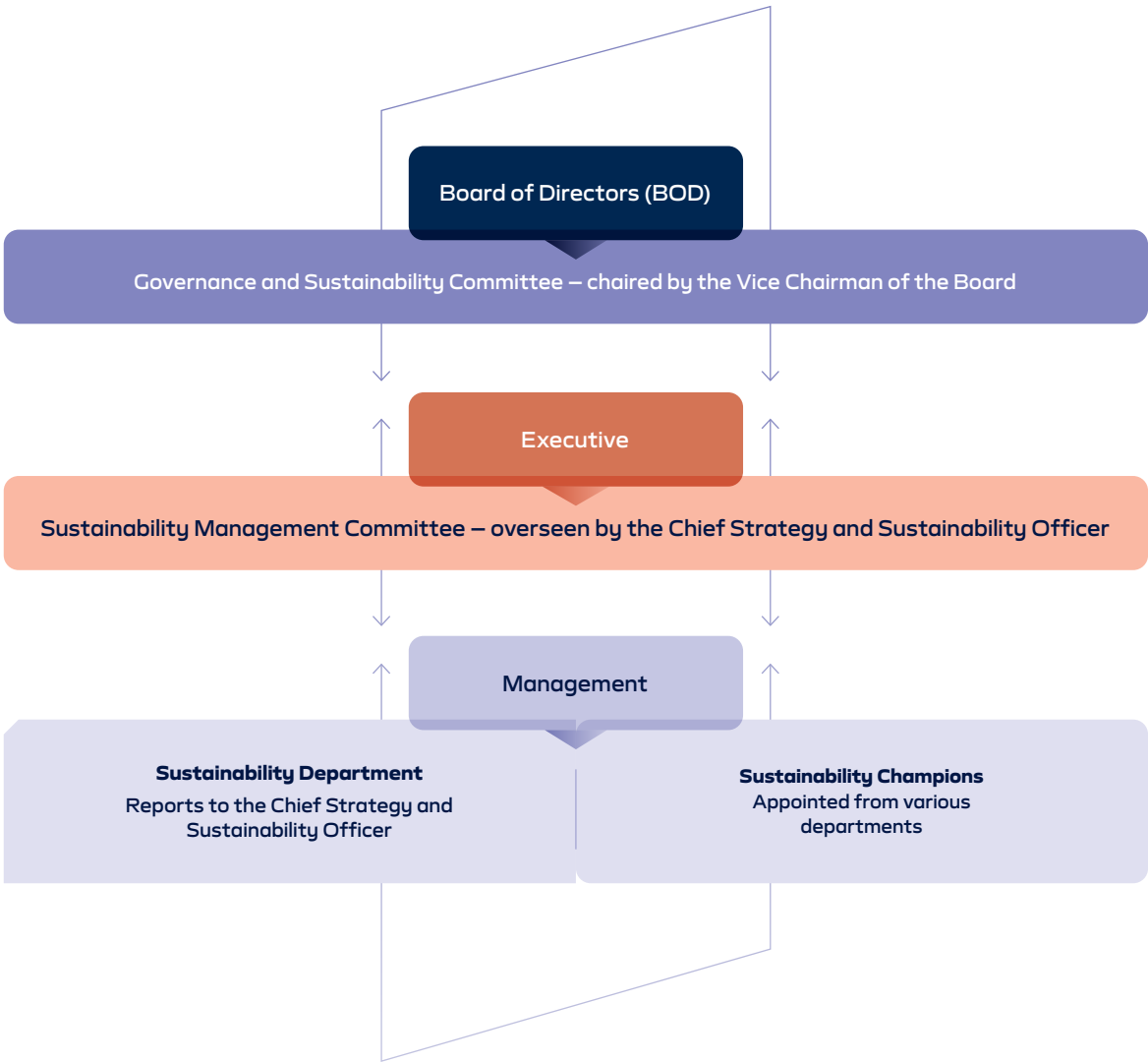
Our sustainability governance

Sustainability is not a siloed function for alinma. It is driven from Board and management level and implemented across the organization.

Our Board Governance and Sustainability Committee is the highest sustainability authority at alinma and represents sustainability to the Board. The Committee is headed by the Vice Chairman of the Board, supported by three other Board members. The Committee provides clear direction and monitors the Bank's positive and negative impacts.

At the executive management level, alinma's Sustainability Committee guides the practical implementation of alinma's sustainability strategy, ensuring a unified and effective approach to positive social and environmental impact. The Sustainability Committee is headed up by the Deputy CEO, supported by five executives.

The Sustainability Committee is supported by Sustainability Champions and the Sustainability Department at management level, who implement the Sustainability Strategy with sustainability awareness programs and other initiatives. The Sustainability Department reports to the Chief Strategy and Sustainability Officer while Champions are appointed from departments across the Bank.



Sustainability

Our Approach continued

Our sustainability strategy

Our sustainability strategy, launched in 2023, is a simple yet clear and comprehensive response to alinma's complex operating environment and commitment to sustainable growth. The sustainability strategy interlinks with our overarching corporate strategy while also supporting the achievement of Saudi Vision 2030 and the United Nations Sustainable Development Goals (UNSDGs). The strategy is built on six main pillars that group altogether 15 goals with allocated sustainability KPIs built into management performance reviews.

Pillar	Goals	Vision 2030	UNSDG
Accelerate sustainable finance	- Improve ESG integration into lending and investment decision-making - Integrate ESG into commercial and retail product offerings	- A Vibrant Society - A Thriving Economy - An Ambitious Nation	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 7 AFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

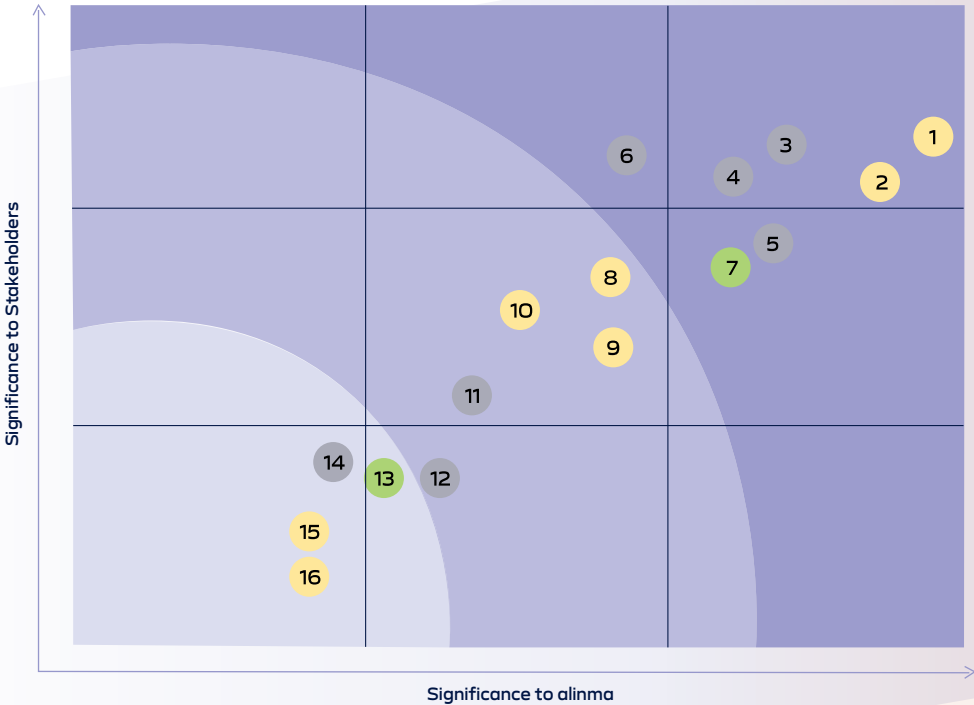


Sustainability
Our Approach continued

Materiality assessment

To determine which ESG matters are most material to our stakeholders, alinma conducted a comprehensive materiality assessment that considered all of the local and international frameworks mentioned above. We review our material matters annually to ensure that they remain relevant to alinma. Our material matters are shown below, along with the shifts from prior years.

	Material matter	ESG element	Pillar
Most important²			
1	Responsible customer relations and satisfaction	S	Empower our customers
2	Talent attraction, retention, and development	S	Build a thriving workplace
3	Data privacy and cybersecurity	G	Drive robust governance and responsible operations
4	Digitalization and innovation	G	Empower our customers
5	Governance, accountability, transparency, and ethics	G	Drive robust governance and responsible operations
6	Systemic risk management	G	Drive robust governance and responsible operations
7	Climate change and circular carbon economy	E	Foster environmental stewardship and enable a circular carbon economy
Highly important			
8	Diversity, equity and inclusion	S	Build a thriving workplace
9	Employee engagement and well-being	S	Build a thriving workplace
10	Financial inclusion and community investment	S	Strengthen our communities and contribute to greater financial inclusion
11	Financial and economic performance	G	Empower our customers
12	Sustainable financing and investment	G	Accelerate sustainable finance
Important			
13	Environmental impact and natural resource protection	E	Foster environmental stewardship and enable a circular carbon economy
14	Responsible procurement and localization	G	Strengthen our communities and contribute to greater financial inclusion
15	Community engagement and empowerment	S	Strengthen our communities and contribute to greater financial inclusion
16	Nationalization	S	Build a thriving workplace



In 2024, we were very pleased that our Chief Executive Officer was recognized by Forbes Middle East as one of the top sustainability leaders in the region – a nod to the strength of alinma's sustainability strategy.

International ESG and sustainability ratings

In crafting our sustainability strategy, alinma considered all pertinent local and international frameworks and standards. These include Vision 2030, the Saudi Exchange ESG Disclosure Guidelines, the Principles for Responsible Banking (PRB) and the World Federation of Exchanges. Global Reporting Initiative (GRI), IFRS International Sustainability Standards Board ISSB, and Carbon Disclosure Project (CDP) also proved useful in determining key metrics to report on.

alinma keeps a close eye on our local and international ESG ratings as one measure of our performance and the perceived value of our ESG initiatives. Below are some of our latest rankings.

Rating	2022 baseline	2023 Review*	2024 Review	2025 target
MSCI	BB	BBB	BBB	A
ESG Invest	25	46	70	73**
Sustainalytics	30.9	27.9	27.5	20
S&P Global	17	20	30	58

* Represents 2022 performance
** This target was extended from an initial 64, since alinma already achieved and exceeded it

In 2024, alinma was awarded an overall improvement in its scores by the various ratings agencies. We were particularly humbled by the major improvement in our overall ESG score by the London Stock Exchange Group (LSEG), from 28 (out of 100) in 2023 to 68 in 2024. Our global ranking also leaped from 855th to 179th out of 1,130 banks tracked by the LSEG. It is a remarkable testimony of our enhanced focus on sustainability.

Sustainability
Our Performance

Accelerate Sustainable Finance

As a major bank, providing sustainable finance is not only one of our greatest opportunities to create a positive impact but also a core responsibility. Accordingly, sustainable finance is at the heart of our strategy. We will keep adding sustainable products and services to our portfolio while advancing the social and environmental parts of our contribution.

We are immensely proud to have started implementing our complete Sustainable Finance Framework in 2024.

[View our Sustainable Finance Framework here](#)

This Framework outlines the sustainability products and services we intend to issue and how the proceeds of these may be used to advance environmental and socioeconomic goals in the Kingdom. In 2024, Sustainalytics reviewed the Framework as an external party and determined that the Framework is robust, transparent and aligned with international principles. Sustainalytics also indicated that they consider those projects that are eligible for financing to have a positive social and environmental impact.



With the new Framework in place and externally verified, alinma has started to prioritize financing for sectors with high growth potential and a significant positive impact, such as renewable energy. A new internal task force explores sustainable products and services to add to our offering. In 2024, alinma launched a specialized funding solution for purchasing electric vehicles. We started exploring the option of issuing Sustainable Sukuk and are in the process of launching a new sustainable savings account as part of our retail product portfolio.

The task force also evaluates ESG risk as part of our client onboarding, in which we are currently in the process of developing our ESG risk framework. Internally, we expanded the application of our ESG Due Diligence

toolkit, implementing it in the corporate banking lending decisions and automating its application. This process is specifically designed for projects that align with the Equator Principles conditions.

As of 2024, alinma participates in international sustainability dialogue as a member of the Principles for Responsible Banking (PRB), ensuring that our practices align with global sustainability standards. Our PRB membership demonstrates our commitment to achieving the UNSDGs and embedding responsible business practices into our operations.

We expect 2025 to be a year of increased sustainable finance for a bigger impact and a better tomorrow.

Foster Environmental Stewardship and Enable a Circular Carbon Economy

As part of our alignment with Vision 2030 and the national drive towards net zero, alinma is working to measure and mitigate our carbon footprint while implementing comprehensive environmental management across our operations.

alinma is in the process of launching a Net Zero Carbon Framework. This framework will guide alinma's approach to minimizing greenhouse gas (GHG) emissions in future. We also developed an environmental footprint management system, covering emissions, water and waste, to ensure that our data is accurate and validated.

We are also installing solar panels at two of our branches – when completed, the panels will provide clean energy for operations. We also started providing shuttle transport options from the alinma metro station to our head office for our employees, which both reduces employee commuting emissions and supports the Saudi public transport system.



Our environmental impact includes water consumption and waste. As an example of our environmental initiatives, alinma is working with a recycling company to recycle old air conditioners and other devices in an environmentally friendly way. In 2024, we obtained the ISO 14001 (Environmental Management Systems) certification.

In pursuit of net zero emissions, we look to offset our carbon emissions by committing to allocate 7 million of Alima's CSR budget to planting trees strategically as part of the Saudi Green Initiative between 2024 and 2030. During the year, we planted 175,000 mangrove trees in Rabigh that will absorb more than 22,000 tons of greenhouse gases.

We also apply our environmentally responsible ethos to our suppliers. Our ESG supplier assessment now includes an emissions component that measures both Scope 1 and 2 emissions, which informs alinma's Scope 3 emissions calculations and keeps our suppliers accountable for their carbon footprint.

Sustainability
Our Performance continued

Empower Our Customers

alinma exists to be the preferred financial partner for all its retail and corporate customers. To do this, we listen and respond to the needs of our customers, provide the best service by using the latest technology, and protect customers in an evolving digital environment.



As a demonstration of our commitment to customer service, in 2024 we renewed our ISO 10002 (Customer Satisfaction) and ISO 10004 (Guidelines for Monitoring and Measuring Customer Satisfaction) certifications. We are proud that our Net Promoter Score (NPS) again ranked second among all the top banks in the Kingdom.

Furthermore, as part of our bank-wide sustainability drive, we are preparing to launch our newly-updated customer satisfaction survey, which includes questions around sustainability that measure customer interest in and awareness of sustainability-focused finance products.

alinma continues to push the boundaries of digital innovation, strengthening its position as a forward-thinking financial institution. With a commitment to delivering seamless, efficient, and customer-centric banking experiences, the Bank has leveraged cutting-edge technologies, strategic partnerships, and data-driven solutions to enhance its digital offerings. This approach has enabled alinma to expand its services, improve operational efficiency, and

introduce new market-leading digital products that cater to both retail and corporate customers.

Reflecting on 2024 success, alinma achieved a remarkable 86% digital onboarding rate for new customer acquisitions, representing a 66% growth compared to the previous year. Digital revenue streams also saw substantial increases, with revenue from digital transactions rising by 23% and financial transactions processed through digital platforms growing by 25%.

In digital sales, over 20% of all bank cards were issued through online channels, while personal finance sales surged by an outstanding 161%, with digital channels contributing to 11% of all financing. Customer engagement continued to strengthen, with the number of engaged users increasing by 18% and active users by 26%. Meanwhile, alinma's mobile app maintained an exceptional lifetime rating of 4.8, reflecting strong customer satisfaction and the Bank's commitment to delivering high-quality digital experiences.

Our 100% automated and paperless program-based lending process for SMEs helps to fast-track, simplify and secure services for our SME customers – MSMEs can now obtain a granted letter without fees within 60 minutes of submitting a request for one. On the retail banking front, we implemented a paperless one-time pin (OTP) process that makes applying for products and services easier and more secure while radically reducing paper usage.

In recognition of our digital efforts, alinma won Global Finance's 2024 Digital Banking Award and the STP Excellence Award from Standard Chartered Bank.

In 2024, we launched of the 'iz Banking' channel, a dynamic platform tailored to engage the youth segment under a fresh new brand, reflecting our commitment to enabling financial inclusion and addressing the needs of younger customers (for more information please refer to our iz Banking case study on page 54)



In addition to our 'IZ Banking' channel, we have initiated several innovative initiatives in 2024, including:

- **Qattah Plus**, which allows customers to split payments and manage group expenses for various use cases
- **Salary Advance**, enabling payroll customers to access one month's salary in advance for a small fee
- **Sulfah Plus**, a peer-to-peer lending feature through alinma's digital channels
- **Cash Deposits via RMs**, providing relationship managers with POS devices to collect deposits on the spot for their clients

Beyond retail banking, alinma made significant improvements in corporate digitalization by launching an advanced Corporate Internet Banking platform, introducing enhanced self-service capabilities and innovative cash management solutions. The Bank also expanded its Open Banking framework by developing a robust API infrastructure and launching a Banking-as-a-Service (BaaS) platform, unlocking new

revenue streams and business opportunities. Additionally, alinma strengthened its position in the Open Banking ecosystem through partnerships with 12 third-party providers, enhancing flexibility, security, and innovation in personalized financial solutions.

Looking ahead, alinma aims to accelerate its Digital Transformation and innovation efforts through ambitious objectives designed to enhance digital adoption, customer engagement, and service offerings. The Bank's key priorities include increasing digital fees by 18%, growing the percentage of cards sold digitally by 50%, and doubling the percentage of financing sold through digital channels. We also aim to increase the percentage of active customers reflecting our focus on delivering highly personalized and impactful digital experiences. For more information on our digital innovation, please refer to page 56.

SME portfolio

﷼ 10.49 Bn
(2023: 40%)

MSME program-based lending (PBL) portfolio (part of SME portfolio)

﷼ 3.56 Bn
(2023: 46%)

Overall customer service satisfaction score

88.26%
(2023: 86.47%)

Digitally engaged customers:

69%
(2023: 68%)

Sustainability

Our Performance continued

Create a Thriving Workplace

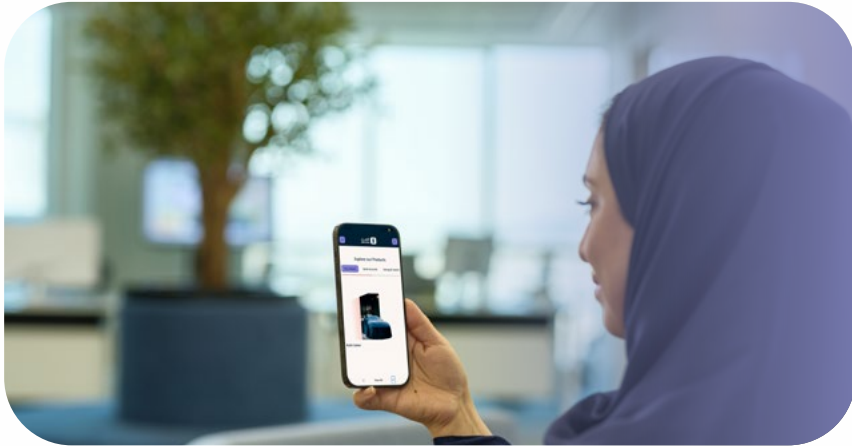
Our people enable our success and are our greatest asset. We recognize them as individuals worth treasuring and taking care of. We work hard to nurture a culture of respect, innovation, ownership and growth that ultimately supports exceptional service delivery.

As we pursue a great work environment, we placed special emphasis on human rights in 2024, including the development of a Human Rights Commitment. As part of this commitment, alinma promises to:

- Respect the human rights of employees and comply with all legislation in line with international standards.
- Ensure non-discrimination in hiring, compensation, training, promotion, and termination.
- Prohibit child and forced labor.
- Provide safe, secure, and healthy working conditions.
- Protect employee data privacy.
- Promote work-life balance, diversity, and inclusion.
- Comply with applicable laws regarding working hours, pay rates, and overtime.

We also developed an occupational health and safety statement that guides us in how we keep employees safe.

[View the alinma Health and Safety Statement here](#)



We conducted several physical health campaigns with topics that included cancer awareness and safe travel, along with a seasonal influenza vaccination campaign to keep employees safe. In addition, we ensure that all our employees are aware of our general safety rules to ensure safety in the event of a fire at work or a similar threat.

alinma acknowledges that a focus on employee health must necessarily include mental health, and we therefore have several initiatives to support employees' emotional well-being. Our Ma'ak podcast and Nasmaa'k platform promotes mental health. The alinma Your Health First event for employees, hosted in collaboration with the National Center for Mental Health, helped to engage employees on issues of mental health and provided training to ward against common mental health challenges.

In pursuit of gender diversity at alinma, we increased the female representation on our workforce in 2024. We also support people with disabilities through the launch of our Athar program in 2024. This initiative, in collaboration with the Ministry of Human Resources and Social Development, identifies people with disabilities and provides them with training in the personal and professional skills they need to thrive and then integrates them into the world of work through job rotations. We are proud of our first cohort of 13 Athar graduates, with a second batch comprising 15 graduates who successfully completed the 6-month program in December 2024 and enrolled in the Bank.

At the same time, alinma works to incorporate more local talent into our workforce with a 2024 Saudization rate of 96%.

Full-time employees

2,906
(2023: 2,924)

Average training hour per employee

33
(2023: 33.17)

OHI score

72
(2023: 68)

Turnover rate

12.68%
(2023: 15.5%)

Number of volunteers

350
(2023: 492)

Volunteer hours

3,410
(2023: 2,412)

Saudization rate

96%
(2023: 96%)

To bolster our employee engagement, we expanded our employee benefits to include the medical costs for employees' parents in our employee insurance while also providing an education allowance for staff members' children. Those children that are old enough to start looking at the job market can also connect with other experienced bank employees through our Advisor for Employees Children initiative. alinma's new employee talent competition brings some fun to the workplace. A personal finance management service and our new Zakat-free Z Savings Program support employees in their personal finance journey.

All of these initiatives contributed to an improved Organizational Health Index (OHI) score of 72 (over the 68 achieved in 2023) when we conducted our annual OHI survey. We are also proud of our Innovation and Creativity Award, received at the GCC Corporate Happiness Awards.

To keep employee skills sharp, we launched a new job grade restructuring and promotions program that allowed alinma to promote 237 employees across various regions. Our unique training programs enhance skills in analysis, project management, governance, AI and leadership – altogether, +3400 employees were trained through this initiative.

We rely on our employees to help embed sustainability in our culture and operations. In 2024, we developed a sustainability training matrix to ensure that we engage all employees at all levels in our

sustainability journey. We also conducted sustainability awareness programs consisting of lectures, workshops and internal communication campaigns to raise awareness of responsible and sustainable habits and topics like privacy and risk management. At the same time, we drive sustainability at a management level by linking alinma's sustainability performance with executive pay to incentivize performance that makes a positive impact.

Employees are also more engaged when they feel that they contribute to something meaningful. We encourage our employees to volunteer, partly through a volunteering introduction tour hosted in three cities in 2024, in which we observed over 350 employees spending over 3,410 hours of volunteering during the year.

Sustainability
Our Performance continued

Strengthen Our Communities and Contribute to Greater Financial Inclusion

alinma takes its social responsibility to our beloved communities very seriously. We use our position as an important bank in the Kingdom to advance financial inclusion and socioeconomic prosperity. Part of our approach is empowering and creating value for local suppliers to amplify positive change. alinma commits to spending 1% of its revenues on corporate social responsibility (CSR) activities.

In 2024, our programs and initiatives saw over 5,000 people benefiting from alinma's financial knowledge and awareness platforms such as the AMAD podcast. We launched a new Financial Awareness and Confidence Program that offers practical training sessions and workshops in financial literacy, and our Financial Intelligence from Childhood workshops help parents in three cities to teach their children healthy saving and spending habits. Our new cooperation agreement with the Mohammed bin Salman Foundation will help to empower non-profit organizations in achieving their financial goals too.

alinma places special emphasis on education to empower the next generation of Kingdom citizens. In 2024, we launched three education programs, one of which aims to reach over 10,000 students across 10 Saudi universities in collaboration with the



Ministry of Education. Our university scholarship program, also in collaboration with the Ministry of Education and the Taalum association, sees scholarships to the value of 5 million being provided to students from underprivileged backgrounds.

Home ownership is another strong focus for us. Our contribution through our partnership with Riyadh Emarat during the year saw 300 underprivileged families accessing our home ownership solution. We also donated 15 million to restoring 300 homes.

To support small businesses, alinma provided around 25 start-ups in promising sectors with seed or early-stage funding. Our new Riadi CSR program supports entrepreneurs with a specialized financing offering, while the newly launched Microenterprise Empowerment Program supports 228 micro enterprises with funding.

All of these initiatives contributed to alinma winning the 2024 Silver Award for Corporate Social Responsibility from the Minister of Human Resources and Social Development.

To support and empower our suppliers, we implement a structured and ethical approach to procurement, ensuring efficiency, transparency and sustainability in the supply chain. Our procurement spend on local suppliers increased by 81.44% in 2024, while our sustainable procurement workshop and supplier ESG assessments help to advance our suppliers on their own sustainability journeys. We concluded the second round of our ESG supplier assessment in 2024 following the criteria below, with all our suppliers being assessed in terms of data privacy protection upon registration.

Furthermore, 100% of our suppliers signed the alinma Supplier Code of Conduct. Our green procurement guidelines are outlined in alinma's new Sustainable Procurement Statement, as contained in our ESG Position Statement.



Sustainability
Our Performance continued

Drive Robust Governance and Responsible Operations

At alinma, we firmly believe that strong corporate governance and ethical business conduct are fundamental to long-term success and sustainability. Our commitment to best governance practices ensures the highest standards of business ethics, and the development of a sustainable governance. We recognize our responsibility to manage the business with integrity, transparency, and accountability, aligning our operations with the expectations of all stakeholders.

Sustainability is a core pillar of our strategy, enabling us to meet present needs without compromising future generations. As part of our continuous efforts to enhance governance within our sustainability framework, we focus on strengthening board charters, policies, and overall group governance practices.

Our dedication to governance excellence has earned us significant industry recognition. In 2024, we received the prestigious Governance Award at the 3rd International Corporate Governance Conference and were recognized by the Corporate Governance Center at Alfaisal University for setting the benchmark in corporate governance within banking sector. These achievements underscore our commitment to ethical leadership and transparency.



Furthermore, alinma has achieved its highest rating last year in Environmental, Social, and Governance (ESG) rankings in S&P Global, the MSCI Index, and the London Stock Exchange, demonstrating our unwavering commitment to sustainability, responsible business practices, and strong corporate governance.

To foster a culture of governance, we have implemented internal awareness programs and dynamic communication strategies. These initiatives not only reinforce compliance but also cultivate an ethical workplace environment. As a result, we have seen a significant decline in incidents related to regulatory non-compliance and sanctions in recent years.

By prioritizing effective governance, we strengthen our resilience and enhance stakeholder trust. Through continuous improvement in

governance and sustainability practices, we remain committed to creating long-term value and contributing to a more ethical, transparent, and sustainable future.

Maintaining responsible operations is also part of alinma's sustainability drive. We publicly declared our commitment to embedding sustainability across all our operations in the shape of our ESG Position Statement, published in 2024:

[View the alinma ESG Position Statement here](#)

Our adherence to the commitments outlined in the Position Statement is supported by alinma's new ESG Risk Framework, which helps us to identify, evaluate and prioritize ESG risks.

In 2024, alinma reinforced its commitment to data privacy by prioritizing regulatory compliance and strengthening employee awareness. A key achievement in 2024 was the enhancement of the mandatory data privacy training workshops, ensuring employees remained well-versed in the latest best practices for safeguarding customer data, with a robust training plan to be rolled out for all our staff members in 2025. Simultaneously, alinma continued investing in advanced data privacy measures to counter evolving digital threats and maintain the highest security standards. These efforts highlight the Bank's proactive approach to protecting customer data, ensuring trust, and upholding regulatory excellence.

The Bank also upheld strict adherence to Saudi Arabia's Personal Data Protection Law (PDPL) and its implementing regulations, demonstrating its dedication to compliance. The Bank's updated Personal Data Privacy Policy has been implemented across all our operations.

[View the alinma Privacy Policy here](#)

In addition, at alinma, we truly believe that compliance with rules and regulations is one of the most important factors for the success of financial institutions. Compliance protects the reputation and credibility of financial institutions; protects shareholders and depositors and

provides safeguards to institutions against legal sanctions. alinma's approach is to be fully compliant with laws, rules and regulations as well as our internal policies and procedures. This approach enhances the compliance culture and raise the responsibility of compliance in all business and control function lines.

alinma is also dedicated to fostering an environment where employees, suppliers, and customers can confidently report any actual or potential breaches of our Code of Conduct or instances of misconduct. Our Whistleblowing Program ensures that individuals, both internal and external, have the right to report suspected improper, unethical, or inappropriate conduct within the Bank while being protected from retaliation.

We provide multiple confidential reporting channels, including online reporting, email, telephone, and postal mail, with a hotline available 24/7. Outside working hours and on holidays, callers receive instructions on submitting reports via email at WA@alinma.com. alinma's full whistleblowing policy is accessible to all employees, customers, and suppliers on our website, reinforcing our commitment to transparency and ethical conduct.

Looking forward, alinma is committed to advancing its governance framework with an ambitious approach that strengthens board effectiveness, enhances transparency, and aligns with global best practices. The Bank will introduce orientation programs for new Board members, define clear

roles and responsibilities, and update governance charters to ensure regulatory alignment. Efforts will also focus on enhancing oversight of subsidiaries, strengthening board diversity, developing an ESG roadmap, and adapting committee structures to address emerging risks. In the long run, alinma aims to benchmark against industry leaders, attain governance excellence recognition, and foster continuous board education to stay ahead of evolving industry trends.

Percentage of Board members that received communication on alinma's anti-corruption policies and procedures

100%
(2023: 100%)

Total incidents of non-compliance with laws and regulations

18
(2023: 14)

Total number of non-monetary sanctions

1
(2023: 4)



03 Governance

- 118** Board of Directors Report
- 119** Board of Directors
- 124** Non-Board Committee Members
- 127** Executive Management
- 174** Shariah Committee
- 179** Audit Committee Report

alinma Board of Directors' Report 2024

The Board of Directors of alinma is pleased to present their 16th Board of Directors' Report for the year ended 31 December 2024. This report provides concise information of the Bank's operations and financial results, as well as the governance structure that enabled the Bank to conduct its business and successfully navigate through the challenges faced in 2024, while aligning with its future vision. It also supports the continuance compliance of sound corporate governance and ethical principles.

Governance at alinma

Effective corporate governance is critical to the proper functioning of alinma. The Bank's safety and soundness are key to financial stability, and the manner in which we conduct our business, is therefore central to the Bank's economic health.

The Saudi Central Bank (SAMA) has issued "Key Principles of Governance in Financial Institutions", which contains seven primary principles that are in accordance with best practices recognized internationally. The Members of the Board of Directors and senior management of the Bank are required to apply these principles in addition to understanding the related risks within the Bank's operating environment. The Bank also abides by the rules and regulations issued by the Capital Market Authority (CMA) that are designed to reinforce transparency and disclosure standards to safeguard investors and their decisions. The governance activities extend to complying with the requirements of Tadawul (Saudi Exchange) in the listing of the Bank in the securities market in the country.

These governance principles are intended to assist the Bank in enhancing its corporate governance framework, and to help Board Members and senior managers to oversee the Bank's activities. Corporate governance is a key element in improving economic efficiency and growth as well as in enhancing investor confidence. The governance framework is implemented through six (6) Board Committees.

The Bank has designed comprehensive disclosure policies and regulations that require all stakeholders to have access to material information and developments. The Bank has also designed and implemented training and sharing of information programs to assist new Board Members in fulfilling their obligations and duties of oversight of the operations.

Governance structure

Board composition and appointment

The Bank is governed by a Board of Directors consisting of nine (9) members who are appointed by the shareholders at the General Assembly for a period of three (3) years.

The Board sets out and ensures clear lines of responsibility and accountability at all levels of the Bank. Members of the Board choose a Non-Executive Director as the Chairman of the Board of Directors, who ensures a fair representation.

Capital and shares issued

The paid-up capital of the Bank is ﷲ 25,000,000,000 divided into 2,500,000,000 ordinary shares, with a nominal value of ﷲ 10 each.

Corporate governance provisions implementation

The Bank complies generally in implementing the provisions provided by the Corporate Governance Regulation issued by the CMA and with the Key Principles of Governance in Financial Institutions and other directives issued by SAMA, as well as the Companies Law issued by the Ministry of Commerce. The Bank strives to ensure compliance with all governance regulations and to keep pace with any developments arising on the matter.

Names, qualifications, experience and current and previous positions of the Board and Committee Members and the Executive management

(A) Board of Directors

Audit Committee Member	Shariah Committee Member	Executive Committee Member
Nominations and Remuneration Committee Member	Risk Committee Member	Governance and Sustainability Committee Member



Dr. Abdulmalik Abdullah Al-Hogail is a distinguished business leader with a diverse portfolio spanning multiple industries across the Middle East. He has held numerous board positions in prominent companies, showcasing his versatility and expertise and his experience encompasses a wide range of sectors, including banking, investments, oil and petrochemical shipping, food processing and pharmaceuticals. His roles have consistently involved high-level strategic decision-making, financial planning and corporate governance.

Dr. Abdulmalik Abdullah Al-Hogail
Board Member

Appointed: 21 May 2019

Key current appointments

- Chairman of the Board, alinma (2019 - Current)
- Chairman of the Executive Committee, alinma (2019 - Current)
- Nominations and Remuneration Committee Member, alinma (2022 - Current)
- Board Member, Americana Restaurant (2022 - Current)
- Board Member, National Shipping Company (2017 - Current)
- Board Member, Americana Group (2017 - Current)

Skills and contribution

- Experienced executive with a robust background in strategic and financial planning
- Advanced expertise in mergers, acquisitions and corporate finance
- Proven success in leading boards across a variety of industries
- Adept at maneuvering through intricate business dynamics in the Middle East



Saad Abdulaziz Alkroud is a seasoned executive with experience in finance, investment and strategic management. He is currently the Vice Chairman at alinma and the Chief of Staff and Secretary General to the Board at PIF, where he plays a pivotal role in shaping the fund's strategic direction and governance model. His previous experience includes leadership roles at Mayaas Holding and Abdullatif Alissa Group Holding, where he honed his skills in wealth management and diversification.

Saad Abdulaziz Alkroud
Board Member

Appointed: 21 May 2022

Key current appointments

- Vice Chairman of the Board, alinma (2022 - Current)
- Chairman of the Governance and Sustainability Committee, alinma (2022 - Current)
- Nominations and Remuneration Committee Member, alinma (2022 - Current)
- Chairman of the Board, Southern Province Cement Company (2024 - Current)
- Chairman of the Board, TAQNIA (2023 - Current)
- Chairman of the Board, Dan Company (2022 - Current)
- Board Member, Diriyah Company (2022 - Current)

- Chief of Staff and Secretary General, Public Investment Fund (PIF) (2021 - Current)

Skills and contribution

- Proven expertise in driving strategic business planning and delivering impactful execution
- Track record of success in leading high-profile institutional projects and managing diverse investment portfolios
- Accomplished in establishing and scaling new businesses to achieve sustainable growth
- Skilled in financial management and crafting effective wealth diversification strategies

(A) Board of Directors

Audit Committee Member	Shariah Committee Member	Executive Committee Member
Nominations and Remuneration Committee Member	Risk Committee Member	Governance and Sustainability Committee Member



Ahmed Abdullah Alsheikh is a seasoned financial professional with significant experience in the regulatory and banking sectors. He serves as an Independent Board Member at alinma, where he also contributes his expertise to the Risk Committee and the Governance and Sustainability Committee. His career portfolio includes notable positions at the Saudi Central Bank (SAMA), the Economic and Development Affairs Council and the Capital Market Authority, which have provided him with a comprehensive understanding of Saudi Arabia's financial landscape.

Ahmed Abdullah Alsheikh
Board Member

Appointed: 21 May 2022

- Key current appointments**

 - Board Member, alinma (2022 - Current)
 - Risk Committee Member, alinma (2022 - Current)
 - Governance and Sustainability Committee Member, alinma (2022 - Current)
 - Audit Committee Member, Red Sea Authority (2025 - Current)
 - Audit Committee Member, King Saud University (2025 - Current)
 - Chairman of the Audit Committee, Saudi Export-Import Bank (2022 - Current)
 - Chairman of the Audit Committee, National Housing Company (2022 - Current)
 - Board Member, National Housing Company (2022 - Current)
- Skills and contribution**

 - Risk Committee Member, National Housing Company (2022 - Current)
 - Part – Time Consultant, Ministry of Industry and Mineral Resources (2021 - 2022)
 - Part-time consultant, Ministry of Housing (2021 - 2022)
 - Chairman of the Audit Committee, Non-Oil Revenues Development Center (2019 - Current)
 - Deep knowledge and understanding of banking and financial services operations
 - Extensive expertise in risk management and corporate governance frameworks
 - Highly proficient in economic and development affairs, fostering growth
 - Experienced in leading audit committees and ensuring robust financial oversight



Anees Ahmed Moumina is a well-versed executive with a career spanning more than 35 years in leadership roles across banking, food, retail and family business companies. Currently, he serves on multiple boards across various sectors, including banking, healthcare, real estate and government entities, leveraging his diverse experience to contribute to strategic decision-making and corporate governance. Previously, he held the position of CEO at Savola Group and SEDCO Holding Group and had a notable career at Citibank/Samba Financial Group, advancing to the role of General Manager and Senior Credit Officer.

Anees Ahmed Moumina
Board Member

Appointed: 21 May 2022

- Key current appointments**

 - Executive Committee Member, alinma (2022 - Current)
 - Chairman of the Board, alinma Capital (2023 - Current)
 - Board Member, Fakieh Tourism and Leisure Group (2024 - Current)
 - Board Member, Fakieh Poultry Farms Company (2024 - Current)
 - Board Member, Jeddah Transport Company (2023 – Current)
 - Chairman of the Board, AlTazaj Fakieh Company (2023 - Current)
 - Board Member, Halwani Brothers Company (2023 - Current)
 - Board Member, Abdul Latif Jameel Enterprise Company (2022 - Current)
 - Board Member, Jeddah Development & Urban Regeneration Company (2021 - Current)
- Skills and contribution**

 - Board Member, Dar Al Tamleek Company (2021 - Current)
 - Board Member, Dr. Suliman Fakeeh Hospital Company (2019 - Current)
 - Leader with a strong track record in corporate restructuring and financial recovery for the financial sector, family businesses and public joint stock companies
 - In-depth knowledge of the banking, food and retail sectors
 - Demonstrated success in steering strategic initiatives and driving business transformation
 - Extensive board-level experience across various industries, delivering strategic vision and leadership

Audit Committee Member	Shariah Committee Member	Executive Committee Member
Nominations and Remuneration Committee Member	Risk Committee Member	Governance and Sustainability Committee Member



Dr. Saud Mohammed Al-Nimir is a distinguished professional with a blend of academic and corporate expertise. With a career spanning over 35 years as an assistant and associate professor of public administration at King Saud University, he brings a wealth of knowledge to his current roles. His diverse board memberships, including roles at Saudi Public Transport Company and Maaden Star Real Estate Company, showcase his versatility and depth of knowledge across various sectors.

Dr. Saud Mohammed Al-Nimir
Board Member

Appointed: 21 May 2019

- Key current appointments**

 - Board Member, alinma (2019 - Current)
 - Chairman of the Nominations and Remuneration Committee, alinma (2019 - Current)
 - Governance and Sustainability Committee Member, alinma (2022 - Current)
 - Board Member, (Tamkeen) Ministry of Energy (2021 - Current)
 - Board Member, Saudi Public Transport Company (SAPTCO) (2019 - Current)
 - Board Member, Maaden Star Real Estate Company (2016 - Current)
- Skills and contribution**

 - Seasoned executive with in-depth expertise in corporate governance and board leadership
 - Strong background in designing nomination and remuneration policies
 - Proficient in overseeing audits and ensuring financial transparency
 - Skilled in advancing sustainability goals and upholding governance principles



Abdullah Abdulaziz Alromaizan is a seasoned finance professional with over 15 years of experience in the banking and investment sectors. He began his career with internships at the Capital Market Authority and Al Romaizan Group, followed by roles in corporate banking and investment management. Currently, he is Head of Real Estate Investments at Mohammed Ibrahim Al Subaie and Sons Investment Company "MASIC"; his broad financial experience and ongoing education make him a dynamic leader in local real assets management.

Abdullah Abdulaziz Alromaizan
Board Member

Appointed: 21 May 2022

- Key current appointments**

 - Board Member, alinma (2022 - Current)
 - Risk Committee Member, alinma (2022 - Current)
 - Executive Committee Member, alinma (2022 - Current)
 - Head of Real Estate Investments, Mohammed Ibrahim Al Subaie and Sons Investment Company "MASIC" (2023 - Current)
- Skills and contribution**

 - Accomplished professional with a strong track record in corporate banking and investment management
 - Expertise in managing assets and portfolios, with a specialization in local real estate and infrastructure investments
 - Skilled in fostering relationships and leading teams to achieve strategic objectives
 - Broad knowledge of financial strategies, delivering value across diverse investment initiatives

(A) Board of Directors

Audit Committee Member	Shariah Committee Member	Executive Committee Member
Nominations and Remuneration Committee Member	Risk Committee Member	Governance and Sustainability Committee Member



Abdulrahman Mohammed Ramzi Addas
Board Member

Appointed: 21 May 2019

Key current appointments

- Chairman of the Audit Committee, alinma (2022 - Current)
- Board Member, alinma (2019 - Current)
- Executive Committee Member, alinma (2019 - Current)
- Board Member and Audit Committee Member, Kinan International Real Estate Development Co. (2022 - Current)
- Board Member and Chairman of the Audit Committee, Al-Rabie Saudi Food Company (2019 - Current)
- Board Member, Chairman of the Investment Committee and Nomination and Remuneration Committee Member, Environment Fund (2019 - Current)

- Chairman of the Board and Risk Committee Member, Tunisian Saudi Bank (2016 - Current).
- Chairman of the Board, Diyar Al Khayyal Real Estate Development Co. (2013 - Current)

Skills and contribution

- Comprehensive expertise spanning banking, risk management, strategic planning, investments and real estate development
- Proven leadership with a track record of success in senior executive roles
- Deep expertise in financial consulting and corporate governance practices



Mohammed Abdulrahman Bindayel
Board Member

Appointed: 21 May 2019

Key current appointments

- Board Member, alinma (2019 - Current)
- Executive Committee Member, alinma (2019 - Current)
- Nominations and Remuneration Committee Member, alinma (2022 - Current)
- Chief Executive Officer, Cultural Development Fund (2021 - Current)

Skills and contribution

- Seasoned leader with a wealth of experience in strategic financial management and investment decision-making
- Deep understanding of banking and financial services industry
- Significant experience in leading government institutions and providing strategic advice to multinational companies

Mohammed Abdulrahman Bindayel brings 22 years of proven expertise in the finance and investment sectors, with a strong track record of driving strategic growth and value creation. He currently serves as the Chief Executive Officer at the Cultural Development Fund. Prior to joining CDF, he was the Executive Director of Operations at AlRa'idah Investment Company. Mohammed has previously held distinguished roles at Saudi Aramco.

Audit Committee Member	Shariah Committee Member	Executive Committee Member
Nominations and Remuneration Committee Member	Risk Committee Member	Governance and Sustainability Committee Member



Haitham Rashid Al-Shaikhmubarak
Board Member

Appointed: 21 May 2022

Key current appointments

- Board Member, alinma (2019 - Current)
- Chairman of the Risk Committee, alinma (2019 - Current)
- Audit Committee Member, alinma (2022 - Current)
- Audit Committee Member, Saudi Golf Federation (2024 - Current)
- Board Member, G3 Canada (2024 - Current)
- Board Member, Minerva Foods (2024 - Current)
- Audit Committee Member, Golf Saudi (2021 - Current)

Skills and contribution

- Accomplished expert with a wealth of experience in financial and investment management
- Comprehensive background in asset and wealth management, delivering sustainable growth
- Proficient in strategic planning, business expansion, and introducing cutting-edge financial products and services

Haitham Rashid Al-Shaikhmubarak is a veteran financial executive with over two decades of experience in banking, investment and asset management. He currently serves on multiple boards and committees, leveraging his extensive financial acumen to provide strategic guidance across various sectors including banking, food and sports. His career included leadership roles at prominent Saudi financial institutions such as Saudi Fransi Capital, ANB Invest Co. and The National Commercial Bank.

(B) Non-Board Committee Members

(B/1) Audit Committee

Name	Current Positions	Previous Positions	Qualifications
Maher Saad Al-Aiyadhi	- Audit Committee Member, alinma - Chief Internal Audit Officer, Royal Commission for Al-Ula (RCU)	- Chief Auditor, SADARA - Audit Manager - Operation Support and Vice President – Support Services, Saudi Center of International Strategic Partnership (SCISP) - Aramco - Deputy Chief Auditor, Fujian Refining and Petrochemical Company Ltd. - Chief Auditor, Beijing Services - a Finance Representative at SADAF – SABIC - Chief Auditor, Deloitte	- Bachelor of Accounting - King Fahd University of Petroleum & Minerals, Kingdom of Saudi Arabia - Certified Internal Auditor (CIA) - Certified in Risk Management Assurance (CRMA) - Certified Port Facility Security Officer (PFSO) - Chinese Certified Internal Auditor (C-CIA)
Othman Mohammed Al-Tuwaijri	- Audit Committee Member, alinma - Vice President - Finance Sector, Elm Company	- Executive Director - Financial Operations, Elm Company - Audit Director and Licensed Partner, Ernst & Young Company	- Bachelor of Accounting - King Saud University, Kingdom of Saudi Arabia - Certified Public Accountant (SOCPA)
Dr. Saad Saleh Al-Rowaite	- Audit Committee Member, alinma - Secretary General, Riyadh Charitable Foundation for Sciences - Vice President for Administrative and Financial Affairs, Prince Sultan University, Kingdom of Saudi Arabia	- Part-time Consultant, Ministry of Health - Head - Accounting Department, King Saud University, Kingdom of Saudi Arabia	PhD in Accounting - University of Colorado, United States

(B/2) Shariah Committee

Name	Current Positions	Previous Positions	Qualifications
Dr. Abdullah Bin Wakeel Al-Sheikh	Chairman of the Shariah Committee	- Professor - Department of Sunnah and its Sciences, College of Fundamentals of Religion, College of Shariah, College of Da'awa and Information, Imam University, Kingdom of Saudi Arabia - Professor - Postgraduate Studies, Department of Sunnah and its Sciences and the College of Education, Presidency of Girls' Education - Consultant for Law Firm for a period of four years	PhD in Sunnah and its Sciences - Imam University, Kingdom of Saudi Arabia
Dr. Abdulrahman Bin Saleh Al-Atram	Shariah Committee Member	- Associate Professor - Department of Jurisprudence, College of Shariah, Imam University, Kingdom of Saudi Arabia - Lecturer - Department of Jurisprudence, College of Shariah, Imam University, Kingdom of Saudi Arabia	PhD in Jurisprudence - Imam University, Kingdom of Saudi Arabia
Dr. Suleiman Bin Turki Al-Turki	- Shariah Committee Member - Associate Professor - Department of Shariah Policy, Higher Judicial Institute, Imam University, Kingdom of Saudi Arabia	- Lecturer - Department of Shariah Policy, Higher Judicial Institute, Imam University, Kingdom of Saudi Arabia - Lecturer - Department of Jurisprudence, College of Shariah, Imam University, Kingdom of Saudi Arabia	- PhD in Jurisprudence - Imam University, Kingdom of Saudi Arabia - PhD in Law - London University, United Kingdom
Dr. Khalid Bin Abdulrahman Almuhanna****	- Shariah Committee Member - Faculty member, College of Shariah at Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia	- Vice Dean, College of Shariah for Postgraduate Studies and Scientific Research. - Board Member, Saudi Judicial Association - Judicial Code Committee Member, Ministry of Justice - Advisor, Ministry of Justice	- PhD in Islamic Jurisprudence (Fiqh) - Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia - Master of Law - School of Law at Middlesex University, London, United Kingdom

(B/3) The Governance and Sustainability Committee

Name	Current Positions	Previous Positions	Qualifications
Dina Hassan Alnahdi	Governance and Sustainability Committee Member	- Chief Executive Officer, Environmental Technology Company (ENTEC). - Member of the Industrial Sector Council, Jeddah Chamber of Commerce	- Master of Environmental Management - Open University, United Kingdom - Honorary Doctorate in Environmental Sustainability - United Nations University

(B/4) Risk Committee

Name	Current Positions	Previous Positions	Qualifications
Mohammed Awad Almalki	Risk Committee Member	Director - Cybersecurity Governance Department, Saudi Industrial Development Fund	- Bachelor of Computer Science - University of Otago - Certified Data Privacy Solutions Engineer (CDPSE) - Certified Information Systems Auditor (CISA)

(C) Executive management



Abdullah Ali AlKhalifa
Chief Executive Officer

- Previous Positions**

 - Chief Financial Officer, Banque Saudi Fransi
 - Chief Financial Officer, Al Rajhi Bank
 - Chief Financial Officer, Arab National Bank
- Qualifications**

 - Master of Accounting - University of Miami, United States
 - Bachelor of Accounting – King Saud University, Kingdom of Saudi Arabia.



Saleh Abdullah AlZumaie
Deputy Chief Executive Officer

- Previous Positions**

 - General Manager - Digital and Payments, Al Rajhi Bank
 - General Manager - Retail Banking Group, Al Rajhi Bank
 - Manger - Remittances Department, Al Rajhi Bank
- Qualifications**

 - Bachelor of English Language - Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia



Jameel Naif Hamdan
Chief Corporate Banking Officer

- Previous Positions**

 - General Manager - Corporate Banking, Bank AlBilad.
 - Acting Head - Corporate Banking Group, Banque Saudi Fransi.
 - Regional Head - Business Banking Group, Banque Saudi Fransi.
- Qualifications**

 - Bachelor of Administrative Sciences - King Saud University, Kingdom of Saudi Arabia



Abdullah Jamaan AlZahrani
Chief Treasury Officer

Previous Positions

- Head - Investment and Treasury, Gulf Bank
- Senior Vice Treasurer, Riyad Bank
- Assistant General Manager of the Governor, Arab Bank

Qualifications

- Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia



Mohammed Sultan AlSehali
Chief Internal Audit Officer

Previous Positions

- Executive Director, Pwc Company
- Head - Accounting Department, College of Business Administration, King Saud University
- Team Leader - Regulatory Bodies Development Project, King Saud University

Qualifications

- PhD in Accounting - University of Melbourne, Australia



Adel Saleh Abalkhail
Chief Financial Officer (CFO)

Previous Positions

- Deputy General Manager - Financial Group, Al Rajhi Bank
- CFO, Al Rajhi Bank, Malaysia
- CFO, Al Rajhi Bank, Jordan

Qualifications

- Master of Accounting & Finance - University of Illinois, United States
- Certified Public Accountant (CPA)
- Certified Public Accountants (SOCPA)



Eyad Osama AlOthman
Chief Legal and Corporate Governance, Secretary of the Board of Directors, and General Legal Counsel of the Bank

Previous Positions

- Legal Advisor to the Chairman of the Board of Directors, Capital Market Authority (CMA)
- Legal Consultation Unit Manager, Albilad Bank
- Senior Legal Advisor, Yousef and Mohammed Al-Jadaan Office for Legal Consultation and Law Firm

Qualifications

- Master of Business Administration (MBA) - University of Hull, United Kingdom
- Bachelor of Law - King Saud University, Kingdom of Saudi Arabia



Meshary Abdulaziz AlJubair
Chief Operating Officer (COO)

Previous Positions

- General Manager - Information Technology Division, alinma
- Deputy General Manager - Information Technology Division, alinma
- Manager - Information Security Planning Department, Saudi Telecom Company

Qualifications

- Bachelor of Science in Computer Engineering - King Saud University, Kingdom of Saudi Arabia



Meshal Hamad Alrabiah
Chief Risk Officer (CRO)

Previous Positions

- Deputy General Manager - Market Risk, ERM and basel, alinma
- Assistant General Manager - Market Risk, ERM and basel, alinma
- Senior Market Risk Manager - ERM and basel, alinma

Qualifications

- Master of Management - University of Leeds MT, United Kingdom



Yaser Abdulaziz AlMarshde
Chief Shariah Officer (CSO)

Previous Positions

- Chief of Shariah Advisors and Chairman of the Council of Shariah Scholars, Al Rajhi Bank
- Senior Shariah Advisor and Chairman of the Council of Shariah Scholars, Al Rajhi Bank

Qualifications

- Master of Islamic Jurisprudence (Shariah Law) - Higher Institute of Judiciary, Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia



Saud Aied Al Mufaddaly
Chief Compliance Officer (CCO)

Previous Positions

- Acting Head - Compliance, Riyad Bank
- Deputy Head - Compliance and Anti-Financial Crimes Sector, Riyad Bank
- Head - Compliance and Anti-Financial Crimes Department, Banque Saudi Fransi

Qualifications

- Bachelor of Economics - King Saud University, Kingdom of Saudi Arabia
- Certified Anti-Money Laundering Specialist (CAMS)
- Certified Compliance Officer (CCO) Professional Certificate



Hisham Abdullah AlTuraigi
Chief Credit Officer (CCRO)

Previous Positions

- Director - Credit Risk Management, alinma
- Manager - Credit Evaluation Department, Al Rajhi Bank

Qualifications

- Master of Accounting - King Saud University, Kingdom of Saudi Arabia
- Certified Public Accountants (SOCPA)



Fahad Abdulaziz AlMohaimeed
Chief Strategy and Sustainability Officer

Previous Positions

- Head - Islamic Banking, Arab National Bank
- Head - Shariah Affairs, Arab National Bank
- Product Development Manager, Saudi Awwal Bank.

Qualifications

- Bachelor of Finance - King Saud University, Kingdom of Saudi Arabia



Abdullah Mohammed AlSalamah
Chief Human Capital Officer (CHCO)

Previous Positions

- Deputy General Manager - Human Capital Division, alinma
- Deputy General Manager - Information Technology Division, alinma
- Manager - Information Security Awareness Department, Saudi Telecom Company

Qualifications

- Master of Information Systems - King Saud University, Kingdom of Saudi Arabia

Names of the companies inside and outside the Kingdom in which a Board Member is a Manager or a member of their current or previous Board

Names of companies where the Board Member is a member of its current Board or one of its Directors				Names of companies where the Board Member was a member of its past Board or one of its Directors.		
Member Name	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Dr. Abdulmalik Abdullah Al-Hogail	Bahri (Formerly known as the National Shipping Company of Saudi Arabia)	Inside the Kingdom	Board Member	Saudi Electricity Company	Inside the Kingdom	Board Member
	Americana Restaurants International Company	Outside the Kingdom	Vice Chairman of the Board	National Chemical Carriers Co., Ltd.	Inside the Kingdom	Board Member
	The Kuwait Food Company (Americana Group)	Outside the Kingdom	Vice Chairman of the Board	Accenture PLC	inside the Kingdom	Board Member
				Tibbiyah Holding	Inside the Kingdom	Board Member
				SPIMACO	Inside the Kingdom	Board Member
				Philips Healthcare Saudi Arabia LTD	Inside the Kingdom	Board Member
				Electronics and Systems Holding Company	Inside the Kingdom	Board Member
				Alinma Investment Company	Inside the Kingdom	Board Member
				Al Faisaliah Group	Inside the Kingdom	Vice President and Chief Financial Officer
	Public Investment Fund	Inside the Kingdom	• Secretary General of the Board of Directors • Chief of Staff	Public Investment Fund	Inside the Kingdom	Director General - Stakeholder Management Department
	Southern Province Cement Company	Inside the Kingdom	Board Member	Alissa Group	Inside the Kingdom	Advisor to the Chairman of the Board
	Diriyah Gate Co. Ltd.	Inside the Kingdom	Board Member	Wealth and Diversification Management Company (MIAS)	Inside the Kingdom	Vice President
Saad Abdulaziz Alkroud	Saudi Company for Technology Development and Investment	Inside the Kingdom	Chairman of the Board			
	El Seif Engineering Contracting	Inside the Kingdom	Board Member			
	King Faisal Specialist Hospital and Research Center	Inside the Kingdom	Board Member			
	AlBalad Development Company	Inside the Kingdom	Board Member			

Names of companies where the Board Member is a member of its current Board or one of its Directors				Names of companies where the Board Member was a member of its past Board or one of its Directors.		
Member Name	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Abdulrahman Mohammed Ramzi Addas	Kinan International Real Estate Development Co.	Inside the Kingdom	• Audit Committee Member • Board Member	Albilad Bank	Inside the Kingdom	• Board Member • Chairman of the Compliance and Governance Committee • Chairman of the Nominations and Rewards Committee
	Al Rabie Saudi Foods Co. Ltd.	Inside the Kingdom	• Chairman of the Audit Committee • Board Member	ARCOMA Company	Inside the Kingdom	Board Member
	Diyar Al Khayal for Real Estate Development	Inside the Kingdom	Chairman of the Board	Sedco Capital	Inside the Kingdom	Board Member
	TSB Bank	Inside the Kingdom	• Chairman of the Board • Risk Committee Member	Abdulaziz Al-Sughayir Holding Company	Inside the Kingdom	Board Member
	Environmental Fund	Inside the Kingdom	• Chairman of the Investment Committee • Nominations and Rewards Committee Member • Board Member	ACWA Power	Inside the Kingdom	Board Member
				Growth Cable Development Limited Company	Inside the Kingdom	Chairman of the Board
				AlSorayai Group	Inside the Kingdom	Board Member
				Quantum Investment Bank	Outside the Kingdom	Board Member
				AMS Baeshen Company	Inside the Kingdom	Board Member
				The Savola Group	Inside the Kingdom	• Board Member • Governance Committee Member • Nominations and Rewards Committee Member

Names of the companies inside and outside the Kingdom in which a Board Member is a Manager or a member of their current or previous Board (continued)

Member Name	Names of companies where the Board Member is a member of its current Board or one of its Directors			Names of companies where the Board Member was a member of its past Board or one of its Directors.		
	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Abdullah Abdulaziz Alromaizan	Mohammed Ibrahim Al Subaie and Sons Investment Company (MASIK)	Inside the Kingdom	Chief Real Estate Investment Officer	Alromaizan Group	Inside the Kingdom	Assistant Portfolio Manager
				Arab National Bank	Inside the Kingdom	Relationship Officer - Corporate Banking
				Saudi National Bank	Inside the Kingdom	Team Leader - Corporate Banking
				Raidah Investment Company	Inside the Kingdom	Portfolio Manager - Local Real Estate and Infrastructure Management
				Hassana Investment Company	Inside the Kingdom	Assistant Director General - Local Real Estate and Infrastructure Investments

Member Name	Names of companies where the Board Member is a member of its current Board or one of its Directors			Names of companies where the Board Member was a member of its past Board or one of its Directors.		
	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Ahmed Abdullah Alsheikh	Non-Oil Revenues Development Center	Inside the Kingdom	Chairman Of The Audit Committee	Saudi Tadawul Group	Inside the Kingdom	Joint Committee Member with the aim of completing the settlement and clearance projects
	Saudi Export-Import Bank	Inside the Kingdom	Chairman of the Audit Committee	Capital Market Authority	Inside the Kingdom	• Joint Committee Member with the aim of completing the settlement and clearance projects • Deputy Chairman - Authority for Market Institutions
						• Joint Committee Member with the aim of completing the settlement and clearance projects • Deputy Portfolio Manager – Oversight
	National Housing Company (NHC)	Inside the Kingdom	Board Member Chairman of the Audit Committee Risk Committee Member	Saudi Arabian Monetary Authority (SAMA)	Inside the Kingdom	• Joint Committee Member with the aim of completing the settlement and clearance projects • Deputy Portfolio Manager – Oversight
	Red Sea Authority	Inside the Kingdom	Audit Committee Member	National Housing Company (NHC)	Inside the Kingdom	• Executive Committee Member • Supervisory Committee Member
	King Saud University	Inside the Kingdom	Audit Committee Member	Binladin Group Company	Inside the Kingdom	• Executive Committee Member for Governance Resolution • Project Review Committee Member
				General Organization for Social Insurance (GOSI)	Inside the Kingdom	Board Member
				Ministerial Committee for Monitoring the Work of Binladin Group Company - Council of Economic and Development Affairs	Inside the Kingdom	• Board Member and Sub-Committee Member of the Permanent Committee • Strategic Committee Member • Housing Program Committee Member • Permanent Committee Member
				International Public Sector Accounting Standards Board (IPSASB)	Inside the Kingdom	Executive Committee Member for Governance
				Exclusive Accommodation Center	Inside the Kingdom	• Supervisory Committee Member • Executive Committee Member

Names of the companies inside and outside the Kingdom in which a Board Member is a Manager or a member of their current or previous Board (continued)

Member Name	Names of companies where the Board Member is a member of its current Board or one of its Directors			Names of companies where the Board Member was a member of its past Board or one of its Directors.		
	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Anees Ahmed Moumina	Jeddah Urban Development and Renewal Company	Inside the Kingdom	Board Member	Panda Company	Inside the Kingdom	Vice Chairman of the Board
	Alinma Investment Company	Inside the Kingdom	Board Member	Afia International Company	Inside the Kingdom	Vice Chairman of the Board
	Dr. Soliman Fakeeh Hospital	Inside the Kingdom	Board Member	United Sugar Company	Inside the Kingdom	Vice Chairman of the Board
	Dar Altamleek	Inside the Kingdom	Board Member	Kinan International Real Estate Development Company	Inside the Kingdom	Board Member
	Abdullatif Jameel for Business	Inside the Kingdom	Board Member	AlKabeer Group	Inside the Kingdom	Chairman of the Board
	Halwani Company	Inside the Kingdom	Board Member	SEDCO Holding	Inside the Kingdom	Chief Executive Officer of the Group
	Moroojeddah Company	Inside the Kingdom	Board Member	Elaf Group	Inside the Kingdom	Board Member
	Jeddah Transport Company	Inside the Kingdom	Board Member	Dunya AlAswaf Company (AlShayaka)	Inside the Kingdom	Chairman of the Board
	Effat University	Inside the Kingdom	Board Member	Samba Financial Group	Inside the Kingdom	• Regional General Manager - Western Region • Senior Credit Officer
	Faqih Group for Tourism and Entertainment	Inside the Kingdom	Board Member	Economic Cities and Special Zones Authority	Inside the Kingdom	Board Member
	Al Tazaj Faqih Company	Inside the Kingdom	Chairman of the Board	Herfy Food Services Company	Inside the Kingdom	Board Member
	Faqih Poultry Farms Company	Inside the Kingdom	Board Member	Savola Group	Inside the Kingdom	Chief Executive Officer
				Savola Foods Company	Inside the Kingdom	Board Member
				Almarai Company	Inside the Kingdom	Board Member
				Saudi National Bank	Inside the Kingdom	Board Member
Dr. Saud Mohammed Al-Nimir	Al Tazaj Faqih Company	Inside the Kingdom	Chairman of the Board	Herfy Food Services Company	Inside the Kingdom	Board Member
	Madaen Star Real Estate	Inside the Kingdom	Audit Committee Member	Solidarity Insurance	Inside the Kingdom	Board Member
				Central Riyadh Company	Inside the Kingdom	Audit Committee Member
Mohammed Abdulrahman Bindowel	Cultural Development Fund	Inside the Kingdom	Chief Executive Officer	Raidah Investment Company	Inside the Kingdom	Chief Operating Officer (COO)

Member Name	Names of companies where the Board Member is a member of its current Board or one of its Directors			Names of companies where the Board Member was a member of its past Board or one of its Directors.		
	Company Name	Inside / Outside the Kingdom	Position	Company Name	Inside / Outside the Kingdom	Position
Haitham Rashid Al-Shaikhmubarak	Derayah Financial	Inside the Kingdom	Audit Committee Member	Saudi Fransi Capital	Inside the Kingdom	• Acting Chief Executive Officer • Head of Wealth Management
	Golf Saudi	Inside the Kingdom	Audit Committee Member	The Investor Company	Inside the Kingdom	Board Member
	Minerva Foods	Outside the Kingdom	Board Member	King Abdullah Humanitarian Foundation	Inside the Kingdom	Board Member
	G3	Outside the Kingdom	• Executive Committee Member • Board Member			
	Saudi Golf Federation	Inside the Kingdom	Audit Committee Member			

Composition of the Board and classification of its members, as of 31 December 2024

Member Name	Position	Membership Rating (Executive/Non-Executive/Independent)
Dr. Abdulmalik Abdullah Al-Hogail	Chairman	Independent
Saad Abdulaziz Alkroud	Vice Chairman	Non-Executive
Abdullah Abdulaziz Alromaizan	Member	Independent
Ahmed Abdullah Alsheikh	Member	Independent
Haitham Rashid Al-Shaikhmubarak	Member	Independent
Mohammed Abdulrahman Bindayel	Member	Non-Executive
Dr. Saud Mohammed Al-Nimir	Member	Independent
Abdulrahman Mohammed Ramzi Addas	Member	Independent
Anees Ahmed Moumina	Member	Non-Executive

Meetings of the Board of Directors during the last financial year

The Board held seven (7) meetings in 2024, as reflected below:

Member Name	31/01/24	12/03/24	05/06/24	30/07/24	03/09/24	24/12/24	25/12/24	Total
Dr. Abdulmalik Abdullah Al-Hogail	✓	✓	✓	✓	✓	✓	✓	7
Saad Abdulaziz Alkroud	✓	✓	✓	✓	✗	✓	✓	6
Abdulrahman Mohammed Ramzi Addas	✓	✓	✓	✓	✓	✓	✓	7
Haitham Rashid Al-Shaikhmubarak	✓	✓	✓	✓	✓	✓	✓	7
Mohammed Abdulrahman Bindayel	✓	✓	✓	✓	✓	✓	✓	7
Dr. Saud Mohammed Al-Nimir	✓	✓	✓	✗	✓	✓	✓	6
Abdullah Abdulaziz Alromaizan	✓	✓	✓	✓	✓	✓	✓	7
Ahmed Abdullah Alsheikh	✓	✓	✓	✓	✓	✓	✓	7
Anees Ahmed Moumina	✗	✓	✓	✓	✓	✓	✓	6

Procedures taken by the Board to inform its members, Non-Executive Directors in particular, of shareholders' suggestions and remarks on the Company and its performance

The Board is keen on enabling shareholders to exercise their rights, present observations and raise inquiries during the General Assembly Meetings. These are documented by way of minutes of meetings. Additionally, the Board allocates different means of communication to receive shareholders queries and observations, if any.

A brief description of duties, competencies and working of Board Committees

The Executive Committee, as well the Nominations and Remuneration, Audit, Risk, Shariah, and Governance and Sustainability, assist the Board in performing its duties and responsibilities, in encouraging independent opinion, and in enhancing greater synergies across alinma.

Below is a statement outlining the responsibilities and duties of each Committee, the names of its members, and the number of meetings held during the year 2024.

1) The Executive Committee

Responsible to the Board, the Executive Committee has overall authority to review, approve or reject operating expenses, capital expenditure and credit provisions that fall beyond the delegated authority of the Chief Executive Officer, to approve credit facilities recommended by the Executive management, and to approve debt restructuring or write-off. The Committee is composed of five (5) members headed by the Chairman of the Board. A total of ten meetings were held by the Executive Committee during the 2024 fiscal year, attended by members as shown below:

Member Name	Meeting Date – 2024											
	16/01/24	20/02/24	26/03/24	01/05/24	14/05/24	02/07/24	26/08/24	14/10/24	26/11/24	02/12/24	22/12/24	Total
Dr. Abdulmalik Abdullah Al-Hogail (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Abdulrahman Mohammed Ramzi Addas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Mohammed Abdulrahman Bindayel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Anees Ahmed Moumina	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Abdullah Abdulaziz Alromaizan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11

2) Nominations and Remuneration Committee

The Nominations and Remuneration Committee was formed by the Board of Directors and comprises four (4) members. The Committee is responsible for developing policies for the nomination and remuneration of the members of the Board of Directors, its Committees, and senior Executives in accordance with relevant instructions of the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA). The Committee is also responsible for overseeing and following up the implementation of rewards and incentives for the Bank’s staff in such a manner that guarantees protection of the interests of shareholders, investors and other stakeholders, and that such rewards and incentives are in line with instructions of regulatory and supervisory authorities. The Committee held five (5) meetings during the 2024 fiscal year, which were attended by members as shown below:

Member Name	Meeting Date – 2024					Total
	24/01/24	29/02/24	12/05/24	27/08/24	12/11/24	
Dr. Saud Mohammed Al-Nimir (Chairman)	✓	✓	✓	✓	✓	5
Dr. Abdulmalik Abdullah Al-Hogail	✓	✓	✓	✓	✓	5
Mohammed Abdulrahman Bindayel	✓	✓	✓	✓	✓	5
Saad Abdulaziz Alkroud	✓	✓	✓	✓	✓	5

3) Audit Committee

The Audit Committee is the internal control mechanism that independently assures the Bank's adherence to all regulatory, accounting and fiscal requirements, while also coordinating with external auditors to ensure their independence. The Committee is composed of five (5) Independent members. A total of nine (9) meetings were held during the 2024 fiscal year, attended by members as shown below:

Member Name	Meeting Date – 2024									Total
	30/01/24	06/02/24	25/03/24	30/04/24	09/06/24	23/07/24	06/10/24	28/10/24	09/12/24	
Abdulrahman Mohammed Ramzi Addas (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Dr. Saad Saleh Al-Rowaite	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Maher Saad Al-Aiyadhi	✓	✓	✓	✓	✓	✓	✓	✗	✓	8
Othman Mohammed Altwaijri	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Haitham Rashid Al-Shaikhmubarak	✓	✓	✓	✓	✓	✓	✓	✓	✓	9

4) Risk Committee

The Risk Committee was formed to assist the Board of Directors in overseeing the enterprise risk management process and to discharge other related responsibilities, such as ensuring the development of strategies and comprehensive policies for risk management that are in line with the nature and volume of the Bank's activities; taking into account cyber and technical risks, and verifying the implementation, review and update of the same based on internal and external changes; ensuring that an acceptable risk appetite is set and maintained by the Bank and submitting a recommendation of the same to the Board. The Risk Management Committee is composed of five members A total of seven (7) meetings were held during the 2024 fiscal year, which were attended by members as shown below:

Member Name	Meeting Date – 2024							Total
	12/02/24	31/03/24	12/05/24	07/07/24	15/08/24	22/10/24	24/12/24	
Haitham Rashid Al-Shaikhmubarak (Chairman)	✓	✓	✓	✓	✓	✓	✓	7
Abdullah Abdulaziz Alromaizan	✓	✓	✓	✓	✓	✓	✓	7
Ahmed Abdullah Alsheikh	✓	✓	✓	✓	✓	✓	✓	7
Anees Ahmed Moumina	✓	✓	✓	✓	✓	✓	✓	7
Mohammed Awad Almalki	✓	✓	✓	✓	✓	✓	✓	7

5) Shariah Committee

alinma is committed to conduct its business in compliance with Shariah. Article (49) of the Articles of Association stipulates "The business of the Company shall be governed by Shariah provisions and controls". The Shariah Committee is responsible for considering all Bank transactions, contracts, agreements, forms, documents, etc., and issuing the necessary decisions or directives in this regard. The Committee contributes to various Bank departments in the innovation and development of products, in light of the provisions of Islamic Shariah, and is responsible for monitoring the Bank's compliance with the provisions of Islamic Shariah in all its activities and transactions, ensuring that the Committee's decisions are properly implemented. The Shariah Committee is composed of four (4) members, all of whom are specialized in the jurisprudence of Islamic finance and economics. The Committee held 31 meetings during the fiscal year 2024, attended by members as shown below:

	Meeting Date – 2024	Dr. Abdullah Bin Wakeel Al-Sheikh (Chairman)	Dr. Abdulrahman Bin Saleh Al-Atram	Dr. Suleiman Bin Turki Al-Turki	Dr. Khalid Bin Abdulrahman Almuhanna
1.	04 January	✓	✓	✓	✓
2.	24 January	✓	✓	✓	✓
3.	01 February	✓	✓	✓	✓
4.	07 February	✓	✓	✓	✓
5.	20 February	✓	✓	✓	✓
6.	04 March	✓	✓	✓	✓

	Meeting Date – 2024	Dr. Abdullah Bin Wakeel Al-Sheikh (Chairman)	Dr. Abdulrahman Bin Saleh Al-Atram	Dr. Suleiman Bin Turki Al-Turki	Dr. Khalid Bin Abdulrahman Almuhanna
7.	12 March	✓	✓	✓	✓
8.	27 March	✓	✓	✓	✓
9.	24 April	✓	✓	✓	✓
10.	08 May	✓	✓	✓	✓
11.	21 May	✓	✓	✓	✓
12.	22 May	✓	✓	✓	✓
13.	30 May	✗	✓	✓	✓
14.	04 June	✓	✓	✓	✓
15.	03 July	✓	✓	✓	✓
16.	17 July	✓	✓	✓	✓
17.	23 July	✓	✓	✓	✓
18.	30 July	✓	✓	✓	✓
19.	31 July	✓	✓	✓	✓
20.	28 August	✓	✓	✓	✓
21.	11 September	✓	✓	✓	✓
22.	17 September	✓	✓	✓	✓
23.	02 October	✓	✓	✓	✓
24.	16 October	✓	✓	✓	✓
25.	30 October	✓	✓	✓	✓
26.	18 November	✓	✓	✓	✓
27.	19 November	✓	✓	✓	✓
28.	04 December	✓	✓	✓	✓
29.	10 December	✓	✓	✓	✓
30.	17 December	✓	✓	✓	✓
31.	25 December	✓	✓	✓	✓
	Total	30	31	31	31

6) Governance and Sustainability Committee

Formed in 2022, the Governance and Sustainability Committee's core function is to assist the Board in monitoring the general framework of governance across alinma, studying the topics presented by the Executive management, and ensuring all tools required for sound governance including policies, procedures and manuals are reviewed, updated, and are in compliance with regulatory requirements and best practices within the Bank's operational parameters. The Governance and Sustainability Committee is composed of four (4) members. The Committee held five (5) meetings during, which were attended by members as shown below:

Member Name	Meeting Date – 2024					Total
	19/02/24	22/05/24	29/08/24	12/11/24	02/12/24	
Saad Abdulaziz Alkroud (Chairman)	✓	✓	✓	✓	✓	5
Dr. Saud Mohammed Al-Nimir	✓	✓	✓	✓	✓	5
Ahmed Abdullah Alsheikh	✓	✓	✓	✓	✓	5
Dina Hassan Alnahdi	✓	✓	✓	✗	✓	4

Methods adopted by the Board to assess its performance, the performance of its Committees, and members

The Board of Directors has appointed an external consulting firm to evaluate its performance, as well as the performance of the board's committee members. The consulting firm was selected based on a recommendation issued by the Nominations and Remuneration Committee.

Training and development for Board Members, Committee Members, senior Executives and Bank employees

alinma provides all members of the Board of Directors and members of the Committees with continuous training and development opportunities year after year. This proactive approach reflects alinma's desire to develop its leadership and governance and all its other areas. This ensures that it continues to remain at the forefront of banking standards.

The Bank has a comprehensive human capital policy that includes a dedicated training and development policy focused on defining the education and development strategy, implementation stages and identification mechanisms through:

- Continuous development of the skills of the Bank's employees to empower them to deliver high-performance levels to contribute to achieving the Bank's strategic objectives.
- Supporting the Bank's growth through the implementation of its succession and localization plans through various specialized training and development programs.
- Contributing to the implementation of the Bank's social responsibility policy (cooperative training, summer training, etc.).
- Optimal utilization of resources through building strategic partnerships with education and development service providers with high professionalism and expertise.

The Bank adopts a structured, multi-phase approach to learning and development, starting with the identification and analysis of training needs, followed by the formulation of a strategic development plan. Training programs are then executed and delivered through structured training schedules, aligned with the outcomes of the needs assessment. The process culminates in a rigorous evaluation of training effectiveness to ensure continuous improvement. Furthermore, the Bank reinforces its commitment to executive leadership development by offering bespoke training programs for senior Executives, encompassing all leadership tiers. These initiatives feature immersive training experiences and tailored coaching sessions, meticulously designed to support each leadership stage.

One of the Bank’s key learning and development initiatives is its commitment to supporting employees in obtaining professional certifications. Additionally, the Bank places significant emphasis on corporate social responsibility through its graduate programs, which focus on attracting and training fresh graduates to cultivate a new generation of leaders. Furthermore, the Bank actively promotes inclusivity by integrating individuals with disabilities into the workforce, offering tailored training programs and suitable employment opportunities. These efforts align with the Bank’s vision of fostering an inclusive and supportive work environment.

Succession planning

The aim of succession planning is to identify strategic and sensitive positions within the Bank, nominate qualified leaders to fill these positions, and develop plans to ensure their readiness, thereby achieving the Bank’s objectives.

The succession planning policy includes:

- Periodic study of succession planning, defining criteria and guidelines to identify strategic and sensitive positions, which are of utmost importance within the Bank, which are then approved by the Chief Executive Officer.
- Reviewing and monitoring development plans for candidates for sensitive positions, ensuring the suitability of candidates for these positions.
- Reviewing and updating competencies for strategic and sensitive positions.
- Monitoring the career paths of leaders and supervisors included in the succession plan, to ensure the availability of an alternative for every strategic and sensitive position within the Bank at any given time.

Remuneration of Board Members, Committee Members and Executive management

alinma strictly adheres to the provisions of the Companies Law and instructions issued by the supervisory bodies for the banking sector in the Kingdom, when demarcating remuneration for the Board of Directors. Compensation policies determine the compensation of employees and senior Executives in accordance with their respective contracts and the policies and resolutions approved by the Board of Directors in this regard, in light of the relevant rules and regulations.

(A) Board Member remuneration (ﷲ)

Members of the Board of Directors	Fixed Remunerations						Variable Remunerations										***Grand Total	****Expenses Allowance
	* Specific amount	Allowancefor attending Board meetings	Total allowance for attending Committee meetings	In-kind benefits	Remunerations for technical managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End-of-service Award				
First: Independent Directors																		
Dr. Abdulmalik Abdullah Al-Hogail**	1,150,000	35,000	80,000	-	-	3,300,000	4,565,000	-	-	-	-	-	-	-	4,565,000	-		
Dr. Saud Mohammed Al-Nimir	1,150,000	30,000	50,000	-	-	-	1,230,000	-	-	-	-	-	-	-	1,230,000	-		
Abdulrahman Mohammed Ramzi Addas	1,150,000	35,000	100,000	-	-	-	1,285,000	-	-	-	-	-	-	-	1,285,000	69,408		
Haitham Rashid Al-Shaikhmubarak	1,150,000	35,000	80,000	-	-	-	1,265,000	-	-	-	-	-	-	-	1,265,000	23,371		
Abdullah Abdulaziz Alromaizan	1,100,000	35,000	90,000	-	-	-	1,225,000	-	-	-	-	-	-	-	1,225,000	-		
Ahmed Abdullah Alsheikh	1,100,000	35,000	60,000	-	-	-	1,195,000	-	-	-	-	-	-	-	1,195,000	-		
Total	6,800,000	205,000	460,000	-	-	3,300,000	10,765,000	-	-	-	-	-	-	-	10,765,000	92,779		
Second: Non-Executive Directors																		
Saad Abdulaziz Alkroud	1,150,000	30,000	50,000	-	-	-	1,230,000	-	-	-	-	-	-	-	1,230,000	-		
Mohammed Abdulrahman Bindayel	1,100,000	35,000	80,000	-	-	-	1,215,000	-	-	-	-	-	-	-	1,215,000	-		
Anees Ahmed Moumina	1,100,000	30,000	90,000	-	-	-	1,220,000	-	-	-	-	-	-	-	1,220,000	42,045		
Total	3,350,000	95,000	220,000	-	-	-	3,665,000	-	-	-	-	-	-	-	3,665,000	42,045		
Grand Total	10,150,000	300,000	680,000	-	-	3,300,000	14,430,000	-	-	-	-	-	-	-	14,430,000	134,824		

(A) * This specific amount includes annual remuneration for membership of the Board of Directors and fixed remunerations for membership of committees in accordance with the section 5.1 of the "Remunerations and Allowances Policy for members of the Board of Directors, Committees, secretariat and Executive management".
(B)** Special reward for the Chairman of the Board of Directors, in accordance with section 5.7 of the "Remunerations and Allowances Policy for members of the Board of Directors, Committees, secretariat and Executive management"
(C)***The change in the maximum limit for remuneration for members of the Board of Directors came in accordance with the applicable regulations and instructions and the remuneration policy and allowances for members of the Board of Directors, its Committees, the Secretariat, and the Executive management approved by the General Assembly.

(B) Committee Member remuneration

*Remuneration for Committee Members (within the Board) are included in the Board Member Remuneration stated in clause (A) above.

Audit Committee Members	Fixed Remuneration (except for the allowance for attending Committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Abdulahman Mohammed Ramzi Addas	250,000	45,000	295,000
Dr. Saad Saleh Al-Rowaite	200,000	45,000	245,000
Maher Saad Al-Aiyadhi	200,000	45,000	245,000
Haitham Rashid Al-Shaikhmubarak	200,000	45,000	245,000
Othman Mohammed Altwaijri	200,000	40,000	240,000
Total	1,050,000	220,000	1,270,000

Nominations and Remuneration Committee Members	Fixed Remuneration (except for the allowance for attending committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Dr. Saud Mohammed Al-Nimir	250,000	25,000	275,000
Dr. Abdulmalik Abdullah Al-Hogail	200,000	25,000	225,000
Saad Abdulaziz Alkroud	200,000	25,000	225,000
Mohammed Abdulrahman Bindayel	200,000	25,000	225,000
Total	850,000	100,000	950,000

Risk Committee Members	Fixed Remuneration (except for the allowance for attending committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Haitham Rashid Al-Shaikhmubarak	250,000	35,000	285,000
Ahmed Abdullah Alsheikh	200,000	35,000	235,000
Anees Ahmed Moumina	200,000	35,000	235,000
Abdullah Abdulaziz Alromaizan	200,000	35,000	235,000
Mohammed Awad Almalki	200,000	35,000	235,000
Total	1,050,000	175,000	1,225,000

Executive Committee Members	Fixed Remuneration (except for the allowance for attending committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Dr. Abdulmalik Abdullah Al-Hogail	250,000	55,000	305,000
Mohammed Abdulrahman Bindayel	200,000	55,000	255,000
Anees Ahmed Moumina	200,000	55,000	255,000
Abdullah Abdulaziz Alromaizan	200,000	55,000	255,000
Abdulahman Mohammed Ramzi Addas	200,000	55,000	255,000
Total	1,050,000	275,000	1,325,000

Governance and Sustainability Committee Members	Fixed Remuneration (except for the allowance for attending committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Saad Abdulaziz Alkroud	250,000	25,000	275,000
Dr. Saud Mohammed Al-Nimir	200,000	25,000	225,000
Ahmed Abdullah Alsheikh	200,000	25,000	225,000
Dina Hassan Alnahdi	200,000	20,000	220,000
Total	850,000	95,000	945,000

Shariah Committee Members	Fixed Remuneration (except for the allowance for attending committee meetings)	Committee Meeting Allowance	Total (ﷲ)
Dr. Abdulrahman Bin Saleh Al-Atram	300,000	155,000	445,000
Dr. Abdullah Bin Wakeel Al-Sheikh	350,000	150,000	500,000
Dr. Sulaiman Bin Turki Al-Turki	300,000	155,000	455,000
Dr. Khalid Bin Abdulrahman Almuhanna	300,000	155,000	455,000
Total	1,250,000	615,000	1,865,000

(C) Senior Executive remuneration

Top five (5) senior Executives who received the highest remuneration and compensation, including the Chief Executive Officer and Chief Financial Officer.

Fixed Remuneration				Variable Remuneration						End of service benefits	Total remuneration of Executives for the Board, if any	Grand total	
Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Profit	Short-term incentive plans	Long-term incentive plans	Granted shares	Total				
Total	12,104,254	6,292,134	-	18,396,388	11,000,000	-	-	-	8,220,915	19,220,915	1,305,665	-	38,922,968

Any punishment, penalty, precautionary procedure or preventive measure imposed on the Bank by any supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future

In exercising its day-to-day operations, the Bank applies all banking and regulatory rules issued by supervisory authorities. The Bank is keen to reduce violations and, if they do occur, take the necessary and immediate corrective action.

The following data outlines the violations imposed on the Bank by regulatory and supervisory authorities:

First/Saudi Central Bank (SAMA)

The following table shows fines imposed on the Bank during the preceding financial year 2023 and the current year 2024:

Violation	Financial Year 2023		Financial Year 2024	
	Number of Penalties	Total Amount (ﷲ)	Number of Penalties	Total Amount (ﷲ)
Violation of SAMA Supervisory directives	11	8,532,300.00	15	8,616,300
Violation of SAMA directives related to customer protection	1	20,000.00	2	180,000
Violation of SAMA directives related to conducting due diligence	1	1,907,000.00	Nil	Nil
Violation of SAMA directives related to ATMs and POS performance level	Nil	Nil	Nil	Nil
Violation of SAMA directives related to conducting due diligence with respect to anti-money laundering and terrorism financing	1	150,000.00	1	420,000
Total	14	10,609,300.00	18	9,216,300

Second/Ministry of Municipal and Rural Affairs and Housing

Entity that imposed the fine	Reasons for imposing the fine	Corrective plan	Total Amount (ﷲ)
Ministry of Municipal and Rural Affairs and Housing	Violation of the General Administration Building in Al-Yasmin District – Under construction	The Bank will work on complying with relevant regulations and obtaining the necessary permits	16,000
Riyadh Municipality	- Advertising stickers inside ATM rooms and on the metal covers of ATMs and construction rooms, for a total of 155 ATMs. - The lack of a pathway and the allocation of parking space for 139 ATMs, and insufficient capacity for 72 ATMs.	The bank will work to comply with the requirements and relevant regulations.	1,830,000

Third/ General Organization of Social Insurance

Entity that imposed the fine	Reasons for imposing the fine	Corrective plan	Total Amount (ﷲ)
General Organization of Social Insurance	Modification of the start date for new employees on the Qiwa platform	The Bank will strive to comply with relevant requirements	48,000

Results of the annual review of the effectiveness of the internal control procedure and the opinion of the Audit Committee with respect to the adequacy of the Bank’s internal control system

The Bank adopts and bases its internal control framework on the three lines of defense model. Business departments and divisions function as a first line, as their activities take into account the laws and regulations issued by the regulatory authorities. The Compliance Division, Risk Division and Finance Division represent the second line, which provide oversight, assessment and monitoring of the risk management activities carried out with daily transactions, credit operations and information security. Departments and divisions, both in the first and second lines, submit periodic reports to the management’s internal committees and the Board’s Committees to ensure the Bank meets the regulatory requirements and achieves the business objectives.

The Internal Audit Division represents the third line and conducts tests and necessary reviews to cover all the Bank’s divisions based on the Audit Committee’s approved risk-based plan. The Internal Audit Division affirms its organizational and functional independence within the Bank, which enables it to carry out tasks and responsibilities effectively without any due influence.

Based on the responsibility of the Bank’s management in terms of preparing a comprehensive and effective system for internal controls to achieve the approved objectives of the Bank, an internal control system has been developed that suits the Bank’s activities and takes into account the relative importance of financial and other risks inherent in these activities. An internal control system has been designed to manage and control risks in a timely manner. This provides a reasonable amount of continuous control and early detection and handling of potential risks.

The internal control system is based on the vision and assessment of the Bank’s management to put in place a control system commensurate with the relative importance of financial and other risks inherent in the Bank’s activities with a reasonable cost and benefit in order to achieve specific controls. The internal control system has been designed to mitigate risks in order to achieve specific objectives. It is therefore designed to give reasonable assurances to avoid material errors and relevant losses.

The Audit Committee periodically reviews the reports prepared by internal and external auditors. These reports include an assessment of the adequacy and effectiveness of internal controls currently in place.

Based on the aforementioned, we believe that the Bank has a reasonably adequate and effective internal control system in terms of design and implementation. During 2023, there were no material observations relating to the effectiveness of the internal control system and procedures in the Bank.

The Bank’s social responsibility contributions

During the year 2024, the Bank implemented several social contributions, activities and initiatives as follows:

Implementation and execution of the Social Responsibility Strategy

- Launch of the Strategic Program for Microfinance Financing as part of financial inclusion objectives.
- Launch of the Strategic Program for Education Grants for children from social security beneficiary families, aligning with financial inclusion goals.
- Launch of the Financial Awareness, Knowledge and Confidence Program, targeting youth through simulation-based training.
- Launch of the Financial Awareness, Knowledge and Confidence Program, targeting women through the “Women’s Financial Habits” track, with a special focus on rural women in the Asir region.
- Launch of the Financial Awareness, Knowledge and Confidence Program, focusing on parents for child financial planning.
- Launch of the “Imdad” Sustainability and Social Responsibility Program, built on three core values: awareness, contribution and continuity.
- Launch of the Strategic Home Renovation Program for underprivileged families in Riyadh’s governorates, in partnership with the Riyadh Emirate, aiming to renovate 300 homes over three years.
- Launch of the Strategic Program for Empowering Artisans in Al-Ahsa, promoting their financial sustainability and financial inclusion by designing a production line to enhance their products and prepare them for the market.
- Launch of the Strategic Program for Financial Sustainability for non-profit organizations incubated by the Prince Mohammed bin Salman Foundation.
- Support for the 2024 National Charitable Giving Campaign, “Ehsan”.
- Launch of the Strategic “Riadi Imdad” Program to provide interest-free financing for entrepreneurs in the planning and early stages of their projects, supporting and enabling their business ventures.
- Launch of the Strategic Program to Enhance Financial Awareness and Reduce Financial Illiteracy among university students in 10 Saudi universities.
- Preparation for alinma’s Commitment to the Saudi Green Initiative, with a ﷲ 7 million investment to plant 175,000 mangrove trees along the Rabigh coastline by 2030.
- Institutionalization and Organization of Volunteer Work at alinma, through the development of a guideline manual, process improvements, awareness campaigns and promotion of a volunteer culture, aligning volunteer initiatives with the Bank’s Social Responsibility Strategy while enhancing their economic impact.
- Sponsorship of the ISEF Global Event to empower and support talented individuals in Saudi Arabia to participate and represent the country internationally.
- Launch of the “Imdad” Podcast to enhance financial awareness and knowledge within society, featuring 12 episodes
- Development of the Women’s Leadership Empowerment Program in Saudi Arabia, contributing to national developmental goals for women’s empowerment. The program targets 47 female leaders from government and non-profit sectors, particularly alinma’s clients, to expand the Bank’s social impact and strengthen its developmental role.
- Launch of the alinma Hackathon, addressing urgent business challenges by presenting them to a community of talented and creative youth in a three-day interactive competition in partnership with Tuwaiq Academy.
- Updating the Social Responsibility Strategy to incorporate social impact programs and initiatives focused on sustainability, developmental goals and community development, while integrating responsible corporate practices in alignment with national maturity and corporate social responsibility trends.

The General Assembly Meeting dates held during the last fiscal year and names of the Board Members who attended

The Ordinary General Assembly Meeting held on 23 April 2024. Attendance at the meeting is reflected below:

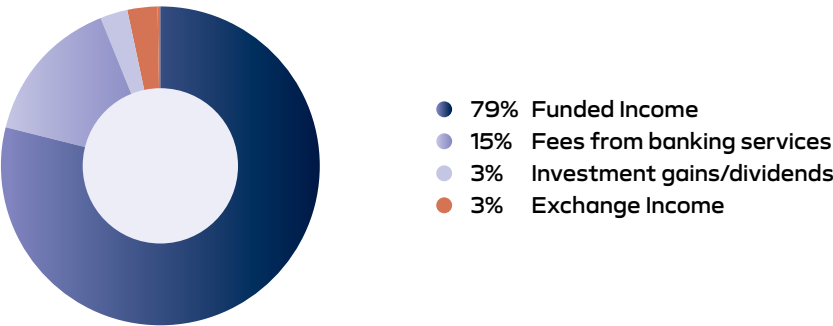
Member Name	Attendance Record
Dr. Abdulmalik Abdullah Al-Hogail (Chairman)	✓
Saad Abdulaziz Alkroud (Vice Chairman)	✓
Abdullah Abdulaziz Alromaizan	✓
Ahmed Abdullah Alsheikh	✓
Haitham Rashid Al-Shaikhmubarak	✓
Mohammed Abdulrahman Bindayel	✓
Dr. Saud Mohammed Al-Nimir	✓
Abdulrahman Mohammed Ramzi Addas	✓
Anis bin Ahmed Muminah	✓
Names of the preliminary committees of the Presidents of the General Assembly or its designated members	Attendance Record
Dr. Abdulmalik Abdullah Al-Hogail (Chairman of the Executive Committee)	✓
Haitham Rashid Al-Shaikhmubarak (Chairman of the Risk Committee)	✓
Dr. Saud Mohammed Al-Nimir (Chairman of the Nominations and Remuneration Committee)	✓
Abdulrahman Mohammed Ramzi Addas (Chairman of the Audit Committee)	✓
Dr. Abdulrahman Bin Saleh Al-Atram (Chairman of the Shariah Committee)	✓

A description of the main business areas of the Bank and its affiliates, along with a statement for each activity and its impact on the Bank's operations and results.

The primary activity of alinma, as a banking institution, lies in providing a comprehensive range of banking services that are Shariah-compliant. The Bank is committed to understanding and meeting the needs of its customers, while maintaining a distinctive competitive edge in the market. These services are delivered through 115 branches, supported by multiple digital platforms employing the latest technologies, as well as a professional human workforce with high levels of efficiency and training. Accessible channels include the Bank's website (www.alinma.com), the alinma application, phone services and email. Additionally, the Bank has an expanding network comprising 1,483 ATMs spread across the Kingdom of Saudi Arabia. Throughout the provision of these services, the Bank is dedicated to aligning with the objectives of Saudi Vision 2030, aimed at reducing unemployment rates, empowering women and providing financial resources for all.

The chart below reflects the activities of the Bank, and their share of contribution to the Bank's gross revenue:

Operating Income Composition



Future plans

The Bank will continue to enhance its ambitious plans through the introduction of more Shariah-compliant products and services, by investing in the latest technology and focusing on digital banking, increasing the customer base of individuals and corporates, and increasing the financing portfolio and customer deposits, as well as expanding the SME business.

The Bank will continue its efforts related to operational quality, speed of procedures, and continuous improvement of the customer experience to enhance customer satisfaction levels. The Bank will also continue to focus on sustainability and social responsibility, implementing relevant initiatives in these areas

In order to keep pace with the changing banking environment, in 2021 alinma prepared an ambitious and detailed strategy for the years 2021 - 2025 and has achieved 87% of the initiatives proposed.

Looking beyond 2024

- Reducing the time required to obtain key products and services.
- Enhancing digital experiences for customers.
- Improving the alinma app for better functionality and user experience.
- Ongoing review and evaluation of customer experiences with key products and services.
- Overall enhancement of customer experience across key products, services and channels to improve the Bank’s Net Promoter Score (NPS).
- Developing employee capabilities through training and skill-building.
- Supporting community engagement through social responsibility initiatives.
- Encouraging employee participation and implementing initiatives to increase the Organizational Health Index (OHI).

Information on any risks facing the Bank and the policy of managing and monitoring these risks

During the normal course of business, the Bank is exposed to various risks. Systems and procedures are in place at Alinma to identify, control and report the major risks that could be encountered by the Bank. The major risk types that might be encountered by the Bank are as follows:

A. Operational risk

Operational risk represents risks that occur as a result of human errors or errors in the systems used by the Bank’s operations, or due to a lack of clarity or non-compliance with operational controls related to internal procedures. These risks can lead to negative impacts, financial losses and other hazards that may directly affect the continuity of business operations.

Within this context, operational risk management aims to apply the required level of methodologies for dealing with operational risks and ensures the implementation of internal controls to mitigate the damage caused by these risks to the Bank and its strategic objectives. Operational risk management also emphasizes the presence of an effective approach followed by the Bank’s departments to identify operational risks related to each department area and to determine appropriate corrective plans. This enables departments to achieve their goals more effectively.

The operational risk management framework includes continuous coordination with all Bank departments to verify the effectiveness of the mechanism for dealing with operational risks and the effectiveness of the controls implemented to mitigate their impact.

B. Credit risk

Credit risk is the risk that a counterparty may fail to meet its obligations towards the Bank and, therefore, could result in a financial loss for the Bank, making it the major risk faced by the Bank. Alinma actively manages its credit risk exposure through the establishment of credit risk policies and procedures which provide guidance on target market, risk acceptance criteria, minimum disclosure from customers, review and approval process, concentration limits in addition to day-to-day account management. To ensure the integrity of the credit check, the Bank formed an independent Risk Management Group whose task is to implement and follow up on the credit risk policy, credit operations and related documents after approval. Additionally, the Group is responsible for following up on any credit problems that may arise in customer finances.

C. Market risk

Market risk is the risk that the fair value or the future cash flows of the financial instruments will fluctuate due to changes in market variables such as equity prices, profit rates, foreign exchange rates and commodity prices. The Bank has a Market Risk Management team under the Risk Management Group that regularly monitors market risks, including liquidity risk of the Bank.

D. Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, the Bank’s management has diversified funding sources, and assets are managed with liquidity taken into consideration, maintaining an adequate balance of cash and cash equivalents. Exposure to the above-mentioned risks is monitored by the Board of Directors and other management committees. The Board of Directors has also constituted a Risk Committee to assist it in overseeing the enterprise risk management process and to discharge related responsibilities.

E. Mitigating risks through insurance coverage

The Bank currently has insurance policies covering potential risks that may arise from damages to assets, including property insurance covering all risks, as well as insurance documents covering internal fraud and embezzlement operations. Additionally, the Bank has an insurance policy covering the lives of Board Members and employees, as well as liability insurance towards third parties. Furthermore, the Bank has a credit life insurance program covering the debts of borrowers in the mortgage portfolio.

Assets, liabilities and results of the last five fiscal years

Operating Results	ﷲ million				
	2024	2023	2022	2021	2020
Income from investment and financing, net	8,649	7,655	6,066	5,140	4,648
Fee, exchange and other income	2,291	2,071	1,897	1,519	1,034
Total operating income	10,940	9,726	7,963	6,660	5,682
Operating expenses*	(3,389)	(3,044)	(2,765)	(2,358)	(2,066)
Net income before provisions	7,551	6,694	5,202	4,288	3,620
Provision for financing and other assets	(1,049)	(1,299)	(1,189)	(1,266)	(1,418)
Net income before zakat	6,502	5,395	4,013	3,022	2,202
Zakat	(670)	(556)	(414)	(312)	(236)
Net income after zakat	5,832	4,839	3,599	2,709	1,966

*Share on profit and loss from associates and joint ventures is included

All major banking activities of alinma showed positive growth during 2024, with total assets rising from ﷲ 236,715 million in 2023 to ﷲ 276,827 million in 2024, an increase of 17%. Likewise, the finance portfolio increased by 16.5% to ﷲ 202,308 million as at 31 December 2024, compared to ﷲ 173,624 million in 2023.

Financial Position	ﷲ million				
	2024	2023	2022	2021	2020
Financing, net	202,308	173,624	146,492	126,271	111,196
Investments	48,625	43,236	38,529	33,278	29,526
Total assets	276,827	236,715	200,436	173,476	156,877
Customers' deposits	210,545	187,901	145,168	121,061	119,454
Total liabilities	235,386	202,381	168,560	142,765	132,448
Shareholders' equity	41,442	34,334	31,876	30,711	24,429

Geographical analysis of the Bank and its subsidiaries revenue

Almost the entire revenue recorded by alinma for the 2024 fiscal year was derived from banking activities carried out across the Kingdom of Saudi Arabia. The Bank's business locations are divided into five (5) regions. The following table shows the Bank's total operating income allocation across these regions during 2024:

Total Revenues	ﷲ million					
	Western Region	Eastern Region	Northern Region	Southern Region	Central Region	Total
Financial year ended 31 December 2024	1,363	1,667	142	153	7,615	10,940
Financial year ended 31 December 2023	1,007	1,161	134	158	7,266	9,726

Any material differences in the results compared to the previous year's results, along with any expectations announced by the Bank

Description	2024 (ﷲ million)	2023 (ﷲ million)	Changes (+) (-) (ﷲ million)	Change Rate
Income from investment and financing, net	8,649	7,655	994	12.98%
Fee, exchange and other income	2,291	2,071	220	10.62%
Total operating income	10,940	9,726	1,214	12.48%
Operating expenses*	(3,389)	(3,032)	(357)	11.77%
Net income before provisions	7,551	6,694	857	12.80%
Provision for financing and other assets	(1,049)	(1,299)	250	(19.25%)
Net income after zakat	5,832	4,839	993	20.52%

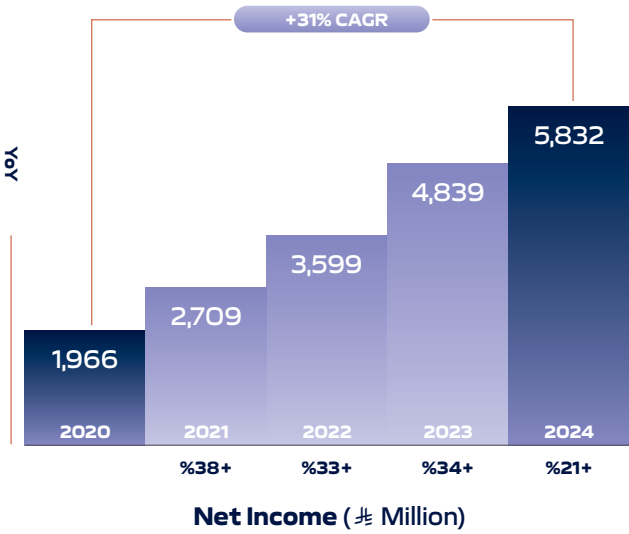
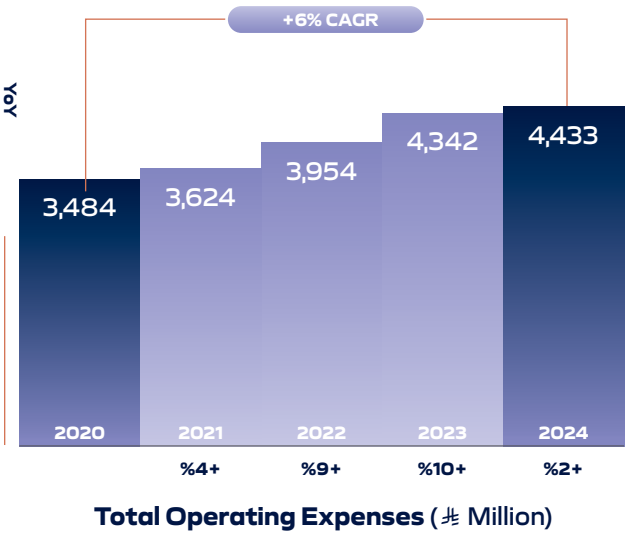
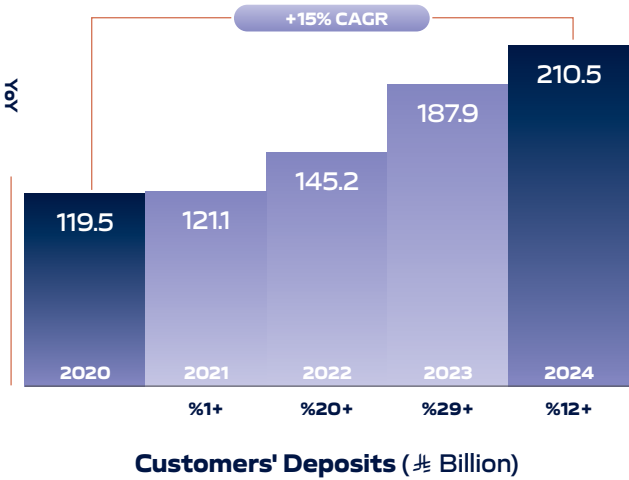
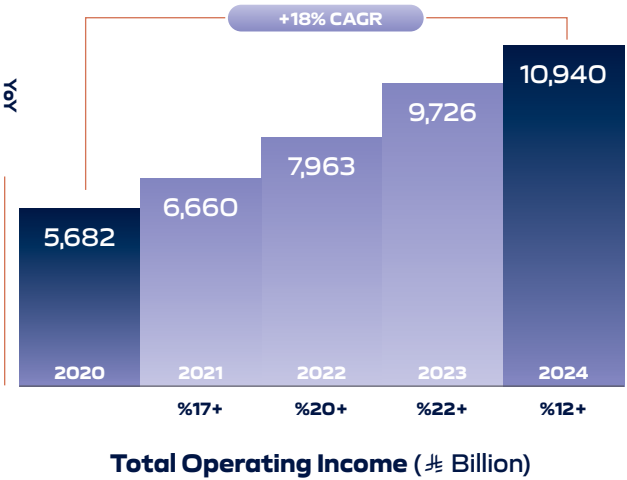
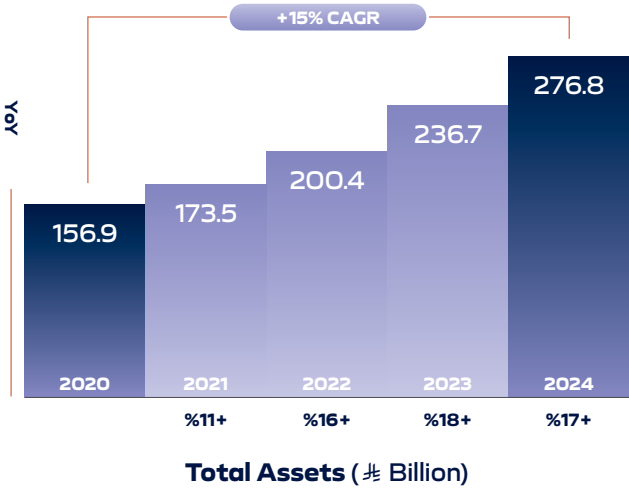
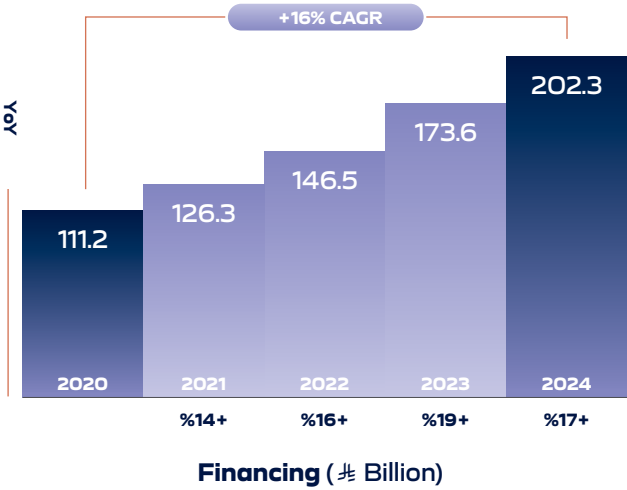
*Share on profit and loss from associates and joint ventures is included

Adhering to the approved accounting standards set by the Saudi Organization for Chartered and Professional Accountants (SOCPA)

The Bank follows, in the preparation of its consolidated financial statements, the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, as well as the regulations, standards and other issuances issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), in accordance with the Banking Control Law, Companies Law applicable in the Kingdom of Saudi Arabia, and the Bank's bylaws. Additionally, the accounting policies applied in preparing the Bank's consolidated financial statements as of 31 December 2024, are in line with those applied in preparing the consolidated financial statements for the year ended 31 December 2023, except for the application of some amendments to the International Financial Reporting Standards that became mandatory for application in annual financial reporting periods beginning on or after 1 January 2024. There is no material impact on the Bank's consolidated financial statements as a result of applying these amendments.

Standard, Interpretation, Amendments	Description	Effective Date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

Financial Results



The subsidiary companies of the Bank

alinma owns five subsidiary companies conducting different business activities. The following are the corporate details of these subsidiaries:

Subsidiary	Capital	Bank's Ownership Percentage	Main Scope of Business	Country of Operation	Country of Incorporation
Alinma Capital Company (Closed Joint Stock Company)	Authorized: ﷲ 1,000 million, Paid Up: ﷲ 500 million	100	Dealing as principal and agent, undertaking coverage and management, arranging, providing advice and filing in securities business	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Tanweer Real Estate Company (Limited Liability Company)	ﷲ 100,000	100	Facilitates mortgage financing and holding on behalf of the Bank, the title to real-estate owned/pledged as collateral against financing extended by the Bank	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fintech Company (Closed Joint Stock Company)	ﷲ 100 million	100	Providing the digital financial products and services in cooperation with banks, together with providing digital financial platforms and engaging in banking agency activity for e-commerce payment services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Isnad Company (Limited Liability Company)	ﷲ 500,000	100	Providing outsourced staff to the Bank (customer services, management support, technical support)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Alinma SPV Limited	USD 50,000	100	Executing financial derivatives transactions and repurchase agreements with international banks	Kingdom of Saudi Arabia	The Cayman Islands

In addition to the above-mentioned subsidiaries, the Bank has effective control over the funds listed below. The financial statements of these funds are consolidated with those of the Bank.

Investment Fund	Purposes	Net Assets	Percentage of Ownership	Country of Incorporation	Principal Place of Business
Alinma Sukuk Fund	To invest in a basket of local sovereign Sukuks issued by the Kingdom of Saudi Arabia	ﷲ 429 million	92.2	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Alinma IPO Fund	To achieve capital appreciation over the long-term by investing mainly in Saudi joint stock companies	ﷲ 195 million	56.2	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Dhahban Real Estate Fund	To achieve medium-term capital growth through direct investment in the real estate sector in the city of Jeddah.	ﷲ 616 million	100	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

The following table summarizes the operational activities and gross revenues of the subsidiary companies together with their contributions to the Bank’s results:

	Activity's Profit (ﷲ million)	Percentage %
Fund Management	518	43
Investment Banking and Brokerage	169	14
Others	528	43
Total Operating Income	1,215	100

Details of shares and debt instruments issued by each subsidiary company

Name of Subsidiary Company	Shares	Debt Instruments		
	Number of Shares	Bank's Ownership %	Number of Debt Instruments	Bank's Ownership
Alinma Capital	50,000,000	100	–	–
Saudi Fintech Company	10,000,000	100	–	–
Isnad Company	50,000	100	–	–
Tanweer Real Estate Company	10,000	100	–	–
Alinma SPV Limited	50,000	100	–	–

Dividends distribution policy

Annual or interim (semi-annual or quarterly) net profits of the Company shall be distributed after deducting general expenses and other costs and forming necessary reserves against bad debts, investment losses and contingent liabilities in line with the Banking Control Law and SAMA's instructions. The Bank also aims to distribute quarterly dividends of no less than 50% of the Bank's annual profits, bearing in mind that dividend distributions may be subject to change based on any substantial or circumstantial changes in the Bank's strategy, future growth opportunities, regulatory or supervisory requirements, as follows:

1. Calculation and payment of the zakat and tax amounts to the concerned authorities.
2. Transferring no less than 25% of the remaining net profit after the zakat deduction to the Statutory Reserve account until it becomes at least equal to the paid-up capital.
3. Allocating (from the remaining profit after deducting the zakat and reserve amounts) at least 5% of the paid-up capital to be distributed to shareholders as proposed by the Board of Directors and decided by the General Assembly. If the remaining profit is insufficient to cover this amount (5%), shareholders shall have no right to claim the payment of the same in the next year/years. The General Assembly shall have no right to distribute profits in excess of the mounts proposed by the Board of Directors.
4. The remaining balance (after allocating the amounts referred to in paragraphs 1, 2 and 3) shall be used as proposed by the Board of Directors and decided by the General Assembly.

5. Based on a proposal made by the Board of Directors, the General Assembly may allocate part of the net profit to establish social institutions for the Bank's staff or to assist existing ones.
6. The Board of Directors may distribute interim dividends (semi-annual or quarterly) in accordance with the regulations governing such distribution.
- 7.Dividends are paid to shareholders according to the decision of the General Assembly in this regard. The distribution decision specifies the eligibility date and distribution date, and the eligibility shall be for the shareholders register at the end of the dividend eligibility date.

Description of any interest in a class of voting shares held by persons (other than the Company's Directors, senior Executives and their relatives) who have noticed the Company of their holdings pursuant to Article (85) of the Rules on The Offer of Securities and Continuing Obligations, along with any change to such rights during the last fiscal year

The following table details the major shareholders of the Bank during the financial year 2024:

Name	Beginning of the Year		End of the Year	
	Shares	Ownership %	Shares	Ownership %
Public Investment Fund	200,000,000	10	250,000,000	10

Due to banks and other financial institutions

The total outstanding funding from the financial sector as of 31 December 2024 amounted to ﷲ 13,936 million, with amounts due for funding maturing by March 2025. The aggregate maximum exposure during 2024 was ﷲ 14,530 million. These borrowings represent short-term interbank deposits for liquidity management purposes, and neither the Bank nor its subsidiaries have any financing maturing upon demand.

Description of the class and number of any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Bank during the fiscal year, as well as stating any compensation obtained by the Bank in this regard

The Bank did not issue any convertible debt instruments, contractual securities, preemptive rights or similar rights during the fiscal year ending on 31 December 2024.

Description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Bank Tier 1 Sukuk

On 1 July 2021, the Bank through a Shariah-compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to ﷲ 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

The applicable profit rate is 4% per annum from date of issue up to 2026 and is subject to reset every five years, as explained in Note (18) of the Bank’s consolidated financial statements for the period ending on 31 December 2024.

Additionally, on 6 March 2024, the Bank, through a Shariah-compliant arrangement, issued Tier 1 Sukuk (the "Sukuk") amounting to USD 1 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

The applicable profit rate is 6.5% per annum from the issuance date until 2029 and is subject to reset every five years, as explained in Note (18) of the Bank’s consolidated financial statements for the period ending on 31 December 2024.

Description of any redemption, purchase or cancellation by the Bank of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Bank and those purchased by its subsidiaries

The Bank did not conduct any redemption operations during the fiscal year ending on 31 December 2024.

Description of any interest, contractual securities or subscription rights of Board Members, senior Executives and their relatives in the shares or debt instruments issued by the Bank or any of its subsidiaries and any change therein during the last financial year

Description of all ownership by members of the Board of Directors, their spouses and children in the shares, Sukuks issued by the Bank or any of its subsidiaries:

Name	Beginning of the Year		End of the Year		Net Change	Change
	No. of Shares	Sukuk	No. of Shares	Sukuk	No. of Shares	
1. Dr. Abdulmalik Abdullah Al-Hogail	400,000	3	500,000	8	100,000	25%
2. Saad Abdulaziz Alkroud	–	–	–	–	–	0%
3. Anees Ahmed Moumina	14,288	–	17,860	–	3,572	25%
4. Mohammed Abdulrahman Bindayel	1,333	–	1,666	–	333	25%
5. Ahmed Abdullah Alsheikh	100,000	–	125,000	–	25,000	25%
6. Abdullah Abdulaziz Alromaizan	–	–	–	–	–	0%
7. Abdulrahman Mohammed Ramzi Addas	2,145	–	2,681	–	536	25%
8. Dr. Saud Mohammed Al-Nimir	77,390	–	99,867	–	22,477	29%
9. Haitham Rashid Al-Shaikhmubarak	50	–	62	–	12	24%

The majority of the change in the number of shares owned by Members of the Board of Directors, their spouses and children is attributable to the bank's capital increase, representing a 25% increase. This was achieved through the issuance of bonus shares in a 1:4 ratio, capitalizing ٥ 5 billion from retained earnings.

Description of all ownership by members of the Executive Management, their spouses and children in the shares, Sukuks issued by the Bank or any of its subsidiaries:

Name	Beginning of the Year		End of the Year		Net Change	Change
	No. of Shares	Sukuk	No. of Shares	Sukuk	No. of Shares	%
1. Abdullah Ali AlKhalifa	51,465	–	199,968	–	148,503	289%
2. Saleh Bin Abdullah Al-Zumei	–	–	35,462	–	35,462	100%
3. Jameel Bin Naif Al Hamdan	–	–	34,246	–	34,246	100%
4. Abdullah Jamaan Alzahrani	136,102	–	232,370	–	96,268	71%
5. Meshary Abdulaziz AlJubair	209,561	–	302,321	–	92,760	44%
6. Dr. Mohammed Sultan Alsehali	73,593	–	124,463	–	50,870	69%
7. Eyad Osama Al Othman	90,000	–	100,000	–	10,000	11%
8. Fahad Abdulaziz Al Mohaimeed	4,803	–	–	–	(4,803)	(100%)
9. Yaser Abdulaziz AlMarshde	172,189	–	235,470	–	63,281	37%
10. Hisham Abdullah AlTuraigi	100	–	–	–	(100)	(100%)
11. Abdullah Mohammed AlSalamah	70,341	–	33,917	–	(36,424)	(52%)
12. Meshal Hamad Alrabiah	15,695	–	35,494	–	19,799	126%

The majority of the change in the number of shares owned by the Executive Management, their spouses and children is attributable to the bank's capital increase, representing a 25% increase. This was achieved through the issuance of bonus shares in a 1:4 ratio, capitalizing ٥ 5 billion from retained earnings.

Requests for shareholder records

The below table shows the number of Bank requests of shareholder records, dates and reasons thereof:

Date of Request – 2024	Nature of Requests
1. 3 January 2024	Update shareholder register
2. 6 February 2024	Update shareholder register
3. 4 March 2024	Update shareholder register
4. 3 April 2024	Update shareholder register
5. 22 April 2024	General Assembly
6. 21 May 2024	First quarter 2024 dividend distribution
7. 3 June 2024	Update shareholder register
8. 3 July 2024	Update shareholder register
9. 5 August 2024	Update shareholder register
10. 20 August 2024	Second quarter 2024 dividend distribution
11. 3 October 2024	Update shareholder register
12. 4 November 2024	Update shareholder register
13. 4 November 2024	Update shareholder register
14. 11 November 2024	Third quarter 2024 dividend distribution
15. 4 December 2024	Update shareholder register

A description of any transaction between the Bank and any related party

During its normal course of business, the Bank deals with related parties. Transactions with related parties shall be subject to the ratios stipulated in the Banking Control Law and the instructions of SAMA. The table below shows balances resulting from transactions with related parties and included in the consolidated financial statements as at 31 December 2024:

	2024 (ﷲ'000s)	2023 (ﷲ'000s)
Balances with related parties except the Bank's mutual funds		
Financing to Directors and key management personnel	192,139	61,138
Financing to affiliates*	2,588,847	1,428,750
Allowance for impairment on financing to Directors, key management personnel and affiliates	818	1,950
Customers' deposits from major shareholder	4,202,955	-
Customers' deposits from Directors and key management personnel	75,925	16,390
Customers' deposits from affiliates	41,764	-
Customer's deposits from associates and joint ventures	30,573	42,569
Investments in associate and joint venture	50,267	15,637
Investments in major shareholder held at FVOCI	159,052	165,440
Bank's mutual funds		
Investments in mutual funds	922,514	953,614
Deposits from mutual funds	705,846	335,531

* Affiliates pertain to entities having common directorships or common key management personnel (in accordance with SAMA regulations). Financing and customer deposits with related parties are transacted at market rate and in the normal course of business.

(A) Income and expenses pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	2024 (ﷲ'000s)	2023 (ﷲ'000s)
Income on financing	128,604	91,421
Return on time investments	120,861	137,129
Fee from banking services, net	470,512	434,278
Directors' remuneration	14,430	7,870

The advances and expenses related to Executives are in line with the normal employment terms.

(B) The total amount of compensation to key management personnel during the year is as follows:

	2024 (ﷲ'000s)	2023 (ﷲ'000s)
Short-term employee benefits	113,408	101,839
End of service benefits	8,562	4,254

If the auditor's report includes any reservations regarding the annual financial statements, the Board of Directors' Report must clarify those reservations, their reasons, and any relevant information

The auditor's report did not include any reservations on any item in the financial statements for the fiscal year ending 31 December 2024.

If the Board of Directors recommends changing the auditor before the end of their designated term, the report must include this recommendation along with the reasons for the proposed change

The Board of Directors has not made any recommendation to change the auditor before the end of their designated term.

Statement as to the value of any investments made or any reserves set up for the benefit of the employees of the Bank

Benefits and compensation are paid to employees in accordance with the provisions of the Saudi Labor Law. As at 31 December 2024, the balance due to employees on account of the end of service benefits obligation amounted to ﷲ 537 million. Additionally, the Bank makes monthly contributions towards the General Organization for Social Insurance (GOSI) for staff welfare as per the Saudi Labor Law.

Information relating to any business or contract to which the Bank is a party and in which a Director of the Bank, a senior Executive or any person is related to any of them

	Company Name	Work or Contract Nature	Total Paid Amount during the Year 2024 (ﷲ)	Work or Contract Duration	Work or Contract Conditions	Name of the Director/senior Executive or any person related to any of them
1.	Elm Information Security Company	Renewal of Naba Service Contract	999,999.75	31 January 2024 to 31 January 2025	Standard, no preferential terms	Public Investment Fund
2.	Elm Information Security Company	Digital Authentication of National Identity	1,300,000.00	1 January 2025 to 31 December 2025	Standard, no preferential terms	Public Investment Fund
3.	Tahakom Technical Company Ltd.	Nabeeh Service	4,500,000.00	28 July 2024 to 27 July 2025	Standard, no preferential terms	Public Investment Fund
4.	Saudi Lease Contracts Registration Company (Sijil)	Renewal of Car Leasing Financing Contracts Registration	995,500.00	11 June 2024 to 10 June 2026	Standard, no preferential terms	Hisham Al-Turaiki - Chief Credit Officer (CCRO)
5.	Arabian Shield Cooperative Insurance Company	Social Protection Insurance Policy	1,117,258.00	1 January 2024 to 31 December 2024	Standard, no preferential terms	• Adel Saleh Aba Al-Khail - Chief Financial Officer (CFO) • Mishal Hamad Al-Rubiah - Chief Risk Officer (CRO)
6.	Arabian Shield Cooperative Insurance Company	Bankers' Insurance Policy, Executive and Employee Money Insurance, All Risks Property Insurance, Third-Party Liability Insurance and ATM Insurance at Airports	6,534,328.00	1 June 2024 to 31 May 2025	Standard, no preferential terms	• Adel Saleh Aba Al-Khail - Chief Financial Officer (CFO) • Mishal Hamad Al-Rubiah - Chief Risk Officer (CRO)
7.	Arabian Shield Cooperative Insurance Company	Mortgage Property Insurance Policy	4,232,733.00	21 November 2024 to 20 November 2025	Standard, no preferential terms	• Adel Saleh Aba Al-Khail - Chief Financial Officer (CFO) • Mishal Hamad Al-Rubiah - Chief Risk Officer (CRO)
8.	Arabian Shield Cooperative Insurance Company	Debt Insurance Policy for Individual Real Estate Financing Products	30,588,984.00	21 November 2024 to 20 November 2025	Standard, no preferential terms	• Adel Saleh Aba Al-Khail - Chief Financial Officer (CFO) • Mishal Hamad Al-Rubiah - Chief Risk Officer (CRO)

A description of any arrangement or agreement under which a Director or a senior Executive of the Bank has waived any remuneration

The Bank does not have any information about any arrangement or agreement by virtue of which any Board Members or senior Executives have waived the right to receive any remunerations or compensations.

A description of any arrangement or agreement under which a shareholder of the Bank has waived any rights to dividends

The Bank does not have any arrangement or agreement by virtue of which any shareholders has waived the right to receive any dividend from the Bank.

A statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor

The following table shows the value of regulatory and outstanding payments for the financial period ended 31 December 2024:

Statement	Paid Amount (ﷲ'000s)	Outstanding Amount until the end of the Annual Financial Period (ﷲ'000s)	Brief Description
Zakat	556.32	670.41	The amount paid represents the zakat paid for the year 2023, and the accrued amount represents the zakat calculated for the financial year 2024 and will be paid in April 2025.
Withholding Tax	43.78	1.33	The amount paid represents the withholding tax paid for the period from December 2023 to November 2024, and the accrued amount represents the withholding tax for December 2024, payable in January 2025.
Value Added Tax	276.33	9.57	The amount paid represents the VAT paid for the period from December 2023 to November 2024, and the accrued amount represents the VAT for December 2024, payable in January 2025.

Board of Directors' declarations

The Bank adheres to the following when preparing the consolidated financial statements:

- A.

International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA), collectively referred to as "Adopted Standards in the Kingdom of Saudi Arabia".
- B.

Provisions of the Banking Control Law and the Companies Law applicable in the Kingdom of Saudi Arabia and the Bank's bylaws.
- C.

The Board of Directors affirms the following:

1.

The financial statements prepared by the Bank's management fairly represent its financial position, results of operations, cash flows and changes in equity.

2.

Appropriate accounting policies are consistently applied to the Bank's circumstances when preparing financial statements, as explained in Note (3) of the Bank's consolidated financial statements. Estimates and fundamental judgments are used in preparing the financial statements, as outlined in Note 2(e) of the Bank's consolidated financial statements.

3.

The accounting books have been prepared correctly.

4.

The internal control system has been established on sound principles and effectively implemented.

5.

There is no significant doubt about the Bank's ability to continue its operations.

6.

Except for the information provided in Note (36) in the consolidated financial statements, the Bank did not engage in any contracts during the fiscal year 2024 that involve significant interests for any members of the Board of Directors, the Chief Executive Officer or the Chief Financial Officer, and any related parties.

Information relating to any competing business with the Bank or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses

Member Name	Company Name	Main Business	Business Terms
Anees Ahmed Moumina	Dar Al Tamleek	Buying, selling and owning real estate and land and investing in them, as well managing financing programs for others.	There are no preferential terms

Treasury shares, value and details

The Bank held part of its shares at intervals during 2010 and 2011, with a view to granting them to a specified category of employees who meet relevant terms. Pending the transfer of share ownership to beneficiaries, the shares are treated as treasury shares used to finance long-term employee remuneration plans paid on a stock basis, as shown in Note (17) and (22) of the Bank's consolidated financial statements for the period ended 31 December 2024.

In addition to the above, the Extraordinary General Assembly, at its meeting held on 30 April 2023, approved an employee stock grant program. Under this program, five million shares of the Bank's stock were purchased as treasury shares to be allocated to the employee shares program. The Bank has completed the purchase of these shares during the current period.

The details of the treasury shares held by the Bank are as follows:

Number of Treasury Shares held by the Bank as on 31 December 2024	Value (ﷲ)
14,426,618	203,957,859

Dividend distributions

The following details the percentages of profits distributed to shareholders during various periods of the fiscal year 2024:

For the Fiscal Year 2024	Total Distributed Amount	Number of Eligible Dividend Shares	Share's Portion of the Distribution	Distribution percentage to Nominal Share Value (%)	Due Date	Distribution Date
First quarter of 2024	ﷲ 621,371,102	2,485,484,408 shares	ﷲ 0.25 per share after zakat deduction	2.5%	11 Dhu al-Qi'dah 1445H , 19 May 2024	25 Dhu al-Qi'dah 1445H, 2 June 2024
Second quarter of 2024	ﷲ 621,375,735	2,485,502,940 shares	ﷲ 0.25 per share after zakat deduction	2.5%	14 Safar 1446H , 18 August 2024	28 Safar 1446H , 1 September 2024
Third quarter of 2024	ﷲ 745,672,012	2,485,573,373 shares	ﷲ 0.30 per share after zakat deduction	3%	5 Jumada al-Awwal 1446H , 7 November 2024	19 Jumada al-Awwal 1445H , 21 November 2024
Total	ﷲ 1,988,418,849					

In addition, alinma announced the Board of Directors' decision on 29 Rajab 1446H corresponding to 29 January 2025, recommending that the Ordinary General Assembly of the Bank approve the distribution of final dividends for the year 2024 at 30 halalas per share after zakat deduction, representing 30% of the nominal value of the share, amounting to a total of ﷲ 746,144,795. The entitlement to dividends will be for shareholders who are registered in the Bank's records at the Securities Depository Center by the end of the second trading day following the date of the General Assembly Meeting.

Disclosures related to micro, small and medium enterprises (MSMEs)

MSMEs shall be defined as follows:

Type of Enterprise	Revenue (ﷲ million)	Staff
Micro enterprise	0 to 3	1 to 5
Small enterprise	< 3 to 40	6 to 49
Medium enterprise	< 40 to 200	50 to 249

Total number of employees in the SME sector in the Bank stood at 52 employees at the end of the fiscal year 2024.

Despite the global economic challenges, alinma's strategic initiatives and supportive environment have contributed to significant growth and success for small and medium-sized enterprises (SMEs). The focus was primarily on the new organizational structure for SMEs, launching new initiatives for SMEs, automating through the eCLO credit financing system and offering lending products based on SME programs.

New organizational structure for SMEs

The new organizational structure for SMEs, which was approved in the third quarter of 2024, will greatly enhance the Bank's performance in this sector by streamlining operations and improving resource allocation. The new structure will improve efficiency and productivity through three main pillars as follows:

- 1.Regular financing to SMEs
2. Financing products based on SME programs
3. SME product management

This focused approach will improve customer satisfaction, accelerate response times and increase financing. Additionally, the new structure will empower employees to take ownership of their roles, leading to higher levels of engagement and innovation.

Launching new initiatives for SMEs

The launch of 12 new initiatives for SMEs in 2024 will have a profound positive impact on alinma's performance. These initiatives, designed to meet the specific needs of SMEs, will drive growth in this sector and enhance the Bank's position and market share by offering a comprehensive range of financial products and services, including program-based financing products. Furthermore, organized customer referral mechanisms will attract a broader pool of potential SME clients. The development of an electronic credit application process with automated verification will expedite approval stages. Finally, implementing effective customer feedback mechanisms will ensure continuous improvement, guarantee customer satisfaction and strengthen relationships with them.

eCLO credit financing system

alinma has fully transitioned from manual operations to automated processes for SME financing applications (both regular financing and program-based financing) through the new eCLO credit financing system. This strategic shift has significantly accelerated operations, reducing processing times and enhancing overall efficiency. The new system ensures accurate and timely evaluations of financing applications, allowing for faster decision-making and disbursement of funds. This automation initiative enables SMEs to experience seamless and efficient financing, driving business growth and economic development.

Program-based financing products for SMEs and strategic partnerships

2024 was an exceptional year for program-based financing products, especially in lease-based real estate financing, which achieved remarkable success, reaching the maximum allocated portfolio of ﷲ 1 billion. This achievement reflects the strong demand for real estate financing solutions and the Bank's ability to effectively meet customer needs. The program's success can be attributed to flexible approval mechanisms, efficient processing capabilities and high coverage ratios.

Additionally, the SME sector successfully enhanced partnerships with government and semi-government sectors in 2024 to meet the various needs of SMSEs in different sectors, including:

- Strengthening partnership with Monsha'at through an agreement with a portfolio valued at ﷲ 800 million to support financing for SMEs.
- Renewing the Bank's agreement with the General Syndicate of Cars to support and finance transportation companies in the Hajj and Umrah sector.
- Signing an agreement with the Cultural Development Fund to finance promising SMEs in the cultural sector.
- Expanding financing for SMEx under the Kafalah program through various financing initiatives.

	Number of Training Days
Number of man-days training provided to SMEs staff	31

The following are the main performance indicators of the SME sector during the year 2024 compared to 2023:

	2024 (ﷲ'000s)			
	Micro Enterprise	Small Enterprise	Medium Enterprise	Total
SMEs financing – on Balance Sheet	984,911	4,060,685	6,268,899	11,314,495
SMEs financing – off Balance Sheet	16,978	235,778	419,594	672,350
SMEs financing as a percentage of total financing – on Balance Sheet	0.48%	1.97%	3.04%	5.49%
SMEs financing as a percentage of total financing – off Balance Sheet	0.04%	0.57%	1.01%	1.62%
Number of financing transactions (on/off Balance Sheet)	4,380	2,391	1,210	7,981
Number of financing customers (on/off Balance Sheet)	4,250	952	198	5,400
Number of financing transactions guaranteed by Kafalah program	192	980	118	1,290
Total financing amounts guaranteed by Kafalah program	129,476	1,522,422	493,713	2,145,611

	2023 (٠'000s)			
	Micro Enterprise	Small Enterprise	Medium Enterprise	Total
SMEs financing – on Balance Sheet	1,055,045	2,729,302	4,717,628	8,501,975
SMEs financing – off Balance Sheet	9316	166,855	492,137	668,308
SMEs financing as a percentage of total financing – on Balance Sheet	0.59%	1.53%	2.65%	4.77%
SMEs financing as a percentage of total financing – off Balance Sheet	0.03%	0.46%	1.35%	1.84%
Number of financing transactions (on/off Balance Sheet)	4,299	1,714	1,258	7,271
Number of financing customers (on/off Balance Sheet)	4,206	716	171	5,093
Number of financing transactions guaranteed by Kafalah program	157	1,091	391	1,639
Total financing amounts guaranteed by Kafalah program	75,799	850,013	405,534	1,331,346

Acknowledgement

The alinma Board of Directors greatly appreciates the commitment of the Bank in 2024 to achieve noteworthy progress in line with the Bank's overarching strategy to be recognized as the fastest and most convenient bank in the Kingdom. This progress included the expansion of product and service offerings powered by the enhancement of digital capabilities and emerging technologies, while maintaining a strong Balance Sheet. During 2023, alinma experienced a growth in our customer base and overall operations, which positively impacted the Bank's financial results.

The Board of Directors would like to take this opportunity to thank the Bank's customers and shareholders for placing their trust in the Bank and its Board. We also wish to thank the government and regulatory authorities for their guidance, support and cooperation.

Most importantly, appreciation is also extended to alinma's employees, for their sincere and diligent efforts in working toward the Bank's goals.

Lastly, the Board of Directors and all employees of the Bank express their gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Highness the Crown Prince, Mohammed bin Salman, Deputy Prime Minister and Minister of Defense, for their tireless service to the Kingdom and its people.

Shariah Committee

In line with alinma's efforts to implement a Shariah governance framework for local banks operating in the Kingdom, the Bank is dedicated to adhering to the principles and regulations of Islamic Shariah in all its transactions. This ensures compliance with Shariah when offering its products, services and activities. The Shariah Committee is tasked with fulfilling these obligations.

The Committee consists of scholars specializing in the jurisprudence of financial transactions, and its composition is approved by the Bank's Board of Directors, ensuring its independence from all executive departments. All transactions conducted by the Bank require approval and oversight from the Shariah Committee, and its decisions are binding for all departments and personnel within the Bank.

Committee objectives

- Clarifying Shariah terms concerning all transactions performed by the Bank.
- Confirming the Shariah compliance of all Bank transactions.
- Assisting the Bank in enhancing its performance from a Shariah viewpoint while preserving its Islamic identity in policies, standards and procedures.
- Strengthening the Bank's involvement in the promotion and advancement of Islamic banking.

During 2024, the Committee conducted 31 meetings, discussed a total of 354 topics which resulted in the issuance of 94 resolutions and 260 memos. These topics covered various areas, including products and services, new ideas, amendments to approved documents, Shariah's observations and its corrective action plans and inquiries from business groups. Since the establishment, the Committee has issued a total of 1,443 Shariah resolutions.

Throughout the year, the Shariah Committee participated in numerous activities, such as discussions, workshops and meetings with relevant academic organizations and subject matter associations. They also coordinated meetings with the Board of Directors and the Audit Committee, as well as engaged with shareholders by attending the General Assembly.

Shariah Committee report submitted to alinma's Board of Directors for the fiscal year ended 30/06/1446 AH – 31/12/2024 AD

Praise be to Allah, the Lord of the Worlds, and may His blessings and peace be upon our Prophet Muhammad, his family, all his companions, and all righteous people.

The Shariah Committee has diligently and precisely reviewed the reports detailing the results and observations from the internal Shariah audit, including the final report for the year 2024, which was prepared by the Shariah Control Department of the Bank in accordance with the Shariah governance framework for local banks in the Kingdom of Saudi Arabia and established internal auditing standards, emphasizing the Bank's commitment to correctly implementing the Committee's resolutions.

As the responsibility for performance and execution in line with Shariah requirements rests with the Bank's Executive management, while the Committee is tasked with offering an independent assessment of the Bank's compliance, the committee, based on the aforementioned points and following thorough review and analysis, and states the following:

The Shariah performance reports revealed that the Bank adheres to the resolutions of the Shariah Committee in its transactions, and no significant violations impacting the Bank's overall operations and revenues were observed.

We pray to Allah, the Exalted, to grant success to everyone in their good endeavors, to bless our efforts, and to unite us all in righteousness and piety. May peace and blessings be upon our Prophet Muhammad, his family, and all his companions.

We ask Allah Almighty to grant us success, bless our efforts, and make us among those who cooperate in righteousness and piety. May Allah's prayers and peace be upon our Prophet Muhammad, his family, and all his companions.

Shariah Committee

Abdullah Bin Wakeel Al-Sheikh (Chairman)	Abdulrahman Bin Saleh Al-Atram (Vice Chairman)	Sulaiman Bin Turki Al-Turki (Member)	Khalid Bin Abdulrahman Almuhanna (Member)
--	--	--	---

Shariah Division

The Shariah Division serves as an executive, functional and administrative entity committed to assisting the Shariah Committee in reaching its goals and executing its directions.

It accomplishes its duties and responsibilities through its various departments as outlined below:

Studies and Consultancy

The Studies and Consultancy Department is responsible for offering Shariah consultancy and research services to all departments and groups within the Bank. This includes reviewing the Bank’s activities, contracts, agreements, documents and forms, and preparing research and memos for the Shariah Committee regarding products, transactions and activities, along with the necessary documentation. Furthermore, the department prepares the minutes for Shariah Committee meetings, as well as research papers and studies related to banking and participates in workshops with other Bank groups and departments.

Shariah Products Development

The Shariah Products Development Department is responsible for participating in the innovation and development of products in alignment with Islamic Shariah guidelines. This involves working closely with relevant business units, conducting Shariah studies and research, and playing a key role in the design and development of new products for the Bank.

Shariah Control

The Shariah Control Department is responsible for ensuring compliance with Shariah provisions and guidelines established by the Shariah Committee. This includes managing risks related to non-compliance with the Committee's resolutions, performing internal Shariah audits of the Bank's business activities to confirm adherence to those resolutions, and submitting the findings and observations from these audits to both the Shariah Committee and the Audit Committee.

Sharia Excellence

The Shariah Excellence Department is responsible for preparation, coordinating and following up on the Shariah Committee meeting's timetable and publishing the outcomes. As a focal point of contact, it is maintaining effective communication channels between the Shariah Division and its internal and external stakeholders, it is also supporting the Shariah Division in providing technical and logistical as well as the knowledge resources tools assistance to facilitate and host symposiums and workshops.

In 2024, the Shariah Division studied 470 topics and extended its support to the Bank in accordance with the resolutions issued by the Shariah Committee. The range of studied topics covered ideas for products and services, new products and services, as well as modifications to approved documents.

The Shariah Division engaged in the development and innovation of products and services in collaboration with other groups within Bank to introduce 17 products and services for the year under review.

Using the dedicated Shariah's communication digital and ordinary channels, the Shariah Division has received and answered a total of 369 inquiries, including 229 inquiries from the Bank's staff about executing transactions with accordance to the Shariah Committee's resolutions and 140 inquiries from the Bank's clients pertaining to Shariah compliance of the transactions.

To meet the requirements of Shariah governance and ensure ongoing monitoring and evaluation of the Bank's activities, a methodology for assessing Shariah non-compliance risks was developed. This resulted in the creation of a risks register where a total of 76 risks were identified and assessed, which were managed through 132 controls.

Awareness and training

In line with alinma's dedication to advancing development and growth from a Shariah perspective while preserving its Islamic identity in policies, standards and procedures, the Bank continued to strengthen its efforts in sharing the decisions of its Shariah Committee, along with research and educational resources related to its Shariah-compliant operations. This initiative was facilitated by the launch of the "alinma Shariah Publications" app for smart devices, which is the first electronic application of its kind in the Islamic financial sector and remains unique since its introduction in 2018. By the end of 2024, the app had surpassed 57,965 downloads.

A new version of the application was launched, featuring the inclusion of English content, a dedicated section for Shariah governance, an expanded collection of decisions and Shariah research, as well as updates to the design and format to align with the Bank's new identity.

Maintaining its leadership in Shariah-compliant banking and reinforcing its significant role in this field, the Bank launched in 2024 the English version of the book "Shariah Standards for alinma products and services". This initiative demonstrates the Bank's dedication to providing non-Arabic speakers with access to the book and allowing them to benefit from its valuable, specialized content on the jurisprudence of financial transactions. The book features 658 Shariah controls covering various areas, including banking, finance, treasury, investment transactions, financing, securities and more, as abstracted from the resolutions of alinma's Shariah Committee up to 2022.

The release of the printed book and the updated smart application strengthens alinma's position as one of the leading Shariah-compliant banks at both regional and global levels. This initiative contributes in serving the community, increasing customer awareness and providing support for researchers and students in universities and research centers, thus fostering Shariah-compliant banking and improving its practical applications. Also, a total of nine specialized research papers were prepared through this year and are ready for publishing.

In 2024, the Shariah Division implemented several awareness and training programs:

- As part of the initiative to qualify Shariah specialists in the financial and banking sector, alinma conducted a 12-month training program for three PhD candidates in Shariah studies. This program included a comprehensive training plan that combined theoretical and practical components, resulting in issuing of six Shariah research papers, 15 Shariah standards and the attainment of six professional certificates.
- Introductory programs were offered on Shariah-compliant banking and the role of Shariah within the Bank to 12 university students, with a total of over 300 training hours.
- Onboarding programs for new alinma employees included an introduction to the Shariah Division and Shariah-compliant banking.
- An awareness course on Shariah provisions and controls for Alinma products and services was made available through the alinma Academy.

Shariah Division participation

In alignment with the memorandum of understanding established with Imam Muhammad bin Saud Islamic University, the Shariah Division worked together with the College of Shariah to initiate an academic research project. This collaboration led to the Scientific Council of the College of Shariah approving eight doctoral theses focused on Shariah-compliant banking, which are based on the Shariah rules and controls related to alinma's products and services. This initiative also provided over 120 consulting hours.

The division also actively participated in a number of initiatives, including:

- 1. Chairing the membership of the Islamic Banking Committee under the supervision of the Saudi Central Bank. Four (4) meetings were held in which issues related to Islamic banking were discussed.
- 2. Organizing a symposium on the roles and responsibilities of Shariah departments in Saudi financial institutions in light of the Shariah governance frameworks and guidelines issued by the supervisory authorities in the Kingdom, with the participation of a select group of specialists and practitioners.
- 3. Organizing a symposium on "Investing in Venture Capital through the SAFE Document," in the presence of a large number of distinguished members of the Shariah Committees of Saudi banks and financial companies, scholars and researchers specialized in the field of Islamic banking and financial technology, and a group of executives and investment fund managers in venture capital companies.

Audit Committee Report

The Audit Committee's Report to the General Assembly For the Financial Year Ending 31 December 2024

The Audit Committee reviews financial statements and accounting policies and supervises the activities of internal audit and external auditors. During the fiscal year 2024, the Committee held nine (9) meetings to carry out activities within its jurisdiction, the most prominent of which are:

- Establishing an internal audit strategy aligned with the Bank's approved strategy.
- Reviewing and approving the internal audit plan for the fiscal year 2024.
- Reviewing and approving the internal Sharia audit plan for the fiscal year 2024.
- Supervising the Internal Audit Division and monitoring the execution of the audit plan during the fiscal year 2024.
- Reviewing internal audit reports during 2024.
- Reviewing internal Sharia audit reports during 2024.
- Monitoring the implementation and closure of observations identified across various departments.
- Reviewing the annual financial statements as of 31 December 2024, as well as quarterly statements, and recommending their approval to the Board of Directors.
- Reviewing the Management Letter issued by the External Auditors and monitoring the closure of observations therein.
- Reviewing auditors' proposals and recommending the appointment of auditors for the year ending 31 December 2024.
- Reviewing the quarterly compliance reports on the Bank's adherence to regulatory requirements and internal policies and procedures.

Results of the Annual Internal Audit on the Effectiveness of the Bank's Internal Controls:

The Bank adopts an internal control framework based on the three lines of defense model. Business departments and divisions function as the first line, ensuring that their activities comply with the regulations and directives issued by regulatory authorities. The second line of defense comprises the Compliance, Risk, and Finance Divisions, which assess, monitor, and oversee risk management activities across daily operations, credit activities, and information security. Both the first and second lines submit periodic reports to internal management committees and Board committees to ensure regulatory compliance and alignment with the Bank's strategic objectives.

The Internal Audit Division represents the third line of defense, conducting assessments and reviews covering all Bank divisions based on an approved, risk-based audit plan. The Internal Audit Division affirms its organizational and functional independence within the Bank, allowing it to carry out its responsibilities effectively without undue influence.

Adequacy of the Internal Control System:

Based on the responsibility of the Bank's Management in terms of preparing a comprehensive and effective system for internal controls to achieve the approved objectives of the Bank, an internal control system has been developed that suits the Bank's activities and takes into account the relative importance of financial and other risks inherent in these activities. An internal control system has been designed to manage and control risks in a timely manner. This provides a reasonable amount of continuous control and early detection and handling of potential risks.

The internal control system is based on the vision and assessment of the Bank's Management to put in place a control system which commensurate with the relative importance of financial and other risks inherent in the Bank's activities with a reasonable cost and benefit in order to achieve specific controls. The internal control system has been designed to mitigate risks in order to achieve specific objectives. It is therefore designed to give reasonable assurances to avoid material errors and relevant losses.

The Audit Committee periodically reviews the reports prepared by Internal and External Auditors. These reports include an assessment of the adequacy and effectiveness of internal controls currently in place.

Based on the aforementioned, we believe that the Bank has a reasonably adequate and effective internal control system in terms of design and implementation. During 2024, there were no material observations relating to the effectiveness of the internal control system and procedures in the Bank.



**Mr. Abdulrahman bin Mohammad
Ramzi Addas**
(Chairman of the Committee)



**Mr. Haitham bin Rashid Al-Sheikh
Mubarak**
(Committee Member)



Dr. Saad Bin Saleh AlRowaiti
(Committee Member)



Mr. Maher Bin Saad AlAiyadhi
(Committee Member)



**Mr. Othman bin Mohammed
Al-Tuwaijri**
(Committee Member)



04 Financial Statements

184	Independent Auditors' report
189	Consolidated Statement of Financial Position
190	Consolidated Statement of Income
191	Consolidated Statement of Comprehensive Income
192	Consolidated Statement of Changes in Equity
194	Consolidated Statement of Cash Flows
196	Notes to the Consolidated Financial Statements

Independent Auditors' Report

to the Shareholders of Alinma Bank (A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alinma Bank and its subsidiaries (collectively referred to as the "Bank"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which include material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, a description of how our audit addressed the matter is provided in that context.

Independent Auditors' Report

to the Shareholders of Alinma Bank (A Saudi Joint Stock Company)

Key audit matter	How our audit addressed the key audit matter
Expected credit loss allowance against financing	- We obtained and updated our understanding of management's assessment of ECL allowance against financing including the Bank's internal rating model, accounting policy and model methodology. - We compared the Bank's accounting policy for ECL allowance and the ECL methodology with the requirements of IFRS 9. - We assessed the design and implementation, and tested the operating effectiveness of the key controls (including Information Technology ("IT") general and application controls) over: - the ECL model, including governance over the model, and any model updates during the year, including approval of impairment committee of key inputs and assumptions; - the classification of financing into stages 1,2 and 3 and timely identification of SICR and the determination of default / individually impaired exposures; - the IT systems and applications underpinning the ECL model; and - the integrity of data inputs into the ECL model.
As at 31 December 2024, the gross financing of the Bank were ٢٠٦,٠٦٧ million (2023: ١٧٨,٠٥٧ million) against which an expected credit loss ("ECL") allowance of ٣,٧٥٩ million (2023: ٤,٤٣٣ million) was maintained.	
We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgment and this has a material impact on the consolidated financial statements of the Bank. The key areas of judgment include:	
1. Categorisation of financing into Stages 1, 2 and 3 based on the identification of: (a) exposures with a significant increase in credit risk ("SICR") since their origination; and (b) individually impaired / defaulted exposures.	- For a sample of customers, we assessed: - the internal ratings determined by management based on the Bank's internal rating model and considered these assigned ratings in light of external market conditions and available industry information; - management's computations of ECL; and - for selected financings, we assessed management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment.
2. Assumptions used in the ECL model for determining the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), including but not limited to assessment of the financial condition of the counterparties, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probabilities weightages.	

Independent Auditors' Report

to the Shareholders of Alinma Bank (A Saudi Joint Stock Company)

Key audit matter	How our audit addressed the key audit matter
Application of these judgments and estimates, continues to result in greater estimation uncertainty around ECL calculations, and therefore affected the associated audit risk around ECL calculation as at 31 December 2024. Refer to the summary of material accounting policy note 3 (j) for the impairment of financial assets; note 2 (e) (i) which contains the disclosure of critical accounting judgments, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Bank; note 8.1 which contains the disclosure of impairment against financing; and note 29.1 for details of credit quality analysis and key assumptions and factors considered in determination of ECL.	• We assessed the appropriateness of the Bank's criteria for the determination of SICR and identification of "default" or "individually impaired" exposure. Further, for a sample of exposures, we assessed the appropriateness of the staging classification of the financing portfolio. • We assessed the reasonableness of the underlying assumptions used by the Bank in the ECL model including forward looking assumptions. • We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2024. • Where required, we involved our specialists to assist us in reviewing model calculations, evaluating interrelated inputs and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights. • We assessed the adequacy of disclosures in the consolidated financial statements.

Other Information included in the Bank's 2024 Annual Report

Other information consists of the information included in the Bank's 2024 annual report, other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information in the Bank's annual report. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Bank's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, the applicable provisions of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By-Laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report

to the Shareholders of Alinma Bank (A Saudi Joint Stock Company)

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e., the Audit Committee is responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Bank audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Bank as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report
to the Shareholders of Alinma Bank (A Saudi Joint Stock Company)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank is not in compliance, in all material respects, with the applicable provisions of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By-Laws in so far as they affect the preparation and presentation of the consolidated financial statements.

KPMG Professional Services Company

Ernst & Young Professional Services

Ebrahim Oboud Baeshen
Certified Public Accountant
License number 382

Abdullah A. Alshenaibir
Certified Public Accountant
License number 583

(07 Sha'ban 1446H)
(06 February 2025)

ALINMA BANK (A Saudi Joint Stock Company)
Consolidated Statement of Financial Position
As at December 31

		2024	2023
	Notes	ﷲ'000	ﷲ'000
ASSETS			
Cash and balances with Saudi Central Bank (SAMA)	4	13,849,670	12,598,444
Due from banks and other financial institutions, net	5	4,510,142	1,700,907
Investments held at fair value through statement of income (FVSI)	6	3,142,665	2,648,977
Investments held at fair value through other comprehensive income (FVOCI)	6	13,750,818	13,466,579
Investments held at amortized cost, net	6	31,681,460	27,105,159
Investments in associate and joint venture	6	50,267	15,637
Positive fair value of derivatives	7	505,417	144,329
Financing, net	8	202,308,094	173,624,044
Property, equipment and right of use assets, net	9	3,400,866	2,888,209
Other assets	10	3,628,082	2,522,813
TOTAL ASSETS		276,827,481	236,715,098
LIABILITIES AND EQUITY			
LIABILITIES			
Due to SAMA, banks and other financial institutions	11	13,936,256	7,431,230
Customers' deposits	12	210,544,650	187,900,581
Negative fair value of derivatives	7	436,626	110,321
Amount due to Mutual Funds' unitholders	13	114,557	93,510
Other liabilities	14	10,353,617	6,845,855
TOTAL LIABILITIES		235,385,706	202,381,497
EQUITY			
Share capital	15	25,000,000	20,000,000
Treasury shares	17.1	(203,958)	(225,611)
Statutory reserve	16	4,836,346	3,378,431
Other reserves	17.2	(129,404)	62,359
Retained earnings		3,188,291	1,118,422
Proposed issue of bonus shares	15.2	-	5,000,000
Equity attributable to the shareholders of the Bank		32,691,275	29,333,601
Tier 1 Sukuk	18	8,750,500	5,000,000
TOTAL EQUITY		41,441,775	34,333,601
TOTAL LIABILITIES AND EQUITY		276,827,481	236,715,098

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Income
For the year ended December 31

		2024	2023
	Notes	ﷲ'000	ﷲ'000
Income from investments and financing	20	16,154,779	13,227,509
Return on time investments	20	(7,506,150)	(5,572,995)
Income from investments and financing, net	20	8,648,629	7,654,514
Fee from banking services – income	21.1	2,921,597	2,426,703
Fee from banking services – expense	21.1	(1,313,278)	(967,712)
Fees from banking services, net	21.1	1,608,319	1,458,991
Exchange income, net		379,564	330,291
Income from FVSI financial instruments, net	6.1	237,073	211,721
Gain from FVOCI sukuk investments, net		911	-
Dividend income on FVOCI equity investments		33,004	30,798
Other operating income	21.2	32,576	39,342
Total operating income		10,940,076	9,725,657
Salaries and employee related expenses	22	1,664,098	1,466,521
Rent and premises related expenses		74,210	73,651
Depreciation and amortization	9	353,839	325,313
Other general and administrative expenses	27	1,291,492	1,178,041
Operating expenses before impairment charges		3,383,639	3,043,526
Impairment charge on financing, net of recoveries	8.2	1,049,809	1,272,104
Impairment (reversal) / charge on other financial assets		(550)	26,524
Total operating expenses		4,432,898	4,342,154
Net operating income		6,507,178	5,383,503
Share of (loss) / income from associate and joint venture	6.5, 6.6	(5,106)	12,021
Income for the year before zakat		6,502,072	5,395,524
Zakat for the year	24	(670,411)	(556,318)
Net income for the year after zakat		5,831,661	4,839,206
Basic and diluted earnings per share (ﷲ)	23	2.22	1.87

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Comprehensive Income
For the year ended December 31

		2024	2023
	Notes	ﷲ'000	ﷲ'000
Net income for the year after zakat		5,831,661	4,839,206
Other comprehensive income / (loss):			
Items that cannot be recycled back to consolidated statement of income in subsequent periods			
Net change in fair value of FVOCI equity investments	17.2	23,721	461,304
Share of joint venture / associate's other comprehensive (loss) / income	17.2	(11,553)	10,868
Actuarial gain on re-measurement of end of service benefits	17.2	5,486	19,637
Items that can be recycled back to consolidated statement of income in subsequent periods			
Net change in fair value of FVOCI sukuk investments	17.2	(174,260)	108,987
Gain from FVOCI sukuk investments, net	17.2	(911)	-
Cash flow hedge:			
Effective portion of change in fair value of cash flow hedge		(51,435)	-
Net amounts transferred to consolidated statement of income		28,475	-
Total other comprehensive (loss) / income		(180,477)	600,796
Total comprehensive income for the year		5,651,184	5,440,002

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Changes in Equity

For the year ended December 31

2024 (﷼'000)	Notes	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Proposed issue of bonus shares	Total equity attributable to the shareholders	Tier 1 Sukuk	Total equity
Balance at the beginning of the year		20,000,000	(225,611)	3,378,431	62,359	1,118,422	5,000,000	29,333,601	5,000,000	34,333,601
Net income for the year after zakat		-	-	-	-	5,831,661	-	5,831,661	-	5,831,661
Net change in fair value of FVOCI equity investments	17.2	-	-	-	23,721	-	-	23,721	-	23,721
Actuarial gain on re-measurement of end of service benefits	17.2	-	-	-	5,486	-	-	5,486	-	5,486
Net change in fair values of FVOCI sukuk investments	17.2	-	-	-	(174,260)	-	-	(174,260)	-	(174,260)
Gain on sale of FVOCI sukuk investments		-	-	-	(911)	-	-	(911)	-	(911)
Cash flow hedge	7, 17.2	-	-	-	(22,960)	-	-	(22,960)	-	(22,960)
Share of joint venture's other comprehensive loss	17.2	-	-	-	(11,553)	-	-	(11,553)	-	(11,553)
Total comprehensive income		-	-	-	(180,477)	5,831,661	-	5,651,184	-	5,651,184
Issuance of bonus shares	15.2	5,000,000	-	-	-	-	(5,000,000)	-	-	-
Transfers to retained earnings on disposal of FVOCI equity investments	17.2	-	-	-	(85,926)	85,926	-	-	-	-
Realized share of joint venture's other comprehensive loss	17.2	-	-	-	11,553	(11,553)	-	-	-	-
Transfer to statutory reserve	16	-	-	1,457,915	-	(1,457,915)	-	-	-	-
Tier 1 Sukuk costs	18	-	-	-	-	(321,921)	-	(321,921)	-	(321,921)
Issuance of Tier 1 sukuk	18	-	-	-	-	(15,149)	-	(15,149)	3,750,500	3,735,351
Interim dividends paid for 2024	15.1	-	-	-	-	(1,988,419)	-	(1,988,419)	-	(1,988,419)
Employee share based plans and other reserve movements	17.2	-	21,653	-	63,087	(52,761)	-	31,979	-	31,979
Balance at the end of the year		25,000,000	(203,958)	4,836,346	(129,404)	3,188,291	-	32,691,275	8,750,500	41,441,775

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Changes in Equity (continued)

For the year ended December 31

2023 (﷼'000)	Notes	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Proposed issue of bonus shares / dividends	Total equity attributable to the shareholders	Tier 1 Sukuk	Total equity
Balance at the beginning of the year		20,000,000	(66,021)	2,168,630	(507,396)	4,285,004	996,096	26,876,313	5,000,000	31,876,313
Net income for the year after zakat		-	-	-	-	4,839,206	-	4,839,206	-	4,839,206
Net change in fair value of FVOCI equity investments	17.2	-	-	-	461,304	-	-	461,304	-	461,304
Actuarial gain on re-measurement of end of service benefits	17.2	-	-	-	19,637	-	-	19,637	-	19,637
Net change in fair values of FVOCI sukuk investments	17.2	-	-	-	108,987	-	-	108,987	-	108,987
Share of associate other comprehensive income	17.2	-	-	-	10,868	-	-	10,868	-	10,868
Total comprehensive income		-	-	-	600,796	4,839,206	-	5,440,002	-	5,440,002
Transfers to retained earnings on disposal of FVOCI equity investments	17.2	-	-	-	(120,052)	120,052	-	-	-	-
Realized share of associate's other comprehensive income	17.2	-	-	-	(10,868)	10,868	-	-	-	-
Transfer to statutory reserve	16	-	-	1,209,801	-	(1,209,801)	-	-	-	-
Tier 1 Sukuk costs		-	-	-	-	(200,000)	-	(200,000)	-	(200,000)
Final dividends paid for 2022	15.1	-	-	-	-	-	(996,096)	(996,096)	-	(996,096)
Interim dividends paid for 2023	15.1	-	-	-	-	(1,690,389)	-	(1,690,389)	-	(1,690,389)
Proposed issue of bonus shares for 2023	15.2	-	-	-	-	(5,000,000)	5,000,000	-	-	-
Employee share based plans and other reserve movements	17.1, 17.2	-	(159,590)	-	99,879	(36,518)	-	(96,229)	-	(96,229)
Balance at the end of the year		20,000,000	(225,611)	3,378,431	62,359	1,118,422	5,000,000	29,333,601	5,000,000	34,333,601

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Cash Flows
For the year ended December 31

	Notes	2024 ﷲ'000	2023 ﷲ'000
OPERATING ACTIVITIES			
Income for the year before zakat		6,502,072	5,395,524
Adjustments to reconcile income for the year before zakat to net cash from operating activities:			
Depreciation and amortization	9	353,839	325,313
Loss / (gain) on disposal of property and equipment, net		4,172	(7,878)
Unrealized loss / (gain) from FVSI financial instruments, net		26,710	(67,011)
Gain from FVOCI sukuk investments, net		(911)	-
Fair value adjustment to derivatives		(34,783)	(34,008)
Dividend income on FVOCI equity investments		(33,004)	(30,798)
Impairment charge on financing, net of recoveries	8.2	1,049,809	1,272,104
Impairment (reversal) / charge on other financial assets		(550)	26,524
Recoveries of previously written-off bad debts	8.2	197,137	141,705
Unwinding of deferred payment program modification loss		(15,228)	(22,548)
Unwinding of fair value impact of SAMA deposits		10,110	55,901
Employees share based plans reserve	17.2	62,141	57,113
Share of loss / (income) from associate and joint venture	6.5, 6.6	5,106	(12,021)
Gain on derecognition of an associate	21.2	-	(5,143)
		8,126,620	7,094,777
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(2,448,205)	(1,505,499)
Due from banks and other financial institutions with original maturity of more than three months		(376,268)	(13,927)
Investments held at FVSI		(520,398)	(901,767)
Financing		(29,460,082)	(28,386,725)
Other assets		(1,118,163)	(925,143)
Net increase / (decrease) in operating liabilities:			
Due to SAMA, banks and other financial institutions		6,494,916	(9,155,325)
Customers' deposits		22,644,069	42,732,091
Other liabilities		2,957,319	(150,809)
Financing cost on lease liability		(14,745)	(13,773)
Net cash from operating activities before Zakat paid		6,285,063	8,773,900
Zakat paid		(556,318)	(413,759)
Net cash from operating activities		5,728,745	8,360,141
INVESTING ACTIVITIES			
Purchases of investments held at FVOCI		(1,217,789)	(2,141,530)
Purchases of investments held at amortized cost	6.4	(8,558,637)	(3,425,272)
Purchases of investment in joint venture		(218,579)	-
Proceeds from sales and maturities of investments held at FVOCI		783,011	1,373,749
Proceeds from sales and maturities of investments held at amortized cost	6.4	3,985,029	1,037,737
Proceeds from derecognition of investment in joint venture		167,290	-
Purchase of property and equipment		(788,806)	(557,195)
Proceeds from disposal of property and equipment		6,748	68,206
Dividends received from FVOCI equity investments		33,004	30,798
Net cash used in investing activities		(5,808,729)	(3,613,507)

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Consolidated Statement of Cash Flows (continued)
For the year ended December 31

	Notes	2024 ﷲ'000	2023 ﷲ'000
FINANCING ACTIVITIES			
Proceeds for the issuance of Tier 1 Sukuk, net of related costs		3,735,351	-
Payment for Tier 1 Sukuk costs		(321,921)	(200,000)
Cash payment for principal portion of lease liability		(109,293)	(93,861)
Dividend paid		(1,988,419)	(2,686,485)
Purchase of treasury shares	17.1	-	(166,384)
Net cash from / (used in) financing activities		1,315,718	(3,146,730)
Net change in cash and cash equivalents		1,235,734	1,599,904
Cash and cash equivalents at beginning of the year		5,172,847	3,572,943
Cash and cash equivalents at end of the year	25	6,408,581	5,172,847
Income received from investments and financing		16,561,599	12,122,334
Return paid on time investments		7,797,323	4,648,505
Supplemental non-cash information:			
Right-of-use assets		(85,851)	(83,383)
Lease liabilities		(20,683)	(9,999)
Net change in fair value of FVOCI investments		(150,539)	570,291

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

1. General

a) Incorporation

Alinma Bank, a Saudi Joint Stock Company, was formed and licensed pursuant to Royal Decree No. M/15 dated 28 Safar 1427H (corresponding to March 28, 2006), in accordance with the Council of Ministers' Resolution No. 42 dated 27 Safar 1427H (corresponding to March 27, 2006). It operates under Ministerial Resolution No.173 and Commercial Registration No.1010250808 both dated 21 Jumada I, 1429 (corresponding to May 26, 2008) and provides banking services through 115 branches (2023: 108 branches) in the Kingdom of Saudi Arabia ("KSA"). The address of the Bank's head office is as follows:

Alinma Bank
Head Office
King Fahad Road
P.O. Box 66674
Riyadh 11586
Kingdom of Saudi Arabia

The consolidated financial statements comprise the financial statements of Alinma Bank and its following subsidiaries (collectively referred as the "Bank") which are registered in KSA except for Alinma SPV Ltd which is registered in Cayman Islands:

Subsidiaries	Bank's Ownership	Establishment date	Main Activities
Alinma Investment Company	100%	07 Jumada - II 1430H (corresponding to May 31, 2009)	Asset management, custodianship, advisory, underwriting and brokerage services
Al-Tanweer Real Estate Company	100%	24 Sha'aban 1430H (corresponding to August 15, 2009)	Formed principally to hold legal title of properties financed by the Bank.
Saudi Fintech Company	100%	6 Dhul Qa'da 1440H (corresponding to July 9, 2019)	Provide Financial technology products and services to the Bank and others.
Esnad Company	100%	24 Ramadan 1440H (corresponding to May 29, 2019)	To provide outsourced staff to the Bank.
Alinma SPV Ltd	100%	22 Jumada - II 1443H (corresponding to January 25, 2022)	Engage and execute financial derivatives transactions and repurchase agreements with international banks.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

In addition to above subsidiaries, the management has concluded that the Bank has effective control of the below Funds and started consolidating the Funds' financial statements at the dates of effective control:

Funds	Bank's Ownership	Establishment date	Date of effective control	Purpose
Alinma Sukuk ETF	As at December 31, 2024: 92.9% (2023: 92.2%)	January 22, 2020	January 22, 2020	To invest in a basket of local sovereign Sukuks issued by the Kingdom of Saudi Arabia
Alinma IPO Fund	As at December 31, 2024: 54.9% (2023: 69.2%)	April 26, 2015	January 1, 2020	To achieve capital appreciation over the long term by investing mainly in Saudi joint stock companies
Dhahban Real Estate Fund	As at December 31, 2024: 100% (December 31, 2023: 99.8%)	September 15, 2023	September 15, 2023	To achieve medium-term capital growth through direct investment in the real estate sector in the city of Jeddah.

The objective of the Bank is to provide a full range of banking and investment services through products and instruments that are in accordance with Sharia'a, its By-Laws and within the provisions of laws and regulations applicable to banks in the Kingdom of Saudi Arabia.

b) Sharia'a Committee

The Bank has established a Sharia'a Committee in accordance with its commitment to comply with Islamic Sharia'a Laws. Sharia'a Committee ascertains that all the Bank's activities are subject to its review and approval.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Bank as at and for the year ended December 31, 2024 and 2023 have been prepared:

- i. in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia ("IFRS") and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"); and,
- ii. in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank.

b) Basis of measurement and presentation

The consolidated financial statements are prepared on a going concern basis. The consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held at fair value through statement of income ("FVSI"), investments carried at fair value through other comprehensive income ("FVOCI") and end of service benefits which are measured using projected unit credit method under IAS-19.

The consolidated statement of financial position is stated broadly in order of liquidity.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

c) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals ("ﷲ") which is the Bank's functional currency. Except where indicated, financial information presented in ﷲ has been rounded off to the nearest thousand.

d) Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the intention and resources to continue in business for the foreseeable future. In making the going concern assessment, the Bank has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources, etc. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

e) Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in the KSA and other standards and pronouncements issued by SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and fair value measurement.

Critical accounting judgment

Judgement of equity vs liability for Tier 1 Sukuk

The determination of equity classification of Tier 1 Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Bank classifies as part of equity the Tier 1 Sukuk issued with no fixed redemption/ maturity dates (Perpetual Sukuk) and not obliging the Bank for payment of profit upon the occurrence of a non-payment event or non-payment election by the Bank subject to certain terms and conditions and essentially mean that the remedies available to sukuk holders are limited in number and scope and very difficult to exercise. The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity under retained earnings.

Critical accounting estimates

Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

- i. Expected credit losses ("ECL") on financial assets (Notes 3(j), 29)

The measurement of ECL under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The Bank's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

1. The selection of an estimation technique or modelling methodology, covering below key judgements and assumptions:
 - a. The Bank's internal credit grading model, which assigns Probability of Defaults ("PDs") to the individual grades
 - b. The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
 - c. The segmentation of financial assets when their ECL is assessed on a collective basis
 - d. Development of ECL models, including the various formulas
 - e. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
 - f. Overlays
2. The selection of inputs for those models, and the interdependencies between those inputs such as macroeconomic scenarios and economic inputs.
 - ii. Fair value measurement (Note 35)
 - iii. Classification of financial assets (Note 3(g))
 - iv. Valuation of end of service benefits scheme (Notes 3(s), 26)
 - v. Recognition and measurement of contingencies (Note 19)
 - vi. Determination of significant influence over an investee (Notes 3(y), 6.5)

3. Summary of material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

a) Change in accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023 except for the adoption of the following amendments to IFRS explained below which became applicable for annual reporting periods commencing on or after January 1, 2024 and the accounting policy for the cash flow hedge. The management has assessed that the below amendments have no material impact on the Bank's consolidated financial statements.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

New standards, interpretations and amendments adopted by the Bank

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after January 1, 2024:

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	January 1, 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	January 1, 2024
Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	January 1, 2024

These standards, interpretations and amendments that have been issued do not have an impact on the consolidated financial statements of the Bank.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Alinma Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of Alinma Bank, using consistent accounting policies.

Subsidiaries are the entities that are controlled by Alinma Bank. The control over an investee arises when, someone has power over the investee, and it is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over that investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

The control indicators set out below are subject to management's judgements that can have a significant effect in the case of the Bank's interests in securitization vehicles and investments funds. Specifically, the Bank controls an investee if and only if the Bank has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect amount of its returns

When the Bank has less than a majority of the voting or similar rights of an investee entity, it considers relevant facts and circumstances in assessing whether it has power over the entity, including:

- The contractual arrangement with the other voters of the investee entity
- Rights arising from other contractual arrangements
- Bank's current and potential voting rights granted by equity instruments such as shares

The Bank re-assesses whether or not it controls an investee entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of income from the date the Bank gains control until the date the Bank ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Bank loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in consolidated statement of income
- Reclassifies the parent's share of components previously recognized in OCI to consolidated statement of income or retained earnings, as appropriate, as would be required if the Bank had directly disposed of the related assets or liabilities.

Since the subsidiaries, other than mutual funds, are fully owned by the Bank, there is no non-controlling interest to be disclosed. The functional currency of all subsidiaries is Saudi Arabian Riyal ("ﷲ"), except for Alinma SPV Ltd whose financial currency is in United States Dollar ("USD").

Amounts due to Mutual Funds' unitholders represent the portion of net assets of the mutual funds which are attributable to interests which are not owned, directly or indirectly, by the Bank or its subsidiaries and are presented separately within liability in the Bank's consolidated statement of financial position.

All inter-group balances, transactions, income and expenses are eliminated in full in preparing these consolidated financial statements.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The consolidated financial statements have been prepared using uniform accounting policies and valuation methods for like transactions and other events in similar circumstances. The accounting policies adopted by the subsidiaries are consistent with that of Bank's accounting policies. Adjustments, if any, are made to the financial statements of the subsidiaries to align with the Bank's consolidated financial statements.

Investment funds

The Bank acts as Fund Manager to a number of investment funds. Determining whether the Bank controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Bank in the Fund (comprising any carried profit and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Bank has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

c) Trade date accounting

All regular way purchases and sales of financial assets are initially recognized and derecognized on the trade date (i.e. the date on which the Bank becomes a party to the contractual provisions of the instrument). Regular way purchases or sales of financial assets require delivery of those assets within the time frame generally established by regulation or convention in the market place.

All other financial assets and liabilities are also initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

d) Foreign currencies

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the spot exchange rates prevailing at transaction dates.

Monetary assets and liabilities at year-end, denominated in foreign currencies, are translated into Saudi Arabian Riyals at the exchange rates prevailing at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for the effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or consolidated statement of income are also recognised in OCI or consolidated statement of income, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Bank initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Bank determines the transaction date for each payment or receipt of advance consideration.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

e) Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position when there is a currently legally enforceable right to set off the recognized amounts and when the Bank intends to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

Income and expenses are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

f) Revenue / expenses recognition

Income from investments and financing and return on time investments

Revenue and expenses related to profit bearing financial instruments are recognized in the consolidated statement of income using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash flows through the expected life (or where appropriate, a short period) of the financial asset or liability to its carrying amount. When calculating the EIR, the Bank estimates future cash flows considering all contractual terms including all fees, transaction costs, discounts that are an integral part of the effective yield but does not include the expected credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of financial asset or liability.

The carrying amount of the financial asset or liability is adjusted if the Bank revises its estimates of payments or receipts. The change in carrying amount is recorded as income/expense.

Exchange income/loss

Exchange income/loss is recognized when earned/incurred.

Fees from banking services, net

Fee and commission income and expense that are integral to the effective profit rate on a financial asset or financial liability are included in the "Income from investments and financing" or "Return on time investments" as applicable.

Brokerage income is recognized when the deal is executed. Brokerage income on local shares is recognized net of discounts and rebates allowed to customers. Fee from asset management, including mutual funds, is recognized over time as the services are rendered. Subscription fee is recognized upon subscription to the fund managed by the Bank.

Fee from investment banking services is recognized when the related services have been fully provided to the customer. Underwriting fees are recognized when the Bank has rendered all services to the issuer and is entitled to collect the fee from the issuer with no contingencies associated with the fees. Custody fees is received upfront as deferred income and amortized over the period of service.

Corporate finance fee revenues are recognized over the period of time when the performance obligations are met in accordance with the applicable terms of the contract.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Other fee and commission income – including account servicing fees, sales commission, placement fees and syndication fees – is recognized as the related services are performed and performance obligations are achieved as point-in-time. If a loan commitment is not expected to result in the draw-down of a loan or if the fee relates to multiple loan commitments and cannot be reasonably allocated, then the related loan commitment fee is recognized on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Dividend income

Dividend income is recognized in consolidated statement of income, when the right to receive income is established.

Income / (loss) from FVSI financial instruments, net

Net income / (loss) from FVSI financial instruments relates to financial assets designated as FVSI and includes all realized and unrealized fair value changes, profit, dividends and foreign exchange differences.

g) Financial assets and financial liabilities

1) Classification and measurement of financial assets

On initial recognition, a financial asset is classified at amortized cost, FVOCI or FVSI. The classification and measurement of financial assets under IFRS-9 is a result of two main assessments, namely, business model assessment and analysis of contractual cash flows.

Business model assessment

The Bank assess the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVSI because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic lending risk associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and,
- Features that modify consideration of the time value of money- e.g. periodical reset of profit rates.

Financial Asset held at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVSI:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

Generally, Financing to customers, due from banks and other financial institutions, SAMA Murabaha and certain investments in Sukuk qualify for measurement under amortized cost.

Financial assets held at FVOCI

Sukuk and like instruments: are measured at FVOCI only if they meet both of the following conditions and are not designated at FVSI:

- The asset is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

Equity Instruments: On initial recognition, for an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair values are recognized in OCI. Income from Sukuk and like investments, dividends and foreign exchange gains and losses are recognized consolidated statement of income.

Financial assets held at FVSI

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVSI. Financial assets in this category are classified as either investment held for trading or those designated as FVSI on initial recognition. Financial assets classified as held trading are acquired principally for the purpose of selling in short term.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset to be measured at FVSI that otherwise meets the requirements to be measured at amortized cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVSI are recorded in the consolidated statement of financial position at fair value. Changes in the fair value are recognized in the consolidated statements of income for the year in which it arises. Transaction costs, if any, are not added to the fair value measurement at initial recognition of FVSI investments and are expensed through consolidated statement of income. Dividend income on financial assets held as FVSI is reflected as "Income/(loss) from FVSI financial instruments, net" in the consolidated statement of income.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

A financial asset is measured initially at fair value plus, for an item not at FVSI, transaction costs that are directly attributable to its acquisition or issue.

2) Classification and measurement of financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds and costs that are an integral part of financial liabilities' effective interest rate (EIR).

Financial guarantees issued or commitments to provide a loan at a below-market profit rate are initially measured at fair value and the initial fair value is amortized over the life of the guarantee or the commitment. Subsequently, financial guarantees and loan commitments are measured at higher of amortized cost and the amount of ECL.

A financial liability is measured initially at fair value plus, for an item not at FVSI, transaction costs that are directly attributable to its acquisition or issue.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

3) De-recognition of financial assets and financial liabilities

Financial assets

The Bank derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expires or,
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred or,
- The Bank neither transfers nor retains substantially all of the risks and rewards of ownership but it does not retain control of the financial asset.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, as the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in consolidated statement of income.

However, the cumulative gain/loss recognized in OCI in respect of equity investments is not recognized in consolidated statement of income on de-recognition of such investments.

Financial liabilities

The Bank derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

4) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new financial asset and fees that represents reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in consolidated statement of income as part of the gain or loss on derecognition.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in consolidated statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as 'Income from financing'.

Financial liabilities

The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of income.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in consolidated statement of income.

For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

5) Fair value measurement

The Bank measures financial instruments, such as financial assets measured at FVSI and FVOCI, at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in note 35.

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described in note 35.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

6) Sale and repurchase agreements

Financial assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the statement of financial position as the Bank retains substantially all the risks and rewards of ownership. When substantially all the risks and rewards of ownership remain with the Bank, these financial assets are continued to measure in accordance with related accounting policies for investments held as FVSI, FVOCI or at amortized cost. The transactions are treated as collateralized borrowing and counter-party liability for amounts received under these agreements is included in "Due to SAMA, banks and other financial institutions" or "Customer deposits", as appropriate. The difference between sale and repurchase price is treated as "Return on time investments" and accrued over the life of the repo agreement on an effective yield basis.

Financial assets purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized in the statement of financial position, as the Bank does not obtain control over the financial assets. Amounts paid under these agreements are included in "Cash and balances with Saudi Central Bank", "Due from banks and other financial institutions" or "Financing", as appropriate. The difference between purchase and resale price is treated as "Income from investments and financing" and accrued over the life of the reverse repo agreement on an effective yield basis.

h) Derivative financial instruments

Derivative financial instruments, including foreign exchange contracts, forward rate agreements, currency, and commission rate swaps, are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value in the consolidated statement of financial position with transaction costs recognized in the consolidated statement of income. All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow models and other pricing models as appropriate.

Derivatives held for trading

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to the consolidated statement of income and disclosed in "Income from FVSI financial instruments, net". Derivatives held for trading do not include those derivatives, which qualify for hedge accounting.

Hedge accounting

The Bank designates certain derivatives as hedging instruments in qualifying hedging relationships to manage profit rate risk exposures. In order to manage particular risk, the bank applies hedge accounting for transactions that meet specific criteria.

For the purpose of hedge accounting, hedges are classified into two categories:

- a. fair value hedges which hedge the exposure to changes in the fair value of a recognized asset or liability, (or assets or liabilities in case of portfolio hedging), or an unrecognized firm commitment or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss; and
- b. cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

In order to qualify for hedge accounting, the hedge should be expected to be highly effective, i.e., the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objective and strategy are documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Bank will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an on-going basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis.

A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognized in the consolidated statement of income under 'Income from FVSI financial instruments, net'. For situations where the hedged item is a forecast transaction, the bank also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the consolidated statement of income.

Cash flow hedges

For designated and qualifying cash flow hedging, derivatives instruments in a hedge of a variability in cash flows attributable to a particular risk associated with recognized asset or a liability or a highly probable forecast transaction that could affect the statement of income, the portion of the gain or loss on the hedging instrument that is determined to be an effective portion is recognized directly in other comprehensive income and the ineffective portion, if any, is recognized in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognized in other reserves, are transferred to the consolidated statement of income in the same period in which the hedged item affects the consolidated statement of income. However, if the Bank expects that all or a portion of a loss recognized in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into the consolidated statement of income as a reclassification adjustment the amount that is not to be recognized.

When the hedging instrument is expired or sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the forecast transaction is no longer expected to occur, or the Bank revokes the designation then hedge accounting is discontinued prospectively. At that point of time, any cumulative gain or loss on the cash flow hedging instrument that was recognized in other comprehensive income from the period when the hedge was effective is transferred from equity to statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and the transaction affects the statement of income, the net cumulative gain or loss recognized in other comprehensive income is transferred immediately to the consolidated statement of income.

i) Financing

Financing assets are non-derivative financial assets originated or acquired by the Bank with fixed or determinable payments. These are recognized upon actual disbursements. Financing assets are derecognized upon repayment, or when sold or written off, or upon transfer of substantially all risk and rewards of ownership.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

All financing assets are initially measured at fair value including any incremental associated acquisition charges. Subsequently, these are measured at amortized cost less allowance for impairment. All of the Bank's financing products are approved by the Sharia'a Committee.

Financing primarily includes Murabaha, Ijarah, Musharaka and Bei Ajel products. A brief description of these products is as follows:

Murabaha: is an agreement whereby the Bank sells to a customer certain commodity or an asset, which the Bank has initially purchased and acquired based on a promise received from the customer to buy. The selling price comprises of cost plus an agreed profit margin.

Ijarah: is an agreement whereby the Bank, acting as a lessor, purchases or constructs an asset according to the customer (lessee) request, based on his promise to lease the asset for an agreed rent over a specific period.

Ijarah could conclude either by transferring the ownership of the leased asset to the lessee at an agreed amount or by termination of lease and re-possession of underlying asset.

Musharaka: is an agreement between the Bank and the customer to contribute to a project, investment enterprise or property and concludes by transferring the full ownership of the underlying investment to the customer. The profit or loss is shared as per the terms of the agreement.

Bei Ajel: is an agreement whereby the Bank sells on a deferred payment basis, to a customer certain commodity or an asset on a negotiated price.

j) Impairment of financial assets

The Bank recognizes impairment allowances based on a forward-looking Expected Credit Loss (ECL) approach on financial assets that are not measured at FVSI. This mainly includes financing, investments that are measured at amortized cost or at FVOCI (other than equity investments), interbank placements, financial guarantees, lease receivables and credit commitments.

No impairment loss is recognized on FVOCI equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- a. Financial assets that are determined to have low credit risk at the reporting date; and
- b. Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a financial asset to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank considers its exposure to other banks, financial institutions and Sukuk investments to have low credit risk as their credit risk rating is equivalent to the globally accepted definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognized are referred to as

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

'Stage1' financial instruments. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.
Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are nor credit-impaired.

Financial instruments for which the lifetime ECL are recognized and that are credit-impaired are referred to as 'Stage 3 financial instruments'

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the present value of cash shortfalls being the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of cash shortfalls being the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate
- Lease receivables: the discount rate used in measuring lease receivables.
- Undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- Financial Guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The above parameters are generally derived from internally developed statistical models and historical data which are adjusted for forward looking information. The Bank categorizes its financial assets into the following three stages in accordance with IFRS 9 methodology:

- Stage 1: Performing assets: Financial asset(s) that have not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months ECL.
- Stage 2: Underperforming assets: Financial asset(s) that have significantly deteriorated in credit quality since origination but are not credit impaired. This credit quality assessment is made by comparing the remaining lifetime of PD as at reporting date with the remaining lifetime PD point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations). The impairment allowance is recorded based on lifetime ECL.
- Stage 3: Credit-impaired assets: For financial asset(s) that are impaired, the Bank recognize the impairment allowance based on lifetime ECL.

The Bank also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurements of ECLs.

The forward-looking information includes the elements such as macroeconomic factors and economic forecasts obtained through internal and external sources.

Credit-impaired assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered impaired.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

In making an assessment of whether an investment in sovereign sukuk is credit-impaired, the Bank considers the following factors:

- The market's assessment of creditworthiness as reflected in the sukuk yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new sukuk issuance.
- The probability of sukuk being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision which is reported under 'Other liabilities';
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision under 'Other liabilities'; and
- Sukuk and like instruments measured at FVOCI: no loss allowance is recognized in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to 'Impairment charge of financing'.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

k) Property and equipment

Property and equipment are measured at cost and presented net of accumulated depreciation / amortization and impairment loss, if any. Land is not depreciated. Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Bank. On-going repairs and maintenance are expensed as incurred. The cost of other property and equipment is depreciated and amortized on the straight-line method over the estimated useful lives of the assets as follows:

Buildings	33 years
Furniture and equipment (including intangibles)	5-10 years
Leasehold improvements	the shorter of lease period or 10 years
Right of use assets	the shorter of lease period or useful life

Intangibles pertains mainly to computer software. The assets' residual values, depreciation / amortization methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Depreciation / amortization is charged from the date of addition (when asset is available for use) and up till the date preceding disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of income.

All assets are reviewed for impairment at each reporting date whenever that events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

l) Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognized in the consolidated statement of income except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

m) Real estate held for sale

The Bank, in the ordinary course of business, acquires certain real estate properties in settlement of due financing. Such properties are considered as assets held for sale and are initially stated at the lower of carrying amount of due financing and the current fair value of the related properties, less any costs to sell. No depreciation is charged on such properties.

Subsequent to initial recognition, any write down to fair value, less costs to sell, is charged to the consolidated statement of income. Any subsequent revaluation gains in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognized in the consolidated statement of income. Gains or losses on disposal are recognized in the consolidated statement of income.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as professional real estate appraisers and brokers, or based on housing price indices.

Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold.

Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its financing portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the consolidated statement of financial position.

n) Financial guarantees and credit commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

'Credit commitments' (includes letters of credit, standby letters of credit, acceptances and irrevocable commitments) are firm commitments to provide credit under pre-specified terms and conditions. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements. The nominal contractual value of financial guarantees, letters of credit and loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL is recorded.

Financial guarantees issued or commitments to provide a loan at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the amount of ECL and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principle of IFRS 15. Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognized. The Bank has issued no loan commitments that are measured at FVSI. For other loan commitments, the Bank recognizes loss allowance. Any increase in the liability relating to the financial guarantee is recognized as "Impairment charge on financing, net of recoveries", in the consolidated statement of income. Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

The premiums received is recognized in the consolidated statement of income under "Fees from banking services - income" on a straight-line basis over the life of the guarantee or commitment.

o) Provisions

Provisions are recognized when a reliable estimate can be made by the Bank for a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources embodying economic benefit will be required to settle the obligation.

p) Accounting for Ijarah (leases)

Where the Bank is the lessor

When assets are leased under Islamic lease arrangements (e.g., Ijarah), the present value of the lease payments is recognized as a receivable and disclosed under "Financing". The difference between the gross receivable and the present value of the receivable is recognized as unearned income from financing. Lease income is recognized over the term of the lease on net investment basis, using the effective yield method, which reflects a constant periodic rate of return.

Where the Bank is the lessee

On initial recognition, at inception of the contract, the Bank shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Bank and the Bank can direct the usage of such assets.

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Right of Use Assets

Bank applies cost model, and measure right of use asset at cost;

- 1. Less any accumulated depreciation and any accumulated impairment losses; and
- 2. Adjusted for any re-measurement of the lease liability for lease modifications

Generally, right of use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right of use asset value.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the discount rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

After the commencement date, Bank measures the lease liability by:

- 1. Increasing the carrying amount to reflect financing cost on the lease liability.
- 2. Reducing the carrying amount to reflect the lease payments made and;

Re-measuring the carrying amount to reflect any re-assessment or lease modification. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

q) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, "cash and cash equivalents" are defined as amounts included in cash in hand, balances with SAMA excluding statutory deposits, and due from banks and other financial institutions with an original maturity of three months or less from the date of acquisition which are subject to insignificant risk of changes in their fair value for the purpose of meeting short-term cash commitments.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

r) Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short term cash bonus or share based plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided to the Bank and the obligation can be estimated reliably.

s) End of service benefits

Benefits payable to the employees of the Bank at the end of their services are accrued based on actuarial valuation in accordance with Saudi Arabian Labor laws. These are included in other liabilities in the consolidated statement of financial position. The liability recognized is the present value of the defined benefit obligation discounted at the yield on government bonds that have terms approximating the related obligation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Discount cost is calculated by applying the discount rate to the net defined benefit liability. The Bank recognizes the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the consolidated statement of income.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Discount cost.

The assumptions used to calculate the scheme obligations include assumptions such as expected future salaries growth, expected employee resignation rates, and discount rate to discount the future cash flows.

t) Zakat

The Bank is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the consolidated statement of income.

Due accruals have been made for the obligation as at December 31, 2024. Zakat is not accounted for as an income tax and as such no deferred tax is calculated relating to Zakat.

u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Where the Bank purchases the Bank's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Bank as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Bank.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

v) Treasury shares

These are recorded at cost and presented as a deduction from the equity as adjusted for any transaction cost, dividends and gains or losses on sale of such shares. Subsequent to their acquisition, these are carried at the amount equal to consideration paid.

These stocks are acquired by the Bank with the approval of SAMA, primarily for discharging its obligation under its employee share-based payment plans.

w) Tier 1 Sukuk

The Bank classifies as part of equity the Tier 1 Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Bank for payment of profit upon the occurrence of a non-payment event or non-payment election by the Bank subject to certain terms and conditions and essentially mean that the remedies available to sukukholders are limited in number and scope and very difficult to exercise.

The related initial costs and distributions thereon are recognised directly in the consolidated statement of changes in equity under retained earnings.

x) Investment management services

The Bank provides investment management services to its customers, through its subsidiary which includes management of certain mutual funds. Determining whether the Bank controls such a mutual fund usually depends on the assessment of the aggregate economic interests of the Bank in the fund (comprising its investments, any carried profit and expected management fees) and the investor's rights to remove the Fund Manager.

As a result of the above assessment, where the Bank has concluded that it acts as an agent for the investors, such funds are not consolidated by the Bank. Fee earned from these funds are disclosed in consolidated statement of income while the Bank's share of investments is included under "Investments held at FVSI" in the consolidated statement of financial position.

Any assets held in trust or in a fiduciary capacity are not treated as assets of the Bank and accordingly are not included in the consolidated financial statements.

y) Investments in associate and joint venture

Investments in associate and joint venture are initially recognized at cost and subsequently accounted for under the equity method of accounting. An associate is an entity in which the Bank has significant influence (but not control), over financial and operating policies and which is neither a subsidiary nor a joint venture. A joint venture is an entity in which the Bank exercises joint control.

Under the equity method, the investments in associate and joint venture is carried on the statement of financial position at cost plus post acquisition changes in the Bank's share of net assets of the associate/joint venture. The Bank's share of profit of associate and joint venture is shown on the face of the consolidated statement of income.

The consolidated statement of income reflects the Bank's share of the results of operations of the associate and joint venture. When there has been a change recognized directly in the equity of the associate and joint venture, the Bank recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

equity. Unrealised gains on transactions are eliminated to the extent of the Bank's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

The Bank's share of profit of associate and joint venture is shown on the face of the consolidated statement of income. This is the profit attributable to equity holders of the associate and joint venture and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate and joint venture. The financial statements of the associate and joint venture are prepared for the same reporting period as the Bank. When necessary, adjustments are made to bring the accounting policies in line with those of the Bank.

After application of the equity method, the Bank determines at each reporting date whether there is any objective evidence that the investment in the associate and joint venture is impaired. If this is the case, the Bank calculates the amount of impairment as the difference between the recoverable amount of the associate / joint venture and its carrying value and recognises the amount in the 'share of income/loss from associate and joint venture' in the consolidated statement of income.

z) Share based payments

The Bank offers its eligible employees the following types of plans (the "Plans"). Brief description of the plans are as follows:

Employees Share Grant Scheme (ESGS)

Under the terms of Employees Share Grant Scheme, eligible employees are granted shares with a vesting period of 3-5 years. At the maturity of vesting period, the Bank delivers the underlying allotted shares to the employee.

The cost of the shares in the scheme is measured by reference to the fair value at the grant date. The management is of the view that the fair value at grant date approximates its market value.

The cost of the scheme is recognized over the period during which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the shares ('the vesting date'). The cumulative expense recognized for the schemes at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a reporting period represents the movement in cumulative expense recognized as at the beginning and end of that reporting period.

Deferred bonus schemes

Under the terms of the Deferred Bonus Schemes, eligible employees are granted shares with a vesting period of 1-3 years. At the maturity of each vesting period, the Bank delivers the underlying allocated shares to the employee. The Deferred Bonus Schemes is accounted for similar way with ESGS.

aa) Profit sharing investment account (PSIA)

The Bank offers Unrestricted Investment Accounts based on fully sharia compliant concept.

In Mudaraba, the Bank (Mudarib) manages Investment Account Funds along with its own share of investment, to an unrestricted joint investment pool. Funds from this unrestricted joint investment pool are utilized to provide financing to customers under Islamic modes and to invest in other Sharia compliant investments opportunities. Such information is available for all customers at Bank's website, branches, and call center.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Any profits accrued out of the investment are shared between the two parties on a pre-agreed basis, while loss (if any) is borne by the Investor (Rab-ul-Maal) and the Bank have the right, in its sole discretion and without being obligated, to cover the Investor loss. Operating expenses incurred by the Bank are not charged to investment account.

Unrestricted investment accountholders are commingled with Bank funds for investment, no priority is granted to any party for the purpose of investments and distribution of profits.

4. Cash and balances with Saudi Central Bank (SAMA)

	2024	2023
	ﷲ'000	ﷲ'000
Cash in hand	1,947,985	1,807,396
Current account	12,693	24,908
Money market placements	330,000	1,700,000
Statutory deposit	11,437,500	8,989,295
Others	121,492	76,845
Total	13,849,670	12,598,444

In accordance with the Banking Control Law and regulations issued by Saudi Central Bank ("SAMA"), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its customers' deposits as calculated on monthly average at the end of reporting period. The statutory deposit is not available to finance the Bank's day to day operations and therefore does not form part of cash and cash equivalents. Money market placements represent securities purchased under an agreement to re-sell (reverse repos) with SAMA.

5. Due from banks and other financial institutions, net

		2024	2023
	Notes	ﷲ'000	ﷲ'000
Current accounts		727,907	487,098
Murabaha and Wakala with banks	5.1	2,979,462	1,215,097
Reverse repos	5.2	803,807	-
Less: Allowance for impairment	5.3	(1,034)	(1,288)
Total		4,510,142	1,700,907

5.1 These are predominantly investment grade exposures in the range of "substantially credit risk free to very good credit risk quality" based on external credit ratings.

5.2 Securities pledged with the Bank in respect of reverse repo transactions comprise of ﷲ 832.9 million (2023: Nil). The Bank is allowed to sell or repledge these securities in the event of default by the counterparty.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

5.3 The following table shows reconciliations from the opening to the closing balance of the gross exposure and allowance for impairment for due from banks and other financial institutions:

	December 31, 2024		
	ﷲ'000		
	12-month ECL	Life time ECL not credit impaired	Total ECL
Gross exposure			
Balance as at January 1, 2024	1,700,280	1,915	1,702,195
Transfer to life time ECL, not credit impaired	(9,257)	9,257	-
Net movement	2,788,835	20,146	2,808,981
Balance as at December 31, 2024	4,479,858	31,318	4,511,176

	December 31, 2023		
	ﷲ'000		
	12-month ECL	Life time ECL not credit impaired	Total ECL
Gross exposure			
Balance as at January 1, 2023	1,457,524	526	1,458,050
Transfer to life time ECL, not credit impaired	(4,231)	4,231	-
Net movement	246,987	(2,842)	244,145
Balance as at December 31, 2023	1,700,280	1,915	1,702,195

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	December 31, 2024		
	ﷲ'000		
	12-month ECL	Life time ECL not credit impaired	Total ECL
Allowance for impairment			
Balance as at January 1, 2024	1,031	257	1,288
Transfer to life time ECL, not credit impaired	(443)	443	-
Reversal during the year	(182)	(72)	(254)
Balance as at December 31, 2024	406	628	1,034

	December 31, 2023		
	ﷲ'000		
	12-month ECL	Life time ECL not credit impaired	Total ECL
Allowance for impairment			
Balance as at January 1, 2023	3,564	28	3,592
Transfer to life time ECL, not credit impaired	(229)	229	-
Reversal during the year	(2,304)	-	(2,304)
Balance as at December 31, 2023	1,031	257	1,288

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

6. Investments

	Notes	2024	2023
		ﷲ'000	ﷲ'000
Investments held at FVSI	6.1	3,142,665	2,648,977
Investments held at FVOCI	6.2	13,750,818	13,466,579
Investments held at amortized cost, net			
Murabahas with SAMA		1,771,552	1,626,379
Sukuks	6.3	29,927,069	25,498,634
Less: Allowance for impairment	6.4	(17,161)	(19,854)
		31,681,460	27,105,159
Investments in associate and joint venture			
Investment in an associate	6.5	46,550	-
Investment in a joint venture	6.6	3,717	15,637
		50,267	15,637
Total		48,625,210	43,236,352

6.1 Investments held at FVSI

	2024	2023
	ﷲ'000	ﷲ'000
Equities	226,087	230,545
Sukuk	76,960	38,703
Funds	2,839,618	2,379,729
Total	3,142,665	2,648,977

Below is an analysis of the Bank’s net income from FVSI financial instruments:

	2024	2023
	ﷲ'000	ﷲ'000
Trading income, net	124,614	128,762
Dividend income	112,459	82,959
Total	237,073	211,721

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

6.2 Investments held at FVOCI

	2024	2023
	ﷲ'000	ﷲ'000
Sukuk	12,923,422	12,319,584
Equities	827,396	1,146,995
Total	13,750,818	13,466,579

During the year, out of the Bank's FVOCI sukuk portfolio, instruments with a principal of ﷲ 292 million matured/redeemed during the year (2023: ﷲ 369 million).

The Bank designated these equity securities as at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long-term for strategic purposes. During the year, the Bank sold equity securities held at FVOCI having a fair value of ﷲ 405.3 million (2023: ﷲ 885.1 million) and the gain amounting to ﷲ 85.9 million (2023: ﷲ 120.1 million) was transferred to retained earnings.

6.3 The fair value of sukuks (at amortized cost) as at December 31, 2024 was ﷲ 29,090 million (2023: ﷲ 25,039 million).

6.4 The following table shows reconciliations from the opening to the closing balance of the gross exposure and allowance for impairment for investments:

	2024	2023
	ﷲ'000	ﷲ'000
Gross exposure	12-month ECL	12-month ECL
Balance as at January 1	27,125,013	24,737,478
Purchase of new investments	8,318,123	3,390,500
Disposals and maturities during the year	(3,985,029)	(1,037,737)
Change in profit accruals	240,514	34,772
Balance as at December 31	31,698,621	27,125,013

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	2024	2023
	ﷲ'000	ﷲ'000
Allowance for impairment	12-month ECL	12-month ECL
Balance as at January 1	19,854	16,158
(Reversal) / charge for the year	(2,693)	3,696
Balance as at December 31	17,161	19,854

There were no exposures transferred between ECL stages during the year.

6.5 Investment in an associate

Investment in an associate represents the Bank's share of investment of 20.25% (2023: Nil) in Alinma Fund for Private Equity Investments. This Fund was established on February 27, 2020 and was acquired by the Bank on December 18, 2023 by owning 99.9% of its units. The main purpose of the Fund was to hold the ordinary shares representing 50% ownership of International Water Distribution Company ("Tawzea") received by the Bank as part of a financing settlement agreement from one of its customers during the year. At initial recognition, the Fund was treated as a subsidiary of the Bank and its ownership in Tawzea was accounted in the Bank's consolidated financial statements as an investment in joint venture (note 6.6). On December 31, 2024, the Bank reduced its ownership in the Fund to 20.25% which resulted to the Bank losing control and its reclassification as an investment in an associate.

6.6 Investment in a joint venture

The Bank has invested ﷲ 25 million (50%) in Ersal Financial Remittance Company (a joint venture between Alinma Bank and Saudi Post). The joint venture was established under Commercial Registration No.1010431244 dated 21 Jumada I 1436H (corresponding to March 12, 2015) with a paid-up capital of ﷲ 50 million.

The Bank's share of net loss from its joint ventures for the year is ﷲ 5.1 million (2023: share of net income of ﷲ 1.6 million) which included share of loss from Ersal Financial Remittance Company of ﷲ 11.9 million (2023: share of net income of ﷲ 1.6 million) and share of income from Tawzea of ﷲ 6.8 million (2023: Nil).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

6.7 Analysis of investments by type and location

	Domestic		International		Total	
	ﷲ'000		ﷲ'000		ﷲ'000	
	2024	2023	2024	2023	2024	2023
Investments held at FVSI						
Equities	117,844	110,456	108,243	120,089	226,087	230,545
Fixed-rate investments	61,318	23,274	15,642	15,429	76,960	38,703
Funds	1,280,723	1,108,646	1,558,895	1,271,083	2,839,618	2,379,729
	1,459,885	1,242,376	1,682,780	1,406,601	3,142,665	2,648,977
Investments held at FVOCI						
Fixed-rate investments	7,157,183	4,854,434	1,425,607	782,900	8,582,790	5,637,334
Floating-rate investments	4,340,632	6,161,445	-	520,805	4,340,632	6,682,250
Equities	821,224	1,143,187	6,172	3,808	827,396	1,146,995
	12,319,039	12,159,066	1,431,779	1,307,513	13,750,818	13,466,579
Investments held at amortized cost, net						
Fixed-rate investments	29,772,175	25,278,044	137,733	193,505	29,909,908	25,471,549
Floating-rate investments	1,771,552	1,633,610	-	-	1,771,552	1,633,610
	31,543,727	26,911,654	137,733	193,505	31,681,460	27,105,159
Investments in associate and joint venture						
Equity and Fund	50,267	15,637	-	-	50,267	15,637
Total	45,372,918	40,328,733	3,252,292	2,907,619	48,625,210	43,236,352

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

6.8 Analysis of investments by composition

	Quoted		Unquoted		Total	
	ﷲ'000		ﷲ'000		ﷲ'000	
	2024	2023	2024	2023	2024	2023
Investments held at FVSI						
Equities	168,270	77,272	57,817	153,273	226,087	230,545
Fixed-rate investments	61,318	23,274	15,642	15,429	76,960	38,703
Funds	562,410	337,928	2,277,208	2,041,801	2,839,618	2,379,729
	791,998	438,474	2,350,667	2,210,503	3,142,665	2,648,977
Investments held at FVOCI						
Fixed-rate investments	4,708,072	2,282,826	3,874,718	3,354,508	8,582,790	5,637,334
Floating-rate investments	7,231	1,668,030	4,333,401	5,014,220	4,340,632	6,682,250
Equities	800,194	1,122,156	27,202	24,839	827,396	1,146,995
	5,515,497	5,073,012	8,235,321	8,393,567	13,750,818	13,466,579
Investments held at amortized cost, net						
Fixed-rate investments	29,876,908	25,448,549	33,000	23,000	29,909,908	25,471,549
Floating-rate investments	-	7,231	1,771,552	1,626,379	1,771,552	1,633,610
	29,876,908	25,455,780	1,804,552	1,649,379	31,681,460	27,105,159
Investments in associate and joint venture						
Equity and Fund	-	-	50,267	15,637	50,267	15,637
Total	36,184,403	30,967,266	12,440,807	12,269,086	48,625,210	43,236,352

6.9 Analysis of investments by counter-parties

	2024	2023
	ﷲ'000	ﷲ'000
Government and quasi government	35,655,488	31,104,550
Banks and other financial institutions	5,992,795	5,699,015
Corporate	6,976,927	6,432,787
Total	48,625,210	43,236,352

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

6.10 Analysis of investments by asset quality

	2024	2023
	ﷲ'000	ﷲ'000
Government and quasi government	35,655,488	31,104,550
Investment grade	7,480,602	7,776,160
Non-investment grade	506,501	797,878
Equities and funds	4,982,619	3,557,764
Total	48,625,210	43,236,352

Investment grade includes exposures in the range of "substantially credit risk free to very good credit risk quality". The maximum exposure to credit risk for financial assets carried at fair value as of December 31, 2024 is ﷲ 13,201 million (2023: ﷲ 12,458 million).

Investments includes ﷲ 2,534.7 million (2023: ﷲ 1,664.2 million) which have been pledged under repurchased agreement with other banks. The market value of such investments is ﷲ 2,695.1 million (2023: ﷲ 1,642.9 million). These transactions are conducted under the terms that are usual and customary to standard lending and securities financing and lending activities.

7. Derivative financial instruments

In the ordinary course of business, the Bank utilizes the following derivative financial instruments for both trading and hedging purposes:

a) Swaps

Swaps are commitments to exchange one set of cash flows for another. For profit rate swaps, counterparties generally exchange fixed and floating rate commission payments in a single currency without exchanging principal. For cross-currency commission rate swaps, principal, fixed and floating commission payments are exchanged in different currencies.

b) Forwards

Forwards are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter market.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

The table below summarizes the positive and negative fair values of derivative financial instruments, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the period-end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, if any, nor market risk.

	ﷲ'000		
	Positive fair value	Negative fair value	Total notional amount
December 31, 2024			
Held for trading:			
Profit rate swaps	483,599	390,663	31,938,466
Foreign exchange forward contracts	9,343	8,477	2,919,587
Foreign exchange Swaps	-	2,051	937,601
Held as cash flow hedges:			
Profit rate swaps	12,475	35,435	4,551,000
Total	505,417	436,626	40,346,654

	Notional amounts by term to maturity				
	ﷲ'000				
	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
December 31, 2024					
Held for trading:					
Profit rate swaps	343,750	8,759,347	902,654	21,932,715	31,938,466
Foreign exchange forward contracts	2,919,587	-	-	-	2,919,587
Foreign exchange Swaps	937,601	-	-	-	937,601
Held as cash flow hedges:					
Profit rate swaps	-	500,000	3,051,000	1,000,000	4,551,000
Total	4,200,938	9,259,347	3,953,654	22,932,715	40,346,654

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

	¥'000				
	Positive fair value	Negative fair value	Total notional amount		
December 31, 2023					
Held for trading:					
Profit rate swaps	144,040	110,321	16,492,135		
Foreign exchange forward contracts	289	-	270,476		
Total	144,329	110,321	16,762,611		
	Notional amounts by term to maturity				
	¥'000				
	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
December 31, 2023					
Held for trading:					
Profit rate swaps	220,000	393,750	6,373,392	9,504,993	16,492,135
Foreign exchange forward contracts	270,476	-	-	-	270,476
Total	490,476	393,750	6,373,392	9,504,993	16,762,611

The maximum credit exposure for positive value derivatives as of December 31, 2024 is ﷲ 505.4 million (2023: ﷲ 144.3 million).

Held for trading purposes

Most of the Bank's derivative trading activities relate to sales, and are covered on back-to-back basis. Sales activities involve offering products to customers and banks in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favorable movements in prices, rates, or indices.

Held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Bank's exposure to fluctuations in foreign exchange and profit rates to reduce its exposure to currency and profit rate risks to acceptable levels as determined by the Bank and within the guidelines issued by SAMA.

The Bank has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits. The Bank has established the level of profit rate risk by setting limits on profit rate gaps for stipulated periods. Asset and liability profit rate gaps are reviewed on a periodic basis and hedging strategies are used to reduce commission rate gap within the established limits.

As part of its asset and liability management the Bank uses derivatives for hedging purposes in order to adjust its own exposure to profit rate risks. This is generally achieved by hedging specific transactions.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

The Bank uses profit rate swaps to hedge against the cash flow risk arising on certain floating rate exposures. In all such cases, the hedging relationship and objective, including details of the hedged items and hedging instrument are formally documented and the transactions are accounted for as cash flow hedges.

Possible sources of ineffectiveness are as follows:

- Difference between the expected and actual volume of prepayments, as the Bank hedges to the expected repayment date taking into account expected prepayments based on past experience;
- Difference in the discounting between the hedge item and hedge instrument;
- Hedging derivative with a non-zero fair value at the date of initial designation as a hedging instrument; and,
- Counter party credit risk which impacts the fair value of uncollateralized profit rate swaps but not the hedge items).

Cash flow hedges

The Bank is exposed to variability in future profit rate cash flows on non-trading assets and liabilities which bear commission at a variable rate. The Bank uses profit rate swaps as cash flow hedges of these profit rate risks. Below is the schedule indicating as at 31 December, the periods when the hedged cash flows are expected to occur and when they are expected to affect the consolidated statement of income:

	December 31, 2024			
	ﷲ'000			
	Within 1 year	1-3 years	3-5 years	Over 5 years
Held as cash flow hedges:				
Cash Inflows (Assets)	2,921	9,813	5,497	862
Cash outflows (Liabilities)	(23,173)	(9,766)	(10,251)	(3,527)
Net Cash Flows	(20,252)	47	(4,754)	(2,665)

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

The amounts relating items designated as hedging instruments and hedge ineffectiveness at December 31, 2024 were as follows:

	December 31, 2024			
	ﷲ'000			
	Change in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in statement of income	Amount reclassified from the hedge reserve to statement of income
Held as cash flow hedges:				
Profit rate swaps	(22,960)	(22,960)	-	(28,475)

The amounts relating to items designated as hedged items at December 31, 2024 were as follows:

	December 31, 2024			
	ﷲ'000			
	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness	Cashflow hedge reserve	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied
Held as cash flow hedges:				
Sukuk	Investments held at FVOCI	977	977	-
Corporate financing	Financing, net	(23,937)	(23,937)	-
Net Cash Outflows		(22,960)	(22,960)	-

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

The net loss on cash flow hedges reclassified to the consolidated statement of income during the year was as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Held as cash flow hedges:		
Income from investments and financing	(28,475)	-

The tables below show a summary of hedged items and portfolios, the nature of the risk being hedged, the hedging instrument and its fair value.

	December 31, 2024					
	ﷲ'000					
	Fair Value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Held as cash flow hedges:						
Floating rate investments	751,977	751,000	Cash flow	Profit rate swap	3,985	3,008
Floating rate financing	3,776,063	3,800,000	Cash flow	Profit rate swap	8,490	32,427
Total	4,528,040	4,551,000			12,475	35,435

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

8. Financing, net

ﷲ'000					
2024	Performing	Non-performing	Gross	Allowance for impairment (note 8.1)	Financing, net
Retail	49,977,831	502,404	50,480,235	(648,220)	49,832,015
Corporate	153,907,091	1,679,832	155,586,923	(3,110,844)	152,476,079
Total	203,884,922	2,182,236	206,067,158	(3,759,064)	202,308,094
ﷲ'000					
2023	Performing	Non-performing	Gross	Allowance for impairment (note 8.1)	Financing, net
Retail	42,374,048	851,915	43,225,963	(979,914)	42,246,049
Corporate	132,820,236	2,010,546	134,830,782	(3,452,787)	131,377,995
Total	175,194,284	2,862,461	178,056,745	(4,432,701)	173,624,044

Retail financing comprise mainly of mortgage financing, consumer financing and credit cards. Corporate financing comprises mainly of commercial financing for projects, large, mid-corporates and Small Medium Enterprises (SMEs). The Bank's financing products are in compliance with Sharia'a rules.

The below table shows the product-wise analysis of Gross Financing:

	2024			2023		
	ﷲ'000			ﷲ'000		
	Retail	Corporate	Total	Retail	Corporate	Total
Murabaha	35,451,064	2,214,176	37,665,240	30,498,072	3,091,400	33,589,472
Ijarah	5,250,055	50,605,744	55,855,799	4,698,170	43,013,931	47,712,101
Bei Ajel	8,415,088	102,767,003	111,182,091	7,032,101	88,725,451	95,757,552
Others	1,364,028	-	1,364,028	997,620	-	997,620
Total	50,480,235	155,586,923	206,067,158	43,225,963	134,830,782	178,056,745

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

8.1 Movement in gross exposure and allowance for impairment of financing:

The following table shows reconciliation from the opening to the closing balance of the gross exposure of financing:

Gross exposure	December 31, 2024			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
	ﷲ '000'			
Retail				
Balance at the beginning of the year	41,365,515	1,008,533	851,915	43,225,963
Transfer to 12-month ECL	449,278	(388,112)	(61,166)	-
Transfer to life time ECL, not credit impaired	(903,815)	921,657	(17,842)	-
Transfer to life time ECL, credit impaired	(160,015)	(144,961)	304,976	-
New financial assets, net of financial assets derecognized and repayments	7,771,136	58,615	(47,473)	7,782,278
Write-off	-	-	(528,006)	(528,006)
Balance as at December 31, 2024	48,522,099	1,455,732	502,404	50,480,235
Corporate				
Balance at the beginning of the year	123,254,867	9,565,369	2,010,546	134,830,782
Transfer to 12-month ECL	997,462	(997,462)	-	-
Transfer to life time ECL, not credit impaired	(2,780,594)	2,780,594	-	-
Transfer to life time ECL, credit impaired	(44,582)	(861,640)	906,222	-
New financial assets, net of financial assets derecognized and repayments	22,637,043	(643,966)	(300,045)	21,693,032
Write-off	-	-	(936,891)	(936,891)
Balance as at December 31, 2024	144,064,196	9,842,895	1,679,832	155,586,923
Total				
Balance at the beginning of the year	164,620,382	10,573,902	2,862,461	178,056,745
Transfer to 12-month ECL	1,446,740	(1,385,574)	(61,166)	-
Transfer to life time ECL, not credit impaired	(3,684,409)	3,702,251	(17,842)	-
Transfer to life time ECL, credit impaired	(204,597)	(1,006,601)	1,211,198	-
New financial assets, net of financial assets derecognized and repayments	30,408,179	(585,351)	(347,518)	29,475,310
Write-off	-	-	(1,464,897)	(1,464,897)
Balance as at December 31, 2024	192,586,295	11,298,627	2,182,236	206,067,158

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	December 31, 2023			Total
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	
	ﷲ '000'			
Gross exposure				
Retail				
Balance at the beginning of the year	35,678,542	1,135,594	461,214	37,275,350
Transfer to 12-month ECL	307,412	(290,816)	(16,596)	-
Transfer to life time ECL, not credit impaired	(741,041)	742,673	(1,632)	-
Transfer to life time ECL, credit impaired	(369,898)	(253,535)	623,433	-
New financial assets, net of financial assets derecognized and repayments	6,490,500	(325,383)	389,332	6,554,449
Write-off	-	-	(603,836)	(603,836)
Balance as at December 31, 2023	41,365,515	1,008,533	851,915	43,225,963
Corporate				
Balance at the beginning of the year	103,416,908	7,322,254	2,458,700	113,197,862
Transfer to 12-month ECL	677,165	(673,591)	(3,574)	-
Transfer to life time ECL, not credit impaired	(3,593,144)	3,669,574	(76,430)	-
Transfer to life time ECL, credit impaired	(30,466)	(253,938)	284,404	-
New financial assets, net of financial assets derecognized and repayments	22,784,404	(498,930)	(430,650)	21,854,824
Write-off	-	-	(221,904)	(221,904)
Balance as at December 31, 2023	123,254,867	9,565,369	2,010,546	134,830,782
Total				
Balance at the beginning of the year	139,095,450	8,457,848	2,919,914	150,473,212
Transfer to 12-month ECL	984,577	(964,407)	(20,170)	-
Transfer to life time ECL, not credit impaired	(4,334,185)	4,412,247	(78,062)	-
Transfer to life time ECL, credit impaired	(400,364)	(507,473)	907,837	-
New financial assets, net of financial assets derecognized and repayments	29,274,904	(824,313)	(41,318)	28,409,273
Write-off	-	-	(825,740)	(825,740)
Balance as at December 31, 2023	164,620,382	10,573,902	2,862,461	178,056,745

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The following tables show reconciliations from the opening to the closing balance of the allowance for impairment of financing:

	December 31, 2024			Total
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	
	ﷲ '000'			
Allowance for impairment				
Retail				
Balance at the beginning of the year	225,433	115,840	638,641	979,914
Transfer to 12-month ECL	57,975	(28,152)	(29,823)	-
Transfer to life time ECL, not credit impaired	(7,883)	16,820	(8,937)	-
Transfer to life time ECL, credit impaired	(2,077)	(27,862)	29,939	-
Net (reversal) / charge for the year	(56,733)	5,046	247,999	196,312
Write-off	-	-	(528,006)	(528,006)
Balance as at December 31, 2024	216,715	81,692	349,813	648,220
Corporate				
Balance at the beginning of the year	460,499	1,600,519	1,391,769	3,452,787
Transfer to 12-month ECL	27,135	(27,135)	-	-
Transfer to life time ECL, not credit impaired	(17,358)	17,358	-	-
Transfer to life time ECL, credit impaired	(965)	(57,671)	58,636	-
Net charge for the year	114,312	142,857	337,779	594,948
Write-off	-	-	(936,891)	(936,891)
Balance as at December 31, 2024	583,623	1,675,928	851,293	3,110,844
Total				
Balance at the beginning of the year	685,932	1,716,359	2,030,410	4,432,701
Transfer to 12-month ECL	85,110	(55,287)	(29,823)	-
Transfer to life time ECL, not credit impaired	(25,241)	34,178	(8,937)	-
Transfer to life time ECL, credit impaired	(3,042)	(85,533)	88,575	-
Net charge for the year	57,579	147,903	585,778	791,260
Write-off	-	-	(1,464,897)	(1,464,897)
	800,338	1,757,620	1,201,106	3,759,064

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	December 31, 2023			Total
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	
Allowance for impairment	ﷲ '000'			
Retail				
Balance at the beginning of the year	265,329	163,803	322,526	751,658
Transfer to 12-month ECL	38,569	(27,971)	(10,598)	-
Transfer to life time ECL, not credit impaired	(6,927)	7,902	(975)	-
Transfer to life time ECL, credit impaired	(5,830)	(47,533)	53,363	-
Net (reversal) / charge for the year	(65,708)	19,639	878,161	832,092
Write-off	-	-	(603,836)	(603,836)
Balance as at December 31, 2023	225,433	115,840	638,641	979,914
Corporate				
Balance at the beginning of the year	425,859	1,468,250	1,335,489	3,229,598
Transfer to 12-month ECL	54,420	(53,348)	(1,072)	-
Transfer to life time ECL, not credit impaired	(53,438)	85,921	(32,483)	-
Transfer to life time ECL, credit impaired	(696)	(94,087)	94,783	-
Net charge for the year	34,354	193,783	216,956	445,093
Write-off	-	-	(221,904)	(221,904)
Balance as at December 31, 2023	460,499	1,600,519	1,391,769	3,452,787
Total				
Balance at the beginning of the year	691,188	1,632,053	1,658,015	3,981,256
Transfer to 12-month ECL	92,989	(81,319)	(11,670)	-
Transfer to life time ECL, not credit impaired	(60,365)	93,823	(33,458)	-
Transfer to life time ECL, credit impaired	(6,526)	(141,620)	148,146	-
Net (reversal) / charge for the year	(31,354)	213,422	1,095,117	1,277,185
Write-off	-	-	(825,740)	(825,740)
Balance as at December 31, 2023	685,932	1,716,359	2,030,410	4,432,701

Write off

As at December 31, 2024, the contractual amount outstanding on financial assets that were written off and that are still subject to enforcement activity is ﷲ 4,401 million (2023: ﷲ 3,188.7 million).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

8.2 Impairment charge on financing, net of recoveries:

	2024	2023
	ﷲ'000	ﷲ'000
Charge for impairment on financing	791,260	1,277,185
Charge for impairment of non-funded financing and credit related commitments (Note 19.3 (iv))	455,686	136,624
Recoveries of previously written off bad debts	(197,137)	(141,705)
	1,049,809	1,272,104

8.3 Financing includes Ijarah as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Less than 1 year	19,936,438	10,650,518
1 to 5 years	30,418,349	33,186,792
Over 5 years	25,417,212	19,003,500
Gross receivables from Ijarah	75,771,999	62,840,810
Unearned future finance income on Ijarah	(19,916,200)	(15,128,709)

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

9. Property, equipment and right of use assets, net

2024	ﷲ'000				
	Land and buildings	Leasehold improvements	Furniture and equipment	Right-of-Use assets	Total
Cost:					
Balance at beginning of the year	1,602,031	597,997	2,477,565	814,655	5,492,248
Additions during the year	275,340	57,017	456,449	102,125	890,931
Disposals during the year	(13,522)	-	(30,649)	(16,274)	(60,445)
Balance at end of the year	1,863,849	655,014	2,903,365	900,506	6,322,734
Accumulated depreciation:					
Balance at beginning of the year	181,627	391,789	1,561,510	469,113	2,604,039
Charge for the year	23,188	31,910	190,558	108,183	353,839
Disposals during the year	(2,914)	-	(30,337)	(2,759)	(36,010)
	201,901	423,699	1,721,731	574,537	2,921,868
	1,661,948	231,315	1,181,634	325,969	3,400,866

2023	ﷲ'000				
	Land and buildings	Leasehold improvements	Furniture and equipment	Right-of-Use assets	Total
Cost:					
Balance at beginning of the year	1,520,006	530,676	2,157,687	731,272	4,939,641
Additions during the year	122,792	67,465	366,938	83,942	641,137
Disposals during the year	(40,767)	(144)	(47,060)	(559)	(88,530)
Balance at end of the year	1,602,031	597,997	2,477,565	814,655	5,492,248
Accumulated depreciation:					
Balance at beginning of the year	162,755	361,809	1,414,546	367,738	2,306,848
Charge for the year	22,391	30,123	170,945	101,854	325,313
Disposals during the year	(3,519)	(143)	(23,981)	(479)	(28,122)
Balance at end of the year	181,627	391,789	1,561,510	469,113	2,604,039
Net book value-as at December 31, 2023	1,420,404	206,208	916,055	345,542	2,888,209

Property, equipment and right of use assets include work in progress as at December 31, 2024 amounting to ﷲ 1,060.9 million (2023: ﷲ 623.7 million).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Furniture and equipment include information technology-related assets as follows:

2024	Tangible	Intangible	Total
	ﷲ'000		
Cost			
January 1, 2024	785,865	1,436,792	2,222,657
Additions during the year	71,317	350,508	421,825
Disposals during the year	(26,713)	-	(26,713)
December 31, 2024	830,469	1,787,300	2,617,769
Accumulated depreciation/amortization			
January 1, 2024	478,755	887,274	1,366,029
Charge during the year	70,105	99,391	169,496
Disposals during the year	(26,713)	-	(26,713)
December 31, 2024	522,147	986,665	1,508,812
Net book value-as at December 31, 2024	308,322	800,635	1,108,957

2023	Tangible	Intangible	Total
	ﷲ'000		
Cost			
January 1, 2023	726,581	1,195,783	1,922,364
Additions during the year	105,358	241,009	346,367
Disposals during the year	(46,074)	-	(46,074)
December 31, 2023	785,865	1,436,792	2,222,657
Accumulated depreciation/amortization			
January 1, 2023	439,699	792,096	1,231,795
Charge during the year	62,144	95,178	157,322
Disposals during the year	(23,088)	-	(23,088)
December 31, 2023	478,755	887,274	1,366,029
Net book value-as at December 31, 2023	307,110	549,518	856,628

Intangibles pertains mainly to computer software. Right of Use asset pertains mainly to leases of the Bank's head office, branches and ATM kiosks.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

10. Other assets

	Note	2024	2023
		ﷲ'000	ﷲ'000
Real estate held for sale	10.1	659,847	474,672
Fee receivable for asset management services		650,119	568,794
Financing inventory		390,394	226,177
Advance Payments		249,705	256,693
Other receivables		208,095	125,044
Prepaid expenses		136,503	157,763
Others	10.2	1,333,419	713,670
Total		3,628,082	2,522,813

10.1 These properties were acquired in settlement of financing due from customers. During the year ended December 31, 2024, properties have been acquired in settlement of financing claims amounting to ﷲ 190.9 million (2023: ﷲ 6.1 million).

10.2 These mainly include sundry debtors, settlement accounts and items in transit which are cleared in the normal course of business.

11. Due to SAMA, banks and other financial institutions

	Notes	2024	2023
		ﷲ'000	ﷲ'000
Placements with SAMA	11.1	7,395,877	1,934,512
Time investments from banks and other financial institutions	11.2	5,810,299	5,180,322
Current accounts		730,080	316,396
Total		13,936,256	7,431,230

11.1 This balance included profit free deposits received from SAMA with gross amount of ﷲ 509.3 million as of December 31, 2023, with varying maturities in order to support the Bank in its implementation of various regulatory relief packages given by the government in response to COVID-19. These deposits have all matured as of December 31, 2024.

11.2 This balance represents Murabaha, Mudaraba and Wakala with banks including repurchase agreements with other banks of ﷲ 2,550.5 million (2023: ﷲ 1,288 million).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

12. Customers' deposits

	Notes	2024	2023
		ﷲ'000	ﷲ'000
Demand		95,253,337	78,955,995
Savings		11,643,387	9,833,634
Customers' time investments	12.1	101,805,095	97,348,367
Others	12.2	1,842,831	1,762,585
Total		210,544,650	187,900,581

12.1 These represent Murabaha and Mudaraba with customers including profit sharing investments accounts (PSIA).

12.2 Others represent cash margins for letters of credit and guarantees.

12.3 The above includes foreign currency deposits as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Demand	3,586,941	1,292,098
Customers' time investments	10,305,857	4,530,535
Others	53,479	107,245
Total	13,946,277	5,929,878

12.4 Profit sharing investment accounts (PSIA)

a) Analysis of PSIA income according to types of investments and their financing

As of December 31, 2024 and 2023, the PSIA gross pool of assets is funded by comingled pool which includes funds from Unrestricted Investment Account Holders (IAH).

Gross Pool of Assets funded by PSIA by type of contract:

	2024	2023
	ﷲ'000	ﷲ'000
Investments in sukuk - FVOCI	4,364,266	4,484,443
Investments held at amortized cost, net	10,505,700	9,744,352
Financing, net	67,284,528	62,859,927
Total pool of assets funded by PSIA	82,154,494	77,088,722

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

b) The basis for calculating and allocating profits between the bank and the IAHs:

Computation of pool income is as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Income from investments	495,861	409,469
Income from financing	3,524,793	2,925,457
Total pool income	4,020,654	3,334,926
Pool income	4,020,654	3,334,926
Mudarib fee	(40,207)	(33,349)
Top up	344,652	198,003
Total amount paid/payable to investment account holders	4,325,099	3,499,580

The total pool increase is net of attributable cost and impairment charges.

	IAH Share	Bank Share
Profit sharing allocation percentages	99%	1%

c) The equity of the IAHs at the end of the reporting period:

	2024	2023
	ﷲ'000	ﷲ'000
Investment account holders balance before profit	82,506,644	76,493,107
Add: Profit for the IAH during the year	4,325,099	3,499,580
Less: Profit paid out during the year	(4,677,249)	(2,903,965)
Total equity for investment account holders	82,154,494	77,088,722

13. Amount due to Mutual Funds' unitholders

Amount due to Mutual Funds' unitholders represents the non-controlling interest in Mutual Funds consolidated in these financial statements.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

14. Other liabilities

		2024	2023
	Notes	ﷲ'000	ﷲ'000
Outward drafts payable		4,250,397	1,982,071
Accounts payable		1,931,710	1,640,302
Provision for credit-related commitments	19.3	1,111,549	655,863
Unearned revenue		989,595	749,871
Provision for zakat	24	670,411	556,318
End of service liability	26.2	537,472	485,254
Accrued expenses		489,507	373,446
Lease liability	14.1	345,409	366,092
Others		27,567	36,638
Total		10,353,617	6,845,855

14.1 Lease liabilities and lease-related expenses

Below is the undiscounted contractual cash flows for lease liabilities:

	2024	2023
	ﷲ'000	ﷲ'000
Less than 1 year	111,513	109,233
1 to 5 years	200,310	225,115
Over 5 years	73,886	73,637
Total	385,709	407,985

Other general and administrative expenses include financing cost of ﷲ 14.7 million (2023: ﷲ 13.8 million). Rent and premises related expenses include payments for leases excluded in the calculation of lease liabilities (i.e., short term leases and leases of low value assets) of ﷲ 8.8 million (2023: ﷲ 10.9 million).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

15. Share capital

The authorized, issued and fully paid share capital of the Bank consists of 2,500 million shares (2023: 2,000 million shares) of ﷲ 10 each.

The ownership of the Bank's share capital is as follows:

Table with 3 columns: Percentage, 2024, 2023. Rows include Public Investment Fund ("PIF"), General public and others, and Total.

15.1 Dividends

During the year ended December 31, 2024, the Board of Directors approved a total interim dividends of ﷲ 1,988.4 million (2023: ﷲ 1,690.4 million). This resulted to a total payment of ﷲ 0.80 per share to the shareholders of the Bank (2023: ﷲ 0.85 per share).

The Board of Directors in their meeting held on December 20, 2022 proposed a final 2022 dividends of ﷲ 996.1 million which was approved in the extraordinary general assembly held on April 30, 2023. This resulted to a net payment of ﷲ 0.50 per share to the shareholders of the Bank.

15.2 Issuance of bonus shares

On December 31, 2023, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the capital by ﷲ 5,000 million through capitalization from the retained earnings by way of granting one share for every four shares. On April 23, 2024, the Shareholders, in their Extraordinary General Assembly meeting approved the increase of share capital by issuance of bonus shares. Accordingly, the total shares increased by 500 million shares to be 2,500 million shares and share capital increased by ﷲ 5,000 million to be ﷲ 25,000 million.

16. Statutory reserve

In accordance with the Banking Control Law in the Kingdom of Saudi Arabia, and Bank's By-Laws, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, ﷲ 1,457.9 million (2023: ﷲ 1,209.8 million) has been transferred from the net income for the year to the statutory reserve. The statutory reserve is not available for cash distribution.

17. Treasury shares and other reserves

17.1 Treasury shares

Treasury shares have been acquired, after due approvals, for discharging the obligations of employees share based plans (refer to note 22.2).

On April 30, 2023, the extraordinary general assembly approved 5 million shares to be purchased as treasury shares for allocation to the Employee Stock Plan. The Bank has completed the purchase of these shares during the year ended December 31, 2023.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

17.2 Other reserves

Table with 7 columns: 2024 (ﷲ'000), Fair value reserve for FVOCI investments, Employees share-based plan reserve, Social contribution reserve, Remeasurement of End of Service Benefits, Cash flow hedge reserve, Total. Rows include Balance at January 1, 2024, Net change in fair value of FVOCI equity investments, Net change in fair value of FVOCI sukuk investments, Share of joint venture's other comprehensive loss, Gain on sale of FVOCI sukuk investments, net, Cash flow hedge, Actuarial gain on Remeasurement of End of Service Benefits, Transfers to retained earnings, Realized share of joint venture's other comprehensive loss, Employee share based plan reserve, Vesting of shares, Appropriations, net of utilizations, and Balance as at December 31, 2024.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

2023 (ﷲ'000)	Fair value reserve for FVOCI investments	Employees share-based plan reserve (note 22.2)	Social contribution reserve	Remeasurement of end of service benefits	Total
Balance at the beginning of the year	(634,267)	33,855	113,555	(20,539)	(507,396)
Net change in fair value of FVOCI equity investments	461,304	-	-	-	461,304
Net change in fair values of FVOCI sukuk investments	108,987	-	-	-	108,987
Share of associate's other comprehensive income	10,868	-	-	-	10,868
Actuarial gain on remeasurement of end of service benefits (Note 26)	-	-	-	19,637	19,637
Transfers to retained earnings on disposal of FVOCI equity investments	(120,052)	-	-	-	(120,052)
Realized share of associate's other comprehensive income	(10,868)	-	-	-	(10,868)
Employee share based plan reserve	-	57,113	-	-	57,113
Other transfers	-	21,748	-	-	21,748
Vesting of shares	-	(18,830)	-	-	(18,830)
Appropriations, net of utilizations	-	-	39,848	-	39,848
Balance at the end of the year	(184,028)	93,886	153,403	(902)	62,359

During the year, an amount of ﷲ 58.3 million for 2024 (2023: ﷲ 48.4 million) was appropriated from retained earnings to social community reserve. Such reserves will be utilized towards discharging the Bank's corporate social responsibilities.

18. Tier 1 Sukuk

On July 1, 2021, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk of ﷲ 5 billion with a profit rate of 4% payable on quarterly basis. In addition, on March 6, 2024, the Bank issued additional Tier 1 sukuk of USD 1 billion with a profit rate of 6.5% payable on semi-annual basis. These issuances were approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement. These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of SAMA.

The applicable profit on the Sukuks is payable in arrears on each periodic distribution date except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

19. Commitments and contingencies

18.1 Legal proceedings

As at December 31, 2024 and 2023, there were no significant legal proceedings outstanding against the Bank.

18.2 Capital commitments

As at December 31, 2024, the Bank had capital commitments of ﷲ 183 million (2023: ﷲ 70.5 million) relating to acquisition of property and equipment.

18.3 Credit related commitments and contingencies

Credit related commitments and contingencies comprise letters of guarantee, letters of credit, acceptances and unused irrevocable commitments to extend financing facilities. The primary purpose of these instruments is to ensure that funds are available to customers as required. Letters of guarantee and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as investments and financing. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Bank does not generally expect the third party to invoke such commitments.

Documentary letters of credit, which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate, and therefore have significantly less risk.

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent the unused portion of approved credit, principally in the form of financing, guarantees and letters of credit. With respect to these commitments to extend credit, the Bank is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss, which cannot readily be quantified, is expected to be considerably less than the total unused commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

i) The contractual maturity structure of the Bank's commitments and contingencies is as follows:

S'000					
2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	1,531,781	1,715,739	145,410	-	3,392,930
Letters of guarantee	2,307,082	10,172,884	8,970,910	98,098	21,548,974
Acceptances	1,203,262	-	-	-	1,203,262
Irrevocable commitments to extend credit	-	-	15,181,257	-	15,181,257
Total	5,042,125	11,888,623	24,297,577	98,098	41,326,423
S'000					
2023	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	2,369,762	1,402,770	150,445	-	3,922,977
Letters of guarantee	3,111,702	7,604,171	8,302,668	33,603	19,052,144
Acceptances	1,254,199	-	-	-	1,254,199
Irrevocable commitments to extend credit	-	-	12,136,338	-	12,136,338
Total	6,735,663	9,006,941	20,589,451	33,603	36,365,658

This is as per contractual period of the letters of guarantee and irrevocable commitments and in event of default may be payable on demand and therefore current in nature.

ii) The analysis of commitments and contingencies by counter-party is as follows:

	2024	2023
	S'000	S'000
Government and quasi government	27,761	8,720
Corporate	39,271,120	33,733,756
Banks and other financial institutions	2,027,542	2,623,182
Total	41,326,423	36,365,658

iii) The outstanding unused portion of commitments as at December 31, 2024 which can be revoked unilaterally at any time by the Bank, amounts to S 38,891 million (2023: S 35,126 million).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

iv) The following table shows reconciliations from the opening to the closing balance of the gross exposure of credit commitments and contingencies and 'Provision for credit-related commitments':

Gross exposure of credit commitments and contingencies	December 31, 2024			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
	S'000'			
Balance at the beginning of the year	31,345,483	4,453,682	566,493	36,365,658
Transfer to life time ECL, not credit impaired	(65,970)	65,970	-	-
Transfer to life time ECL, credit impaired	(4,938)	(773,274)	778,212	-
New commitments, net of expired / matured commitments during the year	5,034,494	31,202	(104,931)	4,960,765
Balance as at December 31, 2024	36,309,069	3,777,580	1,239,774	41,326,423
Gross exposure of credit commitments and contingencies	December 31, 2023			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
	S'000'			
Balance at the beginning of the year	20,722,255	2,298,177	579,320	23,599,752
Transfer to 12-month ECL	39,590	(39,590)	-	-
Transfer to life time ECL, not credit impaired	(1,897,151)	1,902,641	(5,490)	-
New commitments, net of expired / matured commitments during the year	12,480,789	292,454	(7,337)	12,765,906
Balance as at December 31, 2023	31,345,483	4,453,682	566,493	36,365,658

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	December 31, 2024			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Provision for credit-related commitments	ﷲ'000'			
Balance at the beginning of the year	40,469	402,016	213,378	655,863
Transfer to life time ECL, not credit impaired	(26)	26	-	-
Transfer to life time ECL, credit impaired	(22)	(50,101)	50,123	-
Net charge for the year	5,534	185,304	264,848	455,686
Balance as at December 31, 2024	45,955	537,245	528,349	1,111,549

	December 31, 2023			
	12-month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
Provision for credit-related commitments	ﷲ'000'			
Balance at the beginning of the year	51,580	245,464	222,195	519,239
Transfer to 12-month ECL	256	(256)	-	-
Transfer to life time ECL, not credit impaired	(23,309)	23,951	(642)	-
Net charge / (reversal) for the year	11,942	132,857	(8,175)	136,624
Balance as at December 31, 2023	40,469	402,016	213,378	655,863

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

20. Income from investments and financing, net

	2024	2023
	ﷲ'000	ﷲ'000
Income from investments and financing:		
Investments in Murabaha and money market placement with SAMA	139,333	156,859
Investments in Sukuk held at amortized cost	1,048,400	767,573
Investments in Sukuk held at FVOCI	710,806	625,309
Murabaha with banks and other financial institutions	118,025	99,231
Financing:		
Murabaha	2,127,196	1,783,329
Ijarah	3,848,119	3,270,874
Bei Ajel	8,119,700	6,486,777
Other financing products	43,200	37,557
Total income from financing	14,138,215	11,578,537
Total	16,154,779	13,227,509
Return on time investments:		
Customers' time investments	(7,014,904)	(5,105,486)
Time investments from SAMA, banks and other financial institutions	(491,246)	(467,509)
	(7,506,150)	(5,572,995)
Total	8,648,629	7,654,514

21. Fees from banking services, net and other operating income

21.1 Fees from banking services, net

	2024	2023
	ﷲ'000	ﷲ'000
Income from:		
Trade finance services	212,484	172,452
Card services	1,592,179	1,301,748
Brokerage fees	171,687	138,961
Fund management and other services	945,247	813,542
	2,921,597	2,426,703
Expense on:		
Card services	(1,259,675)	(931,727)
Other fees	(53,603)	(35,985)
	(1,313,278)	(967,712)
	1,608,319	1,458,991

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

21.2 Other operating income

	2024	2023
	ﷲ'000	ﷲ'000
Gain on sale of property and equipment	1,703	7,878
Gain on derecognition of joint venture / associate	4,766	5,143
Gain from derecognition of financial assets held at amortized cost	7,662	-
Others, net	18,445	26,321
	32,576	39,342

22. Salaries and employees related expenses

The following table summarizes the Bank’s employee categories defined in accordance with SAMA’s rules on compensation practices.

Categories of employees	١٠٠٠									
	Number of employees		Fixed compensation Cash		Variable Compensation paid					
					Cash		Shares (note 22.2)		Total	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Senior executives requiring SAMA no objections	37	30	64,170	53,918	25,338	18,196	12,479	7,177	37,817	25,373
Employees engaged in risk taking activities	791	948	331,247	355,078	39,819	42,821	4,690	4,371	44,509	47,192
Employees engaged in control functions	475	460	169,486	144,342	34,968	31,703	4,129	2,049	39,097	33,752
Other employees	2,871	2,440	659,208	551,758	67,924	57,353	6,501	4,521	74,425	61,874
Outsourcing employees (engaged in risk taking activities)	-	-	-	-	-	-	-	-	-	-
	4,174	3,878	1,224,111	1,105,096	168,049	150,073	27,799	18,118	195,848	168,191
Variable compensation accrued	-	-	171,947	149,600	-	-	-	-	-	-
Other employee related benefits	-	-	268,040	211,825	-	-	-	-	-	-
Total	4,174	3,878	1,664,098	1,466,521	168,049	150,073	27,799	18,118	195,848	168,191

Refer to note 22.2 for more details on shares paid during the year ended December 31, 2024 and 2023.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

22.1 Salient features of Compensation Policy

As an integral part of the compensation governance, the Bank follows appropriate compensation practices in line with the SAMA guidelines and Financial Stability Board (FSB) Principles/Standards. The Bank has implemented a “Compensation & Allowances” policy approved by the Board of Directors (the “Board”).

The Bank has also established a Nomination and Remuneration Committee (“NRC”). It has been mandated by the Board to review and recommend sound compensation policies for adoption by the Bank.

While developing and implementing such policies, the Bank has sought to align the same with the risks related to capital, liquidity and sustainability as well as timing of revenue streams.

The Bank has adopted fixed as well as variable compensation schemes. The variable component is aligned not only with the aforesaid risks but also with the overall performance of the Bank and the individual, and risk involved in the relevant job function. The Bank consistently evaluates its compensation policies against the industry and makes necessary revisions as and when required.

The Bank, as part of their compensation practices which are aligned with the SAMA rules, considers variable compensation programs which are based on (1) market practice, (2) strategy of the business area, (3) roles of the business area, (4) nature and tail of risks undertaken, and (5) actual performance delivered.

As part of the Bank’s variable compensation structure, following are the key components of variable compensation in the Bank:

- 1. Cash Bonus – The portion of the variable compensation that is awarded and paid out in cash on conclusion of the performance evaluation process for each year.
- 2. Deferred Bonus – The portion of the variable compensation that is awarded and paid in shares over a period of 3 years.

Below are the details of the deferred bonus payments for the outstanding years and no deferred bonus is reduced through performance adjustments.

Year	Total amount deferred	Amount vested	Amount unvested	Amount paid in 2024
2020 (awarded in shares)	11,378,680	11,378,680	-	4,631,267
2021 (awarded in shares)	28,638,600	17,512,620	11,125,980	8,452,111
2022 (awarded in shares)	44,534,987	11,528,371	33,006,616	11,528,371
2023 (awarded in shares)	60,487,514	517,392	59,970,122	517,392

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The Bank implements procedures so as to support the principles of adjustment to variable compensation outcomes so as to reflect true underlying and actual, realized performance. This can either be achieved through:

- 1. Withholding, whereby deferred payments are to be withheld following subdued or negative performance; or
- 2. Malus, whereby a portion of variable pay is deferred and only released subject to no subdued or negative performance indicating the results on which the variable pay was paid were overstated and that were used to calculate the overall bonus.

As a Sharia'a compliant bank, the Bank uses claw back of previously paid bonuses in its purest form to be appropriate in the context of Sharia'a Committee decisions only when the malus clause applies.

Therefore, for the purpose of bonus deferral, the Bank may apply a further malus clause to this deferred amount that may require either a restatement of results for which the bonus was paid and / or additional performance measures.

Linkage of compensation with actual performance

The variable compensation in the Bank is purely performance based and consists of the annual performance bonus. As part of the staff's variable compensation, the annual bonus is driven by delivery of operational and financial targets set each year, the individual performance of the employees and their contribution in delivering the overall Bank's objectives.

The Bank has adopted a Board-approved framework to develop a clear link between variable compensation and performance. The framework is designed on the basis that the combination of meeting both financial performance and achievement of other non-financial factors would deliver a target bonus pool for the employees, prior to consideration of any allocation to business areas and employees individually.

The key performance metrics at the Bank level include a combination of short-term and long-term measures, and include profitability, liquidity and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

In determining the amount of variable compensation, the Bank starts from setting specific targets, establishing market comparable bottom-up, setting a profit target and other qualitative performance measures that would result in a target top-down bonus pool. The bonus pool is then adjusted to take account of risks via the use of risk-adjusted measures. The NRC carefully evaluates practices by which compensation is paid for potential future revenues whose timing and likelihood remain uncertain. The NRC demonstrates that its decisions are consistent with an assessment of the Bank's financial condition and future prospects. The Bank uses a formalized and transparent process to adjust the bonus pool for quality of earnings. It is the Bank's objective to pay out bonuses out of realized and sustainable profits. If the quality of earnings is not strong, the profit base could be adjusted based on the discretion of the NRC. For the Bank to have any funding for distribution of a bonus pool, thresholds of financial targets have to be achieved. The performance measures ensure that the total variable compensation is generally considerably contracted where subdued or negative financial performance occurs. Furthermore, the target bonus pool, as determined above, is subject to risk adjustments in line with the risk adjustment and linkage framework.

Deferral policy and vesting criteria

For certain categories of employees such as (1) Employees requiring SAMA No Objection, (2) Material Risk Takers and (3) Material Risk Controllers, where deemed appropriate, the Bank provides a portion of variable compensation in the form of corporate performance linked shares paid out on a multi-year cycle for identified key employees who have direct impact on the Bank growth and success.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Where variable compensation plans that include corporate performance linked cash/shares payments are introduced, the Bank provides criteria for determining the value for allocation of deferred payments within the plan rules or guidelines. Payouts of such conditional deferred shares plans are required to be subject to a retention or vesting policy that is determined on a plan to plan basis. Such retention or vesting policies are to be outlined within the plan rules or guidelines. As a minimum requirement, the Bank's policy is for cash/shares based awards to be subject to an appropriate retention policy.

Parameters for allocating cash versus other forms of compensation

The quality and long-term commitment of all employees is fundamental to the success of the Bank. The Bank therefore attracts, retains and motivates the best people who are committed to maintaining a career with the Bank, and who will perform their role in the long-term interests of Shareholders. The Bank's reward package comprises the following key elements;

- 1. **Fixed Pay** (comprises of basic salary and cash allowances) and other benefits programs are developed so as to support the pay positioning and pay mix policies and align with all applicable regulatory requirements.
- 2. **Cash Allowances** are provided to support the Bank's pay positioning policies and to aid recruitment of sufficiently qualified talent to drive sustainable growth. The Bank reviews which allowances it offers to employees and the quantum of such allowances so as to ensure they support the aims of compensation across the whole Bank.
- 3. **Benefits** to support retention and recruitment of sufficiently experienced talent across the business. Provision of these benefits is provided in line with local market norms and reviewed on a regular basis to ensure they remain appropriate.
- 4. **Annual Performance Bonus** to enhance employee effectiveness by driving the Bank, business group and individual performance in a sustainable process and create a competitive compensation strategy that supports the Bank's business growth strategy.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

22.2 Employees share-based plans

Significant features of the Employees Share based schemes outstanding at the end of the period are as follows:

Nature of scheme	Deferred bonus granted in		
	2022	2023	2024
No. of outstanding Schemes	1	1	1
Grant date	Jan-2022	Jan-2023	Jan-2024
Maturity date	Jan-2025	Jan-2026	Jan-2027
Number of shares granted – adjusted after issuance of bonus shares	1,177,790	1,203,141	2,086,184
Vesting period	3 years	3 years	3 years
Value of shares granted (ﷲ)	34,627,015	42,182,109	58,313,010
Fair value per share at grant date (ﷲ)	29.40	35.06	27.95
Vesting condition	Employee remain in service and meets prescribed performance criteria	Employee remain in service and meets prescribed performance criteria	Employee remain in service and meets prescribed performance criteria
Method of settlement	Equity	Equity	Equity
Valuation model used	Market Value	Market Value	Market Value
Weighted average remaining contractual life	0.1 Years	1 Years	2 Years

The movement in weighted average price and in the number of shares in the employees share participation scheme is as follows:

	ESGS Plan A		Deferred bonus schemes	
	Weighted average exercise price (ﷲ)	Number of shares in scheme	Weighted average exercise price (ﷲ)	Number of shares in scheme
2024	December 31, 2024			
Beginning of the year	19.70	223,562	30.06	2,610,282
Granted during the year	19.70	-	28.77	2,670,216
Vested during the year	19.70	(220,905)	29.41	(1,042,725)
Expired during the year	19.70	(2,657)	29.41	(145,976)
End of the year	-	-	29.41	4,091,798
Exercisable at year end	-	-	29.41	4,091,798

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	ESGS Plan A		Deferred bonus schemes	
	Weighted average exercise price (ﷲ)	Number of shares in scheme	Weighted average exercise price (ﷲ)	Number of shares in scheme
2023	December 31, 2023			
Beginning of the year	19.70	434,534	26.94	2,029,256
Granted during the year	19.70	27,397	34.90	1,307,826
Vested during the year	19.70	(221,412)	30.06	(578,075)
Expired during the year	19.70	(16,957)	30.06	(148,725)
End of the year	19.70	223,562	30.06	2,610,282
Exercisable at year end	19.70	223,562	30.06	2,610,282

These rights are granted only under a service/performance condition with no market condition associated with them. Total amount of expense recognized in consolidated statement of income during the year ended December 31, 2024 in respect of these schemes was ﷲ 62.1 million (2023: ﷲ 57.1 million).

23. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net income adjusted for Tier 1 Sukuk costs by the weighted average number of outstanding shares which were 2,485.3 million shares at December 31, 2024 (2023: 2,487.3 million shares restated to give a retroactive effect of change in the number of shares increased as a result of the bonus share issuance). The diluted earnings per share is the same as the basic earnings per share.

24. Zakat liability

	2024	2023
	ﷲ'000	ﷲ'000
Opening balance	556,318	413,759
Zakat expense	670,411	556,318
Payments during the year	(556,318)	(413,759)
Ending balance	670,411	556,318

The Bank submitted its zakat return for the year ended 31 December 2023, and obtained the unrestricted zakat certificate. The zakat returns of the years 2019 through 2023 have been finalized from ZATCA and the bank received a final assessment with no zakat liability.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

25. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	2024	2023
	ﷲ'000	ﷲ'000
Cash in hand	1,947,985	1,807,396
Balances with SAMA excluding statutory deposit	464,185	1,801,753
Due from banks and other financial institutions maturing within three months of acquisition	3,996,411	1,563,698
Total	6,408,581	5,172,847

26. Employee benefit obligations

26.1 General description of Defined Benefit Plan

The Bank operates an End of Service Benefit Plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

26.2 The amounts recognized in the consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Defined benefit obligation at the beginning of the year	485,254	464,007
Charge for the year	98,610	88,402
Benefits paid	(40,906)	(47,518)
Actuarial gain on re-measurement recognized in OCI	(5,486)	(19,637)
Defined benefit obligation at the end of the year	537,472	485,254

Charge for the year is comprised of:

	2024	2023
	ﷲ'000	ﷲ'000
Current service cost	76,448	67,505
Past service cost	117	-
Discount cost	22,045	20,897
Total	98,610	88,402

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Actuarial gain / (loss) on re-measurement recognized in OCI is comprised of:

	2024	2023
	ﷲ'000	ﷲ'000
Gain from change in demographic assumptions	15,255	-
(Loss) / gain from change in experience assumptions	(4,303)	2,395
(Loss) / gain from change in financial assumptions	(5,466)	17,242
Total	5,486	19,637

26.3 Principal actuarial assumptions (in respect of the end of service benefit plan)

	2024	2023
Discount rate	5.67% p.a.	4.76% p.a.
Expected rate of salary increase	3.5% p.a. for the next 2 years	3.5% p.a. for the next 3 years
– thereafter	6% p.a.	4.8% p.a.
Normal retirement age	60 years	60 years

The assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region.

26.4 Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the defined benefit obligation valuation as at December 31, 2024 and 2023:

	ﷲ'000		
	Impact on defined benefit obligation – Increase/(Decrease)		
2024 Base scenario	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(37,364)	42,514
Expected rate of salary increase	1%	44,010	(39,374)

	ﷲ'000		
	Impact on defined benefit obligation – Increase/(Decrease)		
2023 Base scenario	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(42,720)	49,752
Expected rate of salary increase	1%	51,089	(44,637)

The above sensitivity analyses are based on a change in an assumption holding all other assumptions constant.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

26.5 Expected maturity

Expected maturity analysis of undiscounted defined benefit obligation for the end of service benefit plan is as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Less than a year	57,477	41,463
1-2 years	47,027	31,200
2-5 years	146,797	88,310
Over 5 years	630,455	654,600
Total	881,756	815,573

The weighted average duration of the defined benefit obligation is 11.9 years (2023: 14.7 years).

26.6 Defined contribution plan

The Bank makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was ﷲ 80 million (2023: ﷲ 73.2 million).

27. Other general and administrative expenses

		2024	2023
	Notes	ﷲ'000	ﷲ'000
Taxes and other governmental expenses		196,780	183,603
Computer and software expenses		173,236	161,068
Subscriptions		152,593	102,666
Point-of-sales terminals		139,197	139,037
Communications expenses		129,126	138,719
Other expenses	27.1	500,560	452,948
Total		1,291,492	1,178,041

27.1 Other expenses include auditor's fees amounting to ﷲ 6.2 million (2023: ﷲ 7.2 million).

	2024	2023
	ﷲ'000	ﷲ'000
Audit fees	6,095	5,380
Other services	150	1,807
Total	6,245	7,187

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

28. Operating segments

Operating segments are identified on the basis of internal reports about activities of the Bank that are regularly reviewed by the key decision makers including CEO and the Assets and Liabilities Committee (ALCO), in order to allocate resources to the segments and to assess their performance.

The Bank's primary business is conducted in Saudi Arabia. Transactions between the operating segments are on terms as approved by the management. Majority of the segment assets and liabilities comprise operating assets and liabilities. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2023.

The Bank's reportable segments are as follows:

a) Retail banking

Financing, deposit and other products/services for individuals.

b) Corporate banking

Financing, deposit and other products and services for corporate, SME and institutional customers.

c) Treasury

Murabahas with banks, investments and treasury services.

d) Investment and brokerage

Asset Management, custodianship, advisory, underwriting and brokerage services.

Profit is charged or credited to operating segments using internally developed Fund Transfer Pricing (FTP) rates which approximate the marginal cost of funds.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Following is an analysis of the Bank's assets, liabilities, income and results by operating segments:

December 31, 2024					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
Total assets	48,534,575	152,476,079	72,241,565	3,575,262	276,827,481
Total liabilities	131,353,824	39,909,072	63,796,920	325,890	235,385,706
Income from investments and financing	7,783,317	4,461,080	3,788,869	121,513	16,154,779
Return on time investments	(3,082,891)	(1,670,430)	(2,751,731)	(1,098)	(7,506,150)
Income from investments and financing, net	4,700,426	2,790,650	1,037,138	120,415	8,648,629
Fees from banking services and other income	474,235	383,364	554,866	878,982	2,291,447
Total operating income	5,174,661	3,174,014	1,592,004	999,397	10,940,076
Charge / (reversal) for impairment of financing	35,584	1,014,395	-	(170)	1,049,809
Charge / (reversal) for impairment of other financial assets	2,752	-	(1,746)	(1,556)	(550)
Depreciation and amortization	286,221	35,406	25,035	7,177	353,839
Other operating expenses	1,590,108	670,162	366,773	402,757	3,029,800
Total operating expenses	1,914,665	1,719,963	390,062	408,208	4,432,898
Net operating income	3,259,996	1,454,051	1,201,942	591,189	6,507,178
Share of (loss) / income from associate and joint venture	-	-	(11,920)	6,814	(5,106)
Net income for the year before zakat	3,259,996	1,454,051	1,190,022	598,003	6,502,072

December 31, 2023					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
Total assets	41,309,676	131,377,995	61,379,953	2,647,474	236,715,098
Total liabilities	117,765,455	22,787,416	61,639,658	188,968	202,381,497
Income from investments and financing	6,243,516	4,070,998	2,812,114	100,881	13,227,509
Return on time investments	(2,213,386)	(1,159,737)	(2,199,872)	-	(5,572,995)
Income from investments and financing, net	4,030,130	2,911,261	612,242	100,881	7,654,514
Fees from banking services and other income	464,018	357,507	499,833	749,785	2,071,143
Total operating income	4,494,148	3,268,768	1,112,075	850,666	9,725,657
Charge / (reversal) for impairment of financing	735,700	540,319	-	(3,915)	1,272,104
Charge for impairment of other financial assets	6,191	-	7,081	13,252	26,524
Depreciation and amortization	264,218	32,718	23,415	4,962	325,313
Other operating expenses	1,434,010	628,448	348,261	307,494	2,718,213
Total operating expenses	2,440,119	1,201,485	378,757	321,793	4,342,154
Net operating income	2,054,029	2,067,283	733,318	528,873	5,383,503
Share of income from associate and joint venture	-	-	12,021	-	12,021
Net income for the year before zakat	2,054,029	2,067,283	745,339	528,873	5,395,524

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

December 31, 2024					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
Other information:					
Income from:					
-External customers	190,856	9,991,658	(241,835)	999,397	10,940,076
-Inter-segment	4,983,805	(6,817,644)	1,833,839	-	-
Total operating income	5,174,661	3,174,014	1,592,004	999,397	10,940,076

December 31, 2023					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
Other information:					
Income from:					
-External customers	526,795	8,436,168	(87,972)	850,666	9,725,657
-Inter-segment	3,967,353	(5,167,400)	1,200,047	-	-
Total operating income	4,494,148	3,268,768	1,112,075	850,666	9,725,657

The Bank's credit exposure by operating segments is as follows:

December 31, 2024					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
On balance sheet assets	48,534,575	152,476,079	62,391,574	2,174,231	265,576,459
Commitments and contingencies	-	18,334,974	910,573	-	19,245,547
Total	48,534,575	170,811,053	63,302,147	2,174,231	284,822,006

December 31, 2023					
ﷲ'000	Retail	Corporate	Treasury	Investment & brokerage	Total
On balance sheet assets	41,309,676	131,377,995	52,257,049	1,839,195	226,783,915
Commitments and contingencies	-	16,389,473	910,573	-	17,300,046
Total	41,309,676	147,767,468	53,167,622	1,839,195	244,083,961

Credit exposure comprises the carrying value of on balance sheet assets, excluding cash, property and equipment and right of use assets, investments in funds and equities and non-credit other assets. The credit equivalent value of commitments and contingencies are included in credit exposure.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

29. Credit risk

Credit risk arises when a counterparty fails to fulfil its contractual obligations to the Bank. To mitigate the risk of a counterparty defaulting, the Bank adheres to a robust, proactive credit process designed to ensure that every originated credit aligns with the institution's risk appetite and meets the criteria under which credits are extended. Each credit proposal undergoes thorough due diligence to identify and assess all potential risks associated with granting the credit.

An internal credit-rating model is employed to determine the Obligor Risk Rating (ORR), which quantifies the obligor's probability of default. In addition, ratings from major credit rating agencies are taken into account, provided they are available and disclosed by clients. A key element of this process is the Target Market, which acts as the first filter to ensure that the Bank avoids initiating or maintaining relationships with obligors that do not align with its strategic goals or desired risk profile. The Risk Acceptance Criteria (RAC) establishes the conditions under which the Bank is willing to engage in or continue a credit relationship with an obligor that meets the target market criteria. The credit assessment for individual obligors of Retail Asset products is performed through automated product specific scorecard framework.

The business team, responsible for originating, evaluating, and recommending credit proposals, plays a critical role in the front-end marketing process. Credit approval is granted in accordance with the Board-approved "Credit Approval Authority Delegation Matrix," which governs the Credit Committee, composed of the CEO, Business Senior Credit Officer, and Chief Credit Officer. Credits are extended based on the Bank's Corporate, Financial Institutions, and Retail Banking Credit Policies and Guidelines.

Risk Management, as a pivotal stakeholder, oversees the policies governing financing and is responsible for the regular review and updating of the Bank's credit policies, guidelines, and processes. This ensures that credit risks are managed within the Bank's defined risk appetite and that potential credit-related losses are minimized. Additionally, Risk Management ensures that credit policies remain aligned with evolving economic conditions, market trends, and regulatory and legal requirements.

The Bank actively manages a diverse range of credit portfolios to mitigate concentration risk. Portfolio diversification is carefully controlled across several dimensions, including economic activity, geography, and underlying products. The Bank seeks to broaden its credit portfolios by acquiring customers from a variety of industries, economic sectors, and geographic regions, targeting large, medium, and small corporate clients, as well as individual clients. Monitoring of obligor and sector concentrations is essential to assess exposure to specific types of financing risks. To further safeguard its credit risk profile, the Bank regularly conducts stress tests on its credit portfolios to evaluate the potential impact of adverse factors on asset quality, risk ratings, profitability, and capital allocations.

29.1 Expected credit Loss (ECL)

Credit Risk Grades

The Bank follows a comprehensive and well-structured credit evaluation process, anchored in a clearly defined Target Market and Risk Acceptance Criteria, underpinned by a robust framework of credit policies and an extensive due diligence process. This credit review and approval procedure is further reinforced by stringent credit administration controls and a vigilant monitoring system for credit limits.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

To determine an internal risk rating, the Bank leverages the Moody's CreditLens platform, a rating system that is widely utilized by leading global banks and those within the Kingdom. This platform enables the Bank to assign a precise risk rating to each obligor, reflecting a 12-month probability of default (PD). The rating scale spans from 1 (indicating the lowest risk) to 10 (indicating the highest risk), with intermediate sub-grades (e.g., 3+, 3, and 3-) providing a more granular assessment of the obligor's PD. In line with the Bank's policy, only obligors with risk ratings of 6- or better are eligible for new financing facilities.

The Bank ensures that the Moody's CreditLens rating system remains aligned with current market dynamics by regularly calibrating the score ranges, rating grades, and corresponding PDs. All obligors are subject to ongoing monitoring and annual reviews, during which their credit risk grades may be reassessed and adjusted. These changes may result from various factors, including updates in audited financial statements, changes in compliance with covenants, shifts in management, or broader fluctuations in the economic and business environment.

For the retail portfolio, credit risks are assessed using individual credit-worthiness scores generated through an automated credit scoring platform, which operates independently of the Moody's rating system.

The Bank's internal credit rating grades:

Rating Grade		Internal rating description	PD
Investment	1	Almost Credit Risk Free	0.01%
	2+	Almost Credit Risk Free	0.01%
	2	Almost Credit Risk Free	0.02%
	2-	Almost Credit Risk Free	0.05%
	3+	Exceptionally Strong Credit Risk	0.08%
	3	Exceptionally Strong Credit Risk	0.12%
	3-	Exceptionally Strong Credit Risk	0.17%
	4+	Highest credit quality, subject to minimal credit risk	0.25%
	4	Excellent credit quality, subject to very negligible credit risk	0.35%
	4-	Excellent credit quality but susceptible to adverse changes while capacity to meet financial obligations is strong, subject to low credit risk	0.50%
Performing	5+	Good credit quality, adverse changes could weaken the capacity to repay, subject to low credit risk	0.80%
	5	Good credit quality, adverse changes could substantially weaken the capacity to repay, subject to moderate credit risk	1.25%
	5-	Satisfactory credit quality, current financial obligations are being met but adverse business condition could affect the ability to repay, subject to moderate credit risk	2.10%
	6+	Speculative credit quality, capacity to pay is highly dependent upon favorable business conditions, subject to high credit risk	3.50%
	6	Highly Speculative credit quality, capacity to pay is constrained even upon favorable business conditions and external supports, subject to high credit risk.	6.30%
	6-	Highly vulnerable to default, subject to extremely high credit risk	13.25%
Default	7	Special mention, watch list, Policy driven downgrades, non- target market	30.00%
	8	Sub-standard / Non-accrual	100.00%
	9	Doubtful	100.00%
	10	Loss	100.00%

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Impairment Framework

The Bank's impairment framework is designed to ensure the accurate recognition of credit losses and the appropriate provision of allowances in accordance with International Financial Reporting Standards (IFRS9). The framework is integral to maintaining the financial health of the Bank, ensuring that all credit exposures are assessed for impairment and that sufficient provisions are made to absorb potential losses.

The Bank recognizes impairments on financial assets through an Expected Credit Loss (ECL) model, which applies a forward-looking approach to estimate potential credit losses. This model incorporates both historical data and forward-looking information to assess the credit quality of assets and to determine an appropriate impairment allowance. The ECL model is based on three stages of credit deterioration:

Stage 1 - Performing Assets:

Financial assets that have not experienced significant credit deterioration since initial recognition. A 12-month ECL is recognized in this stage.

Stage 2 - Underperforming Assets:

Financial assets that have shown significant credit deterioration since initial recognition but are not yet considered impaired. A lifetime ECL is recognized in this stage.

Stage 3 - Credit-Impaired Assets (Non-performing Assets):

Financial assets that are considered credit-impaired. A lifetime ECL is recognized, and profit income is calculated on the net carrying amount (i.e., after adjusting for the impairment allowance).

The Bank's Credit Risk Management function is responsible for monitoring credit exposures, identifying deteriorating assets based on pre-set Significant Increase in Credit Risk (SICR) criteria, and ensuring the accuracy of impairment provisions. Regular periodic reviews of the credit portfolio are conducted to assess changes in credit risk and to update impairment provisions as necessary. The Bank also employs a range of models, including internal credit ratings, macroeconomic variables, and industry-specific factors, to estimate the expected credit loss and assess the adequacy of provisions.

Impairment provisions are subject to regular governance and oversight by the Risk Management and Impairment Committee to ensure they are consistent with the Bank's policies and are aligned with the regulatory requirements. In addition, external audits are conducted to verify the adequacy and accuracy of impairment provisioning, ensuring transparency and adherence to financial reporting standards.

In the retail portfolio, the impairment framework and the assessment of the portfolio's credit quality, relies on automated credit scoring models that incorporate both quantitative data (e.g., payment history, income stability) and qualitative factors (e.g., economic conditions). For corporate and institutional financing, impairments are determined based on detailed credit reviews, with consideration given to individual obligor risk ratings, financial performance, and macroeconomic conditions.

The Bank remains committed to ensuring that its impairment framework is robust and responsive to changing economic conditions, regulatory developments, and evolving market risks. This approach enables the Bank to maintain financial stability, safeguard shareholder value, and fulfil its obligations to customers and stakeholders.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Significant Increase in Credit Risk (SICR) Criteria:

The Significant Increase in Credit Risk (SICR) criteria play a crucial role in the Bank's credit risk management framework and are integral to the calculation of Expected Credit Losses (ECL) under IFRS9. The SICR threshold determines when a financial asset transitions from Stage 1 (performing) to Stage 2 (underperforming) of the ECL model, triggering the recognition of lifetime expected credit losses. A significant increase in credit risk signifies a deterioration in the credit quality of an obligor, even if the obligor is not yet in default category.

As outlined in the regulations, the Significant Increase in Credit Risk (SICR) backstop and rebuttal criteria are applied consistently across all types of exposures without modifications. Any exceptions to these criteria are thoroughly documented, including detailed justifications and the rationale for SICR overrides.

The Bank employs a forward-looking approach to assess whether there has been a significant increase in credit risk since the initial recognition of a financial asset. The determination of SICR is based on both quantitative and qualitative factors are briefly described below:

Quantitative SICR Criteria:

- Rating Migration: A deterioration in the internal credit rating of an obligor, as determined by the Bank's internal credit-rating model or mapped external credit ratings, is a key indicator of SICR. A movement from a better risk grade to a worst risk grade beyond the allowable notches would trigger the SICR assessment.
- PD Threshold: The Bank's SICR criteria have PD threshold for classifying the assent into different IFRS9 stage. An obligor beyond a pre-set threshold will be transited to lower stage on the reporting date PD indicating current risk carried by the obligor.
- Days Past Due (DPD): A significant increase in credit risk may be indicated by an increase in the number of days past due on the obligor's payments. Typically, if an asset becomes more than 30 days past due, it may trigger the assessment of SICR, although additional criteria may apply depending on the asset class.

Qualitative SICR Criteria:

Internal Classification: The Internal Classification Staging criteria are primarily applicable to the Bank's non-retail portfolios. These criteria incorporate several qualitative factors, which are not fully captured by the Bank's risk rating models, and are assessed using qualitative methods for staging. The Bank classifies its customers into various classification buckets based on a range of qualitative factors, including but not limited to:

- Early warning indicators trigger event
- The adverse impact of the current macroeconomic environment
- Management issues within the company
- Tightening liquidity or cash flow constraints
- Corporate restructuring events, such as mergers or splits
- Refinancing or restructuring of facilities
- Declining profitability
- Industry-specific challenges
- Other relevant factors

These classification criteria are fully aligned with regulatory requirements, which mandate the use of qualitative methods to assess and assign assets to different stages.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

- Modified Assets: Modified Assets or Restructured Assets refer to financing or credit facilities where the terms have been altered due to the obligor's financial difficulties. Such modifications may include changes to the profit rate, repayment terms, or principal forgiveness to prevent default. Modified assets are classified at a minimum of Stage 2 for ECL (Expected Credit Loss) calculation. Restructured assets are closely monitored, and if they result in an economic loss, appropriate provisions are made in accordance with the Bank's impairment policies.
- Other Indicators: Qualitative factors, such as changes in management, business disruptions, or negative news about the obligor or its industry, are also considered in the assessment of SICR.

The identification of SICR is a dynamic process, with assets continuously monitored for any signs of deterioration. The Bank employs a range of tools, including early warning systems, credit reviews, and stress tests, to detect potential increases in credit risk. This proactive approach enables the Bank to manage credit risk effectively and ensure that provisions for credit losses are adequately maintained.

By applying the SICR criteria, the Bank ensures that its financial statements reflect the true underlying credit risk of its portfolio, providing stakeholders with a transparent view of potential credit losses and the resilience of the Bank's assets.

EAD - Exposure at Default

Exposure at Default (EAD) represents the total value the Bank is exposed to at the time of default by an obligor. It is the amount of the loan or credit facility that remains outstanding, including any potential increases in exposure, such as undrawn credit lines or guarantees, at the point when the obligor defaults. EAD is a key component in calculating the Expected Credit Loss (ECL) and is used to assess potential losses in the event of default.

It is important to note that the bank continues to recognize modified assets as per accounting guidance. Modified assets are loans or credit facilities where the terms have been altered, typically to support borrowers in financial distress. The Bank assesses the credit risk of modified assets within the same ECL framework, ensuring that significant modifications are carefully evaluated to accurately reflect their impact on the obligor's creditworthiness and the calculation of ECL.

PD - Probability of Default:

The Probability of Default (PD) is a crucial element in the Bank's credit risk assessment framework, serving as a key input for calculating expected credit losses. The Bank employs sophisticated credit risk models to assign a risk rating to each obligor, known as the Obligor Risk Rating (ORR). This rating is then mapped to a PD, representing an estimate of the likelihood of default over a 12-month period.

To refine this assessment, the Bank utilizes macroeconomic forecasts to derive a multi-period PD, also referred to as the PD Term Structure, which reflects the probability of default over multiple time horizons. These multi-period PDs are integral to calculating lifetime expected credit losses. The Bank incorporates three distinct, forward-looking economic scenarios – Base, Up, and Down – that represent different stages of the economic cycle, which influence the expected movement of PDs. For instance, in a down-trending economic environment, the PD of an obligor already experiencing credit stress and classified under Stage 2, with clear signs of weakness, is expected to deteriorate further. Conversely, in an improving economic environment, the PD for such an obligor would likely improve.

Additionally, the Bank accounts for an adjustment factor in its lifetime PD calculations to reflect survivability. This factor acknowledges that if a stressed obligor continues to meet its obligations over a prolonged period, the likelihood of default diminishes, thus lowering the overall PD.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

LGD - Loss Given Default

Loss Given Default (LGD) is a critical measure used to estimate the potential loss an obligor may cause in the event of default. The following key aspects are considered when estimating LGD for the Expected Credit Loss (ECL) calculation:

- Internal Loss or Recovery LGDs: The Bank utilizes internally derived LGDs for different portfolios, reflecting the Bank's own loss experience and recovery rates.
- Market Benchmarking: The Bank benchmarks its LGDs against national data pooling estimates, ensuring alignment with broader market trends and industry standards.
- Retail Portfolio LGDs: For retail products, the Bank employs decision tree based LGD models, which are developed using historical loss and recovery data specific to retail credit exposures.
- Investment and Financial Institutions Portfolios: Due to limited default and loss data in these segments, the Bank uses regulatory-prescribed LGD estimates for its investment and financial institution portfolios to maintain compliance with regulatory guidelines.

Cure Period

The cure period is established to ensure that the observed improvement in the performance of deteriorated accounts is sustainable and not merely temporary. This period also helps maintain stability by mitigating stage fluctuations caused by short-term signs of improved credit risk.

In alignment with regulatory guidelines, the Bank applies a cure period (or cool-down period) to all assets that exhibit signs of credit deterioration (Stage 2 and Stage 3) before transitioning them to a better stage.

For non-retail assets, a minimum cure period of 12 months is required, unless an exception is specifically approved by the Impairment Committee. For retail assets, a standard cure period of 6 months applies universally, with no exceptions, aligning with industries best practices.

Definition of 'Default'

As defined in the Basel regulation, a default is considered to have occurred when any of the following conditions are met for an obligor with the Bank:

- The obligor is 90 or more days past due on any of their material obligations with the Bank.
- Any of the obligor's obligations with the Bank have been charged-off in part or in full.
- Profit has stopped accruing profit on any of the obligor's obligations with the Bank within a specified segment.
- The obligor has filed for bankruptcy protection.
- The obligor's debt has been restructured in a manner that results in an economic loss to the Bank.
- The obligor has been classified as non-performing by the Bank, in accordance with internal policies and regulatory guidelines.

Use of expert judgment

Where assessed as appropriate, the Bank makes adjustments to the ECL estimate including those outside of the Bank's regular modelling process to reflect management's expert judgments. These includes management overlays which are adjustments to the ECL model outputs that have been made outside the detailed ECL calculation and reporting process and adjustments through further calibration of the modelled PD and LGD.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The Bank has an internal governance framework and controls in place to assess the appropriateness and reasonableness of all management overlays. Where the impairment committee assesses that the coverage for large watchlist exposures is not sufficient, an estimate of overlays are recommended by the impairment committee after due assessment of factors such as, prevailing circumstances of the counterparty, source of recovery, quality of collateral, viability of recovery plan, cash flows projections etc.

Write offs

The Bank writes off a financing exposure, either in whole or in part, only after all reasonable and practical recovery efforts have been exhausted, and it has determined that there is no foreseeable expectation of recovery. Write-offs are carried out following the necessary approvals, in accordance with the Bank's internal policies. Even in the event of a credit write-off, the Bank does not forfeit its right to pursue recovery and continues to apply the same level of intensity in collection efforts, including the use of legal recourse, to maximize recovery potential.

Sensitivity analysis

Sensitivity analysis is conducted to assess the impact of various macroeconomic indicators on the estimated Expected Credit Loss (ECL). The Bank leverages multiple relevant and indicative macroeconomic factors to forecast potential changes in the country's economic conditions.

The table below shows the sensitivity of change in economic indicators to the ECL computed under three different scenarios used by Bank:

	ﷲ'000			
	Due from banks and other financial institutions	Investments	Financing	Provision for credit-related commitments
2024				
Base case (most likely)	1,034	17,161	3,759,064	1,111,549
Up turn	804	12,875	3,268,013	1,096,515
Down turn	1,299	22,365	4,315,388	1,131,540

	ﷲ'000			
	Due from banks and other financial institutions	Investments	Financing	Provision for credit-related commitments
2023				
Base case (most likely)	1,282	19,854	4,432,701	655,863
Up turn	1,067	16,526	4,079,903	628,220
Down turn	1,713	26,530	5,049,831	714,761

The base case scenario represents a most-likely outcome. The Bank currently uses the weightings of 50% for baseline, 30% for optimistic assumptions and 20% for pessimistic assumptions. During the year, the Bank made additional enhancement to its analysis of the sensitivity analysis change in economic indicators to the ECL to reflect full impact of upturn and downturn scenarios and the comparative numbers have been updated to reflect this enhancement.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The probability of each scenario's occurrence is determined through a rigorous analytical process, further refined with management's input to ensure that scenario weights are logically and directionally aligned with the inherent risks and uncertainties of the economic outlook.

The base scenario is derived from forecasts provided by renowned economists, such as those published from the International Monetary Fund (IMF). It incorporates a wide range of current socio-economic factors along with a forward-looking perspective on the countries in question, using a well-established and robust forecasting mechanism.

In contrast, the pessimistic (down) and optimistic (up) scenarios are shaped by examining historical economic downturns and upturns within the Saudi economy, ensuring that these scenarios accurately reflect the potential range of economic variability.

The Bank has carefully considered probability weightings to provide the most reliable estimate of possible loss outcomes. In doing so, it has analyzed interrelationships and correlations within its credit portfolios, both in the short and long term, to ensure that these factors are appropriately reflected in the loss estimates.

The predicted relationships between key economic indicators, default rates, and loss rates across various financial asset portfolios have been developed through a detailed analysis of historical data. The Bank has utilized the following base case near-term forecast in its ECL model, based on the most up-to-date information available as of the reporting date:

Economic Indicators	Forecast calendar years used in 2024 ECL model		
	2025	2026	2027
Inflation (%)	1.89	2.03	2.00
GDP per capita (ﷲ)	108,234	110,984	112,985
Fiscal Spending (ﷲ Billions)	1,389	1,454	1,496
Oil Price / Barrel (USD)	74.71	72.19	70.60

Economic Indicators	Forecast calendar years used in 2023 ECL model		
	2024	2025	2026
Inflation (%)	2.31	2.03	2.01
GDP per capita (ﷲ)	87,361	88,181	89,042
Fiscal Spending (ﷲ Billions)	1,391	1,442	1,488
Oil Price / Barrel (USD)	71.28	69.40	67.96

The PD, EAD and LGD models are subject to the Bank's model risk policy that stipulates periodic model monitoring, periodic revalidation and defines approval procedures and authorities according to model materiality.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The Bank's ECL model continues to be sensitive to the above assumptions and are continually reassessed as part of its business as usual model refinement evaluation based over periodic independent model validation and backtesting exercise. As with any forecasts, the projections and likelihoods of occurrence are underpinned by various assumptions, management expert judgement and uncertainty and therefore, the actual outcomes may be different than those projected. The Bank has assigned high priority in enhancing the IFRS 9 calculation engine with an objective to minimize the manual intervention and automate system functionality to an optimal level.

29.1.1 Due from banks and other financial institutions by risk rating

	2024			2023		
	12-month ECL	Life time ECL not credit impaired	Total	12-month ECL	Life time ECL not credit impaired	Total
	ﷲ'000	ﷲ'000		ﷲ'000	ﷲ'000	
Due from banks and other financial institutions						
Grades 1-4: investment grade	4,459,186	-	4,459,186	1,683,542	-	1,683,542
Grades 5-6: good/satisfactory/speculative	20,672	-	20,672	16,738	-	16,738
Grades 7: Watch-list	-	31,318	31,318	-	1,915	1,915
Gross	4,479,858	31,318	4,511,176	1,700,280	1,915	1,702,195
Allowance for impairment	(406)	(628)	(1,034)	(1,031)	(257)	(1,288)
Net	4,479,452	30,690	4,510,142	1,699,249	1,658	1,700,907

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

29.1.2 Sukuk and Murabaha investments by risk rating

	2024	2023
	12-month ECL	
	Rp'000	
Murabahas with SAMA investments – amortized cost		
Grades 1-4: investment grade	1,771,552	1,626,379
Sukuk investments – amortized cost		
Grades 1-4: investment grade	29,907,799	25,422,871
Grades 5-6: good/satisfactory/speculative	19,270	75,763
	29,927,069	25,498,634
Sukuk investments – FVOCI		
Grades 1-4: investment grade	12,132,124	11,449,496
Grades 5-6: good/satisfactory/speculative	791,298	870,088
	12,923,422	12,319,584
Sukuk investments – FVSI		
Grades 1-4: investment grade	76,960	38,703
	76,960	38,703
Murabahas with SAMA and Sukuk investments - Total		
Grades 1-4: investment grade	43,888,435	38,537,449
Grades 5-6: good/satisfactory/speculative	810,568	945,851
Gross	44,699,003	39,483,300
Allowance for impairment	(17,161)	(19,854)
Net	44,681,842	39,463,446

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

29.1.3 Financing to customers by risk rating

	December 31, 2024			
		Life time ECL not credit impaired	Life time ECL credit impaired (non- performing)	
	12-month ECL			Total
₹'000				
Financing to customers (at amortized cost) – Retail				
Unrated	48,522,099	1,455,732	-	49,977,831
Impaired financing	-	-	502,404	502,404
Gross financing	48,522,099	1,455,732	502,404	50,480,235
Allowance for impairment	(216,715)	(81,692)	(349,813)	(648,220)
	48,305,384	1,374,040	152,591	49,832,015
Financing to customers (at amortized cost) – Corporate				
Grades 1-4: investment grade	86,143,895	-	-	86,143,895
Grades 5-6: good/satisfactory/speculative	57,920,301	9,322,112	-	67,242,413
Grades 7: Watch-list	-	520,783	-	520,783
Impaired financing	-	-	1,679,832	1,679,832
Gross financing	144,064,196	9,842,895	1,679,832	155,586,923
Allowance for impairment	(583,623)	(1,675,928)	(851,293)	(3,110,844)
	143,480,573	8,166,967	828,539	152,476,079
Financing to customers (at amortized cost) – Total				
Grades 1-4: investment grade	86,143,895	-	-	86,143,895
Grades 5-6: good/satisfactory/speculative	57,920,301	9,322,112	-	67,242,413
Grades 7: Watch-list	-	520,783	-	520,783
Unrated	48,522,099	1,455,732	-	49,977,831
Impaired financing	-	-	2,182,236	2,182,236
Gross financing	192,586,295	11,298,627	2,182,236	206,067,158
Allowance for impairment	(800,338)	(1,757,620)	(1,201,106)	(3,759,064)
Financing, net	191,785,957	9,541,007	981,130	202,308,094

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	December 31, 2023			
	12-month ECL	Life time ECL not credit impaired	Life time ECL credit impaired (non-performing)	Total
	₹'000			
Financing to customers (at amortized cost) – Retail				
Unrated	41,365,515	1,008,533	-	42,374,048
Impaired financing	-	-	851,915	851,915
Gross financing	41,365,515	1,008,533	851,915	43,225,963
Allowance for impairment	(225,433)	(115,840)	(638,641)	(979,914)
	41,140,082	892,693	213,274	42,246,049
Financing to customers (at amortized cost) – Corporate				
Grades 1-4: investment grade	74,180,382	-	-	74,180,382
Grades 5-6: good/satisfactory/speculative	49,074,485	7,588,368	-	56,662,853
Grades 7: Watch-list	-	1,977,001	-	1,977,001
Impaired financing	-	-	2,010,546	2,010,546
Gross financing	123,254,867	9,565,369	2,010,546	134,830,782
Allowance for impairment	(460,499)	(1,600,519)	(1,391,769)	(3,452,787)
	122,794,368	7,964,850	618,777	131,377,995
Financing to customers (at amortized cost) – Total				
Grades 1-4: investment grade	74,180,382	-	-	74,180,382
Grades 5-6: good/satisfactory/speculative	49,074,485	7,588,368	-	56,662,853
Grades 7: Watch-list	-	1,977,001	-	1,977,001
Unrated	41,365,515	1,008,533	-	42,374,048
Impaired financing	-	-	2,862,461	2,862,461
Gross financing	164,620,382	10,573,902	2,862,461	178,056,745
Allowance for impairment	(685,932)	(1,716,359)	(2,030,410)	(4,432,701)
Financing, net	163,934,450	8,857,543	832,051	173,624,044

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

29.1.4 Commitments and contingencies by risk rating

	December 31, 2024			
	12-month ECL	Life time ECL not credit impaired	Life time ECL credit impaired (non- performing)	Total
₹'000				
Commitments and contingencies				
Grades 1-4: investment grade	26,208,359	-	-	26,208,359
Grades 5-6: good/satisfactory/speculative	5,943,567	3,060,745	-	9,004,312
Grades 7: Watch-list	-	716,835	-	716,835
Unrated	4,157,143	-	-	4,157,143
Impaired	-	-	1,239,774	1,239,774
Gross carrying amount	36,309,069	3,777,580	1,239,774	41,326,423
Total amount at credit equivalents	16,404,721	1,852,938	987,888	19,245,547
Provision for credit-related commitments	45,955	537,245	528,349	1,111,549
	December 31, 2023			
	12-month ECL	Life time ECL not credit impaired	Life time ECL credit impaired (non- performing)	Total
₹'000				
Commitments and contingencies				
Grades 1-4: investment grade	19,160,383	-	-	19,160,383
Grades 5-6: good/satisfactory/speculative	9,447,814	3,713,019	-	13,160,833
Grades 7: Watch-list	-	720,572	-	720,572
Unrated	2,757,377	-	-	2,757,377
Impaired	-	-	566,493	566,493
Gross carrying amount	31,365,574	4,433,591	566,493	36,365,658
Total amount at credit equivalents	14,456,656	2,559,155	284,235	17,300,046
Provision for credit-related commitments	40,469	402,016	213,378	655,863

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Rating Scale (1 – 4) represents:	Substantially credit risk free, Exceptionally strong credit quality, Excellent credit risk quality, Very good credit risk quality.
Rating Scale (5 – 6) represents:	Good, satisfactory and speculative credit quality.
Rating Scale (7) represents:	Watch list category.

29.2 Economic sectors risk concentration for financing and allowance for impairment are as follows:

	ﷲ'000			
	Performing	Non-performing	Life time ECL for credit impaired financing	Financing, net
2024				
Government and quasi government	21,698,698	-	-	21,698,698
Manufacturing	9,203,368	854,855	(425,123)	9,633,100
Electricity, water, gas & health services	7,749,409	-	-	7,749,409
Building and construction	9,388,502	44,658	(36,871)	9,396,289
Services	29,255,399	118,615	(98,029)	29,275,985
Mining	3,579,596	-	-	3,579,596
Agriculture	2,495,496	-	-	2,495,496
Consumer financing	49,977,831	502,404	(349,813)	50,130,422
Transportation and communication	8,975,492	2,750	(825)	8,977,417
Commerce	13,323,334	298,485	(128,234)	13,493,585
Real estate business	31,528,282	360,469	(162,211)	31,726,540
Others	16,709,515	-	-	16,709,515
	203,884,922	2,182,236	(1,201,106)	204,866,052
ECL against performing financing				(2,557,958)
Financing, net				202,308,094

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	ﷲ'000			
	Performing	Non-performing	Life time ECL for credit impaired financing	Financing, net
2023				
Government and quasi government	16,301,450	-	-	16,301,450
Manufacturing	9,417,958	1,329,925	(762,407)	9,985,476
Electricity, water, gas & health services	6,819,438	-	-	6,819,438
Building and construction	8,974,525	26,551	(19,913)	8,981,163
Services	22,912,063	68,761	(40,145)	22,940,679
Mining	1,981,418	-	-	1,981,418
Agriculture	2,831,795	-	-	2,831,795
Consumer financing	42,374,048	851,915	(638,641)	42,587,322
Transportation and communication	5,791,424	27,516	(27,516)	5,791,424
Commerce	12,108,629	553,083	(539,786)	12,121,926
Real estate business	28,686,575	4,710	(2,002)	28,689,283
Others	16,994,961	-	-	16,994,961
	175,194,284	2,862,461	(2,030,410)	176,026,335
ECL against performing financing				(2,402,291)
Financing, net				173,624,044

29.3 Collateral

The Bank, in the ordinary course of business holds collaterals as security to mitigate credit risk. These collaterals mostly include customers' deposits, financial guarantees, equities, real estate and other fixed assets. As at December 31, 2024, the Bank held collaterals of ﷲ 229,848 million (2023: ﷲ 195,695 million) against its secured financing.

The amount of collaterals held as security for financing that are credit-impaired are as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Less than 50%	2,005,787	2,128,091
51% to 70%	39,753	582,185
More than 70%	136,696	152,185
Total	2,182,236	2,862,461

The Bank's policies regarding obtaining collateral have not significantly changed during the year and there has been no significant change in the overall quality of the collaterals held by the Bank.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The following table sets out the principal types of collateral held against financing. The Bank does not hold any type of collateral for its financial assets other than financing.

Types of Collateral	2024	2023
	ﷲ'000	ﷲ'000
Real estate and fixed assets	161,993,431	134,389,254
Shares	31,314,293	30,045,466
Others	36,539,992	31,260,183
Total	229,847,716	195,694,903

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

29.4 Geographical concentration of financial assets, financial liabilities, commitments and contingencies are as follows:

	ﷲ'000				
	Kingdom of Saudi Arabia	Other GCC and Middle East countries	Europe	Other countries	Total
2024					
Financial assets:					
Cash and balances with SAMA	13,849,670	-	-	-	13,849,670
Due from banks and other financial institutions					
Current accounts	-	49,843	302,829	374,497	727,169
Murabaha, Wakala and Reverse repo with banks	2,565,928	1,217,045	-	-	3,782,973
Investments, net					
Investments held at amortized cost	31,543,727	123,185	-	14,548	31,681,460
Investments held at FVOCI	12,319,039	1,333,092	98,687	-	13,750,818
Investments held at FVSI	1,459,885	1,110,651	80,926	491,203	3,142,665
Investments in associate and joint venture	50,267	-	-	-	50,267
Positive fair value of derivatives	259,825	16,926	228,666	-	505,417
Financing, net					
Retail	49,832,015	-	-	-	49,832,015
Corporate	150,209,443	-	-	2,266,636	152,476,079
Other financial assets	1,669,279	-	-	-	1,669,279
Total financial assets	263,759,078	3,850,742	711,108	3,146,884	271,467,812
Financial liabilities:					
Due to SAMA, banks and other financial institutions					
Current accounts	700,033	28,348	-	1,699	730,080
Time investments and placements with SAMA	9,760,139	758,248	2,535,657	152,132	13,206,176
Customers' deposits					
Demand, savings and others	108,658,348	-	-	81,207	108,739,555
Customer's time investments	101,716,338	-	-	88,757	101,805,095
Negative fair value of derivatives	321,922	26,878	87,826	-	436,626
Other financial liabilities	9,364,022	-	-	-	9,364,022
Total financial liabilities	230,520,802	813,474	2,623,483	323,795	234,281,554
Commitments and contingencies, gross:					
Letters of credit	3,392,930	-	-	-	3,392,930
Letters of guarantee	21,548,974	-	-	-	21,548,974
Acceptances	1,203,262	-	-	-	1,203,262
Irrevocable commitments to extend credit	15,181,257	-	-	-	15,181,257
Total commitments and contingencies	41,326,423	-	-	-	41,326,423
Maximum credit exposure (stated at credit equivalent amounts) of commitments and contingencies:					
Letters of credit	1,203,262	-	-	-	1,203,262
Letters of guarantee	678,586	-	-	-	678,586
Acceptances	11,291,196	-	-	-	11,291,196
Irrevocable commitments to extend credit	6,072,503	-	-	-	6,072,503
Total maximum credit exposure	19,245,547	-	-	-	19,245,547

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

	ﷲ'000				
	Kingdom of Saudi Arabia	Other GCC and Middle East countries	Europe	Other countries	Total
2023					
Financial assets:					
Cash and balances with SAMA	12,598,444	-	-	-	12,598,444
Due from banks and other financial institutions					
Current accounts	-	34,583	365,126	86,101	485,810
Murabaha and Wakala with banks	1,215,097	-	-	-	1,215,097
Investments, net					
Investments held at amortized cost	26,911,654	179,075	-	14,430	27,105,159
Investments held at FVOCI	12,159,066	1,133,674	100,864	72,975	13,466,579
Investments held at FVSI	1,242,376	795,048	34,745	576,808	2,648,977
Investments in associate and joint venture	15,637	-	-	-	15,637
Positive fair value of derivatives	114,203	11	-	30,115	144,329
Financing, net					
Retail	42,246,049	-	-	-	42,246,049
Corporate	128,893,436	-	-	2,484,559	131,377,995
Other financial assets	1,664,201	-	-	-	1,664,201
Total financial assets	227,060,163	2,142,391	500,735	3,264,988	232,968,277
Financial liabilities:					
Due to SAMA, banks and other financial institutions					
Current accounts	173,964	34,583	-	107,849	316,396
Time investments and placements with SAMA	5,254,509	534,562	1,288,114	37,649	7,114,834
Customers' deposits					
Demand, savings and others	90,421,636	-	-	130,578	90,552,214
Customer's time investments	97,348,367	-	-	-	97,348,367
Negative fair value of derivatives	108,128	2,193	-	-	110,321
Other financial liabilities	6,143,485	-	-	-	6,143,485
Total financial liabilities	199,450,089	571,338	1,288,114	276,076	201,585,617
Commitments and contingencies, gross:					
Letters of credit	3,922,977	-	-	-	3,922,977
Letters of guarantee	19,052,144	-	-	-	19,052,144
Acceptances	1,254,199	-	-	-	1,254,199
Irrevocable commitments to extend credit	12,136,338	-	-	-	12,136,338
Total commitments and contingencies	36,365,658	-	-	-	36,365,658
Maximum credit exposure (stated at credit equivalent amounts) of commitments and contingencies:					
Letters of credit	784,595	-	-	-	784,595
Letters of guarantee	10,406,717	-	-	-	10,406,717
Acceptances	1,254,199	-	-	-	1,254,199
Irrevocable commitments to extend credit	4,854,535	-	-	-	4,854,535
Total maximum credit exposure	17,300,046	-	-	-	17,300,046

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

29.5 The distribution by geographical concentration of non-performing financing and allowances for impairment on financing is as follows:

2024	S'000				
	Kingdom of Saudi Arabia	Other GCC and Middle East countries	Europe	Other countries	Total
Non-performing financing, net					
Retail	502,404	-	-	-	502,404
Corporate	1,679,832	-	-	-	1,679,832
Total	2,182,236	-	-	-	2,182,236
Allowances for impairment on financing					
Retail	648,220	-	-	-	648,220
Corporate	3,106,092	-	-	4,752	3,110,844
Total	3,754,312	-	-	4,752	3,759,064

2023	S'000				
	Kingdom of Saudi Arabia	Other GCC and Middle East countries	Europe	Other countries	Total
Non-performing financing, net					
Retail	851,915	-	-	-	851,915
Corporate	2,010,546	-	-	-	2,010,546
Total	2,862,461	-	-	-	2,862,461
Allowances for impairment on financing					
Retail	979,914	-	-	-	979,914
Corporate	3,447,603	-	-	5,184	3,452,787
Total	4,427,517	-	-	5,184	4,432,701

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

30. Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in market variables such as equity prices, profit rates, foreign exchange rates and commodity prices. The Bank classifies exposures to market risks into either trading or non-trading (or banking book).

Market risk – trading book

The Bank is exposed to an insignificant market risk on its trading book position of equities in local currency which is regularly marked to market and losses or gains on equity prices are taken directly into consolidated statement of income.

Market risk – non trading book

Market risks on non-trading book mainly arise from profit rate movements and, to a minor extent, from currency fluctuations. The Bank also faces price risks on investments held at "FVOCI".

30.1 Profit rate risk

It arises from changes in profit rates which will affect either the fair values or the future cash flows of the financial instruments. The Board has established profit rate gap limits which are regularly monitored by ALCO. Treasury imputes the funding costs based on the yield curve and the margins are also adjusted to account for liquidity premium based on the duration of the financing.

Following table depicts the sensitivity on the Bank's consolidated statement of income or equity due to reasonably possible changes in profit rates, with other variables held constant. The sensitivity is the effect of the assumed changes in profit rates on the net income or equity, based on profit bearing non-trading financial assets and financial liabilities as of the reporting date after taking in to account their respective maturities and re-pricing structure. Due to insignificant foreign currency exposures of profit bearing financial assets and liabilities in banking book, all the banking book exposures are monitored only in reporting currency.

2024 Increase/decrease in basis points	Average sensitivity of net income from financing and investments	Sensitivity of equity				
		Within 3 months	3-12 months	1-5 years	Over 5 years	Total
₹'000						
10	15,680	(11,335)	27,360	(14,905)	(17,882)	(16,762)
-10	(15,680)	11,335	(27,360)	14,905	17,882	16,762

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Table with 7 columns: 2023 Increase/decrease in basis points, Average sensitivity of net income from financing and investments, Sensitivity of equity (Within 3 months, 3-12 months, 1-5 years, Over 5 years, Total). Rows show sensitivity for 10 and -10 basis points.

Yield sensitivity of assets, liabilities and off-balance sheet items

The Bank manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market profit rates on its financial position and cash flows. The Bank uses the SAIBOR for ﷻ and appropriate reference rates for USD lending as a benchmark rate for different maturities. At times when these benchmark rates are not representative of the actual transactions in the market, marginal cost of fund is provided by Treasury. The Bank charges profit rates based on the maturity of loans (longer term loans usually require a higher profit rate) based on marginal costs of funds.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

The table below summarizes the Bank's exposure to profit rate risks. Included in the table are the Bank's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

Table with 7 columns: 2024, Within 3 months, 3-12 months, 1-5 years, Over 5 years, Non-profit bearing, Total. Rows include Assets (Cash and balances with SAMA, Due from banks and other financial institutions, Investments, net), Financing, net, Liabilities & equity (Due to SAMA, banks and other financial institutions, Customer deposits, Other liabilities), and Total equity. Includes yield sensitivity analysis at the bottom.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	ﷲ'000					
2023	Within 3 months	3-12 months	1-5 years	Over 5 years	Non-profit bearing	Total
Assets						
Cash and balances with SAMA	1,700,000	-	-	-	10,898,444	12,598,444
Due from banks and other financial institutions:						
Current accounts	-	-	-	-	485,810	485,810
Murabaha and Wakala with banks	1,215,097	-	-	-	-	1,215,097
Investments, net						
Investments held at amortized cost	43,192	2,844,947	3,155,796	21,061,224	-	27,105,159
Investments held at FVOCI	2,349,328	2,495,378	7,333,829	141,048	1,146,996	13,466,579
Investments held at FVSI	-	-	-	38,703	2,610,274	2,648,977
Investments in associate and joint venture	-	-	-	-	15,637	15,637
Positive fair value of derivatives	-	144,020	-	-	309	144,329
Financing, net						
Retail	6,775,192	3,797,746	15,906,974	15,766,137	-	42,246,049
Corporate	65,761,862	56,725,088	6,345,875	2,545,170	-	131,377,995
Property and equipment, net	-	-	-	-	2,888,209	2,888,209
Other assets	-	-	-	-	2,522,813	2,522,813
Total assets	77,844,671	66,007,179	32,742,474	39,552,282	20,568,492	236,715,098
Liabilities & equity						
Due to SAMA, banks and other financial institutions						
Current accounts	-	-	-	-	316,396	316,396
Time investments and placements with SAMA	5,067,379	759,341	1,288,114	-	-	7,114,834
Customer deposits						
Demand, savings and others	7,204,676	1,528,884	2,064,716	4,783,062	74,970,876	90,552,214
Customer's time investments	67,720,197	27,178,861	2,316,206	133,103	-	97,348,367
Negative fair value of derivatives	-	110,321	-	-	-	110,321
Amounts due to Mutual Funds' unitholders	-	-	-	-	93,510	93,510
Other liabilities	-	-	-	-	6,845,855	6,845,855
Total equity	-	-	-	-	34,333,601	34,333,601
Total liabilities & equity	79,992,252	29,577,407	5,669,036	4,916,165	116,560,238	236,715,098
Yield sensitivity - On statement of financial position	(2,147,581)	36,429,772	27,073,438	34,636,117		
Yield sensitivity - Off statement of financial position	6,735,663	9,006,941	20,589,451	33,603		
Total yield sensitivity gap	4,588,082	45,436,713	47,662,889	34,669,720		
Cumulative yield sensitivity gap	4,588,082	50,024,795	97,687,684	132,357,404		

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

30.2 Currency risk

Currency risk represents the risks of change of value of financial instruments due to changes in foreign exchange rates. The Bank's Risk Appetite Framework and policies contain limits for positions by currencies. However, the Bank has negligible exposure in foreign currencies because its assets and liabilities are primarily denominated in Saudi Riyals and to a smaller extent in United States Dollars (USD) or in USD pegged currencies.

The Bank has the following summarized exposure to foreign currency exchange rate risk as at December 31:

	2024	2023
	ﷲ'000	ﷲ'000
Assets		
Cash and balances with SAMA	165,651	122,668
Due from banks and other financial institutions	2,192,940	487,098
Investments, net	5,679,078	4,821,685
Financing, net	13,429,237	5,487,801
Other assets	488,119	636,662
Total currency risk on assets	21,955,026	11,555,914
Liabilities		
Due to SAMA, banks and other financial institutions	4,014,762	2,410,785
Customers' deposits	13,945,998	5,929,878
Other liabilities	946,394	464,493
Total currency risk on liabilities	18,907,154	8,805,156
Tier 1 sukuk	3,750,500	-
Foreign currency forwards, net	(743,946)	(901,874)
Net position – (liability) / asset	(1,446,574)	1,848,884

The table below shows the currencies to which the Bank has a significant exposure as at December 31:

	2024	2023
	ﷲ'000	ﷲ'000
USD	(1,463,602)	1,831,814
Euro	(36,119)	(30,026)
UAE Dirham	11,182	46,326
BHD	(21,323)	(19,273)
QAR	1,927	1,633
Others	61,361	18,410
Total	(1,446,574)	1,848,884

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

30.3 Equity price risk

Equity price risk refers to the risk of decrease in fair values of equities as a result of changes in the levels of equity index and the value of individual stocks.

The effect on the Bank's equity investments held at FVOCI due to reasonable possible change in equity index, with all other variables held constant is as follows:

Market index-(Saudi Exchange)	2024		2023	
	ﷲ'000		ﷲ'000	
	Increase / decrease in market prices%	Effect on equity	Increase / decrease in market prices%	Effect on equity
Impact of change in market prices	±10%	± 80,019	±10%	± 112,216

31. Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, the Bank has diversified funding sources and assets are managed taking liquidity into consideration, maintaining an adequate balance of cash and cash equivalents. The Bank has a Market Risk Management team under the Risk Management Group that regularly monitors the liquidity risk of the Bank.

In accordance with Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7% of total demand deposits and 4% of customers' time investments.

In addition to the statutory deposit, the Bank also maintains liquid reserves of no less than 20% of its deposit liabilities, in the form of cash and assets, which can be converted into cash within a period not exceeding 30 days.

31.1 Analysis of financial liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the Bank's financial liabilities at December 31, 2024 and 2023 based on contractual undiscounted repayment obligations whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

As profit payments up to contractual maturity are included in the table, totals do not match with the figures as appearing in the consolidated statement of financial position.

2024	S'000					Total
	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	
Liabilities						
Due to SAMA, banks and other financial institutions						
Current accounts	-	-	-	-	730,080*	730,080
Time investments and placements with SAMA	5,699,186	6,789,562	1,311,506	-	-	13,800,254
Customers' deposits						
Demand, savings and others	-	-	-	-	108,739,555*	108,739,555
Customer's time investments	81,424,994	18,240,515	2,245,534	2,258,201	-	104,169,244
Negative fair value of derivatives	8,835	2,327	118,246	307,218	-	436,626
Other liabilities	-	-	-	-	10,468,174	10,468,174
Total liabilities	87,133,015	25,032,404	3,675,286	2,565,419	119,937,809	238,343,933

2023	S'000					Total
	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	
Liabilities						
Due to SAMA, banks and other financial institutions						
Current accounts	-	-	-	-	316,396*	316,396
Time investments and placements with SAMA	2,930,488	2,392,998	2,341,697	-	-	7,665,183
Customers' deposits						
Demand, savings and others	-	-	-	-	90,552,214*	90,552,214
Customer's time investments	68,266,219	28,094,066	2,543,338	193,834	-	99,097,457
Negative fair value of derivatives	-	2,527	25,923	81,871	-	110,321
Other liabilities	-	-	-	-	6,939,365	6,939,365
Total liabilities	71,196,707	30,489,591	4,910,958	275,705	97,807,975	204,680,936

* These are all payable on demand

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

31.2 The tables below show the maturity profile of the assets and liabilities:

The maturities of assets and liabilities have been determined on the basis of the remaining period at reporting date and does not reflects the effective maturities as indicated by the historical experience.

2024	S'000					Total
	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	
Assets						
Cash and balances with SAMA	330,000	-	-	-	13,519,670	13,849,670
Due from banks and other financial institutions:						
Current accounts	-	-	-	-	727,169*	727,169
Murabaha, Wakala and Reverse repo with banks	3,269,242	-	513,731	-	-	3,782,973
Investments, net						
Investments held at amortized cost	68,100	1,041,115	5,026,126	25,546,119	-	31,681,460
Investments held at FVOCI	101,696	1,493,715	6,683,721	4,644,290	827,396	13,750,818
Investments held at FVSI	-	-	-	-	3,142,665	3,142,665
Investments in associate and joint venture	-	-	-	-	50,267	50,267
Positive fair value of derivatives	6,931	3,112	121,082	374,292	-	505,417
Financing, net						
Retail	4,987,303	6,066,883	19,733,972	19,043,857	-	49,832,015
Corporate	16,054,828	40,229,010	58,342,564	37,849,677	-	152,476,079
Property and equipment, net	-	-	-	-	3,400,866	3,400,866
Other assets	-	-	-	-	3,628,082	3,628,082
Total assets	24,818,100	48,833,835	90,421,196	87,458,235	25,296,115	276,827,481
Liabilities and equity						
Due to SAMA, banks and other financial institutions						
Current accounts	-	-	-	-	730,080*	730,080
Time investments and placements with SAMA	5,666,216	6,404,721	1,135,239	-	-	13,206,176
Customers' deposits						
Demand, savings and others	-	-	-	-	108,739,555*	108,739,555
Customer's time investments	80,930,596	17,661,651	1,829,551	1,383,297	-	101,805,095
Negative fair value of derivatives	8,836	2,327	118,246	307,217	-	436,626
Amount due to Mutual Funds' unitholders	-	-	-	-	114,557	114,557
Other liabilities	-	-	-	-	10,353,617	10,353,617
Total equity	-	-	-	-	41,441,775	41,441,775
Total liabilities and equity	86,605,648	24,068,699	3,083,036	1,690,514	161,379,584	276,827,481
Commitments & contingencies						
Letters of credit	1,531,781	1,715,739	145,410	-	-	3,392,930
Letters of guarantee*	2,307,082	10,172,884	8,970,910	98,098	-	21,548,974
Acceptances	1,203,262	-	-	-	-	1,203,262
Irrevocable commitments to extend credit*	-	-	15,181,257	-	-	15,181,257

* These are all receivables / payable on demand. Letters of guarantee and irrevocable commitments may be payable on demand in the event of default.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

2023	S'000					Total
	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	
Assets						
Cash and balances with SAMA	1,700,000	-	-	-	10,898,444	12,598,444
Due from banks and other financial institutions:						
Current accounts	-	-	-	-	485,810*	485,810
Murabaha and Wakala with banks	1,010,171	-	204,926	-	-	1,215,097
Investments, net						
Investments held at amortized cost	49,708	2,949,864	4,868,914	19,236,673	-	27,105,159
Investments held at FVOCI	9,883	1,135,776	6,379,067	4,794,857	1,146,996	13,466,579
Investments held at FVSI	-	-	-	38,703	2,610,274	2,648,977
Investments in associate and joint venture	-	-	-	-	15,637	15,637
Positive fair value of derivatives	-	144,020	-	-	309	144,329
Financing, net						
Retail	2,860,018	5,887,992	17,475,298	16,022,741	-	42,246,049
Corporate	16,821,272	30,791,448	53,301,305	30,463,970	-	131,377,995
Property and equipment, net	-	-	-	-	2,888,209	2,888,209
Other assets	-	-	-	-	2,522,813	2,522,813
Total assets	22,451,052	40,909,100	82,229,510	70,556,944	20,568,492	236,715,098
Liabilities and equity						
Due to SAMA, banks and other financial institutions						
Current accounts	-	-	-	-	316,396*	316,396
Time investments and placements with SAMA	5,067,379	759,341	1,288,114	-	-	7,114,834
Customers' deposits						
Demand, savings and others	-	-	-	-	90,552,214*	90,552,214
Customer's time investments	67,721,036	27,178,022	2,316,206	133,103	-	97,348,367
Negative fair value of derivatives	-	2,527	25,923	81,871	-	110,321
Amount due to Mutual Funds' unitholders	-	-	-	-	93,510	93,510
Other liabilities	-	-	-	-	6,845,855	6,845,855
Total equity	-	-	-	-	34,333,601	34,333,601
Total liabilities and equity	72,788,415	27,939,890	3,630,243	214,974	132,141,576	236,715,098
Commitments & contingencies						
Letters of credit	2,369,762	1,402,770	150,445	-	-	3,922,977
Letters of guarantee*	3,111,702	7,604,171	8,302,668	33,603	-	19,052,144
Acceptances	1,254,199	-	-	-	-	1,254,199
Irrevocable commitments to extend credit*	-	-	12,136,338	-	-	12,136,338

* These are all receivables / payable on demand. Letters of guarantee and irrevocable commitments may be payable on demand in the event of default.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

32. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Bank's operations.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and innovation. In all cases, Bank policy requires compliance with all applicable legal and regulatory requirements.

The Bank has an Operational Risk Team as a part of Risk Management Group which is tasked with monitoring and controlling the operational risks of the Bank. Functions of this unit are guided by the Operational Risk Policy and Framework. To systematize the assessment and mitigation of operational risks, the Business Environment and Internal Control Framework is established through Risk Control and Self-Assessment (RCSA) along with establishing Key Risk Indicators (KRIs) for all business and support units. These risk metrics are proactively monitored by Operational Risk department on a regular basis. In addition, the Bank has a successfully tested and documented business continuity plan and operational disaster recovery site.

33. Sharia'a non-compliance risk

Being an Islamic bank, the Bank is exposed to the risk of Sharia'a non-compliance. To mitigate such risk, extensive Sharia'a policies and procedures are in place. Further, the Bank has established a Sharia'a Committee and a Sharia'a Compliance Audit Unit to monitor such risk.

34. Reputational risk

Reputational risk covers the potential adverse effects resulting from negative publicity about the Bank's products, services, competence, integrity and reliability.

As an Islamic bank, one of the major sources of reputational risk is Sharia'a non-compliance. The other sources of negative publicity could be major frauds, customer complaints, regulatory actions and negative perceptions about the Bank's financial condition. The Bank has put in place controls around reputational risk in order to mitigate and avoid such risks. Currently, the Bank measures the reputational risk through a Scorecard based approach, where Risk Management Group compiles the results of assessments made by business heads to derive the Bank's overall reputational risk indicators.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

35. Fair values of financial assets and liabilities

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank

The Bank uses following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices in active market for the same instrument (i.e. without modification or repacking):

Level 2: Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data

Level 3: Inputs that are unobservable. This category include all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation technique and significant unobservable inputs for financial instruments at fair value

The Bank uses various valuation techniques used in measuring level 2 and Level 3 fair values at December 31, 2024 and December 31, 2023, as well as the significant unobservable inputs used.

For the valuation of investments in mutual funds, the Bank utilizes fund manager valuation reports. The fund manager deploys various techniques (such as discounted cash flow models and multiples method) for the valuation of underlying assets classified under level 2 and 3 of the respective fund's fair value hierarchy. Significant unobservable inputs embedded in the models used by the fund manager include risk-adjusted discount rates, marketability and liquidity discounts and control premiums.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

35.1 Fair values of financial assets and liabilities carried at fair value

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	S'000			Total carrying value
	Level 1	Level 2	Level 3	
2024				
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	168,270	-	57,817	226,087
- Sukuk	61,318	15,642	-	76,960
- Mutual funds	563,311	1,591,304	685,003	2,839,618
Financial assets held as FVOCI				
- Equities	800,194	-	27,202	827,396
- Sukuk	4,715,304	8,208,118	-	12,923,422
Positive fair value of derivatives				
- Held for trading	-	492,942	-	492,942
- Held for cash flow hedges	-	12,475	-	12,475
Total	6,308,397	10,320,481	770,022	17,398,900
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	401,191	-	401,191
- Held for cash flow hedges	-	35,435	-	35,435
Total	-	436,626	-	436,626

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

	S'000			Total carrying value
	Level 1	Level 2	Level 3	
2023				
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	187,728	-	42,817	230,545
- Sukuk	23,274	15,429	-	38,703
- Mutual funds	337,927	1,420,727	621,075	2,379,729
Financial assets held as FVOCI				
- Equities	1,122,156	-	24,839	1,146,995
- Sukuk	3,799,811	8,519,773	-	12,319,584
Positive fair value of derivatives				
- Held for trading	-	144,329	-	144,329
Total	5,470,896	10,100,258	688,731	16,259,885
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	110,321	-	110,321
Total	-	110,321	-	110,321

There were no transfers between fair value hierarchy levels during the year.

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Financial assets held as FVSI	Financial assets held as FVOCI
	S'000	S'000
2024		
Balance at January 1, 2024	663,892	24,839
Additional / new investments	149,817	2,455
Capital return and disposals during the year	(25,437)	(92)
Net change in fair value (unrealized)	(45,452)	-
Balance at December 31, 2024	742,820	27,202

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

2023	Financial assets held as FVSI	Financial assets held as FVOCI
	ﷲ'000	ﷲ'000
Balance at January 1, 2023	582,234	21,779
Additional / new investments	83,211	2,923
Capital return and disposals during the year	(4,732)	-
Net change in fair value (unrealized)	3,179	137
Balance at December 31, 2023	663,892	24,839

35.2 Fair values of financial assets and liabilities not carried at fair value

Management adopts discounted cash flow method using the current yield curve to arrive at the fair value of financial instruments which is categorized within Level 3 of the fair value hierarchy except for investments in Sukuks and Murabaha with SAMA which are categorized within Level 2. The fair values of cash and balances with SAMA are not materially different from its carrying values included in the consolidated financial statements. Following table shows the fair value of financial instruments carried at amortized cost.

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	ﷲ'000			
Assets				
Due from banks and other financial institutions	4,510,142	4,518,324	1,700,907	1,693,958
Murabaha with SAMA, gross	1,771,552	1,775,870	1,626,379	1,619,862
Sukuks – amortized cost, gross	29,927,069	29,090,466	25,498,634	25,039,413
Financing, net	202,308,094	202,392,193	173,624,044	173,043,853
Liabilities				
Due to SAMA, banks and other financial institutions	13,936,256	13,960,074	7,431,230	7,378,987
Customers' deposits	210,544,650	210,665,693	187,900,581	187,898,339

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

36. Related party balances and transactions

In the ordinary course of its activities, the Bank transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA. Major shareholder represents shareholding of more than 5% of the Bank's issued share capital. Related parties are the persons or close members of those persons' families and their affiliated entities where they have control, joint control or significant influence over these entities.

The balances as at December 31, resulting from such transactions included in the consolidated financial statements are as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Balances with related parties except Bank's mutual funds		
Financing to directors and key management personnel	192,139	61,138
Financing to affiliates	2,588,847	1,428,750
Allowance for impairment on financing to directors, key management personnel and affiliates	818	1,950
Customers' deposits from major shareholder	4,202,955	-
Customers' deposits from directors and key management personnel	75,925	16,390
Customers' deposits from affiliates	41,764	-
Customer's deposits from associate and joint venture	30,573	42,569
Investments in associate and joint venture	50,267	15,637
Investments in major shareholder held at FVOCI	159,052	165,440
Bank's mutual funds		
Investments in mutual funds	922,514	953,614
Deposits from mutual funds	705,846	335,531

Affiliates pertain to entities having common directorships or common key management personnel (in accordance with SAMA regulations). Financing and customer deposits with related parties are transacted at market rate and in the normal course of business.

(i) Income and expenses pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	2024	2023
	ﷲ'000	ﷲ'000
Income on financing	128,604	91,421
Return on time investments	120,861	137,129
Fee from banking services, net	470,512	434,278
Directors' remuneration	14,430	7,870

The advances and expenses related to executives are in line with the normal employment terms.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

(ii) The total amount of compensation to key management personnel during the year is as follow:

Table with 3 columns: Particulars, 2024 (SAR'000), 2023 (SAR'000). Rows include Short-term employees' benefits (113,408) and End of service benefit (8,562).

37. Capital adequacy

The Bank's objectives when managing capital are, to comply with the capital requirements set by SAMA; to safeguard the Bank's ability to continue as a going concern; and to maintain a strong capital base.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management. SAMA requires to hold and maintain a ratio of total regulatory capital to the risk-weighted assets at or above the Basel prescribed minimum percentage.

The Bank actively manages its capital base to cover the risks inherent in its business. The adequacy of the Basel Committee on Banking Supervision including the framework and guidance regarding the implementation of sheet assets, commitments and notional amount of derivatives at a weighted amount to reflect their relative risk. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to risk ("RWA") at or above 10.5% including a capital conservation buffer of 2.5%.

The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its consolidated statement of financial position assets and commitments at a weighted amount to reflect their relative risk.

SAMA has issued the framework and guidance for implementation of capital reforms under Basel III Final Post Crisis Reforms effective from January 1, 2023.

Table with 3 columns: Particulars, 2024 (SAR'000), 2023 (SAR'000). Rows include Credit Risk Weighted Assets (235,523,265), Operational Risk Weighted Assets (7,321,465), Market Risk Weighted Assets (5,383,760), Total Pillar-I Risk Weighted Assets (248,228,490), Tier I Capital (41,464,734), Tier II Capital (2,576,153), Total Tier I & II Capital (44,040,887), Capital Adequacy Ratio %, Common Equity Tier I Ratio (13%), Tier I ratio (17%), and Tier I + Tier II ratio (18%).

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Tier 1 capital is comprised of share capital, statutory reserve, other reserves, retained earnings, proposed issue of bonus shares and Tier 1 Sukuk less treasury shares and other prescribed deductions. Tier 2 capital comprises of prescribed amounts of eligible portfolio collective provisions.

38. Investment management and brokerage services

The Bank offers investment management services to its customers through its subsidiary which include management of funds with total assets under management of SAR 90,103 million (2023: SAR 82,683 million).

39. Prospective changes in the International Financial Reporting Standards

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2025.

Table with 3 columns: Standard, interpretation, amendments; Description; Effective date. Rows include Amendment to IAS 21, Amendments to IFRS 9, IFRS 18, IFRS 19, and IFRS S1.

ALINMA BANK (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Standard, interpretation, amendments	Description	Effective date
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Effective upon endorsement by SOCPA
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

Except for IFRS 18, the management has assessed that the above amendments have no significant impact on the Bank’s consolidated financial statements.

The Bank has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance with effect from future dates

40. Comparative figures

Figures have been rearranged or reclassified wherever necessary for the purpose of better presentation; however, no significant rearrangements or reclassifications have been made in these consolidated financial statements.

41. Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors of the Bank on 29 Rajab 1446H (corresponding to January 29, 2025).



Al Anoud Tower
King Fahad Road, P.O. Box 66674
Riyadh 11586, Kingdom of Saudi Arabia
Tel.: +966-11-218-5555
Fax: +966-11-218-5000

alinma.com

