

Operating segments

Delivering excellence in financial services

Alinma Bank 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.

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 Bank 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), Commercial Corporates (mid-corporates), Institutional 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, Credit Consultancy, and Corporate Banking Excellence.

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Retail Banking Group

Strategic initiatives drive growth

In 2023, Alinma Bank's Retail Banking Group achieved notable successes in several key areas identified by the Bank's 2025 Strategy as key to the Bank's transformation and growth. Among the many highlights of the year were meaningful advances in sales of credit cards, home financing, and personal financing. Overall, our Retail Banking operations outperformed the domestic banking market, delivering 3 times the average industry growth in 2023.

The following table highlights the key performance indicators for the retail banking group:

| KPIs | 2023 |
|---------------------------|---------|
| New customers | 629,000 |
| NPS | #2 |
| Number of branches | 108 |
| Number of private centers | 3 |
| Number of ATMs | 1,504 |

As part of our 2025 Strategy, Retail Banking was tasked with 18 strategic initiatives out of a total 77 across the Bank. To date, Retail has completed 15 initiatives – these focused on new products and services to grow assets and liabilities; enhancing customer journeys to improve customer acquisition, activation, engagement, and satisfaction; streamlining processes to reduce turnaround times, and enabling cross-selling. Supporting many of the initiatives were the latest analytics capabilities from embedding data-driven decision-making.

Our determination to improve customer satisfaction by implementing a range of value-added services and products attracted 629,000 new customers over the year. We were particularly pleased with our acquisition of 348,000 youth customers, given the attention paid to growing this segment this year. The total number of young customers reached 2.2 million representing 45% of our total customer base, in keeping with the dominance of the youth demographic in the Kingdom of Saudi Arabia. Overall, our total active customer base showed a sturdy 18% increase to 4.56 million.

Successful implementation of Retail Banking's various initiatives resulted in a strong 2023 financial result, with the total gross financing portfolio growing 16% to SAR 43.2 Bn.

Retail's sterling performance drew its strength from the successful and speedy launch of products and services aimed at meeting customer needs, as well as our agile response to the market and competition. Other factors included our new branches that covers various regions across the Kingdom; our strong digital push to onboard customers in the youth section; and our offering a full range of Shariah-compliant products and services that is differentiated from the competition by the quality of our service. In addition, our new strategy of focusing on the middle and upper income market segments and providing a balanced and digitalized approach made a meaningful impact.

The growth in IBs was driven by front-line sales and digital channel enablement for new customers; greater customer awareness of savings and investment products, and improved segmentation and pricing strategies.



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Retail Banking Group (continued)

We also applied savings product strategies and structures that are aligned with Saudi Vision 2030, as well as managed the opportunities emerging from benchmark rates and inflation. Underpinning this was our commitment to sustaining the positive impact and value add we have delivered to our savings products' customers.

New products drive market share and sales

As part of the Retail Banking Group's strategic mandate, the division launched a number of new tailored financing products that had a material impact on our 2023 performance.

They included 5 new home financing products and 2 new personal financing products. The real estate products helped deliver a 14% increase in that portfolio.

Our new Al Fursan credit card, which offers exclusive benefits with Saudi Arabian Airlines, was well-received, with more than 14,000 cards issued by the year end. Al Fursan and the other 2 new cards launched in 2023 with smart instalment plan and IZ credit card - boosted overall credit card sales, with 113,000 new cards issued with a total credit limit of SAR 1.1 Bn. This excellent performance contributed to a robust increase in our share of the credit card market, with our card's portfolio increasing to 200,000 which is 75% higher than 2022.

We were particularly pleased with our new Auto Lease product, which generated exceptional sales in 2023.

Enhanced customer journey generates significant wins

One of the most pleasing developments of 2023 was the improvement in our Net Promotor Score, which rose to second place among KSA banks from fourth place in the previous year. This validated our deep commitment to continually improving our products and services to ensure we remain aligned with our customers' evolving financial requirements and deliver an ever-improving customer journey.

We took first place in KSA banks' follower growth and social media engagement, thanks to viral content strategies to increase engagement with our audience and acquire new followers.

Alinma Bank's Akthr loyalty program was revamped with a new brand identity, which resulted in registrations increasing more than 30% and redemptions 55% higher. By the end of the year, Akthr loyalty members totaled 634,343.

In March 2023, Alinma Bank launched its new mobile app achieving 2.57 million downloads by the end of the year. The app has a host of sophisticated features to make mobile banking simple and efficient. Some of these include the functionality to do personal finance and credit card transactions and make local and international payments and transfers. It also offers access to the Akthr loyalty program and has special accessibility features for sight-impaired customers.

The app proved popular with our customers, who carried out 35% of their personal finance transactions and 40% of credit card transactions via the app rather than in branches.

We also revamped our THATI journey for digital requests and services offered on self-service machines, making it simpler and more efficient. The improved ease of use, user-friendly interface, and additional features enhanced customer experience.

We strengthened our home financing offering by providing an additional service to help customers spread their repayments according to their financial means. Separately, we introduced an enhanced financing origination system for personal finance products.

Efficiency drive across branches to improve customer journey

During the year, the Retail Banking Group implemented its branch merger plans, affecting 40 branches and reducing the related operating expenses. The consolidation of the branches resulted in 110 employees being transferred to locations that were understaffed.

This merger activity was accompanied by a revamp of the remaining branches to accommodate new technology that will reduce the need for staff. Two new branches were opened in Qaseem and Riyadh, and 3 private banking centers were established in Jeddah, Dammam, and Riyadh.

Outlook for 2024

We will continue our program of launching new products and services to meet market and customer demand. Additionally, the year ahead will be characterized by a significant investment in furthering our digital capabilities, in particular our Digital Factory and our apps.

Our customer focus will concentrate on the youth segment and ladies' segments, with new products and services planned for each. We are particularly excited about our planned youth app, which will make us the only Saudi bank with a dedicated mobile app for the youth market.

The year ahead will also include a new focus on bringing sustainability into our product offerings as a key differentiation in customer acquisition, preference, loyalty, and referrals.

