

Subsidiaries

Strategic role and financial contribution of subsidiaries

Alinma Bank's subsidiaries are well-structured, separate legal entities which have business objectives aligned with those of the Bank. As an integral part of the Alinma Bank Group, they provide a range of products and services that are complementary to those offered by the Bank. Accordingly, our subsidiaries play an important role in offering our clients holistic solutions to their financial services requirements.

In 2023, the subsidiaries contributed 11% of Alinma Bank's operating income, an increase of 25% compared to 2022.



Alinma Investment Company

Alinma Investment Company (AIC), a wholly owned subsidiary of Alinma Bank, is an underwriter, manager of investment funds and portfolios, and provider of advisory and custodial services. AIC's strategy is closely aligned

with Alinma Bank's 2025 Strategy, and accordingly, has improved its focus on cross-selling products and services. AIC offers Alinma Bank customers capital market products and services including securities trading, investment management, and investment banking services.

Financial performance in 2023

| | 2023 | 2022 | 2021 |
|------------|---------|---------|---------|
| Revenue | 797,793 | 667,338 | 598,033 |
| Net profit | 568,606 | 490,770 | 412,176 |

During the year, assets under management increased to SAR 83.6 Bn. from SAR 73 Bn. in 2022 following AIC's expansion internationally, the launch of its first emerging market equity fund, and the investment in local real estate via 5 new funds. The investment banking arm delivered outstanding growth of 168% in revenue compared to the previous year, deriving this performance from equity capital market transactions.

Outlook for 2024

In the coming year, AIC will expand its private equity activities by launching new funds. Innovative products and services will be introduced, including margin financing, access to international markets, and new investment asset classes. The company will further enhance the customer experience via its digital channels by improving current services and introducing new ones.



Saudi Financial Technology Company

Saudi Financial Technology Company (SFTC), a wholly owned subsidiary of Alinma Bank, was established in 2019 as a strategic response to rapid digital transformation in the financial services sector. SFTC's 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.

SFTC 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, SFTC 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. SFTC 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.

SFTC'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.

The company also invests in innovative fintech solutions and new financial technology ideas via its venture capital operation, set up in late 2022. These initiatives will expand SFTC's strategic partnerships and investments.

Financial performance in 2023

| | 2023 | 2022 | 2021 |
|--------------------|--------------|--------------|-------------|
| Revenue | 7,750,585 | 2,333,884 | 1,271,004 |
| Net profit | (19,644,717) | (17,911,247) | (7,585,982) |
| YoY revenue growth | 232% | 84% | 329% |

In 2023, SFTC made substantial progress on its strategy, expanding e-Wallet features, doubling its customer base, and achieving a 250% increase in active users.

This remarkable growth in users significantly increased wallet usage and boosted performance across several key metrics. Overall cash-out transactions surged 417% and bill payment transactions were up a huge 294%. There was a 278% increase in international remittance transactions, while live virtual cards were up 200%.

SFTC introduced multiple unique features in AlinmaPay, including a marketplace, cashback card, multi-lingual support, and the ability to redeem Alinma Bank Loyalty points into cash in an AlinmaPay e-Wallet. These appealing

new features were among many others that attracted new customers and encouraged existing customers to step up their activity.

The company grew its merchant customer base and processed SAR 2.4 Bn. over its e-Payment gateway product with over 2.8 million transactions. It continued introducing new products and services for merchants and MSMEs. Additionally, SFTC is negotiating multiple investment deals with venture capital funds and fintechs via its venture capital arm.

Subsidiaries (continued)

Outlook for 2024

SFTC's ambition is to be one of the top 3 e-Wallet providers in Saudi Arabia in terms of usability, features and adoption, and be a leading partner of MSMEs. On the investment side, the company will concentrate on building its brand as a valued investor in the Kingdom's fintech sector.

Expansion plans include extending its reach to additional customer segments, adding more features to its e-Wallet, and enhancing customer experience. The company also plans to introduce a unique digital value proposition for merchant customers, supported by a complete suite of products and services for targeted business customers.

التنوير العقارية 

مصرف الإنماء 
alinma bank

Altanweer Real Estate Company

Established in 2009, Altanweer Real Estate Company (AREC) was established as Alinma Bank's real estate arm. It purchases and sells real estate for Alinma Bank's clients as well as the Bank, among other functions, and supports the sustainable and scalable growth of the Bank's real estate portfolio. Importantly, AREC ensures that Alinma Bank's real estate business complies with the Saudi Central Bank's regulations and guidelines.

In the year under review, AREC represented the Bank in its real estate transactions, managed home financing, and advanced the Bank's digital strategy by converting deeds to digital format. In 2024, AREC will continue with its program of converting all manual deeds to digital, and it will finalize updating paper-based deeds.

Alinma SPV Limited

Alinma Bank's wholly owned subsidiary Alinma SPV Limited manages the Bank's derivatives and financing products such as profit rate swaps, FX Forward, and REPO. Over time it will offer more products as and when they are approved by the Bank and its Shariah Committee.

During the year, Alinma Bank signed various derivative agreements with international counterparties, using the SPV to promote its Treasury businesses, generate liquidity, and hedge the Bank's position. In 2024, SPV will continue managing the Bank's derivatives products.

الإنماء إسناد 
alinma isnad

Alinma Isnad Company

Alinma Bank established Alinma Isnad Company to provide the Bank and its subsidiaries with outsourced staff.

Financial performance in 2023

| | 2023 | 2022 | 2021 |
|------------|-------------|------------|------------|
| Revenue | 136,893,271 | 94,868,906 | 44,688,844 |
| Net profit | 16,168,627 | 11,585,779 | 6,804,741 |

Alinma Isnad delivered an outstanding performance in 2023, successfully achieving several key strategic objectives and performance metrics in record time. It managed risks,

reduced operating expenses, and enhanced the quality of business services. In 2024, the company intends to expand its scope of work to seize future investment opportunities.

