

ALINMA BANK
**BOARD OF
DIRECTORS' REPORT**
2022

مصرف الإنماء
alinma bank





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

King Salman Bin Abdulaziz Al-saud
Custodian of the two holy mosques



“We are a G20 country. One of the biggest world economies. We are in the middle of three 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



Alinma Bank Board of Directors' Report 2022 →

The Board of Directors of Alinma Bank is pleased to present their fourteenth Board of Directors' Report for the year ended 31 December 2022. This report provides concise information of the Bank's operations and financial results, as well as the corporate governance structure that enabled the Bank to conduct its business and successfully navigate through the challenges faced in 2022, while aligning with its future vision. It also supports the continuance compliance of a sound corporate governance and ethical principles.

Governance at Alinma Bank →

Effective corporate governance is critical to the proper functioning of Alinma Bank. The Bank's safety and soundness are key to financial stability, and the manner in which we conduct our business, is therefore central to our 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 recognised 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 Saudi Tadawul (Saudi Stock 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 our 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 unfettered 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. During the reporting period, a total of nine (9) Board Members were nominated and appointed for the fifth Board term by the shareholders which started on May 21, 2022.

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 SAR 20,000,000,000 divided into 2,000 million ordinary shares, with a nominal value of SAR 10 each.

Corporate Governance provisions Implementation →

The Bank complies generally in implementing the provisions provided by the Corporate Governance Regulation issued by the Capital Market Authority (CMA) and with the Key Principles of Governance in Financial Institutions and other directives issued by the Saudi Central Bank (SAMA), as well as the Companies Law issued by 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, experiences, and current and previous positions of the Board and Committee Members and the Executive Management →

Transition of the Board of Directors

Alinma Bank, while welcoming our new Board Members, wishes to thank the outgoing Board Members for their contribution to the success of the Bank during their tenure, and their guidance that has advanced us forward.

Board of Directors until May 2022



Dr. Abdulmalik
Abdullah Alhogail
Chairman



Dr. Hamad Suliman
Al-Bazai
Vice Chairman



Dr. Saud Mohammed
Al-Nimir
Member



Mr. Abdulrahman
Mohammed R Addas
Member



Mr. Abdulmuhsin
Abdulaziz Al-Hussein
Member



Mr. Abdulmohsen
Abdulaziz Al-Fares
Member



Mr. Mohammed
Abdulrahman Bindayel
Member



Mr. Mutlaq Hamad
AlMorished
Member



Mr. Haitham Rashid
Al-Sheikhmubarak
Member

Board of Directors elected in May 2022



Dr. Abdulmalik
Abdullah Alhogail
Chairman



Mr. Saad Abdulaziz
Alkroud
Vice Chairman



Mr. Ahmed Abdullah
Alsheikh
Member



Mr. Anees Ahmed
Moumina
Member



Dr. Saud Mohammed
Al-Nimir
Member



Mr. Abdullah Abdulaziz
Alromaizan
Member



Mr. Abdulrahman
Mohammed R Addas
Member



Mr. Mohammed
Abdulrahman Bindayel
Member



Mr. Haitham Rashid
Al-Sheikhmubarak
Member



(A) Board of Directors



A B

Dr. Abdulmalik Abdullah Alhogail

- Current Position**
- Chairman of the Board of Directors
 - Member of Board Committees

- Previous Positions**
- Vice President and Executive Director of Finance – Al-Faisaliah Group
 - Faculty Member – Institute of Public Administration

- Qualifications**
- PhD in Accounting/Finance - Case Western Reserve University, USA
 - Fellowship of the American Institute of Certified Public Accountants (AICPA) – Certified Public Accountant (CPA)
 - Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA)



B F

Mr. Saad Abdulaziz Alkroud

- Current Position**
- Vice Chairman of the Board of Directors since May 21, 2022
 - Member of Board Committees
 - Chief Administrator and General Secretary of Board of Directors – Public Investments Fund

- Previous Positions**
- Director of Stakeholder Management – Public Investments Fund
 - Vice President – Diversified Wealth Management Company
 - Advisor to the Chairman of the Board of Directors – Abdullatif Alissa Group Holding Company

- Qualifications**
- Master in Management and Leadership – University of Laverne California, USA



B D

H.E. Dr. Hamad Sulaiman Al-Bazai

- Current Position**
- Vice Chairman of the Board of Directors and Member of Board Committees until May 20, 2022

- Previous Positions**
- Deputy Minister of Finance
 - Undersecretary of the Ministry of Finance for Economic Affairs
 - General Coordinator for Negotiations of the Cooperation Council for the Arab States of the Gulf

- Qualifications**
- PhD in Economics – Colorado State University, USA



D F

Mr. Ahmed Abdullah Alsheikh

- Current Position**
- Member of the Board of Directors and Board Committees since May 21, 2022

- Previous Positions**
- Deputy Governor for Supervision – Saudi Central Bank (SAMA)
 - Deputy for Market Institutions – Capital Market Authority
 - General Director of Supervision of Market Institutions – Capital Market Authority
 - Director of Governance Department – Capital Market Authority
 - Head of the Supervision Unit for Local Banks – Saudi Central Bank (SAMA)

- Qualifications**
- Bachelor in Accounting – King Saud University, Kingdom of Saudi Arabia



A D

Mr. Anees Ahmed Moumina

- Current Position**
- Member of the Board of Directors and Board Committees since May 21, 2022

- Previous Positions**
- Group CEO – Savola Group
 - Group CEO – Sedco Holding Group
 - Regional General Manager and Senior Credit Officer – Samba Financial Group (Samba)
 - Assistant Brand Manager – Proctor & Gamble Co.

- Qualifications**
- Master in Engineering Management Sciences – George Washington University, USA



B F D Membership completed on May 20, 2022

Dr. Saud Mohammed Al-Nimir

- Current Position**
- Member of the Board of Directors
 - Businessman

- Previous Positions**
- Professor – Department of Public Administration (with distinction) – King Saud University, Kingdom of Saudi Arabia

- Qualifications**
- PhD in Public Administration – Florida State University, USA

A Executive Committee B Nomination and Remuneration Committee C Audit Committee D Risk Committee
E Shariah Committee F Governance & Sustainability Committee

A Executive Committee B Nomination and Remuneration Committee C Audit Committee D Risk Committee
E Shariah Committee F Governance & Sustainability Committee



A D

Mr. Abdullah Abdulaziz Alromaizan
Current Position <ul style="list-style-type: none">Member of the Board of Directors since May 21, 2022Assistant General Manager, Local Real Assets Department – Hassana Investment Company
Previous Positions <ul style="list-style-type: none">Portfolio Manager, Local Real Estate and Infrastructure Department – Al Raidah Investment CompanyTeam Leader, Corporate Banking – National Commercial BankRelationship Officer, Corporate Banking – Arab National BankAssistant Portfolio Manager – Al Romaizan Group
Qualifications <ul style="list-style-type: none">MBA – London Business School (LBS), UK



A C

Mr. Abdulrahman Mohammed Ramzi Addas
Current Position <ul style="list-style-type: none">Member of the Board of Directors
Previous Positions <ul style="list-style-type: none">Director of Real Estate Investments – SEDCO CompanyHead of Corporate Sector – National Commercial BankChief Risk Officer – National Commercial Bank
Qualifications <ul style="list-style-type: none">Master in Financial Management – University of Denver, USA



B

Mr. Abdulmuhsin Abdulaziz Al-Hussein
Current Position <ul style="list-style-type: none">Member of the Board of Directors until May 20, 2022Assistant General Manager of Local Investments – Hasanah Investment Company
Previous Positions <ul style="list-style-type: none">Director of Local Stock Trading – Hasanah Investment CompanySenior Financial Analyst in the Financial Investments Department – General Organization for Social Insurance
Qualifications <ul style="list-style-type: none">Bachelor in Accounting – King Saud University, Kingdom of Saudi Arabia

A Executive Committee B Nomination and Remuneration Committee C Audit Committee D Risk Committee
E Shariah Committee F Governance & Sustainability Committee



A D

Mr. Abdulmohsen Abdulaziz Al-Fares
Current Position <ul style="list-style-type: none">Member of the Board of Directors until May 20, 2022Businessman
Previous Positions <ul style="list-style-type: none">Chief Executive Officer – Alinma BankExecutive General Manager for Financial Services – Abdul Latif Jameel Company LimitedGeneral Manager – Department of Zakat and IncomeDirector of General Accounting Department – Saudi Central Bank (SAMA)Assistant Director of Internal Audit Department – Saudi Central Bank (SAMA)
Qualifications <ul style="list-style-type: none">Master of Accounting – Western Illinois University – USAFellowship of the American Institute of Certified Public Accountants (CPA) – USA

A Executive Committee B Nomination and Remuneration Committee C Audit Committee
D Risk Committee E Shariah Committee F Governance & Sustainability Committee



A B

Mr. Mohammed Abdulrahman Bindayel
Current Position <ul style="list-style-type: none">Member of the Board of DirectorsChief Executive Officer – Cultural Development Fund
Previous Positions <ul style="list-style-type: none">Investment Operations Manager – Raidah Investment CompanyTreasury Department – Saudi Aramco
Qualifications <ul style="list-style-type: none">Master in Business Administration – The American University – USA



A C

Mr. Mutlaq Hamad Al-Morished

Current Position

- Member of the Board of Directors until May 20, 2022
- Chief Executive Officer – National Industrialization Company

Previous Positions

- Executive Vice President of Finance – SABIC
- Vice President of Shared Services – SABIC
- Head of the Metals Sector – SABIC

Qualifications

- Master in Business Administration – Stanford University, USA
- Master in Engineering – Princeton University, USA

A Executive Committee B Nomination and Remuneration Committee C Audit Committee
D Risk Committee E Shariah Committee F Governance & Sustainability Committee



C D B Membership completed on May 20, 2022

Mr. Haitham Rashid Al-Sheikhmubarak

Current Position

- Member of the Board of Directors
- Independent investment and management consultant

Previous Positions

- Head of Wealth Management (followed by appointment as Acting CEO) – Saudi Fransi Capital
- Head of Asset Management – Arab National Investment Company
- Head of Portfolio Management – National Commercial Bank (NCB)

Qualifications

- Master in Business Administration – Business Management (Investment Management) – University of North Carolina, USA

(B) Non-Board Committee Members →

(B/1) Audit Committee

Name	Current Positions	Previous Positions	Qualifications
Dr. Ahmed Abdullah Al-Moneef	<ul style="list-style-type: none">Member of Audit Committee until May 20, 2022Head of Accounting Department, General Supervisor of the Internal Audit Unit – King Saud University, Kingdom of Saudi Arabia	<ul style="list-style-type: none">Lecturer, Accounting Department – King Saud University, Kingdom of Saudi Arabia, Assistant Account Auditor – Saudi Industrial Development Fund	<ul style="list-style-type: none">PhD in Accounting and Finance – University of Dundee, UK
Mr. Khalid Mohammed Al-Khowaitir	<ul style="list-style-type: none">Member of the Audit Committee until May 20, 2022	<ul style="list-style-type: none">CFO – Advanced Electronic Co.Vice President of Accounting Standards Committee – the Saudi Organization for Certified Public Accountants	<ul style="list-style-type: none">Bachelor of Accounting, King Saud University, Kingdom of Saudi ArabiaCertified Public Accountant (CPA)
Mr. Maher Saad Al-Aiyadhi	<ul style="list-style-type: none">Member of Audit Committee since May 21, 2022Royal Commission for Al-Ula (RCU) – Chief Internal Audit Officer	<ul style="list-style-type: none">Chief Auditor – SADARA, JV between Saudi Aramco and Dow Chemical CompanyAudit Manager (Operation Support) & Support Services Vice President – Saudi Center of International Strategic Partnership (SCISP), AramcoDeputy Chief Auditor – Fujian Refining and Petrochemical Company Ltd.Chief Auditor – Beijing Services, a Finance Representative at SADAF – SABICSenior Auditor – Deloitte	<ul style="list-style-type: none">Bachelor of Accounting – King Fahd University of Petroleum & MineralsCertified Internal Auditor (CIA)Certified in Risk Management Assurance (CRMA)Certified Port Facility Security Officer (PFSO)Chinese Certified Internal Auditor (C-CIA)
Mr. Othman Mohammed Al-Tuwaijri ⁽¹⁾	<ul style="list-style-type: none">Member of Audit Committee since May 21, 2022Vice President of the Finance Sector – Elm Company	<ul style="list-style-type: none">Elm Company – Executive Director of Financial Operations, Ernst & Young – several positions, the latest of which is Audit Manager and Licensed Partner	<ul style="list-style-type: none">Bachelor of Accounting – King Saud University, Kingdom of Saudi ArabiaCertified Public Accountant (CPA)
Dr. Saad Saleh Al-Rowaite	<ul style="list-style-type: none">Member of Audit CommitteeVice President for Administrative and Financial Affairs Prince Sultan University, Kingdom of Saudi Arabia	<ul style="list-style-type: none">Part-time consultant – Ministry of Health, Head of Accounting Department – King Saud University, Kingdom of Saudi Arabia	<ul style="list-style-type: none">PhD in Accounting – University of Colorado, USA

(1) Audit Committee Member appointed by the Board to fill vacancy of membership, and will be reviewed and approved at the next General Assembly.

(B/2) Shariah Committee

Name	Current Positions	Previous Positions	Qualifications
Dr. Abdulrahman Saleh Al-Atram	<ul style="list-style-type: none">Chairman of the Shariah Committee	<ul style="list-style-type: none">Associate Professor Department of Jurisprudence, College of Shariah, Imam UniversityAssistant Professor Department of Jurisprudence, College of Shariah, Imam UniversityLecturer – Department of Jurisprudence, College of Shariah, Imam University	<ul style="list-style-type: none">PhD in Jurisprudence – Imam University – Kingdom of Saudi Arabia
Dr. Abdullah Wikayyil Al-Sheikh	<ul style="list-style-type: none">Vice-Chairman of the Shariah Committee	<ul style="list-style-type: none">Professor, Department of Sunnah and its Sciences, College of Fundamentals of Religion, College of Shariah, College of Da’awa and Information, Imam UniversityProfessor of postgraduate studies, Department of Sunnah and its Sciences and the College of Education, Presidency of Girls’ EducationConsultant for law firm for a period of four years	<ul style="list-style-type: none">PhD in Sunnah and its Sciences – Imam University – Kingdom of Saudi Arabia
Dr. Suleiman Turkey Al-Turkey	<ul style="list-style-type: none">Member of the Shariah CommitteeAssociate Professor -Department of Shariah Policy, Higher Judicial Institute, Imam University, Kingdom of Saudi Arabia	<ul style="list-style-type: none">Lecturer, Department of Shariah Policy, Higher Judicial Institute, Imam UniversityLecturer, Department of Jurisprudence, College of Shariah, Imam University	<ul style="list-style-type: none">PhD in Jurisprudence – Imam University – Kingdom of Saudi ArabiaPhD in Law – London University – UK
Dr. Yousef Abdullah Al-Shubaily	<ul style="list-style-type: none">Member of the Shariah CommitteeProfessor of Comparative Jurisprudence, Higher Judicial Institute	<ul style="list-style-type: none">Deputy of Comparative Jurisprudence Department, the Higher Judicial Institute	<ul style="list-style-type: none">PhD in Comparative Jurisprudence – Imam University – Kingdom of Saudi Arabia

(C) Executive Management

Mr. Abdullah Ali AlKhalifa



Current Position	Previous Positions	Qualifications
<ul style="list-style-type: none">Chief Executive Officer	<ul style="list-style-type: none">Chief Financial Officer – Banque Saudi FransiChief Financial Officer – Al Rajhi BankChief Financial Officer – Arab National Bank	<ul style="list-style-type: none">Master of Accounting – University of Miami – United States

Mr. Saleh Abdullah AlZumaie



<ul style="list-style-type: none">Deputy Chief Executive Officer, Head of Retail and Digital Banking	<ul style="list-style-type: none">General Manager of Digital and Payments – Al Rajhi BankGeneral Manager of the Retail Banking Group – Al Rajhi BankManger of remittances Department – Al Rajhi BankManager of the Investment Department – Al Rajhi Bank	<ul style="list-style-type: none">Bachelor’s degree in English language – Imam Muhammad bin Saud Islamic University
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Mr. Emad Abdulrahman AlButairi



<ul style="list-style-type: none">Head of Corporate Banking	<ul style="list-style-type: none">General Manager of Corporate Banking – Bank AlbiladHead of Commercial Banking Services for the Eastern Region – Al Ahli BankHead of Corporate Banking Services – United Saudi Commercial Bank	<ul style="list-style-type: none">Master of Business Administration – King Fahd University of Petroleum and Minerals
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Mr. Abdullah Jamaan AlZahrani



<ul style="list-style-type: none">Head of Treasury	<ul style="list-style-type: none">Head of Investment and Treasury – Gulf BankSenior Vice Treasurer – Riyadh BankAssistant General Manager of the Governor – Arab Bank	<ul style="list-style-type: none">Bachelor of Industrial Management King Fahd University of Petroleum and Minerals
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Mr. Meshary Abdulaziz AlJubair



Current Position	Previous Positions	Qualifications
<ul style="list-style-type: none">Chief Operating Officer (COO)	<ul style="list-style-type: none">General Manager of the Information Technology Division – Alinma BankDeputy General Manager of the Information Technology Division – Alinma BankManager of Information Security Planning Department – Saudi Telecom CompanyManager of Systems Department – SAMA	<ul style="list-style-type: none">Bachelor of Science in Computer Engineering – King Saud University

Dr. Mohammed Sultan AlSehali



<ul style="list-style-type: none">Chief Internal Audit Officer	<ul style="list-style-type: none">Executive Director – Pwc CompanyHead of the Accounting Department, College of Business Administration – King Saud UniversityTeam Leader of the Regulatory Bodies Development Project – King Saud University	<ul style="list-style-type: none">PhD in Accounting – University of Melbourne – Australia
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Mr. Hamoud Abdulaziz AlHumaidan



<ul style="list-style-type: none">Chief Compliance Officer (CCO)	<ul style="list-style-type: none">Compliance and Combating Financial Crimes Deputy General Manager – Alinma BankTreasury Operations and Payments Deputy General Manager – Alinma BankTreasury Operations Deputy General Manager – Alinma Bank	<ul style="list-style-type: none">Bachelor of Business Administration – American University of London
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Mr. Eyad Osama AlOthman



<ul style="list-style-type: none">General Counsel and Board Secretary	<ul style="list-style-type: none">Legal General Manager – Alinma BankLegal advisor to the Chairman of the Board of Directors – Capital Market Authority (CMA)Legal Consultation Unit Manager – Bank AlbiladSenior Legal Advisor – Yousef and Mohammed Al-Jadaan Office for Legal Consultation and Law Firm	<ul style="list-style-type: none">Bachelor in Law – King Saud University
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Mr. Fahad Abdulaziz AlMohaimeed



Current Position	Previous Positions	Qualifications
<ul style="list-style-type: none">Head of Strategy and Business Excellence	<ul style="list-style-type: none">Head of Islamic Banking – Arab National BankHead of Shariah Affairs – Arab National BankProduct Development Manager – The Saudi British Bank	<ul style="list-style-type: none">Bachelor in Finance – King Saud University

Mr. Yaser Abdulaziz AlMarshde



<ul style="list-style-type: none">Chief Sharia Officer (CSO)	<ul style="list-style-type: none">Chief of Shariah Advisors and Chairman of the Council of Shariah Scholars – Al Rajhi BankSenior Sharia Advisor and Chairman of the Council of Shariah Scholars – Al Rajhi Bank	<ul style="list-style-type: none">Master in Shariah Policy, Higher Judicial Institute – Imam Muhammad bin Saud University
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Mr. Hisham Abdullah AlTuraigi



<ul style="list-style-type: none">Chief Credit Officer (CCRO)	<ul style="list-style-type: none">Director of Credit Risk Management – Alinma BankManager of Credit evaluation Department – Al Rajhi Bank	<ul style="list-style-type: none">Master of Accounting – King Saud University
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Mr. Abdullah Mohammed AlSalamah



<ul style="list-style-type: none">Chief Human Capital Officer (CHCO)	<ul style="list-style-type: none">Deputy General Manager of Human Capital Division – Alinma BankDeputy General Manager of the Information Technology Division – Alinma BankManager of Information Security Awareness Department – Saudi Telecom CompanyTeaching Assistant – King Saud University	<ul style="list-style-type: none">Master's in Information Systems – King Saud University
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Mr. Adel Saleh Abalkhail

Current Position	Previous Positions	Qualifications
<ul style="list-style-type: none">Chief Financial Officer (CFO)	<ul style="list-style-type: none">Deputy General Manager of the Financial Group – Al Rajhi BankCFO – Al Rajhi Bank – MalaysiaCFO – Al Rajhi Bank – JordanManager of the Reports and Budget Department at the Financial Group – Al Rajhi Bank	<ul style="list-style-type: none">Master of Accounting – University of Illinois – USAMaster of Finance – University of Illinois – USA

Mr. Meshal Hamad Alrabiah

<ul style="list-style-type: none">Chief Risk Officer (CRO)	<ul style="list-style-type: none">Deputy General Manager Market Risk, ERM and basel – Alinma BankAssistant General Manager, Market Risk, ERM and basel – Alinma BankSenior Market Risk, ERM and basel Manager – Alinma Bank	<ul style="list-style-type: none">Master of Management – University of Leeds MT – UK
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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 →

Member name	Names of companies where the Board Member is a member of its current Boards or one of its Directors
Dr. Abdulmalik Abdullah Alhogail	<ul style="list-style-type: none">Bahri (Formerly known as the National Shipping Company of Saudi Arabia)The Kuwait Food Company (Americana Group)National Chemical Carriers Co., Ltd.Americana Restaurants International Company
Mr. Saad Abdulaziz Alkroud	<ul style="list-style-type: none">Al-Balad Development CompanySouthern Province Cement CompanyDiriyah Gate Co. Ltd.The Saudi Technology Development and Investment Company (TAQNIA)
H.E. Dr. Hamad Sulaiman Al-Bazai ⁽¹⁾	<ul style="list-style-type: none">Southern Province Cement CompanyBuilding Development CompanyTatweer Education Holding Company
Mr. Abdulmohsen Abdulaziz Al-Fares ⁽¹⁾	<ul style="list-style-type: none">Alinma Tokio MarineAlinma Investment Company
Mr. Mutlaq Hamad Al-Morished ⁽¹⁾	<ul style="list-style-type: none">Citigroup Saudi ArabiaMetal CompanySaudi National Automotive Manufacturing CompanyNapco National Corporation
Mr. Abdulrahman Mohammed Ramzi Addas	<ul style="list-style-type: none">Kinan International Real Estate Development Co.Al Rabie Saudi Foods Co. Ltd.Diyar AlKhayyal Real Estate DevelopmentTunisian Saudi BankEnvironment Fund
Mr. Ahmed Abdullah Alsheikh	<ul style="list-style-type: none">National Housing Company (NHC)
Mr. Anees Ahmed Moumina	<ul style="list-style-type: none">Jeddah Development & Urban Regeneration Co.Al Matajer Al Kubra Co. Ltd.Dar Al Tamleek CompanyDr. Soliman Fakeeh HospitalAbdul Latif Jameel InvestmentsMurooj Jeddah Co.
Dr. Saud Mohammed Al-Nimir	<ul style="list-style-type: none">Saudi Arabia Public Transport Company (SAPTCO)

(1) Membership term completed in May 20, 2022

Composition of the Board and classification of its members, as follows: Executive Director, Non-Executive Director, Independent Director ->

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

Meetings of the Board of Directors during the last financial year ->

The Board held eight (8) meetings in 2022, as reflected below.

Member Name	Feb. 03	Mar. 01	Apr. 02	May 22	Jul. 26	Oct. 29	Oct. 30	Dec. 20	Total
Dr. Abdulmalik Abdullah Alhogail	✓	✓	✓	✓	✓	✓	✓	✓	8
H.E. Dr. Hamad Sulaiman Al-Bazai	✓	✓	✓	Board Membership term completed on May 20, 2022					3
Mr. Abdulmohsen Abdulaziz Al-Fares	✓	✓	✓						3
Mr. Mohammed Abdulrahman Bindayel	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Abdulmuhsin Abdulaziz Al-Hussein	✓	✓	✓	Board Membership term completed on May 20, 2022					3
Mr. Mutlaq Hamad Al-Morished	✓	✓	✓						3
Mr. Abdulrahman Mohammed Ramzi Addas	✓	✓	✓	✓	✓	✓	✓	✓	8
Dr. Saud Mohammed Al-Nimir	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Haitham Rashid Al-Sheikhmubarak	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Saad Abdulaziz Alkroud	Board Membership commenced in May 21, 2022			✓	✓	✓	✓	✓	5
Mr. Abdullah Abdulaziz Alromaizan				✓	✓	✓	✓	✓	5
Mr. Ahmed Abdullah Alsheikh				✓	✓	✓	✓	✓	5
Mr. Anees Ahmed Moumina				✓	✓	✓	✓	✓	5

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 in enabling shareholders to excersise their rights, present observations, and raise inquiries during the General Assembly meetings. These are documented by way of minutes of meeting. 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 as the Audit , Nominations and Remunerations, Governance and Sustainability, Risk, and Shariah Committees, assist the Board in performing its duties and responsibilities, in encouraging independent opinion, and in enhancing greater synergies across Alinma Bank.

A

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 CEO, 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 Chairman of the Board. A total of six (6) meetings were held by the Executive Committee during the year under review, attended by members as shown below:

Member name	Meeting date – 2022						Total
	Jan. 25	Mar. 27	May 15	Jun. 27	Sep. 06	Nov. 28	
Dr. Abdulmalik Abdullah Alhogail (Chairman)	✓	✓	✓	✓	✓	✓	6
Mr. Abdulmohsen Abdulaziz Al-Fares	✓	✓	✓	Membership term completed on May 20, 2022			3
Mr. Mohammed Abdulrahman Bindayel	✓	✓	✓	✓	✓	✓	6
Mr. Mutlaq Hamad Al-Morished	✓	✓	✓	Membership term completed on May 20, 2022			3
Mr. Abdulrahman Mohammed Ramzi Addas	✓	✓	✓	✓	✓	✓	6
Mr. Abdullah Abdulaziz Alromaizan	Membership commenced in May 21, 2022			✓	✓	✓	3
Mr. Anees Ahmed Moumina				✓	✓	✓	3

B

Nomination 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, such rewards and incentives are in line with instructions of regulatory and supervisory authorities. The committee held eight (8) meetings during the 2022 fiscal year, which were attended by members as shown in the table below:

Member name	Meeting date – 2022								
	Jan. 31	Feb. 21	Mar. 29	May 10	Jun. 30	Oct. 06	Oct. 20	Dec. 11	Total
Dr. Saud Mohammed Al-Nimir (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	8
H.E. Dr. Hamad Sulaiman Al-Bazai	✓	✓	✓	✓	Membership term completed on May 20, 2022				4
Mr. Abdulmuhsin Abdulaziz Al-Hussein	✓	✓	✓	✓					4
Mr. Haitham Rashid Al-Shaikhmubarak	✓	✓	✓	✓					4
Dr. Abdulmalik Abdullah Alhogail	Membership commenced in May 21, 2022				✓	✓	✓	✓	4
Mr. Mohammed Abdulrahman Bindayel					✓	✓	✓	✓	4
Mr. Saad Abdulaziz Alkroud					x	✓	✓	✓	3

C

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 co-ordinating

with external auditors to ensure their independence. The five (5) Independent members. A total of eight (8) meetings were held in 2022, attended by members as shown in the table below:

Member name	Meeting date – 2022								
	Jan. 19	Feb. 02	Apr. 26	Jul. 25	Sep. 13	Oct. 23	Oct. 24	Dec. 26	Total
Mr. Abdulrahman Mohammed Ramzi Addas (Chairman) ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mutlaq Hamad Al-Morished (Chairman)	✓	✓	✓	Membership term completed on May 20, 2022					3
Dr. Ahmed Abdullah Al-Moneef	✓	✓	✓						3
Mr. Khalid Mohammed Al-Khowaitir	✓	✓	✓						3
Dr. Saad Saleh Al-Rowaite	✓	✓	x	✓	✓	✓	✓	✓	7
Mr. Maher Saad Al-Aiyadhi	Membership commenced in May 21, 2022			✓	✓	✓	✓	✓	5
Mr. Othman Mohammed Altwaijri ⁽²⁾				✓	✓	✓	✓	✓	5
Mr. Haitham Rashid Al-Shaikhmubarak ⁽²⁾				✓	✓	✓	✓	✓	5

(1) Appointed as Chairman of the Committee on May 21, 2022 following the AGM
(2) Audit Committee Members appointed by the Board to fill vacancies of membership, and will be reviewed and approved at the next General Assembly

D

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 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 four (4) members, and has held seven (7) meetings during the 2022 fiscal year, which were attended by members as shown below:

Member name	Meeting date – 2022							
	Jan. 17	Feb. 09	May 09	Aug. 10	Oct. 06	Nov. 07	Dec. 25	Total
H.E. Dr. Hamad Sulaiman Al-Bazai (Chairman)	✓	✓	✓	Membership completed on May 20, 2022				3
Mr. Haitham Rashid Al-Shaikhmubarak (Chairman) ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	7
Mr. Abdulmohsen Abdulaziz Al-Fares	✓	✓	✓	Membership completed on May 20, 2022				3
Dr. Saud Mohammed Al-Nimir	✓	✓	✓					3
Mr. Abdullah Abdulaziz Alromaizan	Membership commenced in May 21, 2022			✓	✓	✓	✓	4
Mr. Ahmed Abdullah Alsheikh				✓	✓	✓	✓	4
Mr. Anees Ahmed Moumina				✓	✓	✓	✓	4

(1) Appointed as a Chairman of the Committee in the first new Board of Directors meeting on May 22, 2022 following the AGM

E

Shariah Committee

Alinma Bank is committed to conduct its business in compliance with Shariah. Article (51) 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, and 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 36 meetings during the fiscal year 2022, as shown in the following table:

Meeting date – 2022		Member name			
		Dr. Abdulrahman Saleh Al Atram (Chairman)	Dr. Abdullah Wikayyil Al Sheikh	Dr. Suleiman Turkey Al Turkey	Dr. Yousef Abdullah Al Shubaily
1.	January 03	✓	✓	✓	✓
2.	January 11	✓	✓	✓	✓
3.	January 26	✓	✓	✓	✓
4.	February 01	✓	✓	✓	✓
5.	February 03	✓	✓	✓	✓

Meeting date – 2022		Member name			
		Dr. Abdulrahman Saleh Al Atram (Chairman)	Dr. Abdullah Wikayyil Al Sheikh	Dr. Suleiman Turkey Al Turkey	Dr. Yousef Abdullah Al Shubaily
6.	February 15	✓	✓	✓	✓
7.	March 01	✓	✓	✓	✓
8.	March 08	✓	✓	✓	✓
9.	March 28	✓	✓	✓	✓
10.	April 06	✓	✓	✓	✓
11.	April 20	✓	✓	✓	✓
12.	May 23	✓	✓	✓	✓
13.	May 31	✓	✓	✓	✓
14.	June 08	✓	✓	✓	✓
15.	June 14	✓	✓	✓	✓
16.	June 21	✓	✓	✓	✓
17.	June 22	✓	✓	✓	✓
18.	June 28	✓	✓	✓	✓
19.	July 27	✓	✓	✓	✓
20.	August 04	✓	✓	✓	✓
21.	August 17	✓	✓	✓	✓
22.	August 24	✓	✓	✓	✓
23.	September 06	✓	✓	✓	✓
24.	September 28	✓	✓	✓	✓
25.	October 05	✓	✓	✓	✓
26.	October 10	✓	✓	✓	✓
27.	October 11	✓	✓	✓	✓
28.	October 25	✓	✓	✓	✓
29.	October 26	✓	✓	✓	✓
30.	November 03	✓	✓	✓	✓
31.	November 16	✓	✓	✓	✓
32.	December 01	✓	✓	✓	✓
33.	December 13	✓	✓	✓	✓
34.	December 19	✓	✓	✓	✓
35.	December 21	✓	✓	✓	✓
36.	December 28	✓	✓	✓	✓
TOTAL		36	36	36	36

F

Governance and Sustainability Committee

Formed in 2022, the Committee’s core function is to assist the Board in monitoring the general framework of governance across Alinma Bank, 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 three (3) member Committee held three (3) meetings during 2022, which were attended by members as shown below:

Member name	Meeting date – 2022			
	Jul. 05	Aug. 31	Dec. 06	Total
Mr. Saad Abdulaziz Al-Kroud (Chairman)	✓	✓	✓	3
Dr. Saud Mohammed Al-Nimir	✓	✓	✓	3
Mr. Ahmed Abdullah Al-Sheikh	x	✓	✓	2

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

The Board of Directors made an internal assessment of the Board, its Members, and its Committees to assess the performance of the Board, its members and committees during the reporting period and review their effectiveness.

Remuneration of Board Members, Committees Members and Executive Management →

Alinma Bank 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 of the Board of Directors. Compensation Policies determine the compensations 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 (SAR)

Members of Board of Directors									Variable remunerations						End-of-service award	Grand total	Expenses Allowance
	*Specific amount	Allowance for 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			
First: Independent Directors																	
Dr. Abdulmalik Abdullah Alhogail**	410,000	40,000	50,000	—	—	3,000,000	3,500,000		—	—	—	—	—	—	—	3,500,000	—
Dr. Saud Mohammed Alnimir	390,000	40,000	70,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
Mr. Abdulrahman Mohammed Ramzi Addas***	580,000	40,000	70,000	—	—	—	690,000		—	—	—	—	—	—	—	690,000	—
Mr. Haitham Rashid Alshaikhmubarak***	496,620	40,000	80,000	—	—	—	616,620		—	—	—	—	—	—	—	616,620	—
Mr. Ahmed Abdullah Al Alsheikh ⁽²⁾	445,000	25,000	30,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
TOTAL	2,321,620	185,000	300,000	—	—	3,000,000	5,806,620		—	—	—	—	—	—	—	5,806,620	—
Second: Non-Executive Directors																	
H.E. Dr. Hamad Sulaiman Albazai ⁽¹⁾	290,521	15,000	35,000	—	—	—	340,521		—	—	—	—	—	—	—	340,521	—
Mr. Abdulmohsen Abdulaziz Alfares ⁽¹⁾	290,521	15,000	30,000	—	—	—	335,521		—	—	—	—	—	—	—	335,521	—
Mr. Abdulmuhsin Abdulaziz Al-Hussein ⁽¹⁾	232,417	15,000	20,000	—	—	—	267,417		—	—	—	—	—	—	—	267,417	—
Mr. Mutlaq Hamad AlMorished ^{(1)/**}	290,521	15,000	30,000	—	—	—	335,521		—	—	—	—	—	—	—	335,521	—
Mr. Saad Abdulaziz Alkroud ⁽²⁾	445,000	25,000	30,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
Mr. Abdullah Abdulaziz Alromaizan ⁽²⁾	440,000	25,000	35,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
Mr. Anees Ahmed Moumina ⁽²⁾	440,000	25,000	35,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
Mr. Mohammed Abdulrahman Bindayel	410,000	40,000	50,000	—	—	—	500,000		—	—	—	—	—	—	—	500,000	—
TOTAL	2,838,983	175,000	265,000	—	—	—	3,278,983		—	—	—	—	—	—	—	3,278,983	—
GRAND TOTAL	5,160,604	360,000	565,000	—	—	—	9,085,604		—	—	—	—	—	—	—	9,085,604	—

* This amount includes annual remuneration for membership of the Board of Directors and fixed remunerations for membership of committees in accordance with the "Remunerations and Allowances Policy for members of the Board of Directors, committees, secretariat and executive management".

** Special reward for the Chairman of the Board of Directors, in accordance with paragraph (2) of Article (81) of the Companies Law.

*** Remuneration for membership in the Audit Committee in addition to the remuneration he receives as a member of the Board of Directors and other Committees, in accordance with Article (3) of regulatory rules and procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

⁽¹⁾ The membership completed on May 20, 2022.

⁽²⁾ The memebrship commenced in May 21, 2022.

(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 (SAR)
Mr. Abdulrahman Mohammed Ramzi Addas	150,000	40,000	190,000
Mr. Maher Saad Al-Aiyadhi	91,621	25,000	116,621
Mr. Haitham Rashid Alshaikh Mubarak**	91,621	25,000	116,621
Mr. Othman Mohammed Altwaijri**	91,621	25,000	116,621
Dr. Saad Saleh Al-Rowaite	150,000	35,000	185,000
Mr. Khalid Mohammed Al-Khowaitir*	58,104	15,000	73,104
Mr. Mutlaq Hamad Al-Morished*	58,104	15,000	73,104
Dr. Ahmed Abdullah Al-Moneef*	58,104	15,000	73,104
TOTAL	749,176	195,000	944,176

* The membership completed on May 20, 2022

** The membership commenced in May 21, 2022

Nominations and Remuneration Committee Members	Fixed remuneration (except for the allowance for attending committee meetings)	Committee Meeting allowance	Total (SAR)
Dr. Saud Mohammed Alnimir	150,000	40,000	190,000
Dr. Abdulmalik Abdullah Alhogail	91,621	20,000	111,621
Mr. Saad Abdulaziz Alkroud	91,621	15,000	106,621
Mr. Mohammed Abdulrahman Binda yl	91,621	20,000	111,621
H.E. Dr. Hamad Sulaiman Albazai*	58,104	20,000	78,104
Mr. Abdulmuhsin Abdulaziz Al-Hussein*	58,104	20,000	78,104
Mr. Haitham Rashid Alshaikh Mubarak**	58,104	20,000	78,104
TOTAL	599,176	155,000	754,176

* The membership completed on May 20, 2022

** The membership in NRC completed on May 20, 2022

Risk Committee Members	Fixed remuneration (except for the allowance for attending committee meetings)	Committee Meeting allowance	Total (SAR)
H.E. Dr. Hamad Sulaiman Albazai*	58,104	15,000	73,104
Mr. Abdulmohsen Abdulaziz AlFares*	58,104	15,000	73,104
Dr. Saud Mohammed Alnimir**	58,104	15,000	73,104
Mr. Haitham Rashid Alshaikhmubarak	150,000	35,000	185,000
Mr. Ahmed Abdullah Al Alsheikh	91,621	20,000	111,621
Mr. Anees Ahmed Moumina	91,621	20,000	111,621
Mr. Abdullah Abdulaziz Alromaizan	91,621	20,000	111,621
TOTAL	599,176	140,000	739,176

* The membership completed on May 20, 2022

** The membership in Risk completed on May 20, 2022

Executive Committee Members	Fixed remuneration (except for the allowance for attending committee meetings)	Committee Meeting allowance	Total (SAR)
Dr. Abdulmalik Abdullah Alhogail	150,000	30,000	180,000
Mr. Abdulmohsen Abdulaziz AlFares*	58,104	15,000	73,104
Mr. Mohammed Abdulrahman Binda yl	150,000	30,000	180,000
Mr. Anees Ahmed Moumina	91,621	15,000	106,621
Mr. Abdullah Abdulaziz Alromaizan	91,621	15,000	106,621
Mr. Mutlaq Hamad Al-Morished*	58,104	15,000	73,104
Mr. Abdulrahman Mohammed Ramzi Addas	150,000	30,000	180,000
TOTAL	749,451	150,000	899,451

* The membership completed on May 20, 2022

Governance and Sustainability Committee Members	Fixed remuneration (except for the allowance for attending committee meetings)	Committee Meeting allowance	Total (SAR)
Mr. Saad Abdulaziz Alkroud	91,621	15,000	106,621
Dr. Saud Mohammed Alnimir	91,621	15,000	106,621
Mr. Ahmed Abdullah Al Alsheikh	91,621	10,000	101,621
TOTAL	274,863	40,000	314,863

Shariah Committee Members	Fixed remuneration (except for the allowance for attending committee meetings)	Committee Meeting allowance	Total (SAR)
Dr. Abdulrahman Saleh Al-Atram	300,000	180,000	480,000
Dr. Abdullah Wakeel Al Sheikh	300,000	180,000	480,000
Dr. Sulaiman Turki Al Turki	300,000	180,000	480,000
Dr. Yousuf Abdullah Al Shubily	300,000	180,000	480,000
TOTAL	1,200,000	720,000	1,920,000

(C) Senior Executive remuneration

Top six senior executives who received the highest remuneration and compensation, including the CEO and CFO.

	Fixed remuneration				Variable remuneration								
	Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Profit	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End of service benefits	Total remuneration of executives for the Board, if any	Grand Total
TOTAL	12,169,299	6,354,678	–	18,523,977	9,040,000	–	–	989,886	15,449,413	25,479,299	1,691,394	–	45,694,670

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 table shows fines imposed on the Bank during the preceding financial year 2021 and the current year 2022:

First/Saudi Central Bank (SAMA):

Violation	Financial Year 2021		Financial Year 2022	
	Number of Penalties	Total Amount (SAR)	Number of Penalties	Total Amount (SAR)
Violation of SAMA Supervisory directives	7	381,000	17	10,383,835
Violation of SAMA directives related to customer protection	2	2,682,400	Nil	Nil
Violation of SAMA directives related to conducting due diligence	Nil	Nil	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 the Anti- Money laundering and Terrorism Financing	2	345,000	Nil	Nil
TOTAL	11	3,408,400	17	10,383,835

Second/Ministry of Municipal and Rural Affairs and Housing:

Violation	Current Financial Year	
	Violation Amount (SAR)	The number of penal decisions
ATM rooms spaces control, advertising posters, and the lack of an operating license for a number of ATMs – Riyadh Region Municipality	892,600	4

Third/General Director of Civil Defense:

Violation	Current Financial Year	
	Violation Amount (SAR)	The number of penal decisions
No civil defense license for one branch	2,000	1

Results of 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’s management is responsible for establishing and maintaining an adequate and effective system of internal controls for implementing and assuring the strength and adequacy of strategies and policies that are approved by the Board of Directors.

Internal controls are defined on the materiality of financial and other risk factors taking into account the impact and the frequency of occurrence. They are designed to manage rather than eliminate the risk of failure to achieve business objectives and, as such, provide reasonable, but not absolute, assurance against material mis-statement and loss. In addition, the Audit Committee periodically reviews the reports submitted by the internal/external auditors. Such reports also include the evaluation of the effectiveness or otherwise of the internal controls. During the annual review of internal control procedures for 2022, there were no material observations by the Audit Committee in respect to the effectiveness of the Bank’s internal control system and procedures, reaffirming the sound and effective system of internal controls in force at Alinma Bank.

Bank's social contributions: →

During the year 2022, the Bank implemented several social contributions, activities and initiatives as follows:

- Contribution to the construction of the Islamic Inventions and Civilization Pavilion at the Science Oasis in Qassim science center
- Reward for the winning Saudi Science and Engineering students at the ISEF 2022
- Supporting the architectural exhibition of the Two Holy Mosques in Makkah
- Donation to the National Platform for Charitable Work (Ehsan) during Ramadan 2022

- Contribution towards the Autism Centre of Excellence in Riyadh
- Support for productive families by facilitating the sale of meals to bank employees in cooperation with the Human Resources Development Fund (Nine Tenths Project)
- Awareness programs and messages via Alinma digital channels (e.g., ATMs, social media, branch screens, screensavers, etc.)
- Organizing numerous blood donation campaigns on a regular basis in cooperation with major health facilities in the Kingdom, such as King Faisal Specialist Hospital and Research Center
- Providing electronic banking services to the blind and sight-impaired including equipping ATMs with Braille-compatible keyboards and voice support

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

The Ordinary General Assembly Meeting held on April 13, 2022. Attendance at the meeting is reflected below:

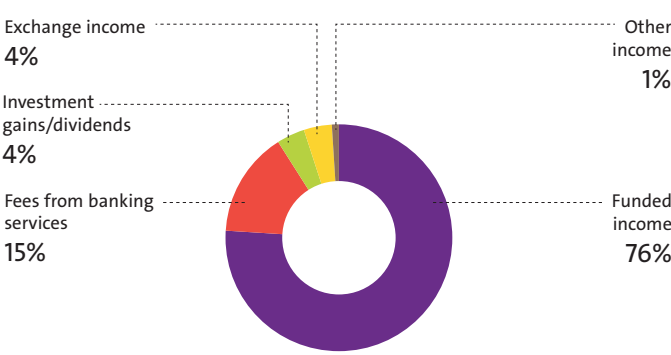
Member name	Attendance Record
Dr. Abdulmalik Abdullah Alhogail (Chairman)	✓
H.E. Dr. Hamad Sulaiman Al-Bazai (Vice Chairman)	✓
Mr. Abdulmohsen Abdulaziz Al-Fares	✓
Mr. Mohammed Abdulrahman Bindayel	✓
Mr. Abdulmuhsin Abdulaziz Al-Hussein	✓
Mr. Mutlaq Hamad Al-Morished	✓
Mr. Abdulrahman Mohammed Ramzi Addas	✓
Dr. Saud Mohammed Al-Nimir	✓
Mr. Haitham Rashid Al-Sheikhmubarak	✓

A description of the main scope of business of the Bank and its affiliates showing and statement of each activity and how it affects the Company businesses and results →

As a Banking institution, the primary activity is to provide a comprehensive range of Shariah-compliant, customer centric and market-competitive banking services to its customers. In a dynamic economic environment, the Bank provides these services through 104 locations (104 for men, 78 for women and 4 sales centres), supported by multiple digital platforms powered by state-of-the-art technology, highly competent and well-trained professional staff, and easily accessible channels including Alinma web (www.alinma.com), Alinma mobile, Alinma phone and email channels as well as a growing network of 1,564 ATMs spread across the Kingdom of Saudi Arabia. In the process of providing such services to the customers, the Bank has aligned with the Kingdom’s Vision 2030 to reduce unemployment rates, empower women, and create financial access 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 (SAR Mn.)



Future plans →

The Bank will continue to enhance its ambitious plans through the introduction of more Shariah compliant products and services, With investment in the latest technology and focus on digital banking, increase the customer base of individuals and corporates and increase the financing portfolio and customer deposits, The expansion of the SME business In order to keep pace with the changing banking environment, Alinma has prepared an ambitious and detailed growth plan for the years 2021 – 2025, and has been achieved 71% of the initiatives offered.

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

During normal course of business, the Bank is exposed to various risks. Systems and procedures are in place in 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. 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 the credit risk policy, credit operations and related documents after approval. Additionally, the Group is responsible for following up any credit problems that may arise in customer finances.

b. 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.

c. 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.

Assets, liabilities and results of the last five fiscal years →

Operating Results	SAR (Mn.)				
	2022	2021	2020	2019	2018
Income from Investment and financing, net	6,066	5,140	4,648	4,323	3,798
Fee, Exchange and other income	1,897	1,519	1,034	1,287	1,047
Total operating income	7,963	6,660	5,682	5,610	4,845
Operating expenses*	(2,765)	(2,358)	(2,066)	(2,077)	(1,856)
Net income before provisions	5,202	4,288	3,620	3,523	2,984
Provision for financing and other assets	(1,189)	(1,266)	(1,418)	(706)	(467)
Net income before Zakat	4,013	3,022	2,202	2,816	2,517
Zakat*	(414)	(312)	(236)	(282)	340**
Net income after Zakat	3,599	2,709	1,966	2,535	2,857

* Includes net profit/loss of subsidiaries

** Includes refunds related to Zakat expenses and prior years Zakat provisions reflected pursuant to the settlement agreement between the Bank and the Zakat, Tax and Customs Authority.

All major banking activities of Alinma Bank showed positive growth during 2022, with total assets rising from SAR 173,476 Mn. in 2021 to SAR 200,436 Mn. in 2022, an increase of 16%. Likewise, the finance portfolio increased by 16% to SAR 146,492 Mn. as at December 31, 2022, compared to SAR 126,271 Mn. in 2021.

Financial Position	SAR (Mn.)				
	2022	2021	2020	2019	2018
Financing, net	146,492	126,271	111,196	94,801	83,889
Investments	38,529	33,278	29,526	23,478	18,399
Total Assets	200,436	173,476	156,877	131,839	121,538
Customers’ Deposits	145,168	121,061	119,454	102,063	90,128
Total Liabilities	168,560	142,765	132,448	109,395	100,240
Shareholders’ Equity	31,876	30,711	24,429	22,445	21,298

Geographical analysis of the Bank and its affiliates revenues →

Almost the entire revenue recorded by Alinma Bank for the 2022 fiscal year was derived from banking activities carried out across the Kingdom of Saudi Arabia. The Bank’s business locations are divided into five regions. The following table shows the Bank’s revenue allocation across these regions during 2022.

Geographic analysis of Bank’s total revenue for 2022

Total Revenues	SAR (Mn.)					
	Western Region	Eastern Region	Northern Region	Southern Region	Central Region	Total
Financial year ended 31 December 2022	653	589	105	108	6,508	7,963
Financial year ended 31 December 2021	547	493	88	90	5,442	6,660

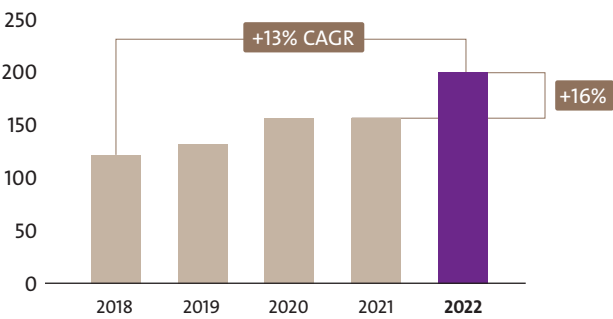
Any material differences in the results compared to the previous year results, along with any expectations announced by the Bank →

Description	2022	2021	Changes (+) (-)	Change Rate
Income from Investment and financing, net	6,066	5,140	926	18
Fee, Exchange and other income	1,897	1,519	378	25
Total operating income	7,963	6,660	1,303	20
Operating expenses*	(2,765)	(2,358)	(407)	17
Net income before provisions	5,202	4,288	914	21
Provision for financing and other assets	(1,189)	(1,266)	77	-6
Net income after Zakat	3,599	2,709	890	33

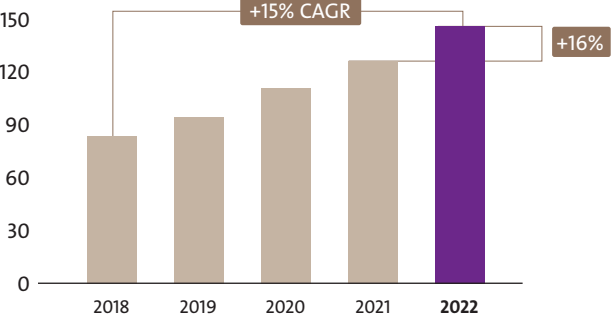
* Includes net profit/loss of subsidiaries

Financial results

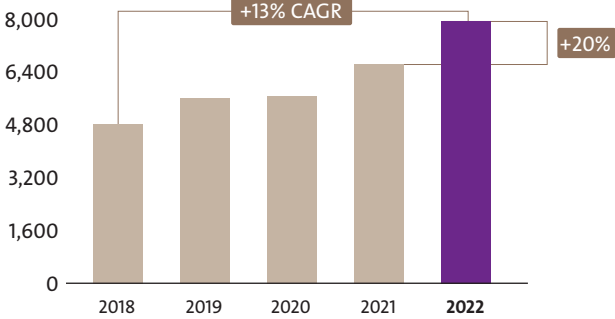
Total Assets (SAR Bn.)



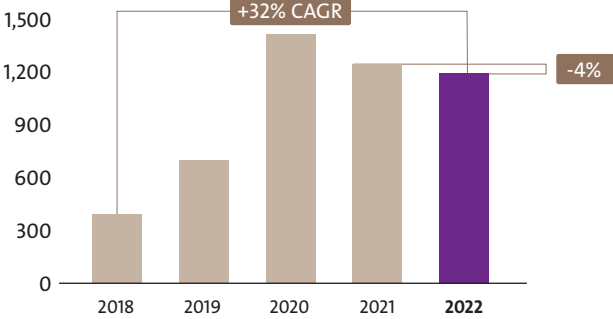
Financing (SAR Bn.)



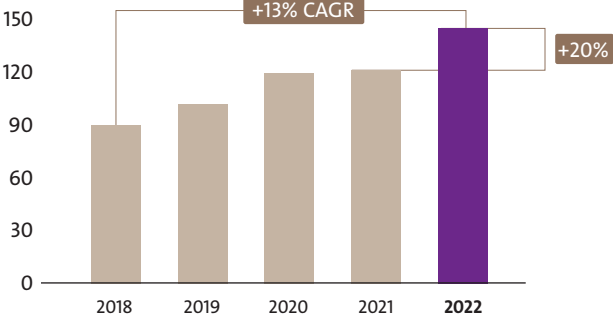
Total Operating Income (SAR Mn.)



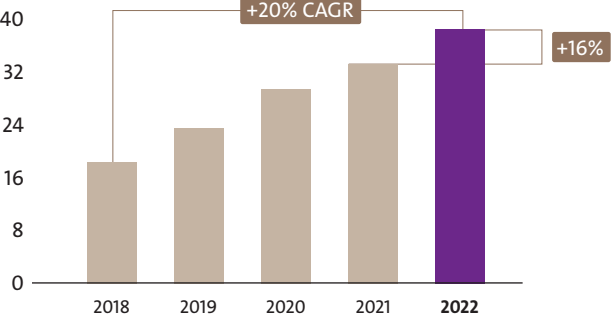
Impairment Charge on Financing, Net of Recoveries (SAR Mn.)



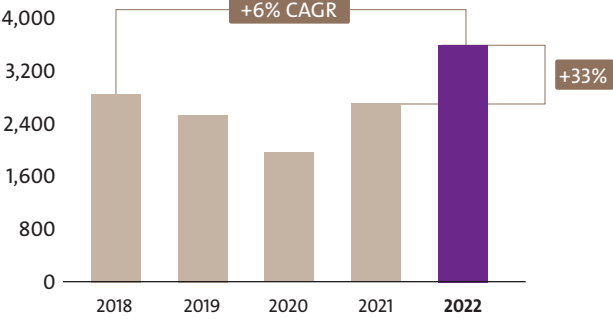
Customers' Deposits (SAR Bn.)



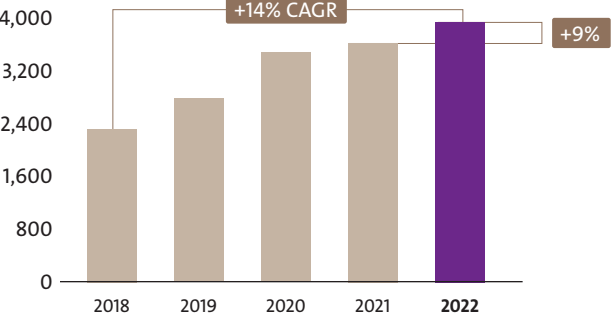
Investments (SAR Bn.)



Net Income (SAR Bn.)



Total Operating Expenses (SAR Mn.)



The Subsidiary Companies of the Bank →

Alinma Bank owns six Subsidiary Companies conducting different business activities. Following are the corporate details of Subsidiaries:

Subsidiary	Capital	Bank's Ownership Percentage	Main Scope of Business	Country of Operation	Country of Incorporation
Alinma Investment Company, (Closed Joint Stock Company)	Authorised: SAR 1,000 Mn., Paid Up: SAR 500 Mn.	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 (a Limited Liability Company)	SAR 100,000	100	Facilitates mortgage financing and to hold, 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
Alinma Insurance Agency for Cooperative Insurance (a Limited Liability Co.)	SAR 3 Mn.	100	The company operates according to the regulations of the Saudi Central Bank (SAMA) and operates as an agent for the Alinma Tokio Marine (associate company)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Fintech Company (Closed Joint Stock Company)	SAR 100 Mn.	100	Providing the digital financial products and services in cooperation with banks, together with the providing of digital financial platforms and engaging in banking agency activity for providing the e-commerce payment services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Isnad Company (a Limited Liability Co.)	SAR 500,000	100	To provide 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	Execute 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	Investment in domestic sovereign Sukuk issued by the government of Saudi Arabia	SAR 1,265 Mn.	92.4	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Alinma IPO Fund	Enhancing capital on the long-run by investing mainly in Saudi joint stock companies	SAR 149 Mn.	70.9	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

The below table summarizes the Operational activities and gross revenues of the Subsidiary Companies together with their contributions to the Bank’s results:

	Activity’s Profit (SAR Mn.)	Percentage %
Fund Management	369	45
Investment Banking and Brokerage	92	11
Others	365	44
TOTAL OPERATING INCOME	826	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 Investment Company	50,000,000	100	–	–
Saudi Fintech Company	10,000,000	100	–	–
Alinma Insurance Agency for Cooperative Insurance	300,000	100	–	–
Isnad Company	50,000	100	–	–
Tanweer Real Estate Company	10,000	100	–	–
Alinma SPV Limited	50,000	100	–	–

Dividends Distribution Policy →

As stipulated in article (45) of Alinma Bank’s By-Laws, the Bank distributes its net income after deducting all general expenses, other costs, providing necessary reserves for bad debts, investment losses and any other items that the Board of Directors may consider appropriate in accordance with the Banking Control Law and SAMA directives, as follows:

1. The shareholders’ Zakat and tax liability is computed and paid by the Bank to the concerned authorities.
2. Not less than 25% is transferred to the Statutory Reserve until such reserve becomes equal to the paid-up capital.
3. At least 5% of the paid-up capital may be distributed to shareholders when proposed by the Board of Directors and approved by the General Assembly. If the remaining profits are not sufficient to pay 5%, shareholders shall have no right to claim the payment during the next or subsequent year/(s). The General Assembly shall have no right to increase the dividends beyond what is recommended by the Board of Directors.

4. Remaining balance of profits (after allocating the amounts referred to in paragraphs 1, 2 and 3 above) shall be appropriated as recommended by the Board of Directors and approved by the General Assembly.
5. Based on a recommendation made from the Board of Directors, the General Assembly may allocate amounts from the net profits to establish social services for the employees of the Bank or to support existing services.
6. Annual dividends shall be paid to shareholders in accordance with the decision of General Assembly issued in this regard, and interim dividends shall be paid to the shareholders in accordance with The decision of the Board of Directors after the authorization of the General Assembly, The decision shall determine the due date and the date of distribution, and the eligibility of Dividends for shareholders registered in the shareholders’ records at the end of The day specified for maturity.

The Board has recommended the following appropriations for the 2022 fiscal year:

	2022 (SAR Mn.)
Net income for the year	3,599
Retained earnings – brought forward	3,619
Amount available for appropriation	7,218
Transfer to statutory reserve (25% of net income)	(900)
Interim profit distribution for the first half of 2022, represent 4.5% of the share nominal value	(896)
Final profit distribution for the second half of 2022, represent 5% of the share nominal value	(996)
Costs of issuing the first tranche Sukuk and relevant returns	(150)
Net transferred to other Reserves	9
Retained earnings – carried forward	4,285

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 shows Major Shareholders of the Bank during the financial year 2022:

Name	Beginning of the year		End of the year	
	Shares	Ownership %	Shares	Ownership %
Public Investment Fund	200,000,000	10	200,000,000	10

Description of any interest, contractual securities and 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 %
		Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
1.	Dr. Abdulmalik Abdullah Alhogail	400,000	3	400,000	3	–	–
2.	Mr. Anees Ahmed Moumina	16,621	–	14,288	–	(2,333)	-14.04
3.	Mr. Ahmed Abdullah Al Alsheikh	1	–	1	–	–	–
4.	Mr. Mohammed Abdulrahman Bindayel	1,333	–	1,333	–	–	–
5.	Mr. Abdulrahman Mohammed Ramzi Addas	2,145	–	2,145	–	–	–
6.	Dr. Saud Mohammed Al-Nimir	70,190	–	72,840	–	2,650	3.78
7.	Mr. Haitham Rashid Al-Sheikhmubarak	0	–	50	–	50	100

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	Sukuks	No. of Shares	Sukuks		%
1.	Mr. Emad Abdulrahman Al-Butairi	235,953	—	307,100	—	71,147	30.15
2.	Mr. Abdullah Jamaan Al-Zahrani	4,478	—	95,825	—	91,347	2039.91
3.	Mr. Meshary Abdulaziz Al-Jubair	144,787	—	187,723	—	42,936	29.65
4.	Dr. Mohammed Sultan Al-Sehali	5,500	—	52,539	—	47,039	855.25
5.	Mr. Hamoud Abdulaziz Al-Humaidan	0	—	57,600	—	57,600	100.00
6.	Mr. Eyad Osama Al-Othman	158,400	—	150,000	—	(8,400)	-5.30
7.	Mr. Yaser Abdulaziz Al-Marshde	132,110	—	161,814	—	29,704	22.48
8.	Mr. Hisham Abdullah Al-Turaigi	3,150	—	123	—	(3,027)	-96.10
9.	Mr. Abdullah Mohammed Al-Salamah	41,897	—	70,176	—	28,279	67.50
10.	Mr. Meshal Hamad Al-Rabiah	4,000	—	7,000	—	3,000	75.00

Requests for Shareholder Records →

Below table shows the numbers of Bank’s requests of shareholders records, dates and reasons thereof:

Date of Request – 2022		Nature of Requests
1.	January 19	Update shareholder register
2.	February 02	Update shareholder register
3.	March 03	Update shareholder register
4.	March 17	Meeting of the General Assembly
5.	March 22	Update shareholder register
6.	April 03	Update shareholder register
7.	May 09	Update shareholder register
8.	June 06	Update shareholder register
9.	July 03	Update shareholder register
10.	October 03	Update shareholder register
11.	November 02	Update shareholder register
12.	November 13	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 resulted from transactions with related parties and included in the consolidated financial statements as at December 31, 2022.

	2022 (SAR '000)	2021 (SAR '000)
Members of the Board of Directors, senior executives, major shareholders and related companies		
Senior Executive Finance	50,503	43,658
Related Parties Finance	935,993	745,520
Customer Deposits*	107,960	323,538
Investment in Subsidiaries	70,214	66,680
Investment Funds of the Bank		
Investments in Funds	625,708	1,755,631
Investment Funds Finance	—	—
Deposits from Investment Funds	796,174	216,662
Financing from Investment Funds	—	50,388

*Customer deposits include mainly deposits from major shareholders, related companies, and Members of the Board of Directors.

(A) Below is an analysis of revenues and expenses with respect to transactions with related parties listed in the consolidated income statement:

	2022 (SAR '000)	2021 (SAR '000)
Finance Income	20,413	10,877
Return on Customers Time Investments	3,803	25,151
Fee from banking services, net	378,163	332,191
Directors’ remuneration	9,086	6,860

Advances and expenses of executive directors are in line with normal employment conditions.

(B) Below is an analysis of total compensations paid to senior executives during the year:

	2022 (SAR '000)	2021 (SAR '000)
Short-term Benefits	80,604	71,363
End of Service Benefits	7,312	7,682

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 related to any of them. If there are no such businesses or contracts, the bank must submit a statement thereof →

	Company Name	Work or Contract Nature	Work or Contract Amount	Work or Contract Duration	Work or contract conditions	Name of the director/senior executive or any person related to any of them
1.	Alinma Tokio Marine Co.	Issuance and renewal of insurance policies, and Information Technology Services	43,071,468	2022	No preferential terms	<ul style="list-style-type: none">Abdullah Ali Al-Khalifa (CEO, Alinma Bank) (Non-Executive member, Alinma Tokio Marine)Emad Abdulrahman Al-Butairi (Head of Corporate Banking Group, Alinma Bank) (Non-Executive member, Alinma Tokio Marine)Abdulmohsen Abdul Aziz Al-Fares (Former CEO, Alinma Bank) (Chairman of the Board of Directors, Alinma Tokio Marine)
2.	Ersal	SLA by Alinma bank IT	4,000,000	2022	No preferential conditions	<ul style="list-style-type: none">Abdullah Ali Al-Khalifa (CEO)Abdullah bin Jamaan Al-Zahrani (Head of Treasury Group)Saleh bin Abdullah Al-Zumea (Senior Deputy CEO, Head of the Retail and Digital Banking Executive Group)
3.	SIJIL	Auto Lease, Retail, and Corporate Financing Contracts Registration and Authentication	189,500	2022	No preferential conditions	<ul style="list-style-type: none">Hisham Abdullah Al-Tariqi (Head of Credit Sector)

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 member(s), senior executive(s) has 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 shareholder(s) 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 2022:

الذات	paid amount	Outstanding amount until the end of the annual financial period	Brief description
Zakat	311.54	413.76	The amount paid represents the Zakat paid for the year 2021, and the accrued amount represents the Zakat calculated for the financial year 2022 and will be paid in April 2023
Withholding Tax	28.68	0.9	The amount paid represents the withholding tax paid for the period from December 2021 to November 2022 and the accrued amount represents the withholding tax for December 2022, payable in January 2023
Value Added Tax	216.28	16	The amount paid represents the VAT paid for the period from December 2021 to November 2022, and the accrued amount represents the VAT for December 2022, payable in January 2023

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 December 31, 2022, the balance due to employees on account of the end of service benefits obligation amounted to SAR 464 Mn. Additionally, the Bank makes monthly contributions towards the General Organization for Social Insurance (GOSI) for staff welfare as per the Saudi Labor Law.

Declarations →

In preparing the consolidated financial statements of the Bank, the Bank follows:

- (a) The International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Certified Public Accountants (SOCPA) collectively referred to as the “Standards approved in the Kingdom of Saudi Arabia”;
- (b) The provisions of the Banking Control Law, the Companies Law in force in the Kingdom of Saudi Arabia, and the Articles of Association of the Bank.

The Board of Directors confirms the following:

- Proper books of accounts have been maintained as required by law.
- The system of internal controls is sound in design and has been effectively implemented.
- There are no doubts about the bank’s ability to continue as a going concern.

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
Mr. Mutlaq Hamad Al-Morished	Citigroup Saudi Arabia (CSA)	A principal and agent, undertaking coverage and management, arranging, providing advice, and filling in securities business	There are no preferential terms
Mr. Anees Ahmed Moumina	Dar Al Tamleek	Buying, selling and owning real estate and lands and investing them, as well managing financing programs for others	There are no preferential terms

Disclosures related to Small, Medium and Micro Enterprises →

SMEs shall be defined as follows:

Type of Enterprise	Revenues (SAR Mn.)	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 (43) employees at the end of the fiscal year 2022.

During 2022, the Bank focused on developing the business of the SME sector through:

In 2022, the SME sector has achieved many developments to improve the performance of the sector and enhance the customer experience as well. These developments can be represented in the following:

- New Structure of the SME Division
- New Products and new financing programs
- Improve the workflow and manage the operational difficulties

New Structure: The SME division has created a new track called SME Sales Network to manage all program based lending products. This track is mainly targeting micro and small entities by offering different products with less requirements and flexible approval to fulfil their financial needs.

New Products & partnerships and new financing programs: The SME sector has successfully introduced six new products in 2022 to serve different needs of the Micro and Small Enterprises in different sectors.

- Current Account Based Financing – CAPEX
- Current Account Based Financing – Invoices
- Current Account Based Financing – Payrolls
- DAMAN Performance Bond
- Receivables Financing
- Real Estate Investment Financing - Rental Based Financing

Partnerships:

- Strengthening cooperation with the General Authority of Small and Medium Enterprises (Monshaat) through increasing funded opportunities through the financing portal.
- Sign Agreement with Agriculture Development Fund
- Expansion through Kafalah program for financing Small and Medium Enterprises

Improve the workflow and manage the operational difficulties:

The major improvements and enhancements in SME sector that have been made in 2022:

- Set a new approval fast track to facilitate and expedite the approval process by providing more authority to the business
- Redesign and improve the process flow to be more efficient and effective in terms of flexibility and quality
- Improve the RMs skills by offering intensive credit program specially designed by Moody's Analytics
- Participate in different events to offer our services and products and increase the SME market share (Ex, Hajj and Umrah Services Conference and Exhibition, and The International Franchise Expo)
- Sales Network, which focuses on financing the sector through flexible sector-specific products and financing programs on concessional terms
- Developing business and products through market study and building strategic partnerships with the public and private sectors

Number of Training Days	
Number of man-days training provided to SMEs staff	162

The following are the main performance indicators of the SME sector during the year 2022 compared to 2021:

2022 (SAR '000)				
	Micro Enterprise	Small Enterprise	Medium Enterprise	Total
Small and Medium enterprises Financing – On Balance Sheet	110,362	1,626,408	2,781,396	4,518,166
Small and Medium enterprises Financing – Off Balance Sheet	3,403	104,221	230,722	338,346
SMEs Financing as a percentage of total financing – On Balance Sheet	0.07%	1.08%	1.85%	3.00%
SMEs Financing as a percentage of total financing – Off Balance Sheet	0.01%	0.44%	0.98%	1.48%
Number of Financing transactions (on/off Balance Sheet)	171	1,092	1,138	2,401
Number of Financing customers (on/off Balance Sheet)	339	518	176	1,033
Number of Financing transactions guaranteed by Kafalah program	127	712	373	1,212
Total Financing amounts guaranteed by Kafalah program	60,726	561,060	502,239	1,124,025

2021 (SAR '000)				
	Micro Enterprise	Small Enterprise	Medium Enterprise	Total
Small and Medium enterprises Financing – On Balance Sheet	28,587	1,084,441	2,716,542	3,829,570
Small and Medium enterprises Financing – Off Balance Sheet	–	55,716	224,875	280,591
SMEs Financing as a percentage of total financing – On Balance Sheet	0.02%	0.86 %	2.15%	3.03%
SMEs Financing as a percentage of total financing – Off Balance Sheet	0.00%	0.40 %	1.61 %	2.01%
Number of Financing transactions (on/off Balance Sheet)	39	636	1,069	1,744
Number of Financing customers (on/off Balance Sheet)	28	315	168	511
Number of Financing transactions guaranteed by Kafalah program	33	403	297	733
Total Financing amounts guaranteed by Kafalah program	14,198	326,604	458,156	798,958

Kafalah Program

The bank continued its contribution in supporting micro, small and medium enterprises through Kafalah program, where several achievements were achieved in 2022.

Key achievements of the Kafalah program during 2022:

- Finance under Kafalah program recorded a growth rate of 46%.
- The number of guarantees issued to the bank’s clients increased by 67% during 2022.
- The number of the bank’s customers under Kafalah program grew by 59% compared to 2021.
- Growth of finance under SAMA initiative “Guaranteed Loan Program”, by 13% increase in 2022 comparing to 2021.
- The finance product portfolio through the POS Financing grew by 108%.
- The Bank ranked 4th among banks cooperating with Kafalah program by the end of 2022.

Acknowledgement →

The Alinma Bank Board of Directors greatly appreciates the commitment of the Bank in 2022 to achieve noteworthy progress in line with the Bank’s overarching strategy to be recognised 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 2022, Alinma Bank 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.



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