

Operating segments

Corporate Banking Group

Continued strong growth in assets and income

The Corporate Banking Group's multi-pronged growth activities resulted in an exceptional performance in 2023, with the division recording a 19% increase in operating income to SAR 3,269 Mn. (2022: SAR 2,736 Mn.), exceeding its rigorous targets and accounting for 34% (2022: 34%) of the Bank's overall operating income.

Over the year, our focus on growing funded income was rewarded by a 48% increase in this revenue stream to SAR 4,071 Mn. (2022: SAR 2,749 Mn.). Combined with lower impairment charges, Corporate Banking delivered an outstanding 47% increase in net income, despite a steep rise in operating expenses.

The 2023 year was also characterized by a 140% surge (2022: 270%) in booked assets to SAR 6.7 Bn. in the mid-corporate banking segment and an equally impressive 135% increase (2022: 467%) in non-funded assets in the same segment.

Our Kafalah financing activities showed a solid growth of more than 20%, thanks to the increase in our program-based financing.

As a result, by the year end, Corporate Banking accounted for 56% of Alinma Bank's total assets.

Other activities that fueled performance included encouraging existing clients to use more of their facilities, acquiring new clients, and raising fee-based income from higher trade finance and facility fees. We also achieved pleasing results from cross-selling our banking products and generating liabilities to reduce our cost of funds.

Supporting Saudi Vision 2030

Our substantial financing support for government-related projects continued in 2023, with our project and structured finance team providing more support for government projects this year than in previous years.

The support was extended to various projects in NEOM, in addition to financing infrastructure projects in the health, education, and utilities sectors. We also supported various bidders to finance renewable energy projects and logistics zones.

Customer experience advances

Our 2023 financial year benefited from a new Management team that was mandated to execute our strategy to be the bank of choice for large, mid-corporate, SMEs, and project finance partners in diverse sectors. We made substantial progress towards achieving this objective by implementing a range of digital solutions to expedite turnaround times and other measures that optimize the customer experience.

These actions were supported by a new Corporate Customer Support middle office that was set up to drive and monitor improvements in approval time frames, efficiency, and client service. At the front end, our Retail branches set up Corporate desks to offer clients the option of face-to-face engagement, broadening their channel choices as a further step in enhancing their experience with us.

Our efficiency drive benefited from the first phase of our new corporate financing origination system that tracks the progress and status of a client's application, expedites processing, reduces paper use, and contributes towards our sustainability objectives. We also introduced clear service level agreements between the Bank's various departments and divisions to monitor and improve efficiency.

Amplifying the customer journey

New products and service enhancements were introduced in 2023 that substantially augmented the client experience.

We launched deposit cards for clients to deposit cash at any time at our ATMs, and we re-launched a better and more organized dividends distribution service for listed corporates to pay Shareholders more easily and to track payment status.

In terms of service improvements, we introduced an online onboarding process for our clients that eliminates their obligation to visit a branch in person or submit paper documentation when registering for payroll onboarding and wages protection, among other services.

Our B2B clients now have access to additional business bills functions to help them micro-manage virtual accounts from all aspects.

New and expanded partnerships to grow market share

Corporate Banking progressed its acquisition of domestic market share and extended the reach of its products by expanding existing relationships and signing up new partners.

We extended our activities with payment terminal service providers by securing new agreements with Moyasar Financial Company and Ottu. This move will grow our market share and increase the number of merchants in our network.

Our agreement with payroll management company, Mudad, made us the first bank in Saudi Arabia to offer automated wages protection, a key differentiator for employers seeking to make their banking journey faster and more efficient.

Our new rebate and partnership agreement with Mastercard was the result of the Bank's impressive performance. This expansion will enable us to take a leap forward by expanding our payment technologies and solutions, offering leading-edge payment technologies and solutions, and catering to the needs and demands of our clients and partners.

We also completed our integration with Dhamen, making us one of only 3 banks in the Kingdom that has enabled Dhamen to manage car trading and other government services through Alinma Bank. We also signed an agreement with the Ministry of Human Resources and Social Development to offer payroll support to our SME clients and micro entities.

Operating segments

Corporate Banking Group (continued)

As part of our focus on the fintech sector, we signed agreements with several businesses that will present their services as part of Alinma Bank’s services. The fintech entities include Qashio, FlyAkeed, Bayzat, and SingleView, and they can now print and manage cards that will enrich our offering to clients.

In our trade financing business, we introduced invoice discounting and dynamic discounting, and we received Shariah approvals for the refinancing of Bai Ajel’s letter of credit.

We also further expanded our partnership with WTHAQ and BwaTech for automating the Letter of Guarantee issuing process.

Corporate Banking in 2024

The coming year will be a continuation of investment in our online banking and digital platform to improve efficiencies and turnaround times.

We will accelerate growth in the micro, small, and medium enterprises segment (MSME) and the mid-and large corporate segments, with a robust customer acquisition drive. Our strategy will also target an increase in share of wallet and an improvement in our Net Promoter Score. We will

be introducing an incentive scheme for our frontline teams that will use quantitative and qualitative metrics to determine more transparent performance-based remuneration.

Our cash management team will tackle a number of initiatives to deliver its major objectives for 2024. These include new payment solutions, expanding the Bank’s relationships further with payment terminal service providers, and a range of digital and systems solutions that will streamline clients’ banking transactions and further improve visibility over their financial activities.

Our trade finance team will focus on expanding our offering to be more diversified in order to build market share, while our project and structured finance team is currently evaluating potential support/financing for various government-related projects in renewable energy and water treatment facilities, transportation, tourism, and the public sector, specifically education and healthcare.



In our trade financing business, we introduced invoice discounting and dynamic discounting, and we received Shariah approvals for the refinancing of Bai Ajel’s letter of credit.

SME Banking Division

The SME Banking Division had an outstanding 2023, notably for the more than 100% growth in the program-based financing portfolio, which reflected the substantial support we provided to micro-businesses.

Alinma Bank's growth in financing of SMEs surged in the year under review, and far outstripped the market average. While our SME financing grew 88%, the Government and Saudi Vision 2030 have identified the sector as critical for diversifying the economy into non-oil industries, promoting innovation, and creating employment.

The SME Banking team's performance was also exceptional in 2023. During the year, the division remarkably increased the liability by more than 80% compared to 2022 to reach SAR 1.66 Bn., which is mainly non-profit-bearing deposits, through its clients' current accounts and partnerships with government, semi-government, and private sectors.

Overall, despite demanding targets, the division exceeded its key objectives relating to assets, non-funded trade business, liabilities, revenue, and new customers. It delivered SAR 8.5 Bn. in funded assets, while non-funded assets grew by 98% to reach SAR 668 Mn.

Advancing Alinma Bank's strategic progress

Over the year, the SME Banking Division made major headway in progressing the Bank's key strategies by completing initiatives related to growing its Kafalah portfolio, expanding its program-based financing portfolio, and developing bundled products for SMEs.

SME Banking launched a number of new products during 2023 to foster the growth and sustainability of SMEs by providing them with tools and solutions that make it easier and faster to do business.

Our e-commerce financing and the updated version of point-of-sale financing products were introduced to the market during the year, providing financial support to grow the SME businesses without needing to furnish audited financial statements.

We entered into partnership agreements with government, semi-government, and private entities to support the SMEs in different sectors such as Hajj and Umrah and manufacturing.

We also expanded our relationship with Monsha'at, by entering into an agreement on its Tomoh program for rapidly growing SMEs. Alinma Bank will provide financing services to the potential opportunities referred by Monsha'at, which is a government program to regulate, support, and develop the SME sector.

SME Banking Division in 2024

In the year ahead, SME Banking will pursue further growth in assets and liabilities by enhancing customer experience. This will be achieved by a wide range of cross-selling and cash-management products, offering additional products and services under the program-based financing portfolio, and monitoring the performance of the new SME Digital Attacker (IZ Business).