Financial Review

Financial Performance

The annual financial results of Bank Albilad, as of year-end 31-12-2025, demonstrated continuous profit growth stemming from advances across all banking activities. The Bank's net income after Zakat, reached ⃁ 3,049 million, compared to ⃁ 2,807 million in 2024, marking an increase of 9%.

This significant growth primarily resulted from a 9% increase in total operating income, driven by a surge in the net income from investment and financing assets, which escalated to ⃁ 4,752 million. Concurrently, total operating expenses increased by 10%, totaling ⃁ 2,792 million, which is mainly due to the increase in other general and administrative expenses, salaries and employee related benefits, net impairment charge for expected credit losses and depreciation & amortization.

Financial Position

Assets

By the end of 2025 Bank Albilad's total assets had grown to ⃁ 172,972 million, up from ⃁ 154,965 million in 2024, marking an increase of ⃁ 18,007 million or 12%. This growth in assets primarily resulted from expansions in the bank's financing and investments.

Net Financing and Investments

The net financing portfolio saw an increase of ⃁ 12,884 million or 12%, culminating in ⃁ 122,188 million as of December 2025. The investment portfolio also expanded, reaching ⃁ 31,123 million, marking an increase of ⃁ 6,091 million or 24% over the previous year.

Liabilities

Deposits climbed to ⃁ 132,879 million, reflecting an increase of ⃁ 11,103 million or 9% over the past year.

Total liabilities similarly rose to ⃁151,616 million, up by ⃁ 13,345 million or 10% compared to the previous year.

Owners' Equity

Total equity surged by ⃁ 4,663 million, or 28%, ending the year at ⃁ 21,356 million compared to ⃁ 16,693 million at the end of 2024. This increase is primarily attributed to the increase in the bank's share capital, issuing Tier 1 Sukuk and enhanced net income. The number of issued common shares increased to 1,500 million. The Tier I + Tier II ratio stood at 20.20% by year-end 2025. Post-Zakat, the bank's return on average assets reached 1.86%, while the return on average equity was 17.13%, and earnings per share reached ⃁ 1.99.

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or
28%
ending the year at
⃁ 21,356 million
compared to
⃁ 16,693 million
at the end of 2024

Composition of Assets
(⃁ Mn)

	2025	2024	% change	2023	2022	2021
Cash and balances with Saudi Central Bank	9,617	11,249	-15%	6,983	8,711	6,097
Due from banks and other financial institutions, net	5,883	5,099	15%	8,170	6,067	2,137
Investments, net	31,123	25,032	24%	22,080	20,600	17,092
Financing, net	122,188	109,304	12%	102,080	91,179	82,933
Other assets	1,364	1,910	-29%	1,635	881	669
Property, equipment and right of use assets, net	2,797	2,371	18%	2,158	2,105	1,926
Total assets	172,972	154,965	12%	143,106	129,543	110,854

Composition of Equity
(⃁ Mn)

	2025	2024	% change	2023	2022	2021
Share capital	15,000	12,500	20%	10,000	10,000	7,500
Treasury shares	-223	-211	6%	-148	-53	-62
Statutory reserve	2,646	2,884	-8%	2,182	1,590	1,070
Other reserves	-421	-387	9%	-166	-239	440
Retained earnings	1,896	1,869	1%	3,371	1,590	522
Employees' share plan reserve	20	38	-47%	19	11	10
Proposed cash dividend	0	0	0%	0	500	0
Proposed issuance of bonus shares	0	0	0%	0	0	2,500
Equity attributable to the shareholders of the Bank	18,918	16,693	13%	15,258	13,399	11,980
Tier 1 Sukuk	2,438	0	100%	0	0	0
Total equity	21,356	16,693	28%	15,258	13,399	11,980.09

Summary of Bank Albilad's Operations and Financial Position

The following presents a breakdown of the key components of Bank Albilad's consolidated statement of financial position for the year 2025.

(⃁ Million)	2025	2024	Change %	2023	2022	2021
Investments, net	31,123	25,032	24%	22,080	20,600	17,092
Financing, net	122,188	109,304	12%	102,080	91,179	82,933
Total assets	172,972	154,965	12%	143,106	129,543	110,854
Customers' deposits	132,879	121,776	9%	112,831	94,843	81,110
Total liabilities	151,616	138,272	10%	127,848	116,144	98,874
Total equity	21,356	16,693	28%	15,258	13,399	11,980

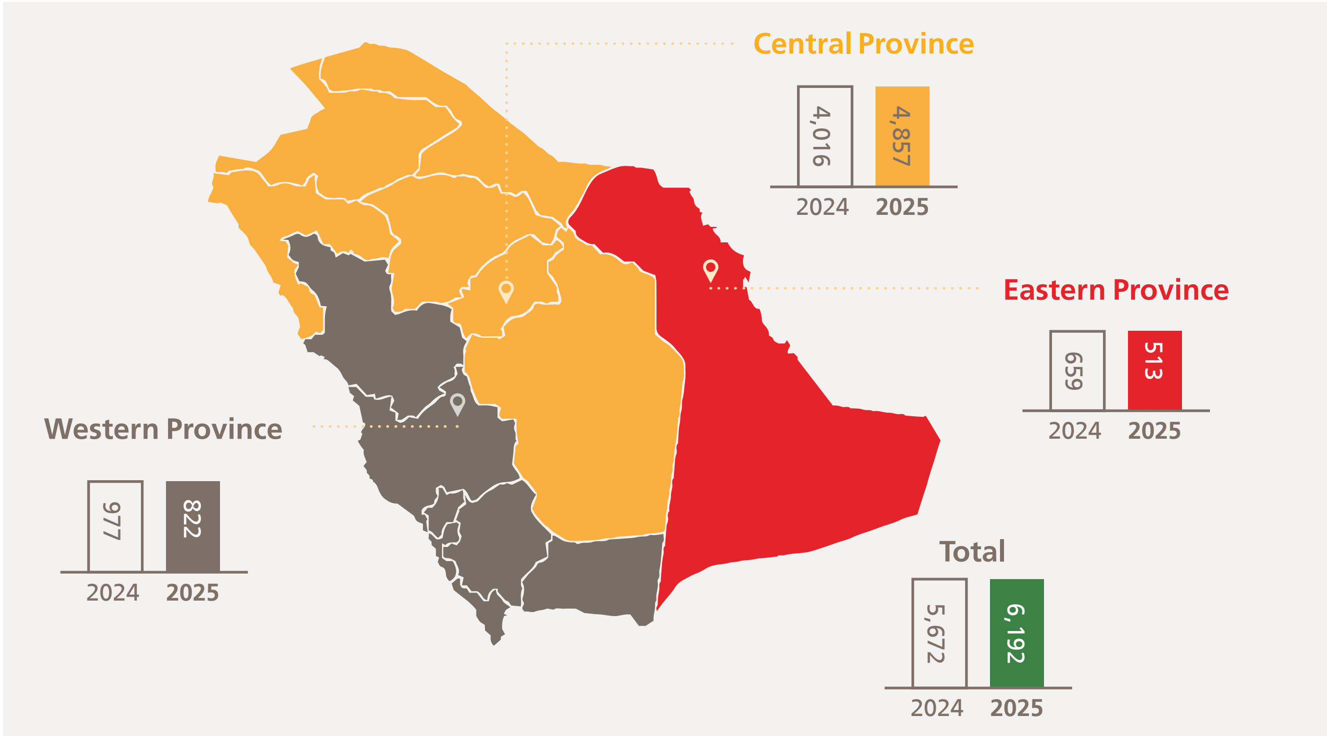
The following presents a breakdown of the key components of Bank Albilad's consolidated statement of income for the year 2025.

(⃁ Million)	2025	2024	Change %	2023	2022	2021
Income from investing and financing assets, net	4,752	4,434	7%	4,110	3,887	3,489
Fee and commission, net	723	701	3%	621	669	731
Exchange income, net	296	316	-6%	348	398	313
Total operating income	6,192	5,672	9%	5,303	5,192	4,584
Impairment charge for expected credit losses, net	181	130	39%	324	551	570
Total operating expenses	2,792	2,543	10%	2,662	2,871	2,704
Net income for the year before zakat	3,399	3,129	9%	2,641	2,321	1,880
Zakat for the year	350	322	9%	272	239	194
Net income for the year after zakat	3,049	2,807	9%	2,369	2,082	1,687

Geographical Breakdown of Operating Income for Bank Albilad and Its Subsidiaries

Analysis of the total operating income by region:

(⃁ Million)	Central	Western	Eastern	Total
Total Income for the Year 2025	4,857	822	513	6,192



Bank Albilad and its subsidiaries predominantly generate their revenue within the Kingdom of Saudi Arabia, with no branches or companies operating internationally. The impact of key activities on Bank Albilad's business operations and total revenues is detailed below:

2025 (⃁ million)	Activity Revenues	%
Retail banking	2,410	39%
Corporate banking	1,912	31%
Treasury	1,437	23%
Investment banking and brokerage	433	7%
Total	6,192	100%

Consolidated Financial Summary for Bank Albilad and its Subsidiaries as of December 31, 2025:

2025 (⃁ million)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	69,320	63,019	39,110	1,523	172,972
Total liabilities	75,005	30,212	46,052	348	151,616
Income from investing and financing assets, net	1,893	1,575	1,127	156	4,752
Fee, commission and other income, net	517	337	310	277	1,440
Total operating income	2,410	1,912	1,437	433	6,192
Impairment charge for expected credit losses, net	237	(62)	8	(2)	181
Depreciation and amortization	255	38	8	2	303
Total operating expenses	2,087	364	148	194	2,792
Net income for the year before zakat	323	1,548	1,289	239	3,399

These consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, "Albilad Investment Company", "Albilad Real Estate Company", "Enjaz Payment Services Company", "Financial Solutions Company for Investment" and "Dufaa Finance Company" (collectively referred to as "the Group").

The Bank was able to achieve positive financial and operational results and growth during the year 2025, as it achieved growth rates that exceeded the goals set, as a result of the bank's policies and business strategies that were implemented during the year.

Key Business Groups, Sectors, and Activities of the Bank and Its Subsidiaries

The Bank and its subsidiaries practice the following activities:

Retail banking	Services and products to individuals, including deposits, financing, remittances and currency exchange.
Corporate banking	Services and products to corporate customers, including deposits, financing, and trade services.
Treasury	Money market and treasury services.
Investment banking and brokerage	Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Strategic Investments

Company Name	Date of Establishment	Main activity	Authorized Capital	Paid Capital	Country of operations	Country of Establishment	Ownership (%)
Bayan Credit Information Company	30/11/2015	Credit information, credit rating, and credit consulting services for companies and commercial institutions	⃁100 million	⃁75 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%18.75
Saudi Financial Lease Registration Company "Sajil"	4/12/2017	Registration	⃁38,392,850	⃁38,392,850	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%2.30
Saudi Financial Support Services Company "Sanid"	09/07/1984	Installation and maintenance of automated banking equipment, management and operation of cash centers, payment services for point of sale and secure electronic outlets, ATMs, wholesale of banking equipment, cash transport and high-value documents	⃁25 million	⃁25 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%5.00
Kinan International Real Estate Development Company	13/04/2004	Development and management of residential communities and commercial centers in various cities of the Kingdom	⃁1.7 billion	⃁1.7 billion	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%6.78

[13]Enjaz Payment Services Company was founded as a closed joint stock company with majority ownership by Bank Albilad. The Bank owns 99% of the company's shares, equivalent to 19.8 million (nineteen million eight hundred thousand) shares, which are valued at 198 (one hundred and ninety-eight) million Saudi riyals. The remaining 1% of shares, equivalent to 200 (two hundred) shares, worth 2 (two) million Saudi riyals, is owned by the Financial Solutions Investment Company, a subsidiary of Albilad Real Estate Company, which is entirely owned by the bank.

Capital Adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by Saudi Central Bank; to safeguard the Group's ability to continue as a going concern; and to maintain a strong capital base.

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management. Saudi Central Bank requires holding the minimum level of the regulatory capital of and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above the agreed minimum of 8%.

The Group monitors the adequacy of its capital using ratios established by Saudi Central Bank. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets and commitments at a weighted amount to reflect their relative risk.

The following table summarizes the Group's Pillar-I Risk Weighted Assets, Tier I and Tier II Capital and Capital Adequacy Ratios.

Details	2025 (⃁ thousand)
Credit Risk RWA	118,341,390
Operational Risk RWA	5,022,005
Market Risk RWA	4,072,222
Total Pillar-I RWA	**127,435,617**
CET1	18,918,062
Tier I Capital	21,355,920
Tier II Capital	4,386,562
Total Tier I & II Capital	**25,742,482**
Capital Adequacy Ratio %	
Common Equity Tier I ratio	%14.85
Tier I ratio	%16.76
Tier I + Tier II ratio	%20.20

Financing and Issued Sukuk

On April 15, 2021, the Bank issued 3,000 Tier 2 Sukuk Certificates (Sukuk) of ⃁ 1 million each. The profit on Sukuk is payable quarterly each year until April 15, 2031. The Bank has a call option which can be exercised on or after April 15, 2026 as per the terms mentioned in the related offering circular. The expected profit distribution on the sukuk is the base rate for three-month in addition to a profit margin of 1.65% per annum. The Bank has not defaulted on any of payments (profit / principal) due during the current and prior period.

On May 22, 2025, the Bank successfully completed the issuance of a USD 650 million (⃁ 2,438 million) USD-denominated Additional Tier 1 Sukuk. This issuance forms part of the Bank's USD 2 billion Additional Tier 1 Capital Sukuk Programme and was executed through a private placement in both Kingdom of Saudi Arabia and international markets. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The Sukuk carries a return rate of 6.5% per annum and is classified as a perpetual security, with no fixed or contractual maturity date.

On Jan 15, 2026, the Bank successfully completed the issuance of a USD 500 million (⃁ 1,875 million) USD-denominated Additional Tier 1 Sukuk as part of the Bank's USD 2 billion Additional Tier 1 Capital Sukuk Programme. The Sukuk carries a return rate of 6.375% per annum and is classified as a perpetual security, with no fixed or contractual maturity date.

The Bank confirms that it has not obtained any financing from external parties in 2025. The Bank has also not provided any financing to its subsidiaries. The only existing financing relates to a financing granted by Saudi National Bank to Albilad Capital as per the table below:

Total indebtedness	Amounts paid during the year*	Principal amount of the financing	Name of the financing provider	Financing term	Outstanding Balance
105,997,467	106,020,491	100,000,000	Saudi National Bank	Short term (3-6 months)	100,125,826

*The indebtedness is two short-term financing contracts of ⃁ 50 million each, which is automatically renewed on the maturity date.

Basel Notes - Third Pillar

These notes have been prepared by virtue of SAMA's requirement of quantitative and qualitative notes related to Basel Third Pillar. For reviewing these notes, please visit the Bank's website: www.bankalbilad.com.sa

Independent Auditors

In the General Assembly meeting held on 16 Shawwal 1446H, corresponding to 14 April 2025, Ernst & Young Professional Services and PricewaterhouseCoopers Public Accountants have been appointed as external auditors of the Bank for the fiscal year 2025. As for the year 2026, the auditors will be appointed at the meeting of the General Assembly expected to be held in the early second quarter of 2026.

Independent Auditors' Report

The auditors submitted an unqualified audit report on the Bank's consolidated financial statements for the current fiscal year.

Credit Rating

The below table illustrates the credit rating for the Bank:

Rating Agency	Long-term	Mid-term	Future overview
Moody's	A2	P-1	Stable
Fitch	A-	F2	Stable

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Bank's Subsidiaries

The Bank owns five subsidiaries, as detailed below:

Company Name	Date of Establishment	Main activity	Capital	Country of operations	Country of Establishment	Ownership (%)
Albilad Investment Company (Albilad Capital)	20/11/2007	Conducting investment services and asset management activities represented in dealing, arranging, managing, advising and custody of securities	⃁ 500 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Albilad Real Estate Company	17/09/2006	Conducting registration procedures related to real estate collateral obtained by the Bank from its customers	⃁ 500 thousand	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Enjaz Payment Services Company[1]	08/10/2022	Payment and remittance services	⃁ 200 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Dufaa Finance Company The Company is still in the process of obtaining an operating license from Saudi Central Bank ("SAMA").	19/05/2024	consumer financing	⃁ 300 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Financial Solutions Company for Investment	21/04/2022	Finance and Insurance Activities	⃁ 10 thousand	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%100

[1] Enjaz Payment Services Company was founded as a closed joint stock company with majority ownership by Bank Albilad. The Bank owns 99% of the company's shares, equivalent to 19.8 million (nineteen million eight hundred thousand) shares, which are valued at 198 (one hundred and ninety-eight) million Saudi riyals. The remaining 1% of shares, equivalent to 200 (two hundred) shares, worth 2 (two) million Saudi riyals, is owned by the Financial Solutions Investment Company, a subsidiary of Albilad Real Estate Company, which is entirely owned by the bank.