

Annual Report 2025

SHAPING TOMORROW'S POSSIBILITIES





Custodian of the Two Holy Mosques
KING SALMAN BIN ABDULAZIZ AL SAUD
May Allah protect him



His Royal Highness
PRINCE MOHAMMED BIN SALMAN BIN ABDULAZIZ AL SAUD
Crown Prince and Prime Minister May Allah protect him

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Shaping Tomorrow's Possibilities

“Shaping
Tomorrow's
Possibilities”
captures Bank
Albilad's intent
to turn today's
innovation into
tomorrow's
opportunity.



The theme signals progress with purpose: placing human needs at the center, embedding secure and responsible technology across the operating model, and translating insight into accessible, Sharia-compliant solutions for customers, businesses, and communities.

**The Bank
continues
to design
experiences
that are simpler,
smarter, and
more inclusive.**

Guided by strong governance and a commitment to sustainability, the Bank continues to design experiences that are simpler, smarter, and more inclusive. Data and digital capabilities are used to enhance every touchpoint, while trusted partnerships and resilient infrastructure expand choice and elevate service quality. In doing so, Bank Albilad empowers growth, strengthens financial inclusion, and supports the Kingdom's transformation agenda.

Throughout this report, the theme serves as a unifying lens, across people and culture, customer experience, risk and governance, ESG, and subsidiaries, showing how disciplined execution and forward thinking shape new possibilities for the future of finance. Bank Albilad moves confidently toward a more dynamic, transparent, and future-ready financial landscape, creating lasting value for stakeholders and the wider economy.

Purpose-Led Banking Built for Progress

01 Bank Profile



Paid-up capital

ﷲ **15** billion

Branch network

108 branches

Ticker

ALBILAD 1140
(Tadawul)

Headquarters

Riyadh, KSA



About Us

Bank Albilad is a Saudi joint stock company, established by Royal Decree in 1425H (corresponding to 2004) with a current corporate capital of ﷲ 15 billion. It is headquartered in Riyadh, Kingdom of Saudi Arabia, and listed (ALBILAD 1140) on Tadawul, the Saudi Stock Exchange.

The Bank operates by 108 branches across the Kingdom of Saudi Arabia, The Bank provides Sharia-compliant services to personal, corporate, and SME clients, supporting the latter through specialized centers in a number of cities throughout the Kingdom.



Our History

Established in 2004, Bank Albilad was the Kingdom's 11th bank.

The original shareholders to invest in the Bank were 8 of the country's leading money exchangers: Mohammad & Abdullah AlSubeaei Exchange Co., Heirs of Abdulaziz bin Sulaiman AlMugairin, AlRajhi Trading Exchange Est., AlRajhi Trading Est.,

Mohammad Salih Sayra Est., Abdulmohsen AlOmari Est., Yousef Abdulwahab Numatallah Co., and Ali Hazaa' & Partners for Trading & Exchange. These shareholders contributed $\text{SAR } 1.5$ billion towards Bank Albilad, while the public also paid $\text{SAR } 1.5$ billion. The shareholders' experience and expertise have proven extremely beneficial for the Bank's progress.

Since listing, it has expanded substantially through deposits, financing, and remittances. Bank Albilad owns Albilad Investment Company, which undertakes investment and asset management activities. It also owns Albilad Real Estate Company Ltd, which provides real estate-related services for customers. In addition to Enjaz Payment Services Company, which is fully licensed by the Saudi Central Bank as a Major Electronic Money Institution, Dufaa finance company under license and Financial Solutions Company for investment.

These shareholders contributed SAR 1.5 billion towards Bank Albilad, while the public also paid SAR 1.5 billion in 2004

At a Glance

Financial Highlights

Net Income after Zakat

2025	2024
ﷲ 3,049 Million	ﷲ 2,807 Million

Total Equity

2025	2024
ﷲ 21,356 Million	ﷲ 16,693 Million

Net Financing

2025	2024
ﷲ 122,188 Million	ﷲ 109,304 Million

Customer Deposits

2025	2024
ﷲ 132,879 Million	ﷲ 121,776 Million

ROAE

2025	2024
17.1 %	17.3 %

EPS

2025	2024
ﷲ 1.99	ﷲ 1.88

Operational Highlights

Launched New Albilad App and Investor Relations App

61 %
digital share of Enjaz's total transaction volume by year-end

143 %
increase in open banking transactions

+3,650
employees

108
branches across the Kingdom

ESG Highlights

+50 %
of the Board of Directors were independent members.

5,585
training opportunities

Recycling approximatel over
4.25 tons of waste

Preserving
+29,715
gallons of water

Saving
+72 trees

Reducing CO2 emissions by over
4.25 tons

Corporate Social Responsibility Gold Award for the second time

Highlights and Honors 2025



Travel Pass was named VISA "Best Innovative Product 2025"



Corporate Social Responsibility Gold Award for the second time



Best digital banking service provider- Saudi Arabia 2025- Global Brands Magazine

Excellence in Financial Literacy 2025- Global Brands Magazine

Forbes

Top 100 companies in the Middle East (Forbes 2025)

Top 10 CSR brand in KSA (Forbes 2025)

Elite Pioneers and Partners in Occupational Safety and Health – Ministry of Human Resources and Social Development



Gold Category Harmonization Certificate by Authority of Persons with Disabilities

Best CEO Award for Large Enterprises – Ministry of Human Resources and Social Development



Excellence in Islamic financial solutions, Saudi Arabia 2025 - Global Brands Magazine

Best Shariah-compliant – Banking Brand, Saudi Arabia 2025 - Global Brands Magazine

Our Strategy



Our Vision

To be the preferred choice of innovative Islamic banking solutions.



Mission

To leverage digital transformation, network, and human capital to deliver the highest levels of customer experience and competitive value propositions in the best interests of our clients, employees, shareholders, and the communities that we serve.



Objectives

Sustainable Growth

Innovative Islamic Banking for SMEs

Digital Leadership



Values

Initiative and Innovation

Care and Partnership

Trust and Accountability



Strategy Review

Bank Albilad’s 2025 strategy sharpened its focus on enduring value creation for customers, shareholders, and the Kingdom.

We reinforced our balance sheet to support growth across cycles; modernized our operating core to raise speed and reliability; and advanced a safer, simpler digital experience through intelligence-led security and a stronger origination model. We accelerated Shariah-compliant propositions for SMEs, embedded environmental risk into credit decisions, and deepened data and analytics foundations to inform pricing, risk, and service quality. Execution remains disciplined, so every initiative stays tied to outcomes and long-term returns.

Strategic Pillars

Sustainable Growth across retail, corporate, and treasury with diversified funding and strong capital discipline.	Digital Leadership where every product, process, and touchpoint is simpler, safer, and smarter.	Innovative Islamic Banking for SMEs to fuel real-economy impact.
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How we execute

Strategy-to-Outcome quarterly reviews, OKR-style targets, and benefits tracking.	Enterprise Enablers data & AI use cases, automation at scale, and a stronger tech backbone.	Governance & Alignment SAMA/CMA alignment and Shariah oversight embedded in planning.
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Value We Create

Customers	faster, simpler, safer journeys
Shareholders	earnings resilience & capital discipline
Economy	housing and SME finance aligned with Vision 2030
Society	financial literacy and responsible operations

Looking ahead, Bank Albilad will deepen customer relationships, scale secure digital capabilities, expand SME leadership, and keep strengthening resilience, so today’s choices keep shaping tomorrow’s possibilities.

Investment Opportunity

A Strong Platform for Sustainable, Innovation-Driven Growth

Bank Albilad continues to offer a compelling investment opportunity grounded in financial strength, customer-centric innovation, and a commitment to ethical and sustainable banking. Guided by a long-term strategy that aligns with Vision 2030, the Bank has built a resilient foundation capable of delivering value across economic cycles.

A Solid and Resilient Financial Profile

The Bank's financial performance in 2025 reflects consistent momentum and disciplined growth. Revenue increased by 9% during the year, reaching **ﷲ 6,192 million**, while profitability indicators such as EPS continued their upward trajectory. A diversified income base, spanning retail, corporate, investment, and treasury services, strengthens stability and reduces exposure to market fluctuations. This balanced portfolio enables Bank Albilad to navigate evolving market conditions while sustaining long-term value creation.

Driving Innovation Through Strategic Investments

Innovation remains a central pillar of Bank Albilad's strategic direction. The Bank continues to advance its digital-first model, supporting national initiatives such as the Financial Sector Development Program. Through platforms like the Horizons Innovation Centre, the Bank accelerates collaboration with fintechs and innovation partners, expanding its capacity to design and deploy next-generation financial solutions. These investments reinforce Bank Albilad's competitive edge and position it as a leading driver of digital transformation in the Saudi banking sector.

Expanding and Strengthening a Loyal Customer Base

Bank Albilad's ability to attract and retain a growing customer base is rooted in its focus on tailored, customer-centric financial solutions. From advanced digital channels to specialized offerings across key segments, the Bank's approach enhances client experience and supports sustainable expansion. The Bank continues to record strong engagement metrics and healthy growth in customer base, demonstrating increasing trust in its services and brand.

A Leader in Shariah-Compliant Financial Solutions

As one of the Kingdom's prominent Shariah-compliant banks, Bank Albilad offers a comprehensive suite of innovative products aligned with evolving customer expectations and market demand.

The Bank is strategically positioned to benefit from the continued expansion of the Saudi economy, especially as demand for Shariah-compliant finance grows across retail, corporate, and treasury.

Commitment to Sustainability and Responsible Banking

Sustainability principles are deeply embedded in the Bank's operating model and governance practices. Ongoing enhancements to ESG frameworks reinforce Bank Albilad's commitment to responsible banking, environmental stewardship, and social impact. Initiatives across community development, ethical financing, and operational excellence reflect the Bank's ambition to contribute positively to society while maintaining long-term business resilience.

A Compelling Proposition for Long-Term Investors

With its strong financial fundamentals, digital innovation strategy, and leadership in Shariah-compliant and sustainable banking, Bank Albilad offers an attractive long-term investment opportunity. The Bank's continued focus on growth, resilience, and responsible value creation positions it well to deliver sustainable returns in the years ahead.

Revenue increased by 9% during the year, reaching **ﷲ 6,192 million, while profitability indicators such as EPS continued their upward trajectory.**

Chairman's Statement



Nasser Muhammad AlSubeaei
Chairman of the Board of Directors

Dear Shareholders and Valued Customers,

It is an honor for me, and on behalf of my fellow Board members, to present to you the Bank's Annual Report for the financial year ended 31 December 2025, under the theme "Shaping Tomorrow's Possibilities."

This theme reflects our conviction that the Bank's role extends beyond achieving today's objectives to preparing for the future by building digital and operational capabilities that ensure sustainable value creation for generations to come.

Resilience Amidst Transformation

In 2025, the Saudi economy demonstrated solid resilience, continuing its steady upward trajectory despite global macroeconomic fluctuations, driven by the strength of the non-oil sector and the accelerated execution of Vision 2030 initiatives. During this period, the Bank continued to perform as a key contributor to this national journey by aligning its strategic priorities with the Kingdom's mega-projects, housing initiatives, and the empowerment of small and medium enterprises.

Sustainable Financial Performance

The Bank's financial performance in 2025 reflects our disciplined approach and the effectiveness of our business model. Net income after zakat increased by 9% compared to the previous year, continuing a trajectory of sustainable profitability to reach **ﷲ 3,049 million**. To further strengthen our financial position and support our growth plans, the Bank increased its capital to **ﷲ 15 billion** and successfully completed the issuance of Additional Tier 1 sukuk. These steps enhanced the Bank's financial resilience, liquidity, and flexibility, enabling efficient and sustainable funding of the financing portfolio

Net Income after zakat increase by

9%

and participation in major national projects. This performance was supported by continued investment in human capital, product development, and technology infrastructure, contributing to accelerated growth, enhanced customer experience, and improved operational efficiency.

Commitment to Governance and Sustainable Impact

Our progress is underpinned by strong governance and a firm commitment to sustainability. During 2025, we strengthened responsible banking practices that support national priorities and ensure long-term value creation for all stakeholders.

Our commitment to society also continued to expand through the #Albilad_Initiative, which encompassed 104 initiatives, alongside tangible contributions to community causes, including donations of **ﷲ 1 million** each to the Ehsan Platform and the Fund for Martyrs, Injured, Captives, and Missing Persons. Under this initiative, the Bank maintained its social and environmental presence by supporting thousands of beneficiaries during the month of Ramadan, expanding financial awareness among younger generations through the Albilad Verse Center, and contributing to environmental protection through extensive mangrove tree-planting campaigns along the Red Sea coast.

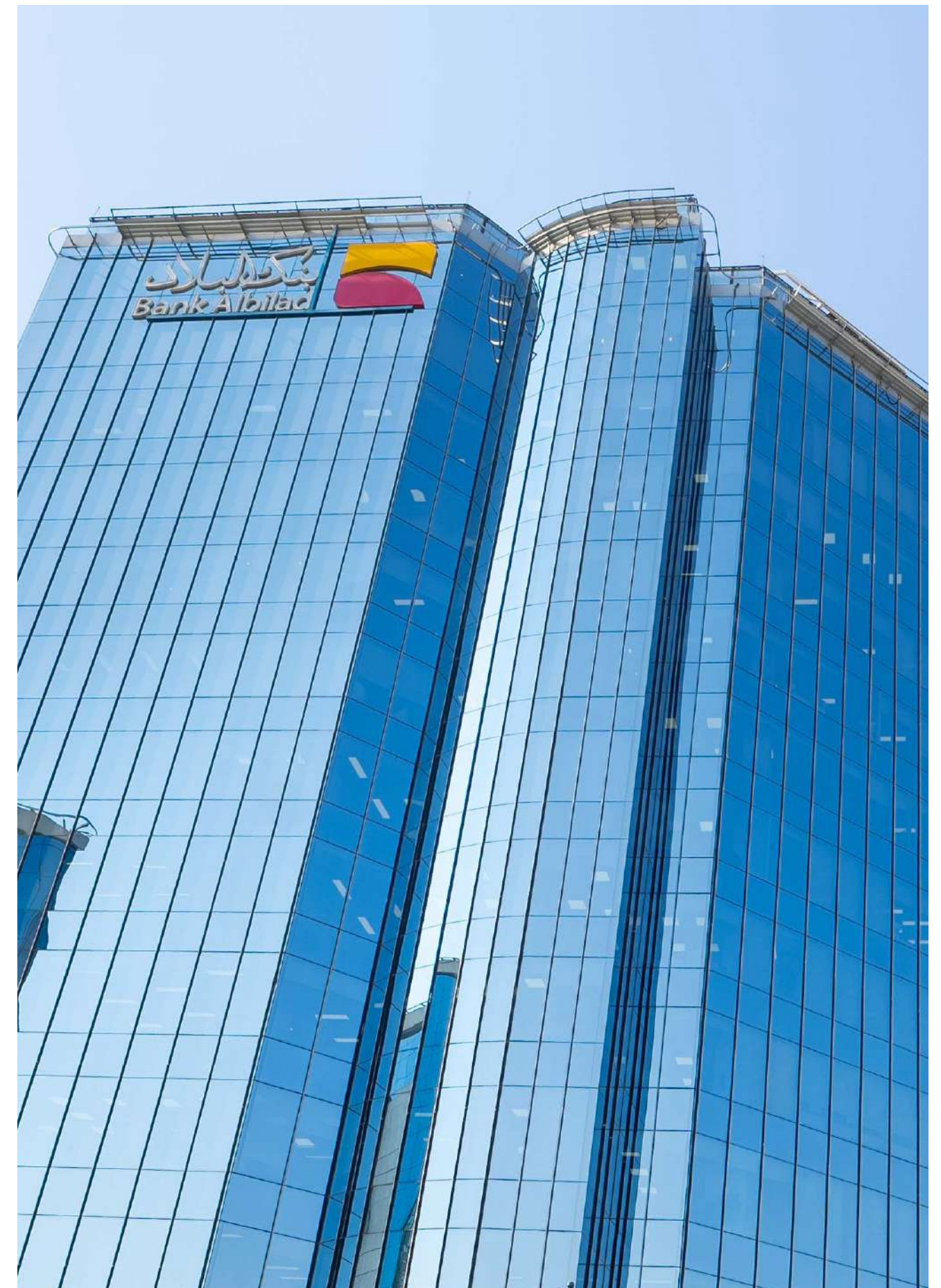
Our Outlook

Looking ahead to 2026 and beyond, the Bank will continue—God willing—to focus on three core pillars: disciplined risk oversight, strategic alignment with Vision 2030 programs, and the pursuit of digital excellence. Building on the digital foundations strengthened in recent years, including upgraded customer engagement platforms and enhanced technology infrastructure, the Bank is well positioned to unlock new horizons in serving its customers and the wider community. In conclusion, on behalf of the Board of Directors and all ambassadors of the Bank, I extend my deepest gratitude to the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince and Prime Minister—may Allah preserve and guide

them—for their continuous support and wise leadership that drive development and prosperity. I would also like to express my sincere appreciation to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank, and the Capital Market Authority for their dedicated efforts in supporting the stability of the financial sector.

With the commencement of a new Board cycle effective April 2025, we extend our sincere thanks to outgoing Board members for their valuable contributions and welcome the newly appointed members, whose expertise and vision will support our continued journey toward sound governance and sustainable growth.

Finally, we extend our heartfelt thanks to our customers, shareholders, and partners for their trust and continued support, which inspires us to pursue innovation and excellence.



CEO Statement

Abdulaziz Mohammad AlOnaizan
Chief Executive Officer

Dear Shareholders and Valued Customers,

Throughout 2025, we focused on strengthening our foundations, deepening customer trust, and advancing digital leadership, guided by our vision and aligned with the objectives of Vision 2030.

A stronger platform for value creation

In 2025, the Bank translated its strategic ambitions into strong financial results. Net income after zakat grew by 9% to reach **ﷲ 3,049 million**. This performance was driven by an improved asset base, which increased by 12% to **ﷲ 172,972 million**, alongside customer deposits growth of 9% to **ﷲ 132,879 million**. Our financing portfolio expanded by 12% to **ﷲ 122,188 million**, while total equity recorded a notable increase of 28% to **ﷲ 21,356 million**. Among the year’s key milestones was the increase of the Bank’s capital to **ﷲ 15 billion** and the successful issuance of USD 650 million in Additional Tier 1 sukuk under a USD 2 billion sukuk program. These strategic steps strengthened our liquidity position, enhanced capital flexibility, and expanded access to diversified and competitively priced funding sources, supporting the Kingdom’s economic momentum.

Strategic and Operational Excellence

We entered 2025 with a clear priority: strengthening resilience while enabling growth. Throughout the year, our core business segments continued to deliver on their objectives.

This resulted in tangible outperformance across several areas, particularly in mortgage financing, which exceeded market growth. We continued to support homeownership objectives through programs of the Real Estate Development Fund (REDF), enhanced offerings

Our financing portfolio expanded

12%
to
ﷲ 122,188
Million

for affluent customer segments, and sustained support for small and medium enterprises through tailored financial solutions that promote financial inclusion and economic diversification.

Our digital agenda focused on outcomes that deliver simplicity and security. We expanded our payments ecosystem by launching new product features, while the Travel Pass Credit Card received recognition from VISA as the “Best Innovative Product of 2025.” The launch of the new Albilad App marked a significant milestone, delivering a modern, seamless design with advanced security features.

We also prioritized future-ready financing solutions by expanding digital financing and developing technology-enabled supply chain finance solutions. At the same time, Treasury operations delivered strong investment performance and introduced new hedging solutions to support corporate clients amid global market volatility

Operational Resilience and Information Security

Operational resilience remains a cornerstone of the Bank's competitive advantage. We upgraded our core infrastructure, fully activated the Bank's Tier 4 data center—commissioned at the end of 2024—and expanded automation across high-volume activities. Full operation of the advanced data center and regular bank-wide disaster recovery testing ensured continuous readiness and 24/7 availability. In parallel, we transitioned our cybersecurity approach from reactive response to a proactive, intelligence-driven model. Full compliance with the standards of the Saudi Central Bank and the National Cybersecurity Authority further strengthened our digital security posture, reinforcing our digital leadership based on trust, resilience, and regulatory compliance.

Our People and Sustainability

Behind every achievement is our exceptional human capital—our ambassadors—who are the foundation of our journey and sustainable growth. In 2025, we expanded learning and development programs, strengthened leadership development and succession planning, and ensured that the vast majority of candidates for leadership roles are nationally developed talents nurtured within the Bank.

We also reinforced the concept of financial well-being through the enhancement of the Incentive Savings Program, which achieved unprecedented participation rates, reflecting growing financial awareness and confidence among our people. We will continue investing in our workforce, convinced that their well-being, professional growth, sustained engagement, and capability development are essential pillars for achieving our strategic objectives and long-term impact.

Among our most impactful contributions in 2025 was the expansion of the Albilad Verse Center as a flagship initiative under the #Albilad_Mubadarah, empowering the next generation with practical financial knowledge and innovation skills. Through hands-on educational experiences and interactive programs, the center equips youth with the mindset and capabilities required to confidently participate in a changing financial environment, supporting human capital development in line with Vision 2030.

Our commitment to social initiatives remains integral to our identity—from supporting national giving through the Ehsan Platform to promoting financial literacy via our digital channels—ensuring that our growth contributes to a more inclusive, resilient, and cohesive society.

Recognition of Achievement

Our progress received recognition at multiple levels. In 2025, the Bank was ranked among the Top 100 Companies in the Middle East by Forbes and selected among the Top 10 brands in social responsibility in the Kingdom, reflecting our purpose-driven innovation and impact-oriented service.



Looking Ahead

In 2026, the Bank will focus on disciplined execution of its updated strategy, expanding AI-enabled digital services, strengthening support for the MSME sector, and elevating governance and sustainability standards. Our commitment remains focused on delivering greater value, a simpler experience, and sustainable excellence that reinforces customer trust and loyalty.

In conclusion, I extend my sincere gratitude to the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince and Prime Minister—may Allah preserve them—for their wise leadership and continued support for the development of the financial sector. I also thank the Ministry of Finance, the Ministry of Commerce, the Capital Market Authority, and the Saudi Central Bank for their ongoing efforts to enhance financial system stability.

I would also like to express my deep appreciation to our customers, partners, and shareholders for their trust and continued support of our mission.

My sincere thanks extend to the Board of Directors for their strategic guidance, which has been instrumental in driving our progress and innovation, and to the management team and all ambassadors of the Bank for their dedication and efforts, which have been central to our success.

Our Contribution



Vision 2030 is a bold and ambitious plan to diversify the Saudi Arabian economy to deliver prosperity and improved quality of life for everyone who lives and works in the Kingdom.

Alignment with National Vision

As a significant contributor to the Saudi Arabian financial sector, Bank Albilad has an important role to play across the three themes of the Vision.



Vibrant Society



Thriving Economy



Ambitious Nation

Our journey is fully aligned with the national vision. The Strategy team ensures that every strategic objective aligns seamlessly with the national vision, incorporating new initiatives and conducting thorough research to spearhead innovation within the bank.

Digital Solutions & Social Impact

Our Islamic banking services and products are providing support for individuals and businesses across the Kingdom. With main focus on



Provision of leading-edge digital banking platforms for younger generations



Access to Shariah-compliant and modern banking products designed to meet evolving financial needs

In addition, Bank Albilad's range of Shariah-compliant savings products is also contributing to the overarching Vision objective to increase household savings from 6% to 10% of total household income whilst our homeownership solutions are helping to meet the Kingdom's target to increase homeownership to 70% by 2030 from 60% in 2020.

Supporting SME Sector

Our focused activities supporting the SME sector strengthen a key engine of economic growth. The Kingdom's smaller businesses are a critical building block for the future economy of the nation. Supporting those businesses has been a major element of our strategy, with initiatives designed to:

Provide tailored products and services to meet changing business needs

Enhancing long-term sustainability and growth across the Kingdom's smaller enterprises

Driving the Kingdom's Future

Our future as a Bank is closely tied to the future success of the Kingdom as a whole. We continued to deliver a robust strategy that is entirely aligned with the mission, aims, and objectives of Vision 2030.

Bank Albilad & Vision 2030 Alignment



Financial Sector Development Program (FSDP)

FSDP calls for stronger private-sector growth, wider financial planning, and a thriving FinTech ecosystem. Bank Albilad advances this agenda by scaling secure, Shariah-compliant digital banking, deepening data-driven risk and governance, and expanding inclusive products for individuals, SMEs, and corporates. These efforts reinforce the Bank's strategic pillars of sustainable growth, SME-focused Islamic solutions, and digital leadership.



Quality of Life Program

This program promotes vibrant sectors such as tourism, entertainment, and sport. Bank Albilad enables ecosystem growth by facilitating payments acceptance, digital channels, and working-capital solutions for hospitality and leisure operators, while providing convenient, secure services for customers and visitors, supporting a seamless, modern lifestyle experience.



National Transformation Program (NTP)

NTP prioritizes raising SME contribution to GDP. Bank Albilad supports this through tailored Islamic financing and cash-management solutions, supply-chain and trade offerings, and targeted enablement for entrepreneurs, strengthening resilience, competitiveness, and long-term sustainability across the SME base.



Housing Program

With a national goal to increase Saudi homeownership, Bank Albilad aligns through Shariah-compliant housing finance and customer-centric journeys that streamline approvals and disbursements. The Bank's solutions help families access suitable home financing, directly contributing to the Kingdom's 2030 homeownership target.



Human Capability Development Program

Building skills and lifelong learning are central to this program. Bank Albilad contributes by advancing financial literacy and digital awareness (e.g., youth-focused initiatives and customer education), while investing in employee capability, leadership development, and future-skills programs, creating a more empowered workforce and financially confident society.

The Bank's strategy and execution rhythm, secure digital infrastructure, inclusive Shariah-compliant products, SME enablement, and continuous capability building, are tightly coupled with Vision 2030's pillars. This alignment ensures Bank Albilad's growth translates into broader national impact: stronger private enterprise, improved quality of life, and a more diversified, future-ready economy.



Positioning for the Next Advantage

02 Strategic Review



Year in Review

Capital

Increased share capital to $\text{AED}15$ billion; issued USD 650 million AT1 Sukuk under the USD 2 billion program to diversify funding and strengthen liquidity.

Retail & Customer Experience

Outperformed market: deposits grew faster than market; Personal Finance outpaced sector; Real Estate Finance +9% vs. market.

Cards & Payments: Launched Samsung Pay, Supplementary Cards, Installment Program, and Travel Pass — awarded VISA “Best Innovative Product 2025.”

Propositions strengthened: Tiered pricing for Business Return deposits; Wakalah upgrades (tiered base pricing, monthly profit option); SADAD enabled for Auto Lease.

Premium focus: Personal Finance for self-employed, Quick Financing Program and deferring product for Personal Finance.

Service quality: 93% CSAT (complaints); 97% resolved within SAMA SLA; social-media complaints –15% YoY after new CRM and proactive monitoring; 100% CE&Q staff certified.

Digital & Technology

New Albilad App momentum

+11%

Mobile users

+13%

Business Internet Banking

+102%

BaaS

+73%

Digital Personal Finance

+59%

Open Banking

- Tier 4 data center fully operationalized; successful DR switch; annual DRT completed for 47 systems and BCT for 34 departments.
- Scaled automation with +30 fully automated RPA processes, saving ~10,000 hours annually.

Corporate & Treasury

Corporate transformation: Launch of paperless transactions; Syndicated Loans enhancements; stronger Corporate Credit analytics.

Embedded ESG in credit: Environmental Risk Assessment.

Treasury resilience: Diversified funding (incl. AT1 Sukuk); Sukuk-led investment growth, Return from Assets, FX; tighter governance via Trading Desk Framework, portfolio setup, and risk limits; new hedging solutions for clients.

Information Security & Governance

- Security posture shifted to proactive, risk-driven, intelligence-led with 100% incident resolution within SLA.
- PCI DSS v4.0 certified; full alignment with SAMA CSF and NCA; Open Banking APIs achieved 100% compliance with zero critical findings.
- 100% reduction in high-risk issues via secure-architecture governance; 100% completion of security-awareness programs for employees and customers.

People & Culture

- +5,480 training opportunities delivered with 94% coverage; 60%+ of key-role successors are ALP/AAP alumni; retention +87%.
- Engagement uplift: “Your Voice Matters” drove +17% satisfaction (participation >80%); launched BAB HR Mobile App.
- Workplace & well-being: opened Ladies’ Gym at Albilad Tower and a new on-site medical clinic at Al Malaz.

Sustainability & Social Impact

Circular operations: +8,265 kg plastic and +17,640 kg paper recycled; environmental benefits included +72 trees saved, +29,715 gallons water preserved, and ~4.25 tons CO₂ avoided.

Community at scale: Ramadan Basket reached 29,000+ people; $\text{AED}1,000,000$ donated via Ehsan (27 charities, ~6,000 beneficiaries); 250+ liters blood donated.

Environment: Planted 5,000 mangroves (Umluj) and 1,500 native seedlings (Huraymila); “Let’s Care to Grow” added 5,000 smart seedlings; Shuttle Bus pilot served 1,000+ riders.

Financial literacy & youth: Albilad Verse Center programs reached 5,000+ children (46 schools, 5 charities); launched the Albilad Verse App; FinTech Hackathon drew 1,600+ applicants across 12 universities (prizes up to $\text{AED}50k$; teams moved to incubation).

Inclusion through tech: Fathkrony enhanced (Audio Qur’an; Urdu/Bangla/Indonesian; Azan reminders; adjustable adhkar; prayer-time refinements; new widgets).

Board of Directors



Mr. Nasser Mohammed AlSubaei
Chairman - Non Executive Member



Mr. Adeeb Mohammed Abanumai
Vice Chairman - Independent Member



Mr. Mohammed Abdulrahman AlRajhi
Non Executive Member



Mr. Haitham Mohammed Al-Fayez
Independent Member



Mr. Zaid Abdulrahman Algwaiz
Independent Member



Mr. Abdulaziz Mohammed AlOnaizan
Executive Member - Chief Executive Officer



Mr. Muadh Abdulrahman Al-Husseini
Independent Member



Mr. Haytham Sulaiman AlSuhaimi
Non Executive Member



Mr. Khalid Abdulrahman AlRajhi
Non Executive Member



Mr. Nasser Bin Suleiman Al-Nasser
Independent Member



Mr. Abdulaziz Abdulhamid Al-Bassam
Independent Member

Executive Management



Mr. Abdulaziz Mohammed AlOnaizan
Chief Executive Officer



Mr. Bashaar Yahya AlQunaibit
Senior Executive Vice President - Businesses



Mr. Saleh Suliman Al Habib
Executive Vice President – Shared Services



Mr. Abdullah Mohammed AlArifi
Executive Vice President – Risk Management



Mr. Mishal Fahad Alshorihy
Executive Vice President – Finance



Mr. Samer Mohammed Farhoud
Executive Vice President – Treasury



Mr. Waleed Khaled Al-Dhubaib
Executive Vice President – Retail Banking



Mr. Saad Ibrahim Al Drees
Executive Vice President – Corporate Banking



Mr. Haitham Medainy Al Medainy
Executive Vice President – Human Resources



Mr. Abdulaziz Saleh Alghufaili
Executive Vice President – Technology

Business Model

How We Create Sustainable Value

Bank Albilad’s business model integrates customer centricity, risk-based decision making, and innovative Islamic banking solutions to create long-term sustainable value for customers, employees, shareholders, regulators, partners, and society.

Key Resources & Enablers

Human Capital

- Skilled and motivated workforce
- Training and development programs
- Fair compensation, recognition, wellbeing

Digital & Physical Infrastructure

- Branches and service centers
- Call center services
- Online and mobile banking platforms
- Website and social media presence

Islamic Banking Expertise

- Strong presence in Islamic banking in KSA
- Customized Sharia-compliant solutions
- Risk-balanced and judgment-driven decision making

Operational Capabilities

- Efficiency-centered processes
- High-quality and consistent delivery
- Long-term orientation

Governance & Compliance

- Board oversight and regulator engagement
- Anti-money laundering, bribery and corruption frameworks
- Robust compliance culture

Business Activities

Retail Banking



Cards



E-services



Current accounts



Savings accounts



Auto financing



Real estate financing

And more

Corporate Banking



Corporate account services



Financing solutions



Cash management



Trade finance



Debt Settlement



Banking agent services

And more

Treasury



Treasury Services



Other treasury services



Direct Investment



Foreign exchange

And more

Delivery Through

Direct Channels



Branches



Service centers



Call center



Online & mobile banking



Website



Public events

Indirect Channels



Strategic partnerships



Intermediators



Business partners



Investors Events

Differentiators

Customer-centric approach

Leadership in Islamic banking

Advanced digital solutions

Balanced, risk-aware decision making

Diversified business verticals

Strong operational efficiency

People-focused culture

Stakeholder Ecosystem



Customers



Investors & shareholders



Community



Business partners & suppliers



Regulators



Employees

Value Created

For Customers

Enhanced digital services, secure and innovative offerings

For Partners

Responsible and collaborative engagement

For Shareholders

Strong returns and long-term value

For Regulators

Strong governance, compliance, AML integrity

For Society

Financial literacy, accessibility, community programs

For Employees

Development, inclusion, recognition, wellbeing

Our Stakeholders

Stakeholder	Modes of Engagement	Interests
Customers	• Branches • Service centers • Call center • Online banking • Social media • Bank website • Public events	• Friendly & responsive customer service • Data Security • Data privacy • Innovative products & services • Digital banking services
Business Partners & Suppliers	• Regular engagement & communications • Tendering process • Supplier Code of Conduct • Annual & public reports • Bank website	• Responsible & sustainable procurement • Digital innovation & transformation • Community investments • Anti-money laundering, bribery & corruption • Financial stability & systemic risk management
Investors & Shareholders	• General Assemblies • Annual Reports • Investor conferences & presentations • Investor relations • Press Releases • Bank website	• Economic performance • Sustainable investments • Business ethics • Governance & compliance • ESG ratings & indices
Regulators & Government Authorities	• Board of Directors • Engagement with government authorities • Compliance reports and associated activities • Annual & public reports	• Governance, business ethics & compliance • Anti-money laundering, bribery & corruption • Economic performance • Community investment & socioeconomic development • Nationalization
Community	• Volunteering & donation programs • Education programs • Partnerships • Products & services • Social media • Public events • Bank website	• Financial literacy • Financial inclusion & accessibility • Nationalization • Governance, business ethics & compliance • Community investments
Employees	• Training & development programs • Performance appraisals • Rewards & recognition programs • Bank events • Annual & public reports • Bank website	• Fair compensation • Talent development • Diversity & inclusion • Employee wellbeing • Customer satisfaction

Investor Information

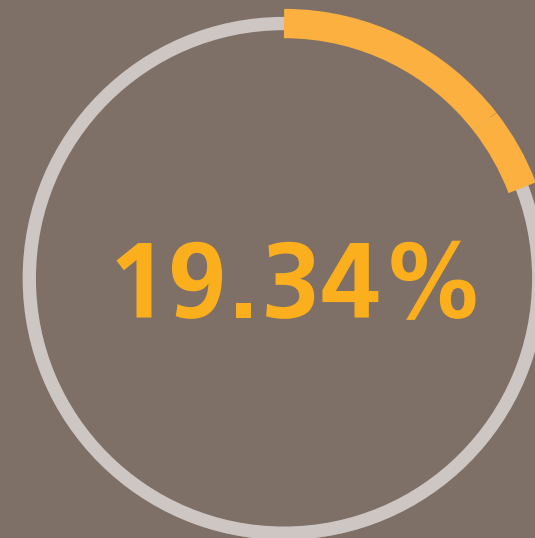
Stock Information

Listing date	2005
Exchange	Tadawul
Symbol	ALBILAD 1140
ISIN Code	SA000A0D9HK3
Currency	
Industry	Banking
Number of shares issued	1,500m Shares
Market Cap as of 31 December 2025	 37.23b

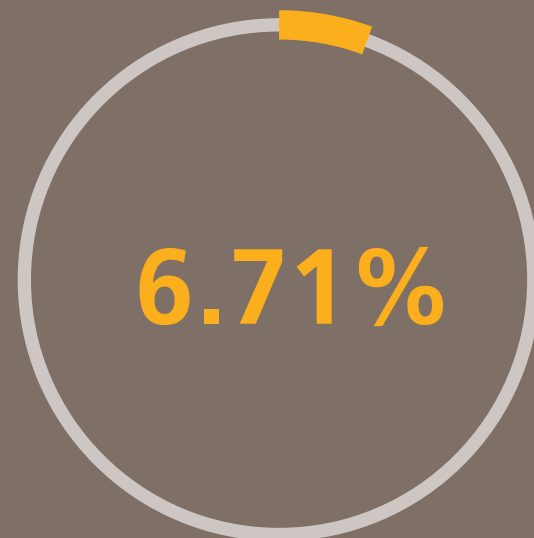
Major Shareholders

The primary shareholders of the Bank are those who possess a minimum of 5% ownership of the bank's shares at the end of December 31, 2025.

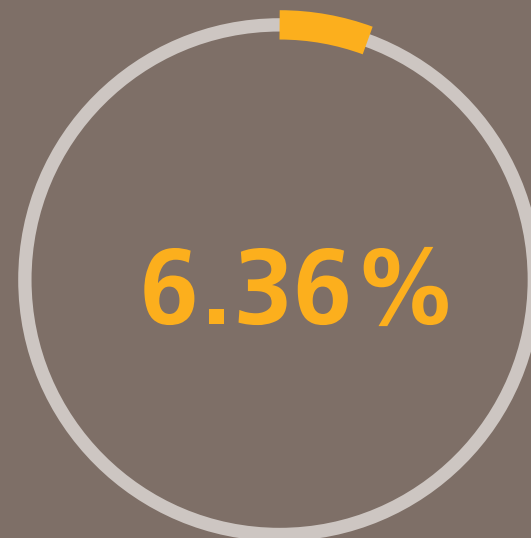
The ownership distribution is as follows:



Mohammed Ibrahim AlSubeaei
& Sons Company



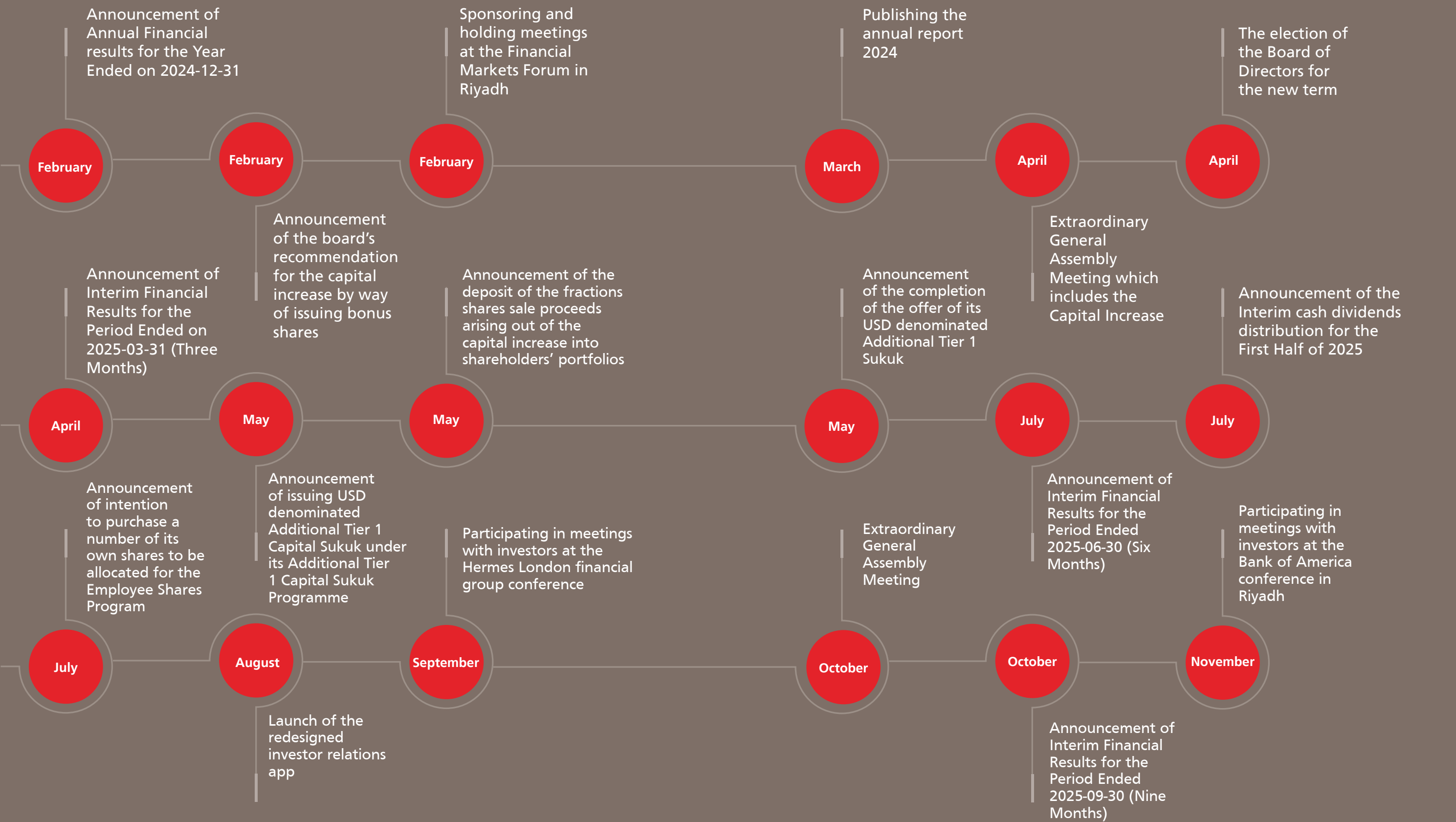
Abdulrahman Al Rajhi
Investment Fund Company



Abdullah Ibrahim AlSubeaei
Investment Company



Investor Calendar for 2025



Investor Relations Application

The bank provides shareholders and investors with a dedicated Investor Relations digital application designed to enhance transparency, accessibility, and timely engagement. The application offers real-time access to the Bank's share price performance, including historical price charts, trading ranges, volumes, and market status, alongside clearly presented dividend information such as dividend per share, yield, type, ex-date, and payment date.

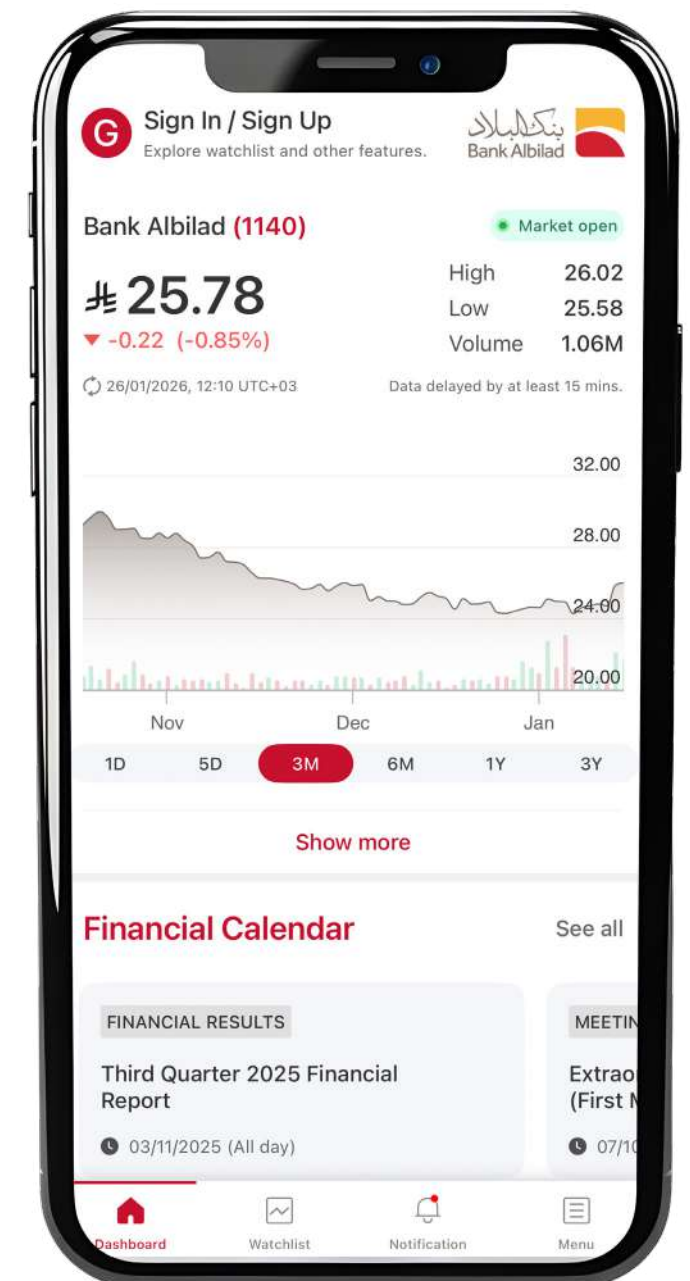
The platform consolidates key investor information in one interface, enabling users to access financial statements and reports, quarterly and annual reports, Basel disclosures, share information, credit ratings, and analyst consensus data. It also features a financial calendar highlighting important events, including financial results announcements and general assembly meetings, as well as a dedicated section for official bank announcements related to capital market activities.



Through this application, the bank strengthens its commitment to proactive disclosure and effective communication with the investment community by providing reliable, structured, and up-to-date information in a user-friendly digital format.



Investor Relation Page



Market Picture

In 2025, Saudi Arabia continued its momentum of diversified growth, with the real GDP expanding by an approximate 3.9% by the second quarter, marking a steady increase from the previous year's performance.



44%

Increase in Net Foreign Direct Investment (FDI) in Q1 2025

ﷲ22.2B

Net Foreign Direct Investment (FDI)

This sustained growth was predominantly driven by the successful push toward economic diversification under Vision 2030. Non-oil activities, the primary engine of this transformation, demonstrated exceptional resilience and growth, increasing by 4.7% in Q2 2025, and significantly contributing to the overall national economic expansion¹. The Kingdom's attractiveness to global capital strengthened, reflecting confidence in its prudent fiscal policies and strategic investments. Net Foreign Direct Investment (FDI) inflows surged by 44% in Q1 2025 compared to the same period in the previous year, reaching ﷲ22.2 billion (USD 5.9 billion)¹. This capital was channeled into key sectors like finance, technology, and advanced infrastructure projects, including the continuous development of giga-projects. The overall strategy, as guided by the Financial Sector Development Program (FSDP), is to create an economy that is more resilient, internationally connected, and positioned for long-term, sustainable growth². The data for the first half of 2025 confirms a structural shift in the Saudi economy, with non-oil sectors driving the majority of growth and a substantial increase in FDI inflows, underscoring the success of national economic diversification and reform efforts.

1-General Authority for Statistics (GASTAT)

2-Saudi Vision 2030 - Financial Sector Development Program (FSDP) Overview

Sectoral Contributions and Financial Strength

The non-oil private sector further solidified its position as the largest contributor to the economy in 2025, with specific sectors posting high growth rates. Notably, the Financial, Insurance, and Business Services activities recorded a significant annual growth rate of 7.0% in Q2 2025, highlighting the success of regulatory reforms and investment in the sector¹.

This financial sector growth was supported by the rapid evolution of the FinTech landscape. Furthermore, the total number of licensed FinTech companies reached 261 in 2024 (exceeding initial targets), demonstrating a vibrant environment for innovation in payments, lending, and wealth management³. Other non-oil sectors, such as Wholesale and Retail Trade, Restaurants, and Hotels, also registered strong growth at 6.6% in Q2 2025, benefiting from increased domestic activity and continued growth in the tourism and commerce sectors¹.

The sectoral data reveals that financial services and technology are now primary growth drivers. The robust expansion in FinTech, supported by SAMA's proactive regulatory framework, is fundamentally reshaping the financial market, increasing efficiency, and accelerating financial inclusion.

Focus on Digital Transformation and Open Banking

Digital transformation remains a central pillar of the Kingdom's economic strategy, heavily supported by the Ministry of Communications and Information Technology (MCIT) and the FSDP's FinTech Strategy^{2,4}. Investments continued to flow into advanced technologies like AI, cloud computing, and cybersecurity to build a knowledge-intensive economy. The local Information Technology (IT) market remains among the world's most developed, with a focus on localizing technology and increasing the workforce's digital skills⁴. A key focus for 2025 is the continued implementation of Open Banking initiatives. SAMA is spearheading the development of the necessary regulatory and technical infrastructure to enable seamless and secure data sharing between banks and third-party FinTech providers⁵. This move is expected to unlock a new wave of competition and customized financial product offerings, accelerating the digital customer experience and driving further innovation in the financial sector.

The prioritization of digital infrastructure and Open Banking in 2025 positions Saudi Arabia at the forefront of the regional digital economy. For financial institutions, this represents a crucial opportunity to leverage advanced technologies and new regulatory frameworks to enhance competitiveness and deliver next-generation banking services.

Credit Ratings Outlook

Leading credit agencies affirm Saudi Arabia's strong sovereign credit profile amid ongoing diversification. Moody's maintains an Aa3 rating with stable outlook, projecting real GDP growth of 4.1% in 2025 and 4.5% in 2026, driven by robust non-oil activity from large-scale projects, private consumption, and low unemployment⁶. Fitch upholds A+ with stable outlook, highlighting large sovereign net foreign assets at 35.3% of GDP by 2027 and fiscal reforms enhancing resilience to oil volatility, supporting sustained non-oil growth⁷.

Bank Albilad aligns with this positive trajectory through its stabilized A1 credit rating as of mid-2025, reflecting improved risk management and digital innovations amid sector reforms⁸. These ratings underscore a resilient economic future, positioning the Bank to capitalize on diversification for sustained competitiveness and growth.

Aligning with National Advancements

In line with the rapid and innovative advancements across Saudi Arabia, Bank Albilad continues its role as a key contributor to the realization of Vision 2030. The Bank's commitment to digital leadership, particularly in embracing new regulatory frameworks like Open Banking, aligns directly with the nation's objectives for a technologically advanced and financially inclusive economy. Operating within a thriving market, the Bank remains focused on leveraging advanced technologies, deepening partnerships with FinTechs, and delivering next-generation banking services that create customer value and support the Kingdom's sustainable growth trajectory.

³ Financial Sector Development Program (FSDP) - 2024 Annual Report

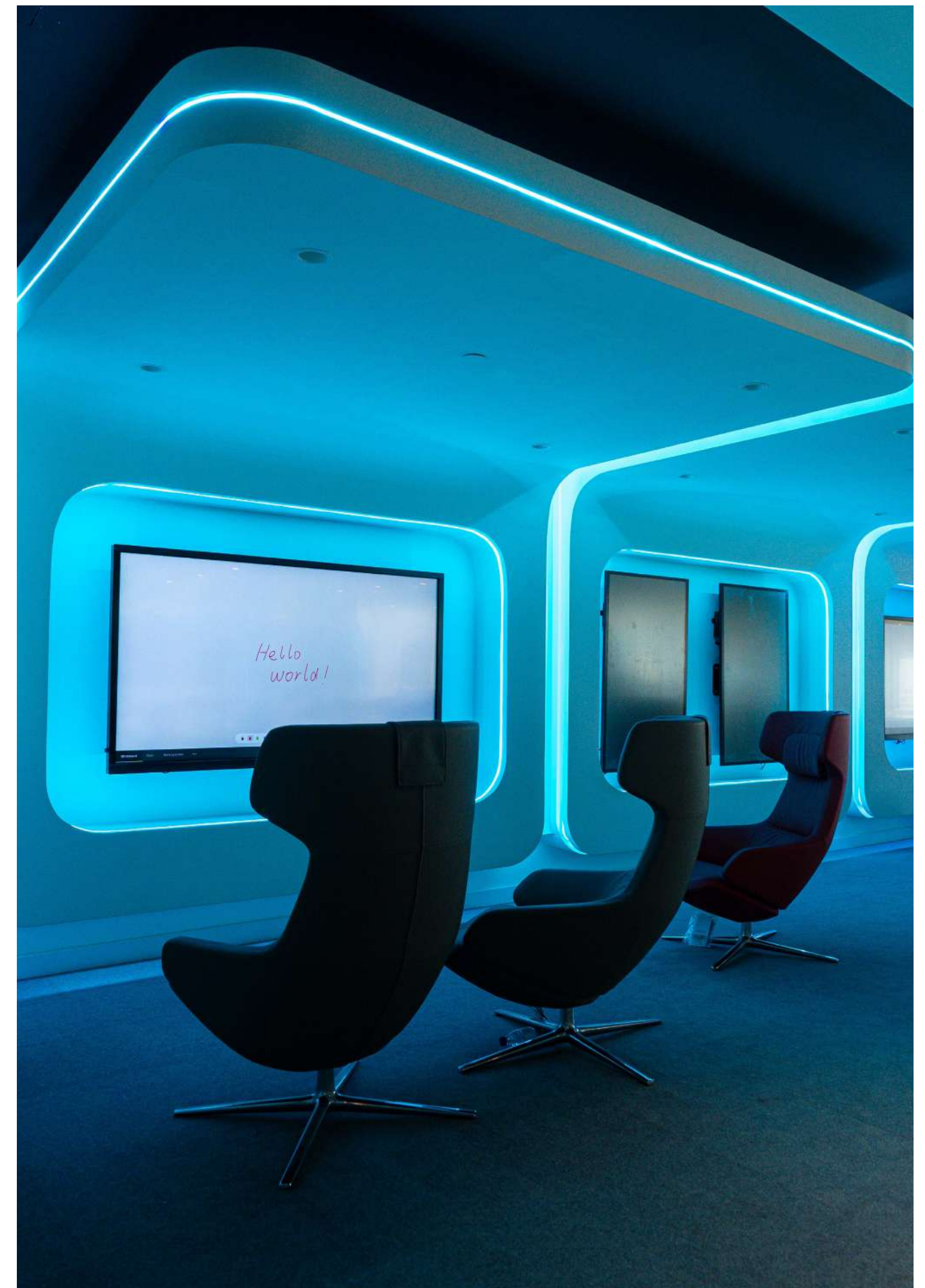
⁴ Ministry of Communications and Information Technology (MCIT)

⁵ Saudi Central Bank (SAMA)

⁶ Moody's Credit Opinion Report (December 2025)

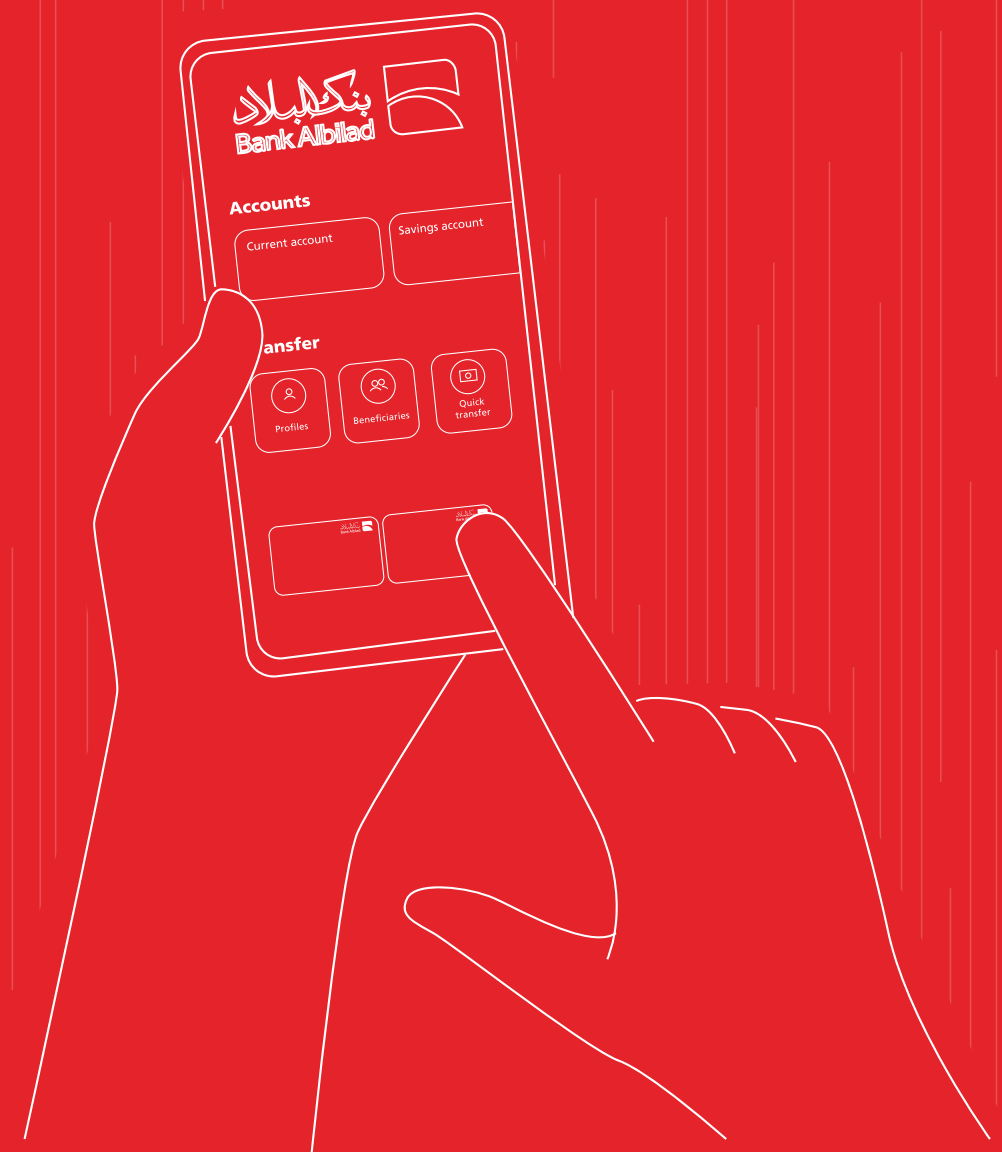
⁷ Fitch Ratings Affirmation (November 2025)

⁸ Martini.ai Bank Albilad Credit Analysis (July 2025)



Everyday Excellence With Eyes on Tomorrow

03 Operational Review



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 **ﷲ 3,049 million**, compared to **ﷲ 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 **ﷲ 4,752 million**. Concurrently, total operating expenses increased by 10%, totaling **ﷲ 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.

The Bank's net income, after Zakat, reached

ﷲ 3,049 million

compared to

ﷲ 2,807 million

in 2024, marking an increase of

9%

Financial Position



Assets

By the end of 2025 Bank Albilad's total assets had grown to **ﷲ 172,972 million**, up from **ﷲ 154,965 million** in 2024, marking an increase of **ﷲ 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 **ﷲ 12,884 million** or 12%, culminating in **ﷲ 122,188 million** as of December 2025. The investment portfolio also expanded, reaching **ﷲ 31,123 million**, marking an increase of **ﷲ 6,091 million** or 24% over the previous year.



Liabilities

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

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



Owners' Equity

Total equity surged by **ﷲ 4,663 million**, or 28%, ending the year at **ﷲ 21,356 million** compared to **ﷲ 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 **ﷲ 1.99**.

Total equity surged by

ﷲ 4,663 million

or

28%

ending the year at

ﷲ 21,356 million

compared to

ﷲ 16,693 million

at the end of 2024

Composition of Assets
(٠ 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
(٠ 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.

(ﷲ 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

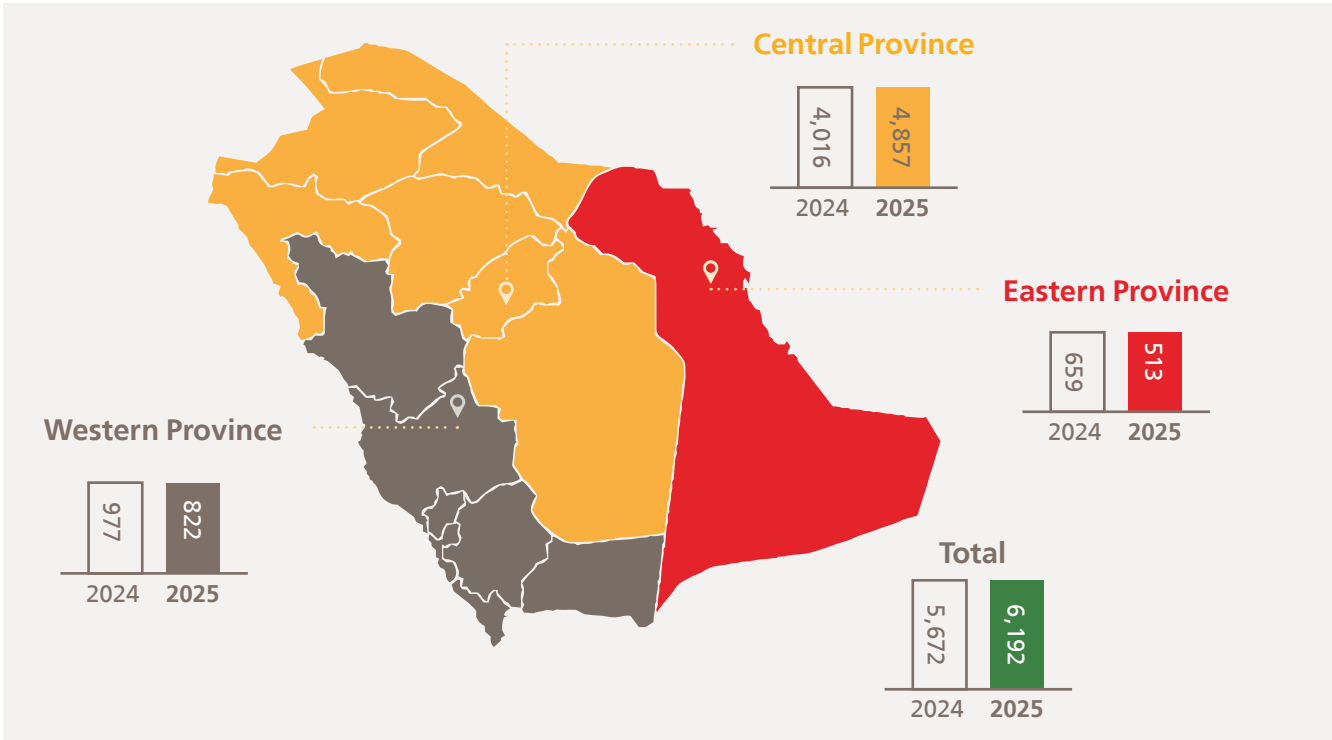
The following presents a breakdown of the key components of Bank Albilad’s consolidated statement of income for the year 2025.

(ﷲ 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:

(ﷲ 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 (ﷲ 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 (S 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	ﷲ100 million	ﷲ75 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%18.75
Saudi Financial Lease Registration Company “Sajil”	4/12/2017	Registration	ﷲ38,392,850	ﷲ38,392,850	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	ﷲ25 million	ﷲ25 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	ﷲ1.7 billion	ﷲ1.7 billion	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	%6.78

¹³Enjaz 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 (ﷲ 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 ﷲ 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 (ﷲ 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 (ﷲ 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 ﷲ 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	ﷲ 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	ﷲ 500 thousand	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Enjaz Payment Services Company ¹	08/10/2022	Payment and remittance services	ﷲ 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	ﷲ 300 million	Riyadh, Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%
Financial Solutions Company for Investment	21/04/2022	Finance and Insurance Activities	ﷲ 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.

Operational Summary

Bank Albilad's 2025 performance was driven by tight orchestration across Retail, Corporate, and Treasury, one operating engine, three complementary roles.

Retail deepened customer reach and digital adoption, Corporate advanced client solutions and origination quality, and Treasury safeguarded liquidity and income diversification. Together, they sustained momentum and strengthened the franchise's resilience.

Our execution was underpinned by capable teams, disciplined governance, and a scalable digital backbone. We continued to raise the bar on service quality, process efficiency, and risk management while investing in talent, analytics, and automation to keep pace with client needs and regulatory expectations.

Partnerships remained central to impact. Collaboration with national programs, ecosystem partners, and technology providers helped translate strategy into measurable customer value, supporting inclusion, enterprise growth, and a more seamless banking journey.

Looking ahead, we will keep converting focused execution into future opportunity, elevating customer experience, sharpening operating efficiency, and reinforcing balance-sheet strength as we shape tomorrow's possibilities across the franchise.

Retail Banking

2025 Highlights

Deposits outpaced market growth across the year

Real Estate Finance sales +9% vs. market (YTD)

End-to-end digital sales penetration up YoY for Personal Finance and Credit Cards

Launched Samsung Pay, Travel Pass, Supplementary Cards, and Installment Program

Travel Pass named VISA “Best Innovative Product 2025”

Introduced tiered pricing for Business Return deposits

Enhanced Wakalah propositions (tiered base pricing, monthly profit feature)

Enabled SADAD for Auto Lease customers

Introduced Personal Finance for self-employed customers; executive-office access for UHNW

Launched REDF additional subsidy for Ministry of Defense employees; continued strong uptake of REDF programs

Rolled out credit-card limit increase, direct-debit, and automated migration from Tamkeen to Tamkeen+

Quick Financing Program for private-banking customers and a deferring product for Personal Finance

In 2025, the Retail Banking Group (RBG) remained a primary engine of asset/liability growth and digital adoption at Bank Albilad. Momentum was broad-based: deposits expanded faster than the market, Personal Finance outpaced sector growth, and Real Estate Finance delivered outperformance vs. market (YTD). While still a relatively new player in cards, Albilad scaled its portfolio and features, anchored by Tamkeen+ and the award-winning Travel Pass, and deepened end-to-end (E2E) digital origination across Personal Finance and Credit Cards.



Outperforming the Market



Deposits ↑ faster than market



Personal Finance ↑ faster than market



Real Estate delivered outperformance vs. market

Product Depth, National Alignment

RBG’s roadmap balanced growth with national priorities. A significant share of Real Estate sales came through REDF programs, including the additional subsidy for Ministry of Defense employees launched this year, directly supporting the Kingdom’s homeownership goals. For everyday banking, the Group introduced a deferring product in Personal Finance and a Quick Financing Program for private-banking customers. Operational ease improved with SADAD enablement for Auto Lease customers.

Deposits & Savings Propositions

Deposit value was sharpened through tiered pricing on the Business Return product, while Wakalah propositions added tiered base pricing, a monthly profit payment feature. Retail deposit products, including Awaed Albilad and Zood Savings, continued to expand their customer base during the year.

Cards & Payments: Launches and Lift

The year saw the launch of Samsung Pay, Travel Pass, Supplementary Cards, and an Installment Program, paired with meaningful feature upgrades, including credit-limit increases and greater repayment flexibility.

Travel Pass Card

Awarded VISA "Best Innovative Product 2025"



End-to-end digital origination rose year-on-year across Personal Finance and Credit Cards, reflecting a deeper push on digital channels and a smoother journey from application to fulfillment, without compromising compliance.

Digital Sales & Experience

Affluent & UHNW Focus

Corporate Banking

The Corporate Banking Group (CBG) continued to strengthen its role as a pivotal connector between the Bank and its diverse corporate clientele throughout 2025. The Group diligently fostered relationships across various sectors, including large corporates, Medium, Small, and Micro Enterprises (MSMEs), Funds and REITs, and governmental bodies. All operations were maintained in full compliance with Sharia principles while driving forward the Bank's innovative financial solutions.

CBG's strategy in 2025 maintained a significant focus on MSMEs. The Bank views this segment as crucial for client base expansion, supporting their business activities until they achieve large corporate status. This ongoing strategy aims to maximize the benefits derived from increasing the clientele base for both the MSME and large corporate segments.

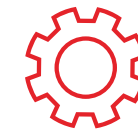
The Group's activities directly support the national objectives outlined in Vision 2030, reinforcing its core mission of driving institutional revenue and supporting major projects, while remaining key to MSME financing.

Digital Transformation and Innovation

In line with the theme of the year, CBG dedicated significant effort to systemic enhancements and digital product acceleration in 2025.



Launched Initiatives



Automated Processes (Paperless)

Automating the issuance of several products and processes.



Automated Supply Chain Finance

launch a new, fully automated Supply Chain Finance product



Enhancing Syndicated Financing System

CBG is currently enhancing the Syndicated financing system to activate and allow the Agent Bank role.



Corporate Credit Quality

New roles of the Corporate Credit analytical unit to enhance the quality of credit proposals.

Data & Quality Enhancement

The Bank is enhancing its internal processes, including the upgrade of the Syndicated financing system to support the Agent Bank role and the full implementation of new roles within the Corporate Credit analytical unit to boost the quality of credit proposals.

Risk, Governance, and Sustainability

The Bank continually integrates best-practice governance and risk controls into its operational model. In 2025, a critical enhancement took place to embed sustainability considerations within the credit process:



Environmental Risk Assessment

update to the Bank's financing system, by including the assessment of environmental risks within the approval system.

Employee Development and Talent

CBG maintains a deep commitment to enhancing the skillsets and fostering the development of its ambassadors. In 2025, the team of 140 employees engaged in comprehensive professional development programs.

CBG Training and Development 2025



140

Total Employees



425

Total Training Days

3.1

Average Training Days per Employee



2,550

Total Training Hours

18.21

Average Training Hours per Employee

Key Professional Development Focus Areas

Training spanned advanced cash-flow and credit analysis, problem-loan early warning, SPV structures in real-estate financing, Six Sigma, PMP, SIBOS, as well as programs delivered through leading bank academies, building both technical depth and execution discipline across the team.

Treasury

Throughout 2025, the Treasury division reaffirmed its role as a core driver of Bank Albilad’s financial resilience and strategic growth.

The division remained central to maintaining a strong liquidity position, managing market exposures, and delivering exceptional returns through balance sheet management, disciplined investment, trading and selling activities. The year was characterized by transformative economic momentum within the Kingdom and global uncertainties. As national development initiatives advanced, financing requirements expanded across non-oil sectors, creating market conditions in which financing growth outpaced deposit generation. Against this

backdrop, Treasury ensured that the Bank maintained a solid liquidity posture by proactively accessing diversified funding markets. The issuance of USD AT1 Sukuk issuance was a defining milestone, allowing the Bank to tap into new investor base while securing competitive funding costs. Treasury launched Certificate of Deposit (CD) program, which increased short to medium term funding market access. These actions strengthened capital, liquidity management resilience and supported responsible balance sheet growth targets.

Strategic Contribution and Income Generation

Treasury delivered a notable performance during the year, supported by consistent execution against well-defined income targets. The Sukuk investment portfolio continued to be the largest contributor towards Treasury asset growth and remained a key component of steady accrual income. Derivative book growth started to contribute towards the bottom-line.

Targeted performance objectives guided strategic decisions across all income categories:



Strengthened Governance and Risk Discipline

Risk management and governance continued to advance as foundational priorities. The Trading Desk Framework, rolled out in 2024, remained instrumental throughout 2025 in enhancing operational transparency, risk infrastructure and regulatory alignment.

Liquidity management resilience and funding market access remained a major focus area. The introduction of new hedging solutions broadened the Bank’s ability to meet the evolving needs of corporate clients seeking to mitigate market exposures.

Capability Building and Talent Empowerment

The division’s performance is underpinned by continuous investment in talent and capability development. During the year, Treasury augmented its team’s strength with specialists in Debt Capital Markets (DCM) and Asset-Liability Management (ALM), enhancing

the Bank’s capability to navigate a more sophisticated financial landscape. Professional development remained an essential pillar of building treasury team’s skillset and capabilities:

All Treasury employees were nominated for functional training to elevate core expertise.

Leadership and mid-level management participated in programs exploring emerging applications of artificial intelligence in financial markets.

Treasury leadership encouraged participation in conferences and workshops addressing global macroeconomic themes, market cycles, and fintech innovation.

In 2025, the Treasury division demonstrated resilience, strategic clarity, and disciplined execution.

By bolstering liquidity foundations, expanding funding tools, advancing governance practices, and investing in human capital, Treasury reinforced its integral role within Bank Albilad and strengthened its capacity to support the Bank’s long-term ambitions.

Digital Transformation and Innovation

Digital transformation is central to our mission of delivering banking that is faster, simpler, and more accessible.

In 2025, the Bank continued to embed innovation across its operations, combining cutting-edge technology with a human-centered approach to create secure, seamless, and Shariah-compliant solutions for customers, business, and communities.

Through the launch and enhancement of our Albilad App and Albilad Verse App,

we strengthened operational efficiency, enhanced customer experience, and reinforced our position as a pioneer in digital Islamic banking. These initiatives exemplify our commitment to disciplined growth, while supporting the Kingdom's Vision 2030.

2025 Operational Achievements

+8%

vs 2024 Business Internet Banking users

+143%

vs 2024 Open Banking transactions

+117%

vs 2024 Banking as a Service (BaaS) transactions



New Albilad App

The front door to a faster, simpler Albilad

In 2025, the New Albilad App became the primary gateway to our customer experience, bringing onboarding, everyday banking, and card controls into one seamless flow. It's a measurable step-change in how our customers bank: more self-service, more speed, less friction. Designed to meet modern financial needs, the app enables the customer to open accounts and issue digital mada debit card, while also offering access to credit card, all within minutes, entirely online.

What Customers Can Do



Instant account opening & digital card issuance

Customers can register anytime and begin using their mada card immediately.



Money transfer & payments

Local and international transfers, including real-time payments via Western Union and Enjaz, alongside bill and government payment through SADAD and MOI services.



Card management and security

Manage mada and credit cards with biometric login options, including fingerprint and facial recognition.



Branch and ATM locator

Easily find nearby service points for on-ground support.

2025 App Engagement Milestones

+11%

vs 2024 Mobile App users

+63%

vs 2024 Digital Personal Finance sales

These results reflect Bank Albilad's success in accelerating digital adoption, enhancing convenience, and delivering a superior customer experience while maintaining the highest standards of security and compliance.



Albilad Verse App

Innovating Financial Literacy

Bank Albilad launched the Albilad Verse app, a pioneering digital platform designed to advance financial literacy among children and youth. This initiative reflects the Bank's commitment to corporate social responsibility, human capital development, and the Kingdom's Vision 2030 objectives of promoting financial education and preparing a future-ready generation.

The app offers a safe and interactive environment where children explore financial concepts, practice money management, and build confidence in making informed decisions through gamified learning, banking simulations, and parental engagement tools.

Core features:

Interactive Financial Literacy Modules

Age-appropriate lessons that introduce essential concepts of personal finance.

Gamified Learning

Engaging challenges and rewards to reinforce knowledge and encourage consistent learning.

Digital Banking Simulations

Hands-on virtual experiences of managing accounts, making transfers, and budgeting.

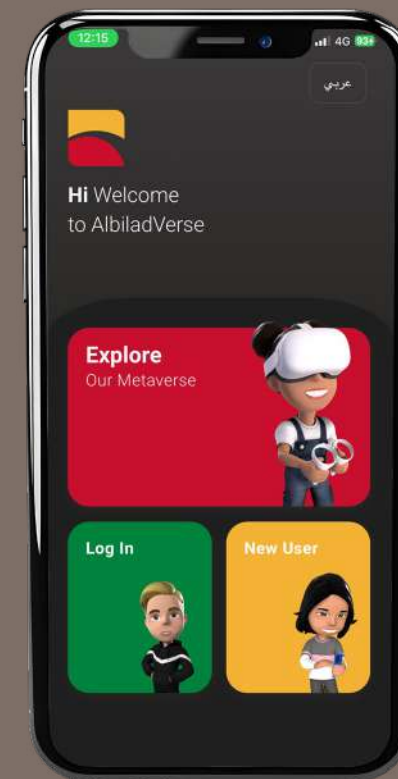
Parental Engagement Tools

Options for parents to monitor progress and support their children's learning journey.

Empowering young minds

Since its launch, the Albilad Verse app has helped youth & children acquire foundational financial skills while reinforcing the Bank's broader commitment to community development.

By leveraging technology and innovation, the app extends the Bank's impact beyond traditional banking, fostering a generation that is confident, financially literate, and prepared to thrive in a rapidly evolving digital economy.



Customer Experience

2025 Highlights

97% of complaints resolved within SAMA SLA. Social-media complaints down 15% vs. 2024.

100% of CE&Q employees certified (RBFPE & CAPE). New CRM launched; dedicated team actively monitors and responds across social channels.

Digital-inclusivity program coordinated with stakeholders to simplify journeys and strengthen accessibility.

The Customer Experience & Quality department sustained its focus on service excellence in 2025, exceeding the Saudi Central Bank target for complaint-related satisfaction within the prescribed SLA.

These results reflect disciplined complaint handling and quality-assurance practices across channels.

A stronger “listen-and-act” loop underpinned the year. Following the CRM launch, a dedicated team monitored social platforms, engaged customers proactively, and closed issues faster, contributing to a 15% year-on-year reduction in complaints originating on social media. The analytics toolkit included thematic clustering, real-time feedback loops,

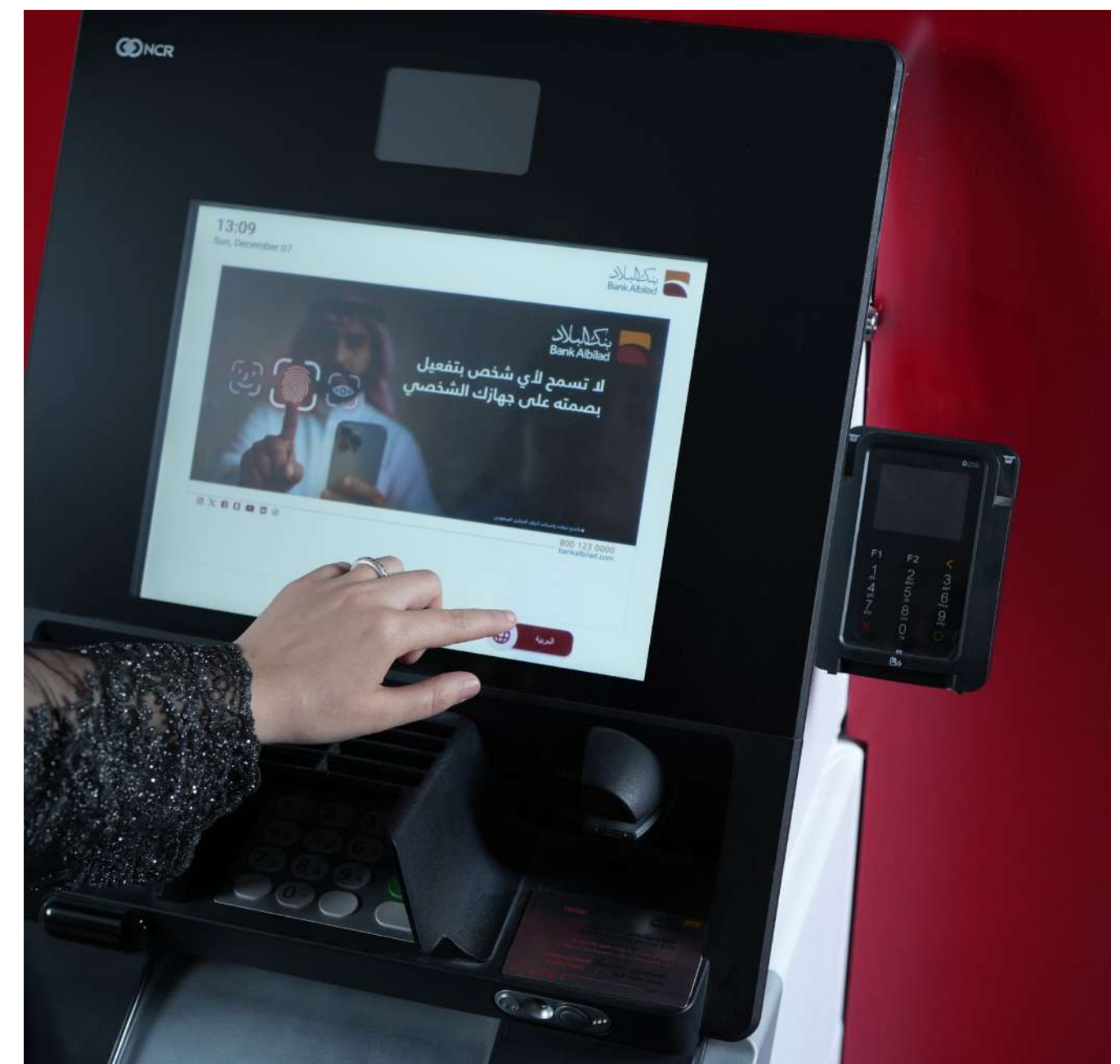
predictive flags to prevent repeat issues, centralized tagging by issue/product, and periodic stakeholder reviews to remove root causes.

Professional capability remained a priority. All CE&Q employees obtained the Retail Banking Foundation Professional Exam (RBFPE) and Credit Advisor Professional Exam (CAPE), strengthening their ability to analyze complex cases, provide accurate guidance, and resolve complaints in line with regulatory expectations.

Digital inclusivity advanced through coordinated work with internal and external stakeholders: accessibility reviews, inclusive testing, simplified user journeys, awareness efforts, continuous monitoring, and heightened readiness during peak demand to protect service levels.

This balanced program, measurement discipline, VOC-led design, certified talent, and inclusive digital journeys, kept Customer Experience & Quality aligned to Bank Albilad’s service standards while responding to evolving customer needs.

On the regulatory side, the department maintained a specific emphasis on SLA and CSAT indicators for complaints as part of its compliance posture.



Information Security

In 2025, Bank Albilad reinforced its commitment to maintaining the highest level of trust and operational resilience by shifting its security posture from reactive to a fully, risk-driven and proactive model, leveraging cyber threat intelligence analytics.

This strategic pivot enhanced governance and complete alignment with regulatory requirements, ensuring stronger uninterrupted business continuity.

2025 Highlights

100% incident resolution within SLA; incident performance remained stable.

Enhanced security architecture review effectiveness, significantly reducing high-risk findings across critical systems.

100% completion of all scheduled security awareness programs for employees and customers.

100% compliant, zero critical findings in Open Banking API security assessments.

PCI DSS v4.0 certified; fully aligned with SAMA CSF and NCA requirements.



Strategic Shift and Performance Excellence

The Bank's strategic execution focused on measurable improvements in control effectiveness. Key initiatives included:

	Proactive Defense	Strengthening the security posture through real-time detection enhancements (SOC maturity, Thread Detection, and SIEM upgrades), coupled with increased automation and intelligence-led monitoring.
	Regulatory Compliance	The Bank achieved full alignment with SAMA CSF and NCA standards and completed its PCI DSS v4.0 certification. Continuous SAMA readiness tracking was maintained to achieve the highest level of compliance.
	Operational Resilience	Incident performance remained highly stable, achieving a 100% resolution rate for all incidents detected within service level agreements (SLAs).

In 2025, Bank Albilad significantly strengthened its third-party cybersecurity governance, risk, and compliance assessment by embedding continuous due diligence. This proactive approach extends the Bank's security perimeter and enhances overall system resilience.

Governance, Risk, and Innovation (GRC)

The Bank continuously strengthens its governance structures to ensure secure and compliant operations, particularly in dynamic areas such as Open Banking and cloud environments.

Secure Architecture

Enhancing secure architecture vertical, which strengthened design governance and resulted in reduction in high-risk issues. This also improved compliance by integrating architecture reviews across all major systems.

API Security and Open Banking

Following SAMA's enhanced Open Banking standards, the Bank assessed and tested API security controls across its Open Banking APIs and API gateway. Vulnerability scans, penetration tests, and continuous monitoring confirmed 100% compliance and zero critical findings, ensuring secure, resilient, and regulator-trusted Open Banking operations.

Red Teaming and Resilience

The Bank advanced its crisis simulation and red-team programs and prioritized strengthening cyber resilience by expanding cloud security governance and reinforcing data security controls in line with evolving SAMA and NCA regulations.

Security Culture and Customer Focus

The Bank recognizes that security is a collective responsibility and actively engages both employees and customers in building a strong security culture.

Awareness Programs

The Bank achieved a 100% completion rate for all scheduled security awareness programs delivered to both employees and customers. These programs included email campaigns, intranet posts, workshops, and external customer-focused security advisories.

Customer-Driven Security

Customer feedback directly shaped several security protocol enhancements aimed at balancing strong protection with seamless digital experiences. These improvements included:

- Simplified Multi-Factor Authentication (MFA) flow, incorporating trusted devices and biometric options.
- Improving the user interface for security alerts to ensure better customer understanding.
- Reducing session time-out friction while maintaining security.
- Communication and awareness initiatives for customers across digital channels.



Shared Services

2025 Highlights

Deployed Robotic Process Automation (RPA) across key back-office workflows, saving approximately 10,000 hours annually

Operationalized standalone branches to expand capacity and access

Commissioned a new Data Center to strengthen resilience and scalability

Elevated business continuity and legal awareness across employees (Successfully conducting DRT for 47 systems and BCT for 34 departments)

Advanced cost-efficiency (through contract negotiation) and resource optimization (paper/plastic and utilities) resulting in 8,265 kg of plastic recycling and 17,640 kg of Paper Recycling.

Improved workplace experience with targeted facilities and programs including establishing a new medical clinic at the Al Malaz building A stable engine for a faster bank.

In 2025, Shared Services continued to serve as the bank’s operational backbone, modernizing core infrastructure, automating routine work, and hard-wiring continuity into everyday processes.

The focus was twofold



deliver tangible, bank-wide efficiency through automation and process optimization; and,



build the right foundations, facilities, platforms, and governance, to support growth with reliability and control

Automation that shortens the distance from request to resolution.

The division expanded RPA into high-volume, rules-based back-office activities, achieving 31 Fully Automated Processes and saving approximately 10,000 hours annually from 29 processes. Eight additional processes are currently in a Readiness Check phase.

This shift freed up teams to focus on higher-value tasks and improved handoffs across functions, positively impacting stakeholders’ and customers’ experience through faster execution and standardized outputs. Turnaround times for requests and reporting reduced from hours to minutes.



Infrastructure built for resilience.

Operating branches fully through digital channels gave the bank more capacity and flexibility in how services are delivered. In parallel, the new Data Center added a robust layer of resilience and scalability to support the bank's digital growth, strengthening operational continuity and readiness for future workloads. The continued operational stability of the New Data Center is confirmed. We have successfully executed our Annual Disaster Recovery (DR) activity by switching all our systems from the old data center (PDC) to the New data center (MDC).

Shared Services embedded stronger business continuity practices throughout the year, raising awareness, training teams, and aligning with legal and regulatory expectations. The Bank successfully conducted the annual Disaster Recovery Tests (DRT) for 47 systems and the annual Business Continuity Tests (BCT) for 34 departments, ensuring SAMA compliance and system robustness. BCM training was conducted in 4 sessions for 82 coordinators. The result is a culture that treats continuity and compliance as everyday disciplines, not emergency measures, so operations remain steady even as volumes and complexity rise.

Efficiency with a sustainability lens.

The division advanced initiatives that cut waste and optimize resource use, lowering reliance on paper and plastics and improving utilities consumption. We achieved significant reductions for existing contracts from negotiation with vendors. Resource optimization efforts resulted in the recycling of 8,265 kg of plastic and 17,640 kg of paper. Alongside that, workplace enhancements (including targeted facilities and programs) supported a healthier, more engaging environment for employees, reinforcing productivity, inclusion, and morale. This included establishing a new medical clinic at the Al Malaz building.

Shared Services will continue to scale automation, deepen system integration, and strengthen continuity governance, so the bank can operate with more speed, predictability, and control as demand grows. The next wave of automation will target key processes across operational areas, shared services functions, and select external units. These initiatives specifically drive cost optimization through reduced manual effort and operational overhead while replicating proven benefits such as faster turnaround times, improved accuracy, and enhanced customer experience. The through-line remains the same: simplify how work gets done, ensure the bank is always on, and keep improving the experience for employees and customers alike.



Technology

2025 Highlights

The Enterprise Architecture Office went live, standardizing reference models and architecture reviews across the Bank.

Tier 4 migration lifted availability by over 50% and improved critical-application performance by over 60%.

Delivery accelerated via a matured SDLC and AI tools, landing the new RMB app, Smart Decision, Supply Chain Finance, a zero-disruption core upgrade, and Dynamics 365 CRM.

Trust and compliance advanced: SAMA ITGF KPIs across IT, stronger ITAM/licensing/IAM, privacy-by-design and universal consent; 100% QR privacy replaced prints.



Strategic & Vision Alignment

Technology operated as a direct enabler of the Bank's strategy, prioritizing customer experience, digital expansion, operational efficiency, and sustainable growth. A unified governance model between Technology, Enterprise Architecture, and business lines ensured each program was tied to measurable outcomes such as accelerated customer onboarding and lending efficiency.

"Strategy-to-Outcome" governance kept every major initiative aligned to business value.

Enterprise Architecture (EA): a Strategic Backbone

In 2025, the EA Office matured into a fully operational function.

It established reference architectures, standards, and a bank-wide review cadence to reduce redundancy, improve interoperability, and embed regulatory alignment. The office developed baseline and target-state architectures to guide core banking upgrades, RMB, and CRM modernization, ensuring future scalability and regulatory compliance.

Platform Modernization & Key Deliveries

2025 delivery focused on simplifying journeys and modernizing the core:

Retail Mobile Banking (RMB): New, scalable app foundation for future products and services.

Smart Decision: Faster, more consistent lending decisions that reduced approval turnaround times.

Supply Chain Financing: Introduced on a modern arrangement architecture.

Core Banking Upgrade: Executed with zero business disruption.

CRM (Dynamics 365): Rolled out for customer service and branches (BAB360/phone banking).

Trade Finance & new RMB enablement: Uplifted capability and throughput.

2025 Delivery Snapshot

Area	2025 Outcome
Apps & Channels	New RMB platform live; stronger base for digital products
Credit & Onboarding	Smart Decision accelerated underwriting and reduced turnaround time
Corporate Enablement	Supply Chain Financing delivered on a modern arrangement architecture
Core Systems	Core banking upgraded with zero disruption
CRM & Service	Dynamics 365 deployed for contact center/branches (BAB360)

Data & AI-Enabled Delivery

AI tools were embedded across the Software Development Life Cycle (SDLC), improving requirement quality, coverage, and cycle predictability. The introduction of the AI Business Analyst Bot and expanded RPA deployment lifted throughput and standardized services, while AI-driven tools contributed to a significant reduction in development cycle times.

Data Governance & Privacy

Data Governance was formalized as a core control function in 2025:

Raised compliance with NDMO specifications across all data management domains.	Embedded Privacy by Design in SDLC and delivery pipelines.
Performed vendor risk assessments; executed Data Processing Agreements (DPAs) after comprehensive contract reviews.	Launched a Universal Consent Management Solution to centrally manage preferences for customers, employees, and candidates.
Ran bank-wide Data Governance & Privacy training.	Replaced printed branch privacy policies with a QR-code experience (100% coverage)

Technology expanded KPI coverage specifically to cover the performance measurement of SAMA IT Governance Framework domains, enabling regular identification, development, monitoring, and reporting of performance. Comprehensive RCSA exercises across tech functions reduced technology-related risk via strengthened controls, better monitoring, and improved response mechanisms.

Infrastructure & Resilience

The migration to the new Uptime Tier 4 facility and refreshed infrastructure improved performance, availability, and capacity across core systems. The new advanced architecture enhanced the availability of core banking applications and customer channels by more than 50%, while critical-application performance gains exceeded 60%, enhancing customer experience and service resilience during peaks and stress events.

Our Technological Capabilities

Bank Albilad marked a major milestone in its digital transformation journey with the inauguration of a new Tier 4 world-class data center in 2024, one of the most advanced and sophisticated facilities in the financial services sector.

This strategic investment underscores the Bank’s commitment to strengthening its technological capabilities, enhancing operational resilience, and elevating service excellence across all customer touchpoints.

Built to advanced global specifications, the data center significantly expands the Bank’s digital capacity and supports the accelerated rollout of its transformation initiatives. These include the expansion of online and mobile banking channels, the development of integrated digital payment solutions, and the continuous enhancement of infrastructure readiness to adopt the latest financial technologies. The center delivers exceptional levels of reliability and uninterrupted service, supported by highly advanced backup systems that ensure swift recovery and business continuity in any unforeseen circumstances.

Designed with stringent security and cybersecurity standards, the facility safeguards customer data confidentiality and maintains optimal efficiency of the Bank’s core systems around the clock. Future growth and flexibility were key priorities in the design, enabling the Bank to seamlessly scale its digital services in response to increasing customer demand.

In alignment with Bank Albilad’s commitment to environmental sustainability, the data center incorporates high-efficiency power and cooling management mechanisms, reducing resource consumption and minimizing environmental impact.

The center also represents a foundational enabler for the Bank’s ambitions in artificial intelligence, machine learning, and big data analytics. By providing robust infrastructure to support advanced analytical technologies, it enhances the Bank’s ability to make informed, data-driven strategic decisions and deliver more personalized, responsive services to customers. Additionally, the facility accelerates the development and deployment of internal systems and applications, while offering a collaborative environment for partners and innovators in both the financial and technology sectors, fostering creativity, agility, and secure service delivery.

With this landmark initiative, Bank Albilad reaffirms its determination to lead in digital excellence and set new benchmarks across the financial services industry. The Tier 4 data center stands as a cornerstone of the Bank’s forward-focused strategy, enabling it to meet the aspirations of customers today and anticipate their needs for the future.

Our People

The Human Resources (HR) Division is fundamental to Bank Albilad's strategy, responsible for talent management, Saudization support, and driving a culture of high performance and innovation. In 2025, the Bank executed a focused workforce strategy designed to build capability, promote agility, and foster alignment among all teams.

Our People in Numbers

+3,650

Total staff

87%

Retention rate

786

New hires

5,585

Training opportunities delivered

94%

Training coverage

Building capability, agility, and leadership

In 2025, the HR Division advanced a comprehensive strategy to develop a future-ready workforce and secure strong succession depth. The Bank reviewed and refined organizational structures to sharpen role clarity and operational efficiency, conducted market reviews to keep the reward system competitive, and broadened cross-functional training to strengthen collaboration and agility across business units.

The Bank's commitment to talent development was clearly demonstrated through its high-potential pathways:



Leadership Pipeline

High-potential pathways were expanded through the Albilad Future Program and a suite of leadership tracks, aimed at equipping emerging leaders with future-critical skills and enabling internal mobility.



Executive Development

Executive-level development was reinforced through coaching for senior leaders, participation in global leadership programs, and nominations to top international business schools.



Measurable Impact

These investments are creating significant depth: many identified successors for key roles are ALP/AAP alumni, leadership readiness gaps at senior levels have narrowed, and participants are advancing more quickly in their careers. The Tech Ambassador Program has also accelerated the adoption of emerging technologies, improving delivery speed and alignment with business priorities.



Learning at Scale

The 5,585 training opportunities delivered reached 94% of employees, with the portfolio intentionally weighted toward technical development (75%) to sustain day-to-day performance and build a steady pipeline of future leaders.



75%

technical development

5,585

training opportunities delivered in 2025

94%

training coverage across the workforce

Enhancing Employee Experience

The Bank reinforced a culture of productivity and commitment by directly converting employee feedback into concrete enhancements, leveraging technology for seamless service delivery, and focusing on financial wellness.

Listening, Acting, and Improving

The “Your Voice Matters” survey achieved strong participation and delivered a 7% increase in overall satisfaction with the bank compared to the last 2023 survey. HR converted this feedback into impactful actions:



Employee Experience

Enhancing the My Idea platform; launching the BAB HR Mobile App to simplify and digitize HR services; streamlining the training journey and annual leave; and deepening HR Business Partner engagement for more direct, transparent communication.



Well-being

Upgrading the Employee Recognition Program 2025; opening a Ladies' Gym Facility at Albilad Tower to support physical health and inclusion; and strengthening real-estate financing support.

Digital HR and Decision Support

HR continued to automate core processes (including employee share allocations and incentive payments) and upgraded the HR Mobile App, making services more accessible and personalized. For leadership, enhanced dashboards and analytics provided integrated, near real-time visibility of human-capital metrics to EVPs and C-suite, enabling data-driven, proactive decisions.

Hafez Saving Program

Hafez Saving Program: The enhanced Hafez Saving Program continued to strengthen employee financial wellness and support national savings objectives,

by expanding participation and enhancing saving tools to promote responsible financial behavior.



Sustainability

Bank Albilad maintains a comprehensive ESG Framework that guides its sustainability initiatives and strategies. The Framework focuses on the ESG issues relevant to the Bank and its stakeholders. It is based on six key pillars and aligns sustainability priorities and commitments with the Bank’s mission, values and operations. The Framework is regularly reviewed and enhanced to ensure its continued relevance.

Sustainability Framework

In order to define what sustainability means for Bank Albilad, as well as guide and focus our ESG efforts, we developed an ESG framework (‘Framework’), which thematically groups the material ESG issues we previously identified under one of six key sustainability pillars.

In 2025, the Bank validated three priority pillars within its six-pillar ESG Framework to concentrate efforts and measurement:



Transparent, Effective and Responsible Governance

strengthening governance discipline and disclosure.



Customer Privacy and Cybersecurity

protecting data, resilience, and trust across all channels.



Customer Experience

elevating access, quality, and fairness in service delivery.



Transparent, Effective and Responsible Governance

Transparent, Effective and Responsible Governance

- Business ethics and compliance
- corporate governance
- risk management and business continuity
- anti-money laundering and corruption

Sustainable Banking Practices:

- Sustainable Financial Products
- Financial inclusion and education
- financial performance

Contributing to Communities

- Community Investment and Impact
- Human rights
- Supply chain management



Innovating for a dynamic business structure

- Customer Experience
- Digitization
- Customer privacy and cybersecurity

Acting on the Environmental Footprint

- Climate change management, risks and opportunities
- managing environmental impacts

Empowering Employees:

- Talent Development, attraction and retention
- Employee engagement and wellbeing
- Diversity and equality
- Localization

Material ESG Issues

Bank Albilad has conducted a materiality assessment to identify and understand the ESG considerations that are most important to the Bank and its stakeholders. This assessment involved a comprehensive review of reputable sustainability standards, including those published by the GRI, SASB, and the Principles for Responsible Investment (PRI). It also included consideration of:

ESG issues specific to the banking industry, as identified by various ESG rating agencies.

Stakeholder interests and perspectives.

Objectives of relevant national and international sustainability-related ambitions, including Saudi's Vision 2030 and the United Nations Sustainable Development Goals (SDGs); and

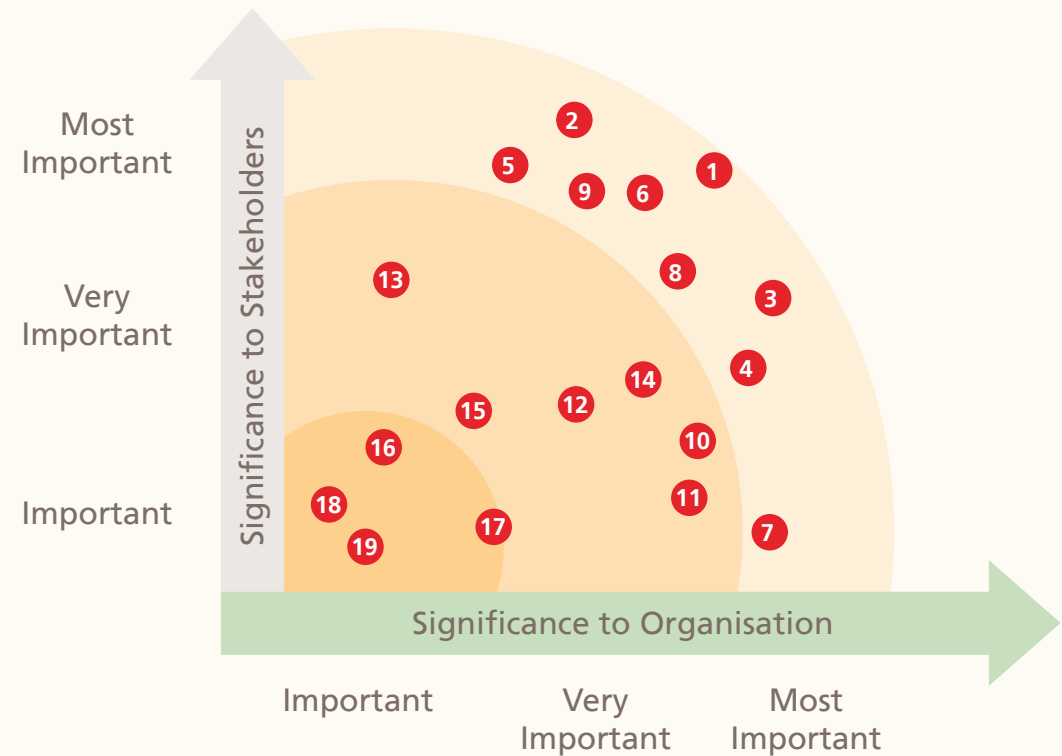
After identifying and listing all possible ESG issues for consideration, the list was refined and prioritized based on where Bank Albilad currently has the most significant impact, where it has the greatest potential to be impacted, and those ESG issues that may significantly influence the assessments and decision-making of its key stakeholders. A total of 19 material ESG issues were identified.

This materiality assessment has been valuable in identifying the Bank's strengths and areas that require attention or development. The identified material issues guide the Bank's ESG policies, strategies, goals, targets, and actions related to ESG and sustainability management. Bank Albilad will continue to review its materiality analysis to ensure it remains relevant in the rapidly changing sustainability landscape



Materiality Assessments

After identifying and listing all possible ESG issues for consideration, the list was refined and prioritized based on where Bank Albilad currently has the most significant impact, where it has the greatest potential to be impacted, and those ESG issues that may significantly influence the assessments and decision-making of its key stakeholders. A total of 19 material ESG issues were identified.



Operational Environmental Metrics (2025)

>4.25

tons total waste recycled

72

trees saved

29,715

gallons of water preserved

4.25

tons of CO₂ emissions reduced

For more information on ESG disclosures, please visit the bank's website



Social Responsibility

2025 Highlights

+29,000 individuals across the Kingdom at Albilad Ramadan Basket

ﷲ 1,000,000 donated via Ehsan

ﷲ 1,000,000 donated to The Martyrs, Wounded, Prisoners, and Missing Persons Fund

5,000 mangrove seedlings planted in Umluj

1,500 native seedlings planted in Huraymila

+250 liters in blood donations campaigns

+1,600 applicants to Albilad FinTech Hackathon 2025

+1,000 passengers over two months served at Shuttle Bus

Corporate Social Responsibility Gold Award for the second time

Community first: care where it matters

In Ramadan, the Bank's flagship Albilad Ramadan Basket reached over 29,000 people in need across the Kingdom, while a ﷲ 1 million contribution through Ehsan supported 27 charities and 6,000 direct beneficiaries. Health support remained a tangible priority: employees rallied in two blood-donation drives across Riyadh and the Eastern Province, contributing 250+ liters and reinforcing a culture of service.

+29,000

(supported) Ramadan Basket

ﷲ 1M

Ehsan

27

charities

6,000

beneficiaries

Environmental action with measurable outcomes

Hands-on stewardship anchored the year's environmental agenda. In Huraymila valley, volunteers planted 1,500 seedlings and removed +0.5 ton of harmful waste. Along the Red Sea coast (Umluj), a joint mangrove campaign with Red Sea Global mobilized 230 volunteers to plant 5,000 seedlings, protecting shorelines and blue-carbon habitats. The "Let's Care to Grow" program added 5,000 smart seedlings across multiple regions, pairing planting with technology to remotely monitor growth and survival.

Complementary awareness efforts ran for three weeks across three Sports Boulevard sites in Riyadh (Wadi Hanifa, Diriyah, Thumamah), while targeted support in Unaizah provided a vehicle to help protect Al-Ghadi Park. In Riyadh, the Shuttle Bus pilot on Tahlia Street served +1,000 riders and spotlighted public transport's role in cutting emissions.

5,000 Mangroves

planted (Umluj)

+31,710

Volunteer Hours:
42,300

1,500 seedlings

Huraymila

0.5+ ton

waste removed

Financial literacy & youth empowerment

Under #Albilad_mubadara, the Albilad Verse Center delivered hands-on, age-appropriate learning programs that reached +5,000 children, partnering with 46 schools and 5 charitable associations. The Verse Savings Camp immersed 120 students in practical budgeting and saving.

At the ecosystem level, the Albilad FinTech Hackathon 2025, in partnership with Fintech

Saudi and Monsha'at, brought together students, developers, and entrepreneurs across four tracks (planning & smart budgeting, fintech innovations, data-driven analysis, and literacy). With +1,600 applicants and 46 ideas, winners received prizes up to 50,000, and several teams advanced to incubation, turning ideas into ventures with real community value.

FinTech Hackathon:

+1,600
applicants

46
ideas

12
universities



Inclusion enabled by technology

Bank Albilad sponsored the Mowaamah application to broaden access for people with disabilities, adding sign-language support and visual wayfinding, and ran three employability workshops for students with disabilities. In parallel, the Fathkrony app added audio Qur'an, support for Urdu, Bangla, and

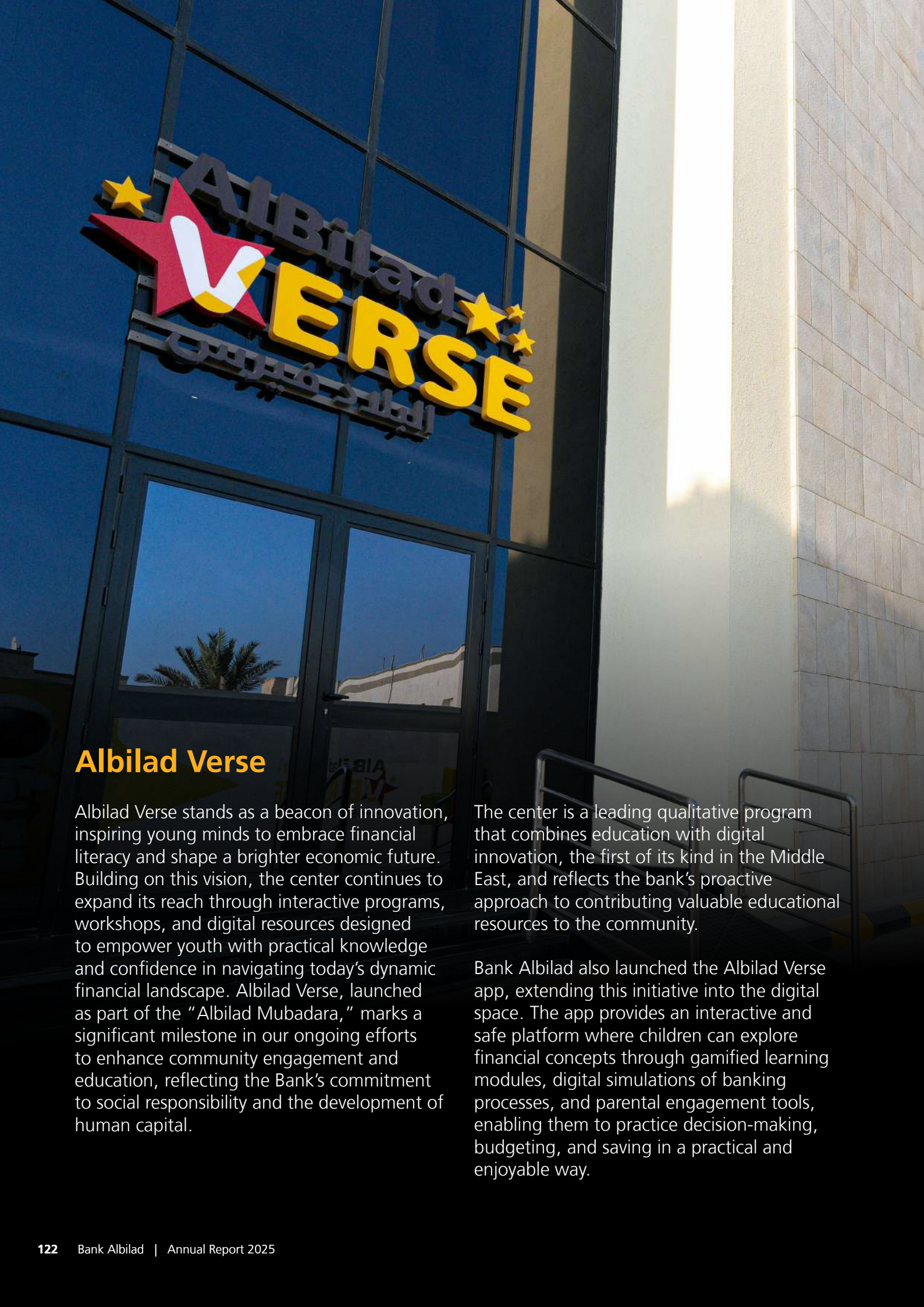
Indonesian, Iqama reminders, adjustable Athkar font, prayer-time tweaks, and new widgets, enhancing reach and day-to-day usefulness. A recycling rewards system further encouraged sustainable behaviors at the individual level.

Fathkrony 2025 Upgrades

Audio Qur'an	3 new languages	Iqama alerts
Resizable Athkar	Prayer-time adjust	New widgets

Recognition

The Bank received the Corporate Social Responsibility Gold Award again, affirming the breadth, consistency, and measurable impact of its community programs at national scale.



Albilad Verse

Albilad Verse stands as a beacon of innovation, inspiring young minds to embrace financial literacy and shape a brighter economic future. Building on this vision, the center continues to expand its reach through interactive programs, workshops, and digital resources designed to empower youth with practical knowledge and confidence in navigating today's dynamic financial landscape. Albilad Verse, launched as part of the "Albilad Mubadara," marks a significant milestone in our ongoing efforts to enhance community engagement and education, reflecting the Bank's commitment to social responsibility and the development of human capital.

The center is a leading qualitative program that combines education with digital innovation, the first of its kind in the Middle East, and reflects the bank's proactive approach to contributing valuable educational resources to the community.

Bank Albilad also launched the Albilad Verse app, extending this initiative into the digital space. The app provides an interactive and safe platform where children can explore financial concepts through gamified learning modules, digital simulations of banking processes, and parental engagement tools, enabling them to practice decision-making, budgeting, and saving in a practical and enjoyable way.



Interactive financial modules



Digital banking simulations

This initiative provides a valuable opportunity for companies and educational institutions to play a pivotal role in enhancing financial literacy among young people, thereby laying the foundation for a more advanced and future-oriented financial system.

Albilad Verse aims to instill a deep understanding of financial management in children aged 8 to 15. Through a series of interactive workshops and activities, the center educates young participants about the fundamentals of banking and savings. The initiative is designed to increase financial literacy and cultivate a generation aware of their economic environment, capable of making informed financial decisions as they grow.

The program at Albilad Verse includes a comprehensive introduction to the banking sector, provided through an engaging theatrical presentation. Children then visit a simulated bank branch, where they interact with banking equipment and role-play as customers and bankers, gaining hands-on experience. The curriculum culminates in practical exercises where children engage in decision-making scenarios that emphasize the importance of savings and prudent financial management.



Gamified learning



Parental engagement tools

This educational initiative is part of Bank Albilad's broader strategy to support Vision 2030's objectives of raising the quality of life and enhancing social development. By investing in the financial education of children, we are laying the groundwork for a more knowledgeable and economically conscious generation.

Moreover, Albilad Verse has been integrated with our corporate social responsibility (CSR) efforts, significantly impacting the community by broadening our social engagement and reinforcing our commitment to sustainable development. The center not only educates but also actively involves children in understanding and practicing sustainability, aligning with our environmental goals.

Through Albilad Verse and other initiatives under the Albilad Mubadara program, Bank Albilad reaffirms its commitment to adding tangible value to our society, supporting the Kingdom's vision for a sustainable and prosperous future. This commitment to community development and human capital growth has garnered recognition and accolades, further motivating us to continue our efforts in CSR and community support.

+5,000

children benefited

46

participating schools

5

charitable associations engaged

Subsidiaries



Albilad Capital

2025 Highlights

Launched Albilad MSCI Saudi Equity ETF, advancing ABIC's ambition to be a global Shariah ETF manager; ETF leadership now >70% local market share and ~53% regional share.

Expanded real estate & multi-asset platforms with new funds: Makkah Vision Real Estate Fund (Infrastructure), Qurtubah Square (Mixed Use), Hittin Real Estate Fund (Mixed Use), Albilad Investment Opportunity Fund 2 (Mixed Use).

Digital client activity surged, with +76% of trading turnover via digital channels; continued rollout of new web & mobile features and Super App (beta) with streamlined mobile onboarding/KYC.

Albilad Capital (ABIC) is the Bank's investments and capital-markets arm, critical to wealth management, fund performance, and corporate finance execution.

Introduced the King Faisal University Endowment Fund (multi-asset strategy) to support long-term, mission-driven investing.

Executed landmark mandates across capital markets, incl. Umm Al Qura IPO (Sole Lead Manager, JFA, Underwriter, Bookrunner) and multiple sovereign/blue-chip sukuk transactions.

In 2025, ABIC focused on two strategic vectors:



scaling a Shariah-compliant ETF and multi-asset platform

that widens investor access to diversified opportunities, and



deepening digital adoption

to deliver faster, simpler, and more transparent client experiences, all within robust governance.

Building a Global Shariah Exchange Traded Fund (ETF) Platform

ABIC launched the Albilad MSCI Saudi Equity ETF, giving investors Shariah-compliant exposure to +250 small, mid, and large caps across the Main Market and Nomu.

The listing materially strengthened ABIC's ETF position, with market share exceeding 70% locally and ~53% regionally, a major step toward the Global Shariah ETF Manager ambition.

ETF leadership:

>70%
local share

~53%
regional share

Multi-Asset & Real Estate

To broaden income profiles and sector exposure, ABIC introduced new strategies spanning infrastructure and mixed-use real estate, and launched a mission-aligned endowment vehicle.

Fund	Strategy
King Faisal University Endowment Fund	Multi-asset, long-term endowment strategy
Makkah Vision Real Estate Fund	Infrastructure
Qurtubah Square	Mixed Use
Hittin Real Estate Fund	Mixed Use
Albilad Investment Opportunity Fund 2	Mixed Use

Capital Markets: Mandates that Matter

ABIC executed significant equity and debt mandates, reinforcing its role as a trusted arranger across the Kingdom’s transformation agenda.

Issuer / Transaction	Instrument / Size	ABIC Role
Umm Al Qura for Development & Construction	Main Market IPO	Sole Lead Manager, Joint FA, Underwriter, Bookrunner
Public Investment Fund (PIF)	Sukuk – USD 1.25bn	Joint Lead Manager, Joint Bookrunner
Saudi Aramco	Sukuk – USD 3.0bn	Passive Bookrunner
Bank Albilad	AT1 Sukuk – USD 650mn	Global Coordinator, Joint Bookrunner
Private Local Company	Sukuk – ﷲ 1.1bn	Dealer

Additionally, ABIC is Sole FA, Lead Manager, and Underwriter on three Rights Issues currently in process.

Digital Client Experience: Faster, Simpler, Smarter

Clients are shifting decisively to digital. Today, most activity happens on web and mobile, supported by richer tools, tighter security, and a unified journey from onboarding to trade.

76%
of trading turnover via web&mobile

What Got Better



Trade Controls

- Conditional orders
- Margin lending via mobile



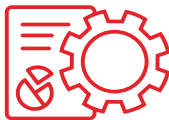
Portfolio Intelligence

- Owned / available quantity
- Average cost
- Buying-power calculator



Access & Security

- Biometric Login
- ID expiry update (mobile)



Service & Reporting

- Enriched message center
- Auto-renew price feeds
- Realized P&L
- IPO subscriptions (digital)

Governance & People

ABIC continued enhancing its authority matrix and policy suite and progressed personalized development plans and mentorship/coaching to deepen capacity.

Enjaz Payments Services Company



2025 Highlights

Launched Enjaz Pay Wallet, completing the transition toward an Electronic Money Institution (EMI) model and expanding digital payment and remittance capabilities, and launched a new customer-facing website clarifying the EMI value proposition and digital journeys.

Digital transactions reached 61 % of total transaction volume, reflecting accelerated customer migration to digital channels.

Delivered 22% year-on-year net profit growth (before Zakat), supported by product diversification and operational efficiencies

Strengthened remittance infrastructure through API-driven integrations, improving processing speed, reliability, and scalability.

Achieved a ~92% reduction in fraud cases and mule accounts, driven by AI-enabled monitoring and enhanced governance controls.

API share of remittance transactions rose to 47% (from 24% in 2024), introduced inbound API ("Enjaz-as-a-Service") enabling real-time remittances into KSA.

Optimized branch footprint (-6%), supporting the channel shift and unit-cost reduction.

Maintained market share in a highly competitive remittance landscape.

Building a Digital Wallet & EMI Platform

In 2025, Enjaz advanced a strategic shift from a traditional money transfer operator to a regulated digital wallet and EMI platform, broadening its role within Bank Al Bilad's fintech ecosystem. The launch of the Enjaz Pay Wallet marked a foundational step in delivering integrated, user-centric financial services across payments and remittances, supported by a new, modern website that simplifies product discovery and journeys.

Core Wallet Capabilities Introduced

Wallet creation and profile management

Virtual and physical card issuance

Utility bill payments via SADAD

Household payments through Musaned, the Saudi domestic labor portal

Wallet-to-wallet transfers

These capabilities enabled Enjaz to serve a wider range of customer needs through a single digital interface, supporting everyday transactions alongside remittance use cases.

Remittances: Faster, Scalable, and API-Enabled

To support growing transaction volumes and evolving customer expectations, Enjaz modernized its remittance backbone through scalable API architecture and real-time integrations with payment networks and partners. As a result, API share reached 47% in 2025 (24% in 2024), and inbound API ("Enjaz-as-a-Service") now enables third parties to remit into KSA in real time.

What Changed

Transition from legacy file-based processing to real-time API connectivity

Expanded delivery options across:



Global wallets



Cash pickup locations



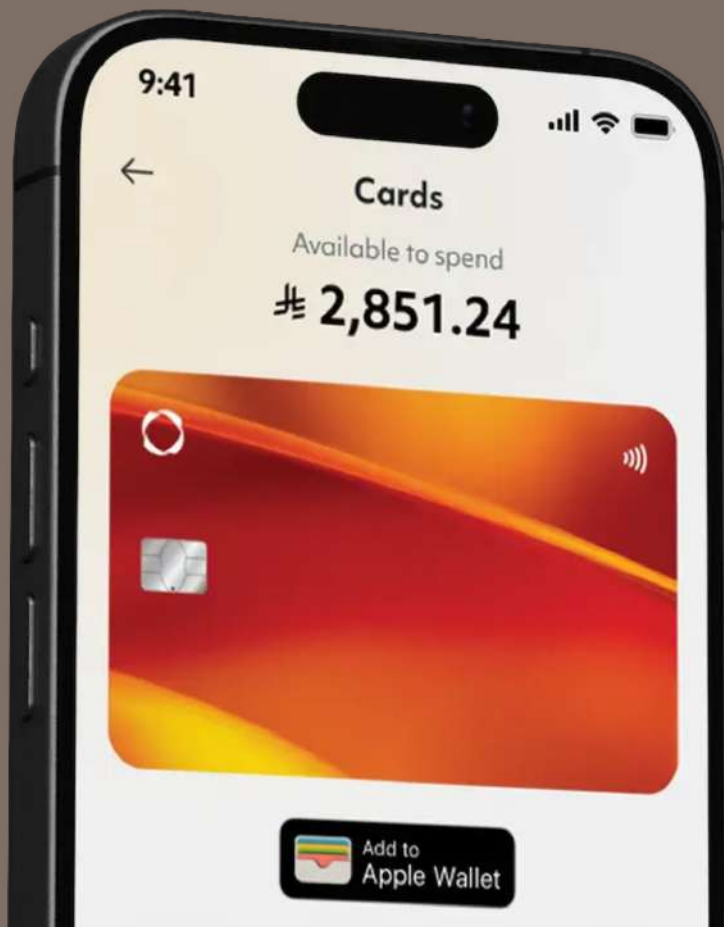
Bank accounts

Reduced processing times and improved delivery turnaround

Introduced real-time inbound API rails ("Enjaz-as-a-Service") for partner integrations

Launched Western Union Account / Wallet Transfer integration to enable real-time cross-border transfers into wallets and accounts.

These enhancements materially improved service reliability and positioned Enjaz to onboard additional partners and corridors efficiently.



Multi-Channel Access & Digital Adoption

Enjaz expanded its service reach through a diversified delivery model designed to align with varying customer preferences and usage patterns, enabling a gradual and inclusive shift toward digital engagement.

Active Channels



Mobile wallet



Digital kiosks



POS-based remittances



API integrations



Digitally enabled branches

By offering multiple entry points into the Enjaz ecosystem, the company reduced reliance on purely cash-based and branch-dependent interactions while guiding customers toward digital journeys. This multi-channel approach directly supported the migration to digital channels, with digital transactions accounting for 61% of total transaction volume by year-end. The branch footprint was also optimized (–6%) to accelerate digital migration and improve unit economics.

Financial Performance & Operational Efficiency

Enjaz delivered solid financial performance in 2025, supported by disciplined cost management, optimized operating expenses, and accelerated growth in technology-enabled services.



Operating Outcomes

22% YoY increase in net profit (before Zakat)	Revenue growth supported by new digital products and services	Operational optimization initiatives reduced friction and improved scalability
Overall transaction value increases by 4% YoY, reflecting mix and corridor optimization		Maintained market share amid intensifying competition
These outcomes strengthened Enjaz’s ability to grow sustainably while maintaining cost discipline in a competitive remittance environment.		

Risk, Security & Governance

Risk management and customer protection remained central to Enjaz’s operating model.

Key Developments

Adoption of AI-driven fraud detection and analytics

Significant reduction in fraud incidents and mule accounts (~92% YoY decrease)

- Branch-level digitization:
- Biometric authentication
 - One-time password (OTP) verification

Reduced reliance on manual paperwork, supporting stronger controls and environmental objectives

Rollout across the branch network is ongoing and expected to be completed in early 2026.

Platform Priorities

Enjaz will continue scaling its EMI platform, strengthening digital adoption, and enhancing infrastructure to support secure, inclusive, and sustainable growth aligned with Bank Al Bilad’s strategy, including scaling Enjaz-as-a-Service partner integrations and completing branch digitization.

Enabling Growth with Sound Oversight

04 Corporate Governance



Governance

The Board of Directors and the Bank's Executive Management work to ensure the existence of an effective, advanced, and sustainable governance framework and to continuously strengthen it. They set strategic objectives, translate them into appropriate work programs, and strive to achieve them in line with the principles of transparency, disclosure, and fairness—supporting the Bank's strategy, vision, mission, and sustainable development. Governance at the Bank refers to the rules and procedures for leading and directing the Bank, including mechanisms that regulate the relationship between the Board of Directors, Executive Management, shareholders, and all stakeholders. These rules and procedures are applied to facilitate decision-making and promote fairness and transparency in financial transactions and the business environment, thereby creating growing value for the Bank and protecting the rights of shareholders, all investors, and other stakeholders.

The Bank's governance is founded on fair treatment based on equality among the interests of various parties, including shareholders, employees, investors, and other stakeholders such as customers, suppliers, supervisory and regulatory bodies, other relevant government entities, and society—while taking into consideration the three dimensions of sustainability (social, environmental, and economic).

The Board of Directors and Executive Management continuously emphasize the importance of adhering to governance controls as an effective means of strengthening transparency, integrity, oversight, and high professional performance.

This report affirms the Bank's compliance with applicable laws and regulations, and with the requirements and instructions of supervisory and regulatory authorities such as the Capital Market Authority and the Saudi Central Bank, through the issuance of governance documents, their updates, and the monitoring of their implementation. Among the most notable actions taken in 2025 was the update and approval of a number of documents by the Board of Directors and/or the General Assembly to align with updates to laws, regulations, and instructions. This included the General Assembly's approval of updates to the Bank's bylaws and the Corporate Social Responsibility policy, as well as the Board of Directors' approval of updates to several policies and documents, including the Governance Manual and its annex.

The Board of Directors and its committees also continuously monitor the Executive Management and its committees to ensure their ongoing and effective compliance with all laws, regulations, policies, and work procedures.



Board Governance

1) Board of Directors - Previous Term

The Board of Directors is composed of ten members , who were elected at the extraordinary general assembly meeting held on 14/04/2025 AD, for a three-year term starting on 17/04/2025 AD and ending on 16/04/2028 AD:

#	Name	Post	Classification
1	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Directors	Non-Executive
2	Mr. Adeeb Mohammed Abanumai	Vice Chairman	Independent
3	Dr. Zeyad Othman Alhekail	Member	Independent
4	Mr. Abdulaziz Mohammed AlOnaizan	Member - Cheif Excutive Officer	Executive
5	Mr. Khalid Abdulrahman AlRajhi	Member	Non-Executive
6	Mr. Nasser Suleiman Al-Nasser	Member	Independent
7	Mr. Mohammed Abdulrahman AlRajhi	Member	Non-Executive
8	Mr. Haitham Mohammed Al-Fayez	Member	Independent
9	Mr. Muadh Abdulrahman Al-Husseini	Member	Independent
10	Mr. Haytham Sulaiman AlSuhaimi	Member	Non-Executive

¹⁰As per Article 15 of the Bank’s bylaws, the company will be overseen by a Board of Directors comprising (11) eleven members. Paragraph (B-1) of Article (17) states that the Board of Directors must be composed in accordance with the provisions of the Bylaws, while also adhering to the Companies Law, relevant regulations, and mandatory instructions of the organization. This includes determining the number and classification of its members, as well as the minimum number of meetings required. In the event a position becomes vacant, the Board of Directors may choose to maintain the current number of members after the mentioned position(s) become vacant, provided that the number of Board members, its qualitative composition, and the attributes of its members remain sufficient, appropriate, and meet all statutory and regulatory requirements

2) Board of Directors - Current Term

The Board of Directors for the current term is composed of eleven (11) members, who were elected at the extraordinary general assembly meeting held on 14/04/2025 AD, for a three-year term starting on 17/04/2025 AD and ending on 16/04/2028 AD:

#	Name	Post	Classification
1	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Directors	Non-Executive
2	Mr. Adeeb Mohammed Abanumai	Vice Chairman	Independent
3	Mr. Zaid Abdulrahman Algwaiz	Member	Independent
4	Mr. Abdulaziz Mohammed AlOnaizan	Member - Chief Executive Officer	Executive
5	Mr. Khalid Abdulrahman AlRajhi	Member	Non-Executive
6	Mr. Nasser Suleiman Al-Nasser	Member	Independent
7	Mr. Mohammed Abdulrahman AlRajhi	Member	Non-Executive
8	Mr. Haitham Mohammed Al-Fayez	Member	Independent
9	Mr. Muadh Abdulrahman Al-Husseini	Member	Independent
10	Mr. Haytham Sulaiman AlSuhaimi	Member	Non-Executive
11	Mr. Abdulaziz AbdulHameed Al Bassam	Member	Independent

3) Qualifications, Positions and Experience of Board Members



Mr. Nasser Mohammed AlSubeaei
Chairman of the Board of Directors
and Chairman of the Executive
Committee - Non-Executive Member

Mr. Nasser Mohammed AlSubeaei brings with him an impressive 40 years of experience in the financial, banking, investment, and real estate sectors. He holds a bachelor’s degree in accounting from King Saud University and has held numerous administrative positions and board memberships in various companies and entities. Some of his notable roles include:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Mohammed Ibrahim AlSubeaei & Sons Investment Company (MASIC)	Board Vice Chairman and Member of the Executive Committee	Inside the Kingdom	Closed Joint-stock
Thakher Company	Board Chairman	Inside the Kingdom	Limited liability
Alargan Projects	Board Chairman	Inside the Kingdom	Closed Joint-stock
AKWAN Group	Board Member	Inside the Kingdom	Closed Joint-stock
Saudi Authority of Accredited Valuers (TAQEEM)	Board Member	Inside the Kingdom	Governmental

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Higher Education Fund	Board Member	Inside the Kingdom	Governmental
King Fahd University of Petroleum and Minerals	Investment committee member	Inside the Kingdom	Governmental
Entrustment and Liquidation Center (Infath)	Member of the Board of Directors and Executive Committee	Inside the Kingdom	Governmental
King Salman charity housing association	Financial Supervisor, Member of the Executive Committee, and Chairman of the Remuneration and Nominations Committee	Inside the Kingdom	Governmental

Previous:			
Dur Hospitality Company	Board Member	Inside the Kingdom	Listed joint stock
General Authority of Awqaf	Board Member	Inside the Kingdom	Governmental
Al Rajhi Bank	Board Member	Inside the Kingdom	Listed joint stock
King Salman Center for Disability Research	Board Member	Inside the Kingdom	
Red Crescent Authority	Board Member		



Mr. Adeeb Mohammed Abanumai
Vice Chairman of the Board of Directors and Chairman of the Audit Committee - Independent Member

Mr. Adeeb Mohammed Abanumai has extensive professional and practical experience. He holds a master’s degree in accounting from the University of Miami in the United States and a bachelor’s degree in accounting from King Saud University. He has held numerous administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Al Watania Poultry	Member of the Board of Directors	Inside the Kingdom	Limited liability
Almaarefa University	Member of the Board of Directors	Inside the Kingdom	Closed joint-stock
Soybean Crushing Company and Derivatives Limited – SOYA	Member of the Board of Directors	Inside the Kingdom	Limited liability
Abdullah Bin Saedan & Sons Real Estate	Member of the Board of Directors	Inside the Kingdom	Closed joint-stock
Olcom Holding	Member of the Board of the Directors	Inside the Kingdom	Closed joint-stock
AL Maather REIT Fund	Member of the Board of Directors	Inside the Kingdom	Closed joint-stock



Previous:			
Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Tunisian Saudi Bank	Board Member	Outside the Kingdom	Equitable government contribution Between the Kingdom of Saudi Arabia and the Republic of Tunisia
Abdullah Bin Saedan & Sons Real Estate	Board Member	Inside the Kingdom	Listed Joint
Jazan Development and Investment Company (JAZADCO)	Board Member	Inside the Kingdom	Listed Joint
Soybean Crushing Company and Derivatives Limited – SOYA	Board Member	Inside the Kingdom	Limited Liability



Mr. Zaid Algwaiz has extensive banking experience, and holds a bachelor’s degree in Financial Accounting from King Saud University. He has held numerous administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Awj Holding Company	Member of the Board of Directors and Chairman of the Audit and Risk Committee	Inside the Kingdom	Closed joint-stock
Nashla Group (Al-Sharbatly)	Independent Board Member	Inside the Kingdom	Closed joint-stock
Previous:			
GIB Capital	Member of Audit and Risk Committee	Inside the Kingdom	Closed Joint-stock
Bupa Arabia for Cooperative Insurance	Member of the Board of Directors, Chairman of Audit Committee, Chairman of Investment Committee and Member of Risk Committee	Inside the Kingdom	Listed Joint
Saudi National Bank	Member of the Board of Directors, Member of the Executive Committee and Chairman of the Risk Committee	Inside the Kingdom	Listed Joint



Mr. Abdulaziz Mohammed AlOnaizan
Member of the Board of Directors,
Member of the Executive Committee
and Chief Executive Officer - Executive
Member

Mr. Abdulaziz Mohammed AlOnaizan has extensive banking experience of more than thirty-five years. He holds a bachelor’s degree in Quantitative Methods from King Saud University and has completed numerous advanced courses and programs from specialized international institutes. He has also held several administrative positions and board memberships in various companies and other entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Albilad Capital	Vice Chairman of the Board and Member of the Executive Committee	Inside the Kingdom	Closed Joint-stock
Human resources Development Fund	Board Member and Chairman of the Executive Committee	Inside the Kingdom	Governmental Fund
Enjaz Payment Services	Chairman of the Board	Inside the Kingdom	Closed Joint-stock
Real Estate Development Fund	Board Member and Chairman of the Governance, Risk and Compliance Committee	Inside the Kingdom	Governmental Fund
Advisory committee of Zakat, tax and customs authority	Board Member	Inside the Kingdom	Governmental
Arab Regional Payments Clearing and Settlement Organization	Board Member	Outside the Kingdom	Owned by the Arab Monetary Fund



Previous:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Alinma investment Company	General Manager of Treasury and Investments	Inside the Kingdom	Closed Joint-stock
Alinma Bank	General Manager of Treasury and Investments	Inside the Kingdom	Listed Joint
Arab National bank	General Manager of Treasury and Investments	Inside the Kingdom	Listed Joint
Samba Banking Company	Treasury Vice President	Inside the Kingdom	Listed Joint
Bayan Credit Bureau	Chairman of the Board	Inside the Kingdom	Closed Joint-stock



Mr. Khalid Abdulrahman AlRajhi

Member of the Board of Directors and
Member of the Executive Committee -
Non-Executive Member

Mr. Khalid Abdulrahman AlRajhi has extensive experience in various fields and holds a bachelor’s degree in financial management from King Fahd University of Petroleum and Minerals. He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Saudi Cement Company	Chairman of the Board	Inside the Kingdom	Listed Joint
Tanami Arabia Company	Chairman of the Board	Inside the Kingdom	Limited Liability
Abdulrahman Saleh AlRajhi & Partners Co. Ltd.	Chairman of the Board	Inside the Kingdom	Limited Liability
Iktimal Sports School	Chairman of the Board	Inside the Kingdom	Closed Joint-stock
Medad Office Solutions Company	Chairman of the Board	Inside the Kingdom	Closed Joint-stock

Previous:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Dana Gas Company	Member of Audit Committee	Outside the Kingdom	Listed Joint
NAS Company	Board Member	Outside the Kingdom	Listed Joint
Saudi Telecom Company (STC)	Board Member	Inside the Kingdom	Listed Joint
The National Shipping Company in Saudi Arabia (Bahri)	Board Member	Inside the Kingdom	Listed Joint
United Cooperative Assurance Company (Walaa)	Board Member	Inside the Kingdom	Listed Joint
Takween Advanced Industries Company	Board Member	Inside the Kingdom	Listed Joint
Albilad Capital	Board Member	Inside the Kingdom	Closed Joint-stock



Nasser Suleiman Al-Nasser has extensive experience in various fields, especially in technical fields, and holds a bachelor’s degree in electrical engineering from King Saud University. He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Specialized by stc	Member of the Board, Member of the Executive Committee, and Chairman of the Nomination and Remuneration Committee	Inside the Kingdom	Limited Liability
NHC Innovation (National Housing Company)	Board Member and Member of the Executive Committee	Inside the Kingdom	Limited liability
Education and Training Evaluation Commission	Board Member, Chairman of Revenue Development Committee, and Member of Audit Committee	Inside the Kingdom	Governmental
Qassim University	Member of the University Council	Inside the Kingdom	Governmental
Abdulaziz & Saad Al-Mojel Trading and Investment Company	Board Member and Chairman of the Executive Committee	Inside the Kingdom	Closed joint-stock



Previous:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Saudi Telecom Group (STC)	Chief Executive Officer	Inside the Kingdom	Listed Joint
Arabian Internet and Communications Services Company (solutions by stc)	Chairman of the Board	Inside the Kingdom	Listed Joint
Etihad Etisalat Company (Mobily)	Chief Operating Officer	Inside the Kingdom	Listed Joint
Turk Telecom	Board Member	Outside the Kingdom	Listed Joint



Mr. Mohammed Abdulrahman AlRajhi

Member of the Board of Directors
and Member of the Compliance and
Governance Committee - Non-Executive
Member

Mr. Mohammed Abdulrahman AlRajhi has over 30 years of experience in various investment fields and holds a bachelor’s degree in Business Administration from King Abdulaziz University. He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Abdulrahman Bin Abdulaziz AlRajhi Real Estate Investment Fund Company	Consultant and Board Member	Inside the Kingdom	Simplified joint-stock
Albilad Press and publishing Institution	Vice Chairman of the Board	Inside the Kingdom	Limited Liability
Abdulrahman Bin Abdulaziz AlRajhi Endowment	Chairman of the Board	Inside the Kingdom	Endowment
Shifa Health Sustainable Development Association	Vice Chairman of the Board	Inside the Kingdom	Charity Association

Previous:			
Bank AlJazira	Sector Manager	Inside the Kingdom	Listed Joint
Arab Financial Services	Board Member	Outside the Kingdom (Kingdom of Bahrain)	Closed Joint-stock
Al Rajhi Trading Establishment for Exchange	Acting Chief Executive Officer	Inside the Kingdom	Closed Joint-stock



Mr. Haitham Mohammed Al-Fayez
Member of the Board of Directors
and Chairman of the Nomination and
Remuneration Committee - Independent
Member

Mr. Haitham Mohammed Al-Fayez has over 20 years of experience in various fields. He holds a master’s degree in Business Administration from Imperial College London, UK, and a bachelor’s degree in Management Information Systems from King Fahd University of Petroleum and Minerals. He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Sulaiman Al Rajhi Holding Company	Chief Executive Officer	Inside the Kingdom	Holding Company
Umm Al-Qura for Development and Construction Company	Member of the Board and the Nomination and Remuneration Committee	Inside the Kingdom	Closed Joint-stock
Ikha’a Association for Orphans Care	Member of the Board and the Investment Committee	Inside the Kingdom	Charity Association
ADES Company	Board Member	Inside the Kingdom	Closed Joint-stock
Jada Fund of Funds	Member of the Board and the Nomination and Remuneration Committee	Inside the Kingdom	Development and Investment



Previous:			
Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Kadana Development and Real Estate Company	Member of the Board and the Nomination and Remuneration Committee	Inside the Kingdom	Public Company
Associations Support Fund	Board Member	Inside the Kingdom	Public Company
Awqaf Investment Company	Board Member	Inside the Kingdom	Public Company



Mr. Muadh Abdulrahman Al-Husseini
Member of the Board of Directors,
Chairman of the Risk Committee
and Member of the Compliance and
Governance Committee - Independent
Member

Mr. Muadh Abdulrahman Al-Hussaini has extensive experience gained from working at several local and international banks, and contributed to the establishment and management of a consulting house specialized in financial risk management. He holds a master’s degree in Business Administration from the University of Cambridge, UK, and a bachelor’s degree in Management Information Systems from King Fahd University of Petroleum and Minerals. He is also a Chartered Financial Analyst (CFA) and a Financial Risk Manager (FRM). He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Ehata Financial Company	Executive Partner and Board Member	Inside the Kingdom	Limited Liability
Saudi Mining Services Company	Board Member and Member of the Executive Committee	Inside the Kingdom	Closed Joint-stock
Imam Turki bin Abdullah Royal Reserve Development Authority	Board Member	Inside the Kingdom	Governmental
Awqaf Investment Company	Board Member and Chairman of the Risk and Compliance Committee	Inside the Kingdom	Closed Joint-stock
Dan Company	Board Member and Member of the Risk and Compliance Committee	Inside the Kingdom	Closed Joint-stock



Previous:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Lendo Saudi Arabia Company	Board Member	Inside the Kingdom	Closed Joint-stock
Mohammed Ibrahim Alsubeaei & Sons Investment Company (MASIC)	ALCO Committee Member	Inside the Kingdom	Closed Joint-stock
Jeddah Development and Urban Regeneration Company (JDURC)	Member of the Audit Committee	Inside the Kingdom	Closed joint-stock
Drahim App Company	Board Member and Member of the Risk & Compliance Committee	Inside the Kingdom	Foreign Closed joint-stock



Mr. Haytham Sulaiman AlSuhaimi
Member of the Board of Directors and
Member of the Executive Committee -
Non-Executive Member

Mr. Haytham Sulaiman AlSuhaimi has experience in wealth and investment management through several positions. He holds a master’s degree in Investment and Finance Risk from the University of Westminster in the United Kingdom and a bachelor’s degree in Business Administration from the United Arab Emirates. He has held numerous administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Albilad Capital	CEO for Business Development	Inside the Kingdom	Closed Joint-stock
Capital Market Institutions committee	Committee Member	Inside the Kingdom	(Organizing Committee)
Nusaned Fund	Board Member	Inside the Kingdom	Fund
Participation Solutions for Information and Technology Company	Board Member	Inside the Kingdom	Closed joint-stock
Talad Investment Company	Board Member	Inside the Kingdom	Closed joint-stock



Mr. Abdulaziz Abdulhamid Al-Bassam
Member of the Board of Directors
and Member of the Nomination and
Remuneration Committee - Independent
Member

Mr. Abdulaziz Al-Bassam has extensive experience in wealth and investment management, having held several senior positions. He holds a master’s degree in Business Administration from Harvard University and a bachelor’s degree in Finance, Entrepreneurship and Economics from Northeastern University in the United States, and is a Chartered Financial Analyst (CFA) charterholder. He has held several administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Al Jomaih Holding	CEO	Inside the Kingdom	Limited liability
Manafea Almohammadiya Company	Board Member	Inside the Kingdom	Closed Joint-stock
Shell Al Jomaih	Board Member	Inside the Kingdom	Limited liability
Business Expertise Company	Board Member	Inside the Kingdom	Limited liability
Al-Darrah Company	Board Member	Inside the Kingdom	Limited liability
Al-Bassam Investment Company	Owner	Inside the Kingdom	Limited liability
Alujain Corp	Board Member	Inside the Kingdom	Listed Joint

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Saudi Re	Board Member	Inside the Kingdom	Listed Joint
Sulaiman Al Rajhi Holding Company	Board Member	Inside the Kingdom	One Person Company
Al Jomaih Energy and Water Company	Board Member	Inside the Kingdom	Closed joint-stock
GFH	Board Member	Outside the Kingdom	Foreign Company

Previous:			
Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Itqan Capital	Independent Board Member	Inside the Kingdom	Closed joint-stock
Alawal Capital	Independent Board Member	Inside the Kingdom	Closed joint-stock
Alinma Investment	Independent Board Member	Inside the Kingdom	Closed joint-stock
Beach Real Estate Development Company	Board Chairman	Outside the Kingdom	Limited liability



Dr. Zeyad Othman Alhekail
Member of the Board of Directors
and Chairman of the Compliance and
Governance Committee - Independent
Member (Previous Term)

Dr. Zeyad Othman Alhekail has extensive experience in various fields. He holds both a Ph.D. and a master’s degree in electrical engineering from Ohio State University in the United States, as well as a bachelor’s degree in electrical engineering from King Saud University. He has held numerous administrative positions and board memberships in various companies and entities, including the following:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
Makkah Construction and Development Company	Board Member	Inside the Kingdom	Listed Joint
Advanced Communications & Electronic System (ACES)	Chairman of the Board	Inside the Kingdom	Closed Joint-stock
Knowledge Corporation	Board Member	Inside the Kingdom	Limited liability
Jorhum Company	Board Member	Inside the Kingdom	Limited liability
Amlak Al-Sabaq Company	Board Member	Inside the Kingdom	Limited liability
SEDCO Holding	Board Member	Inside the Kingdom	Closed joint-stock
Diyar Al Khuzama Company	Co-Founder	Inside the Kingdom	Closed joint-stock
Tadweer Environmental Company	Co-Founder	Inside the Kingdom	Closed joint-stock
Usus Arak Investment Company	Co-Founder	Inside the Kingdom	liability

Previous:

Membership on the boards of directors of companies and other entities or on their management	Capacity or Position	Inside / Outside the Kingdom	Legal Entity
National Aquaculture Group	Chairman of the Board	Inside the Kingdom	Closed joint-stock
Jabal Omar Company	Chairman of the Board	Inside the Kingdom	Listed Joint
Sulaiman Bin Abdulaziz AlRajhi Holding Company	Board Member	Inside the Kingdom	Limited liability
National Information Systems Company	Board Member	Inside the Kingdom	Limited liability
Sulaiman AlRajhi Real Estate Investments Company	Board Member	Inside the Kingdom	Limited liability
Advanced Educational Company	Board Member	Inside the Kingdom	Closed joint-stock
Al-Wataniya Agriculture Company	Board Member	Inside the Kingdom	Limited liability
Central Cooling Company	Board Member	Inside the Kingdom	Limited liability
Saudi Grains and Fodder Holding Company	Board Member	Inside the Kingdom	Limited liability

4) Record of Attendance of Board of Directors Meetings for 2025

To bolster its position, the Board of Directors convened a total of eight meetings in the year 2025. Meetings of the Board of Directors held during the year 2025 and attendance record:

Name	Role	Date & Number of the meeting									
		Meetings of the Previous Term			Meetings of the Current Term						
		16/01/2025	06/02/2025	17/03/2025	17/04/2025	25/05/2025	23/06/2025	22/07/2025	22/09/2025	11/12/2025	19-20/12/2025
		01/25	02/25	03/25	04/25	05/25	06/25	07/25	08/25	09/25	10/25
Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Adeeb Mohammed Abanumai	Vice Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Zaid Abdulrahman Algwaiz ¹	Member				✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Mohammed AlOnaizan	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulrahman AlRajhi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nasser Suleiman Al-Nasser	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Abdulrahman AlRajhi	Member	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Haitham Mohammed Al-Fayez	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Muadh Abdulrahman Al-Husseini	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Haytham Sulaiman AlSuhaimi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz AbdulHameed Al Bassam ¹	Member				✓	✓	✓	✓	✓	✓	✓
Dr. Zeyad Othman Alhekail ²	Member	✓	✓	✓	✓						

Explanations:
(1) New members in the current term of the Board which commenced on April 2025 , 17.
(2) Board member for the previous term which ended on April 2025 , 16.
(3) (✓) attended (X) apologized

5) A description of any interest in, and contractual securities and subscription rights held by Board members, senior executives, and their relatives in the Bank’s shares or debt instruments, or in any of its subsidiaries, and any changes to such interests or rights during the last financial year.

The following table shows the number of shares owned by Board of Directors members, their wives, and minor children at the beginning and end of fiscal year 2025:

	Name of the Shareholder	Number of shares at the beginning of the year 2025		Number of the shares at the end of the year 2025	Net Change	Change Rate (%)
1	Mr. Nasser Mohammed AlSubeaei	3,795,342		4,554,409	759,067	20%
2	Mr. Adeeb Mohammed Abanumai	-		-	-	-
3	Mr. Zaid Abdulrahman Algwaiz	-		-	-	-
4	Mr. Abdulaziz Mohammed AlOnaizan	1,240,015		1,678,858	438,843	35%
5	Mr. Khalid Abdulrahman AlRajhi	103,413,570		38,843,659	(64,569,911)	-62%
6	Mr. Nasser Suleiman Al-Nasser	-		-	-	-
7	Mr. Mohammed Abdulrahman AlRajhi	38,476		47,051	8,575	22%
8	Mr. Haitham Mohammed Al-Fayez	-		-	-	-
9	Mr. Muadh Abdulrahman Al-Husseini	-		-	-	-
10	Mr. Haytham Sulaiman AlSuhaimi	11,800		-	(11,800)	-100%
11	Mr. Abdulaziz Abdulhameed Albassam	77		92	15	19%

The following table shows the number of shares owned by senior executives, their spouses, and their minor children at the beginning and end of fiscal year 2025:

	Name	Position		Number of shares at the beginning of the year 2025	Number of the shares at the end of the year 2025	Net Change	Change Rate (%)
1	Mr. Abdulaziz Mohammed Al-Onaizan	Chief Executive Officer		1,240,015	1,678,858	438,843	35%
2	Mr. Bashar Yahya Ibrahim Al-Qunaibit	Senior Vice President – Business		46,541	73,877	27,336	59%
3	Mr. Saleh Suleiman Al-Habib	Vice President – Shared Services		524,162	691,180	167,018	32%
4	Mr. Abdullah Mohammed Al-Areifi	Vice President – Risk		363,679	500,077	136,398	38%
5	Mr. Samer Mohammed Farhood	Vice President – Treasury		73,774	160,867	87,093	118%
6	Mr. Haitham Madini Al-Madini	Vice President – Human Resources		108,986	122,424	13,438	12%
7	Mr. Mishaal Fahad Al-Shuraihi	Vice President – Finance		44,304	66,136	21,832	49%
8	Mr. Abdulaziz Saleh Mohammed Al-Ghofaily	Vice President – Technology		15,611	53,842	38,231	245%
9	Mr. Saad Ibrahim Al-Duraiss	Vice President – Corporate Banking		16,175	36,869	20,694	128%
10	Mr. Waleed Khalid Al-Dubaib	Vice President – Retail Banking		-	18,190	18,190	-

6) Current and Previous Positions of Senior Executives, Their Qualifications and Experience

Name	Current position	Previous position	Qualification	Experience	Specialization
Mr. Abdulaziz Mohammed AlOnaizan	CEO	Chief Business Officer at Bank Albilad	Bachelors	38 Years	Quantitative Methods
Mr. Bashaar Yahya Al Qunaibit	Senior Executive Vice President Businesses	Chief Operating Officer – Saudi British Bank Takaful	Bachelors	24 Years	Business Administration
Mr. Saleh Suliman Al Habib	Executive Vice President of Operations	General Manager of Corporate Banking at Bank Albilad	Bachelors	32 Years	Accounting
Mr. Abdullah Mohammed AlArifi	Executive Vice President Risk Management	General Manager of Credit Policies Sector Bank Albilad	Bachelors	30 Years	Accounting
Mr. Mishal Fahad Alshorihy	Executive Vice President of Finance	Head of Management Reporting	Masters	24 Years	Finance
Mr. Samer Mohammed Farhoud	Executive Vice President of Treasury	Chief Executive Officer – Deutsche Gulf Finance	Bachelors	40 Years	Computer Engineering

Name	Current position	Previous position	Qualification	Experience	Specialization
Mr. Waleed Khaled Al-Dhubaib	Executive Vice President Retail Banking	Executive Vice President, Riyadh Bank	Bachelors	23 Years	Finance
Mr. Haitham Medainy Al Medainy	Executive Vice President of Human Resources	Head of Recruitment at The Saudi British Bank	Bachelors	31 Years	Computer Engineering
Mr. Saad Ibrahim Al Drees	Executive Vice President Corporate Banking	Head of Finance & Global Transaction Services	Masters	21 Years	Business Administration
Mr. Abdulaziz Saleh Alghufaili	Executive Vice President of Technology	Head of Technology - Saudi Industrial Development Fund	Masters	24 Years	Information Systems

Board Committees

The Board committees discharge their duties and responsibilities in accordance with the relevant, approved governance charters, regulations, and policies—endorsed by the Board of Directors or the General Assembly, as applicable—which define their mandates and operating procedures. The committees were formed upon the establishment of the Board for the current term, for a three-year period from 17 April 2025 to 16 April 2028.

A) Executive Committee:

The Executive Committee supports the Board of Directors in discharging its responsibilities and in activating its role in strengthening, monitoring, and implementing the Bank’s strategy. It contributes to performance effectiveness by regularly reviewing and overseeing the Bank’s activities, taking decisions within its delegated authority, and submitting the required recommendations to the Board. This supports effective decision-making at the highest levels to achieve the Bank’s objectives with flexibility and in line with the approved timelines.

The committee, in both its previous and current terms, comprises five (5) members of the Board of Directors. The committee held thirteen (13) meetings during 2025.

#	Name	Capacity	Classification
1	Mr. Nasser Mohammed AlSubeaei	Chairman	Non-Executive
2	Mr. Abdulaziz Mohammed AlOnaizan	Member	Executive
3	Mr. Khalid Abdulrahman AlRajhi	Member	Non-Executive
4	Mr. Nasser Suleiman Al-Nasser	Member	Independent
5	Mr. Haytham Sulaiman AlSuhaimi	Member	Non-Executive

Name	Role	Date & Number of meetings												
		Date & Number of the meeting				Meetings of the Current Term								
		13/01/2025	10/02/2025	10/03/2025	13/04/2025	15/05/2025	16/06/2025	14/07/2025	11/08/2025	18/09/2025	06/10/2025	10/11/2025	08/12/2025	25/12/2025
		01/25	02/25	03/25	04/25	05/25	06/25	07/25	08/25	09/25	10/25	11/25	12/25	13/25
Mr. Nasser Mohammed AlSubeaei	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Mohammed AlOnaizan	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulrahman AlRajhi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nasser Suleiman Al-Nasser	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Haytham Sulaiman AlSuhaimi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(✓) attended (X) apologized

B) Nominations and Remuneration Committee

The primary purpose of the Nomination and Remuneration Committee is to identify and submit recommendations to the Board of Directors on nominees for Board elections and for the Board’s committees, ensuring that the minimum required capabilities and skills for membership and composition are met. The Committee conducts an annual review of the skills and competencies required for the Board and its committees, in line with the nature and charters of each. It also periodically reviews the structure and composition of the Board and its committees, assesses strengths and gaps, and proposes measures to address them, submitting its recommendations to the Board accordingly.

In addition, the Committee verifies annually the independence of independent Directors and the absence of any conflicts of interest. It is also responsible for developing, updating, and proposing policies related to the remuneration of Board members, Board committee members, and executive management, as well as the succession policy and mechanism for the Board, its committees, and executive management. The Committee further submits the necessary recommendations to the Board for approval of the Bank’s organizational structure and any related updates or amendments.



In its previous term, the Committee comprised three members: one independent Director and two members from outside the Board. Below are the names of the Committee members and the biographies of the members from outside the Board.

#	Name	Capacity	Classification
1	Mr. Haitham bin Mohammed Al-Fayez	Member	Independent
2	Mr. Khalid bin Saleh Al-Hathal	Member	From outside the Board
3	Mr. Samir bin Omar Baissa	Member	From outside the Board

Mr. Khalid Saleh Al-Hathal

Mr. Khalid bin Saleh Al-Hathal brings over 35 years of extensive experience in various banking and commercial sectors. He has held numerous positions throughout his career, including Executive Director of Shared Services at Al-Faisaliah Group previously and CEO of ANN Limited and several other companies. Currently, he serves as the CEO of Mozn Investment Company and holds memberships on

several boards of directors and committees of a number of companies. He holds a master’s degree and a bachelor’s degree in business administration from Indiana University in the United States of America.

Mr. Samir Omar Baissa

Mr. Samir bin Omar Baissa has a wealth of experience in the banking industry, with a diverse background in various roles. He has been a member of the Board of Directors at Bank Albilad in its previous term, served as the Regional Director for the Western Region at the Saudi National Bank, and held the position of General Manager of the branch network at Banque Saudi Fransi.

Additionally, he has worked as a Business Development Advisor at Riyadh Bank. Currently, he holds the position of Chairman of the Board of Directors at the Saudi Tools Company (SACO). He has earned a master’s degree in business administration from California State University and a bachelor’s degree in business administration from King Abdulaziz University.

The committee in its current term consists of three members, including two independent Board members and one member from outside the Board. The committee convened six (6) meetings during the year 2025. Below are the names of the committee members, the biography of the member from outside the Board, and the meetings of the committee and names of attendees:

#	Name	Capacity	Classification
1	Mr. Haitham bin Mohammed Al-Fayez	Chairman of the Committee	Independent
2	Mr. Abdulaziz bin Abdulhamid Al Bassam	Member	Independent
3	Mr. Yasser bin Abdullah Al-Rayes	Member	From outside the Board

Mr. Yasser bin Abdullah Al-Rayes

Mr. Yasser Al-Rayes has extensive professional experience in human resources and governance, and currently serves as the Executive Director of Human Resources at the Local Content and Government Procurement Authority, where he led the establishment and development of the human resources system, including policies, organizational structures, and compensation and benefits

systems. He also holds memberships in the nomination and remuneration committees in a number of government agencies and national companies, including the National Mechanical Systems Company, the National Technology Development Program, and the General Authority for Real Estate. He holds a master’s degree in human resource development from the United States of America and a bachelor’s degree in English from King Abdulaziz University.



Meetings of the Nomination and Remuneration Committee held during the year 2025 and attendance record:

Name	Capacity	Date & Number of meetings					
		Meetings of the Previous Term			Meetings of the Current Term		
		15/1/2025	05/02/2025	13/03/2025	04/25	05/25	06/25
		01/25	02/25	03/25	04/25	05/25	06/25
Mr. Haitham bin Mohammed Al-Fayez	Chairman of the Committee	✓	✓	✓	✓	✓	✓
Mr. Yasser bin Abdullah Al-Rayes ¹	Member				✓	✓	✓
Mr. Abdulaziz bin Abdulhamid Al Bassam ¹	Member				✓	✓	✓
Mr. Khalid bin Saleh Al-Hathal ²	Member	✓	✓	✓			
Mr. Samir bin Omar Baissa ²	Member	✓	✓	✓			

✓) attended ✗) apologized

Explanations:
(1) New members in the current term of the committee which commenced on April 17, 2025.
(2) Members of the committee for the previous term which ended on April 16, 2025.



C) Risk Committee

The risk committee’s primary responsibilities involve offering guidance and consultation to the Board of Directors on the bank’s current and future plans and strategies, particularly in relation to risk management, and ensuring their alignment with the Bank’s capacity in terms of capital adequacy, liquidity, and risk appetite. They also oversee the execution of these plans and strategies by the bank’s executive management.

The committee’s main focus is to support the Board of Directors in overseeing various aspects of risk management in the bank. This includes monitoring the performance and execution of tasks carried out by the bank’s risk management group, which covers areas such as market and credit risks, investment, operational risks, liquidity risks, reputational risk, business continuity, technical systems risk, technical and information security risks (cyber), anti-fraud risks, legal risks, and strategic risks.

The committee is responsible for reviewing the bank’s internal risk policies and presenting them to the Board of Directors for approval. It recommends and/or approves risk-appetite levels and key risk indicators, and conducts periodic review and assessment of these limits and of new-product risks. It also ensures compliance with regulatory instructions related to risk management and adherence to supervisory frameworks.

Additionally, they may undertake any tasks or responsibilities assigned by the Board of Directors, as long as they do not conflict with the duties of other committees.

The committee in its current term consists of three members, two of whom are Board members and one an external member (Mr. Khalid Sulaiman Al-Harbi). Below is the biography of the member from outside the board:

Mr. Khalid Sulaiman Alharbi

He has more than 25 years of experience in developing and implementing strategies and information security. He has held several leadership positions in various companies, including serving as the Chief Information Security Officer at NEOM Company in Saudi Arabia and currently serving as the Head of the Strategy Office at the company. He also held the position of Head of Information Technology at Saudi Aramco - Europe - The Hague, followed by the role of Chief Information Security Officer at the company. Mr. Khalid Al-Harbi holds a Bachelor’s degree in Electrical Engineering from the Florida Institute of Technology, Melbourne, Florida, obtained in 1998, and completed the Advanced Management and Leadership Program at the University of Oxford in 2019.

The committee held a total of six meetings throughout the year 2025.

Meetings of the Risk Committee held during the year 2025 and attendance record:

Name	Role	Date & Number of the meeting					
		24/02/2025	02/06/2025	20/07/2025	25/08/2025	01/12/2025	14/12/2025
		01/25	02/25	03/25	04/25	05/25	06/25
Mr. Muadh Abdulrahman Al-Husseini	Chairman of the Committee	✓	✓	✓	✓	✓	✓
Mr. Zaid Abdulrahman Algwaiz ¹¹	Member		✓	✓	✓	✓	✓
Mr. Mohammed Abdulrahman AlRajhi ¹²	Member	✓					
Mr. Haitham Muhammad Al-Fayez ¹¹	Member	✓					
Mr. Khalid Sulaiman Alharbi	Member	✓	✓	✓	✓	✓	✓

(✓) attended (X) apologized

11-New members in the committee’s current term, which began on 17 April 2025.
12-Members whose terms ended at the conclusion of the previous committee term on 16 April 2025.

D) Compliance & Governance Committee

The committee is responsible for overseeing, upholding, and ensuring the implementation of the highest standards of governance. Acting on behalf of the Board of Directors, the committee ensures adherence to sound governance practices across all the bank’s activities. Additionally, it ensures the bank’s compliance with all relevant local, regional, and international regulations, standards, and approved rules governing its operations.

Additionally, the committee oversees the adequacy, effectiveness, and independence of the Compliance & Anti-Financial Crimes function in relation to implementing the Compliance Policy and Manual, as well as financial crimes prevention measures. It reviews periodic and annual reports, ensures the effective rectification of any identified gaps or violations, and assesses the function’s performance, plans, and compliance program.

The committee continuously reviews the overall governance framework and related mechanisms, including evaluating the charters of the Board and executive management committees and submitting recommendations to the Board of Directors. Furthermore, the committee is responsible for monitoring and ensuring that the bank has adequate mechanisms to identify conflicts of interest across all transactions and operational activities. It also approves the annual Compliance & Anti-Financial Crimes Program and is tasked with reviewing the annual compliance report submitted to the Saudi Central Bank.

The committee in its current term consists of three members of the Board of Directors. The committee convened four (4) meetings during the year 2025.

The committee in its previous term consisted of two Board members and one member from outside the Board. Below are the names of the committee members, the committee meetings, and the attendance record:

#	Name	Capacity	Classification
1	Dr. Zeyad bin Othman Alhekail	Chairman of the Committee	Independent
2	Mr. Muadh bin Abdulrahman Al-Husseini	Member	Independent
3	Mr. Samir bin Omar Baissa	Member	From outside the Board

The committee in its current term consists of three members of the Board of Directors. The committee convened four (4) meetings during the year 2025. Below are the names of the current members:

#	Name	Capacity	Classification
1	Mr. Zaid bin Abdulrahman Algwaiz	Chairman of the Committee	Independent
2	Mr. Muadh bin Abdulrahman Al-Husseini	Member	Independent
3	Mr. Mohammed bin Abdulrahman AlRajhi	Member	Non-Executive

Meetings of the Compliance and Governance Committee held during the year 2025 and attendance record:

Name	Capacity	Date & Number of meetings			
		Meetings of the Previous Term	Meetings of the Current Term		
		12/03/2025	17/06/2025	16/09/2025	07/12/2025
		01/25	02/25	03/25	04/25
Mr. Zaid bin Abdulrahman Algwaiz ¹	Chairman of the Committee		✓	✓	✓
Mr. Muadh bin Abdulrahman Al-Husseini	Member	✓	✓	✓	✓
Mr. Mohammed bin Abdulrahman AlRajhi ¹	Member		✓	✓	✓
Dr. Zeyad bin Othman Alhekail ²	Chairman / Previously	✓			
Mr. Samir bin Omar Baissa ²	Member / Previously	✓			

Explanations:
 (1)New members in the current term of the committee which commenced on April 17, 2025
 (2)Members of the committee for the previous term which ended on April 16, 2025.
 (3)(✓) attended (X) apologized

E) Audit Committee

The Audit Committee is responsible for the effective oversight over the Internal Audit function. This includes ensuring the function’s effectiveness and its ability to fulfill its responsibilities with independence and objectivity. The committee also verifies the availability of necessary human resources, approves the division’s strategy, strategic plan, and annual plan, and reviews audit reports, ensuring corrective actions are taken and implemented. Additionally, it ensures that an independent external assessment of the Internal Audit function is conducted at least once every five years.

The committee is also responsible for approving the strategic and annual Sharia audit plan and monitoring its implementation. Furthermore, it nominates the bank’s external auditors, determines their fees, supervises their activities, reviews their work plans, evaluates their performance, ensures their independence and the executive management’s cooperation with them.

The committee also discusses their findings and ensures coordination between external auditors and internal audit.

Additionally, the committee reviews interim and annual financial statements and recommends their approval to the Board of Directors. It monitors the resolution of observations raised by regulatory authorities and external auditors, reviews proposed contracts and transactions between the bank and related parties, and in addition to other supervisory tasks within its scope, as defined by its charter approved by the General Assembly.

The Committee is currently formulated of three members, one of whom is a member of the Board of Directors (Chairman of the Committee), while the other two are independent members. Below are the biographies of the external members:

Mr. Mohammed bin Farhan bin Nader

Mr. Mohammed bin Farhan bin Nader has extensive experience in banking and consulting, gained from working in both local and international consulting companies. He holds American and Saudi fellowships for certified public accountants, along with a master’s degree

in business administration from Heriot-Watt University in Britain, and a bachelor’s degree in accounting from the University of King Saud.

Mr. Abdulaziz Abdullah Al-Aql

Mr. Abdulaziz Abdullah Alakel has extensive experience from his previous roles as Vice President of Internal Auditing at the Arab Bank and Audit Director of Information Technology Review at Riyadh Bank, AlRajhi Bank, and Bank Albilad. He also has a background in computer technology from his work at the Ministry of Defense and Aviation and as a consultant for Auditor Company. He is certified as an internal auditor by the Institute of Internal Auditors in

America, a risk analyst by the American Academy of Financial Management, and a risk information system controller by Information Systems Audit and Control Association in the USA. He earned a bachelor’s degree in computer science from Monmouth University in USA.

The Committee held a total of (7) meetings throughout the year 2025.

Meetings of the Audit Committee held during 2025 and attendance record:

Name	Role	Date & Number of the meeting						
		03/02/2025	04/03/2025	24/04/2025	27/05/2025	22/07/2025	23/10/2025	17/12/2025
		01/25	02/25	03/25	04/25	05/25	06/25	07/25
Mr. Adeeb Mohammed Abanumai	Chairman of the Committee	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed bin Farhan bin Nader	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Abdullah Alakel	Member	✓	✓	✓	✓	✓	✓	✓

(✓) attended (X) apologized

F) Sharia Committee

The main objective of the Sharia Committee is to support the Board of Directors in fulfilling their responsibilities and fostering confidence in a compliant environment with the Bank's Sharia provisions and principles. This is achieved by providing Sharia opinions and overseeing the Bank's operations to safeguard the interests of shareholders and stakeholders.

The committee carries out its responsibilities with complete independence, ensuring that it remains unaffected by any external influences that could compromise its ability to make unbiased Sharia decisions. Its main focus is to deliberate on relevant issues and issue Sharia decisions related to the practice of Islamic banking, all in accordance with the bank's vision, mission, and values that

uphold its identity. These decisions are made in accordance with the principles and provisions of Islamic Sharia, as well as the guidelines set forth by the Saudi Central Bank for Sharia governance in banks and local banks operating in the Kingdom.

The committee has a direct connection to the Board of Directors and is formed in compliance with the bank's approved guidelines for committee formation, including taking into account the minimum number of independent members.

The Sharia Committee is comprised of three members who have extensive knowledge and expertise in the jurisprudence of financial transactions and economics; their biographies are provided below:

His Eminence Sheikh Prof. Dr. Abdullah Musa Al-Ammar

(Chairman of the Committee) - Independent

Professor of Jurisprudence at the College of Sharia at Imam Muhammad ibn Saud Islamic University (IMSIU) previously, and part-time advisor at the Ministry of Islamic Affairs, Dawah, and Guidance. He worked as Undersecretary of the Department of Jurisprudence at the College of Sharia at IMSIU. His Eminence obtained a master's degree and a doctorate from the Department of Jurisprudence at the College of Sharia from IMSIU in the year 1407 AH. He has authored several publications, including:

- Al-Qur'ah wa Majalat Tatbeeqiha fi al-Fiqh al-Islami.
- Tahqiq Kitab Tajreed al-'Aynayah.
- Al-Ihdad Ahkamuhu wa Waqi' al-Nas Fih.
- Hayat Samahat al-Shaykh Muhammad ibn Ibrahim Al Al-Shaykh (Co-authored).

His Eminence Sheikh Dr. Mohammed Saud Al-Osaimi

(Member) - Independent

Experienced as the General Supervisor of Maqasid Institute for Economic Consultations and previously served as an Associate Professor at the College of Economics and Administrative Sciences at the Imam Muhammad ibn Saud Islamic University (IMSIU). He obtained a master's and doctorate in economics from the University of Colorado - Boulder, USA in 1414 AH. He has authored several publications, including:

- How do commercial banks work for non-specialists?
- Credit cards, the economic aspects of different payment cards.
- Translation of the book "Death of Money", by Joel Kurtzman.
- The economic aspects of traffic accidents.

His Eminence Sheikh Prof. Dr. Yousef Abdullah Al-Shubaily

(Member) - Non-Executive

Professor of jurisprudence at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University, and a member of the Sharia Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). His Eminence obtained a master's and doctorate from the Department of Comparative Jurisprudence at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University in the year 1421 AH. He has authored several publications, including:

- Credit cards and the related provisions in Islamic jurisprudence.
- Investment services in banks and their provisions in Islamic jurisprudence.
- Purposes of Islamic legislation.
- Financial transactions.

The Committee convened a total of 29 meetings throughout the year 2025.

Meetings of the Sharia Committee held during 2025 and attendance record:

Name	Meeting Date																												
	21/1/2025	30/1/2025	4/2/2025	12/2/2025	17/2/2025	17/2/2025	12/3/2025	17/3/2025	25/3/2025	16/4/2025	6/5/2025	14/5/2025	26/5/2025	1/6/2025	18/6/2025	24/6/2025	8/7/2025	22/7/2025	11/8/2025	2/9/2025	15/9/2025	22/9/2025	14/10/2025	22/10/2025	3/11/2025	19/11/2025	17/12/2025	23/12/2025	31/12/2025
	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579
His Eminence Sheikh Prof. Dr. Abdullah Musa Al-Ammar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
His Eminence Sheikh Dr. Mohammed bin Saud Al-Osaimi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
His Eminence Sheikh Prof. Dr. Yousef bin Abdullah Al-Shubaily	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(✓) attended (X) apologized

Remuneration and Compensation

The determination of remuneration and compensation policies and the disclosure of the same are based on the laws and regulations governing listed joint-stock companies. This includes the executive regulations of the companies' system, corporate governance regulations, and updates, which require disclosure of remuneration policies and their identification mechanisms. Additionally, decisions are made in accordance with the rules, principles, and regulations set by the Saudi Central Bank, approved international standards, bank policies, and related documents. Here is an overview of how the annual remuneration and compensation for members of the Board and its committees are determined, along with information on what members of the Board, its committees, and senior management receive:

Remuneration Policy for Board Members and Committees:

The remuneration of members of the Board of Directors, its committees, and senior management is determined in accordance with applicable laws and regulations, including the executive regulations of the corporate system for listed joint stock companies, updated corporate governance regulations, relevant circulars, principles and rules of the Saudi Central Bank, and the bank's bylaws. The provisions and standards are set based on the Bank's relevant policies and documents.

The following are the key provisions and mechanisms for determining the remuneration of members of the Board of Directors and its committees:

1. General Remuneration Provisions:

Based on what is stated in the policy of rewards for Board members, its committees, and senior management, as approved by the Extraordinary General Assembly meeting held on April 29, 2024, in accordance with the Circular issued by the Saudi Central Bank (SAMA) No. 45048798 dated 25/07/1445H, concerning the controls for determining and distributing rewards for Board members and their committees in financial institutions, and in accordance with the regulations, laws, and instructions of the relevant regulatory and supervisory authorities, the general provisions for rewards are summarized as follows:

1.1 The total that a Board member receives in the form of rewards, financial or in-kind benefits, should not exceed the maximum limit of 1 million Saudi Riyals.

1.2 Without being restricted by the maximum limit mentioned in the previous paragraph, the reward for the Chairman of the Board is determined by a decision from the Board of Directors, considering the general criteria for determining rewards stated in the policy and related provisions.

1.3 The actual expenses incurred by the member to attend the meetings of the Board of Directors and its committees, including accommodation expenses and travel expenses, are not subject to the maximum remuneration limits mentioned earlier. These expenses are determined in accordance with this policy and other applicable policies and documents.

1.4 A member of the Board of Directors is entitled to receive compensation for any professional work they undertake, whether it is in an executive, technical, administrative, or advisory capacity under a professional license. This remuneration is in addition to the compensation they receive as a member of the Board of Directors and any committees they serve on. These arrangements are governed by the relevant rules and regulations, the bank's bylaws, and this policy.

1.5 The report that the Board of Directors presents to the bank's General Assembly at its annual meeting must contain a detailed statement of the compensation received or entitled to be received by each board member during the bank's fiscal year. This encompasses lump-sum bonuses, attendance allowances, expense allowances, and any other monetary or non-monetary benefits. The report should also outline the payments received by the Board members who are also authorized employees of the bank, as well as any compensation they received for providing technical or administrative services or consultations. Furthermore, it should include a record of the Board meetings attended by each member. The annual report should encompass the Board of Directors' disclosure of remuneration policies, and the methods used to determine them.

1.6 Board members are not permitted to cast votes on the remuneration clause regarding members of the Board of Directors during the General Assembly.

1.7 If a member of the Board of Directors is absent from three consecutive meetings or five separate meetings without a legitimate excuse, the General Assembly has the authority to terminate their membership. In such cases, the

member will not receive any remuneration for the period after their last attended meeting, and they will be required to return any remuneration that was already disbursed to them during that period, if applicable.

1.8 The remuneration for members of the Board of Directors may vary depending on factors such as their experience, expertise, assigned tasks, level of independence, attendance at sessions, and other relevant considerations.

1.9 If it is determined by the Audit Committee, the Authority, or any relevant supervisory or controlling body that the remuneration given to a member of the Board of Directors or one of its committees is based on false or misleading information provided to the General Assembly or included in the annual report, then the individual must return the funds to the bank, and the bank is entitled to request the return of the funds.

1.10 The remuneration for independent members of the board of directors should not be tied to the bank's profits or its overall financial performance.

2. Mechanisms for determining the remuneration of members of the Board and its committees:

2.1. In accordance with the rules previously mentioned, and the regulations established by the companies' system for listed joint-stock companies, the revised corporate governance regulations, and the applicable circulars and principles of the Saudi Central Bank, the remuneration for members of the Board and its committees is determined, without exceeding the specified maximum limit, based on the policies, mechanisms, and decisions issued by the Board of Directors.

2.2. Each Board member shall receive, in addition to the fixed annual reward and attendance fee as per the guidelines mentioned above, the actual expenses incurred by the member for attending Board and committee meetings, including accommodation and air travel expenses, as determined by the Board of Directors.

2.3. Each member of the Board's committees (external members who are not Board members), in addition to the fixed reward and attendance fee as per the guidelines above, shall receive the actual expenses incurred for attending committee meetings, including accommodation and air travel expenses, as determined by the Board of Directors.

3. The remuneration policy for executive management members and the mechanisms for determining it:

Rewards for employees in general and senior management in particular should take into account the provisions of the laws, regulations, principles, and rules of the Saudi Central Bank, as well as the related documents of the bank, with particular attention to the following:

3.1 The standards and controls outlined in the "Banking Rewards Rules" issued by the Saudi Central Bank.

3.2 Policies and decisions issued by the Board of Directors - upon recommendation from the Nominations and Rewards Committee - regarding compensation, benefits, rewards, and their determination mechanisms for the bank's employees and senior management. These policies should take into account the specific standards and controls outlined in the Banking Rewards Rules issued by the Saudi Central

Bank. The policy should also specify the mechanisms the bank follows for applying, reviewing, and evaluating the effectiveness of these policies in achieving their goals.

3.3. Ensuring that the granting of rewards and their type are linked to risks, including both short-term and long-term rewards, according to specified ratios and time periods. The following should be considered:

3.3.1 Alignment with the bank's strategy and objectives.

3.3.2 Setting criteria for granting rewards and mechanisms for disclosure and verifying their implementation.

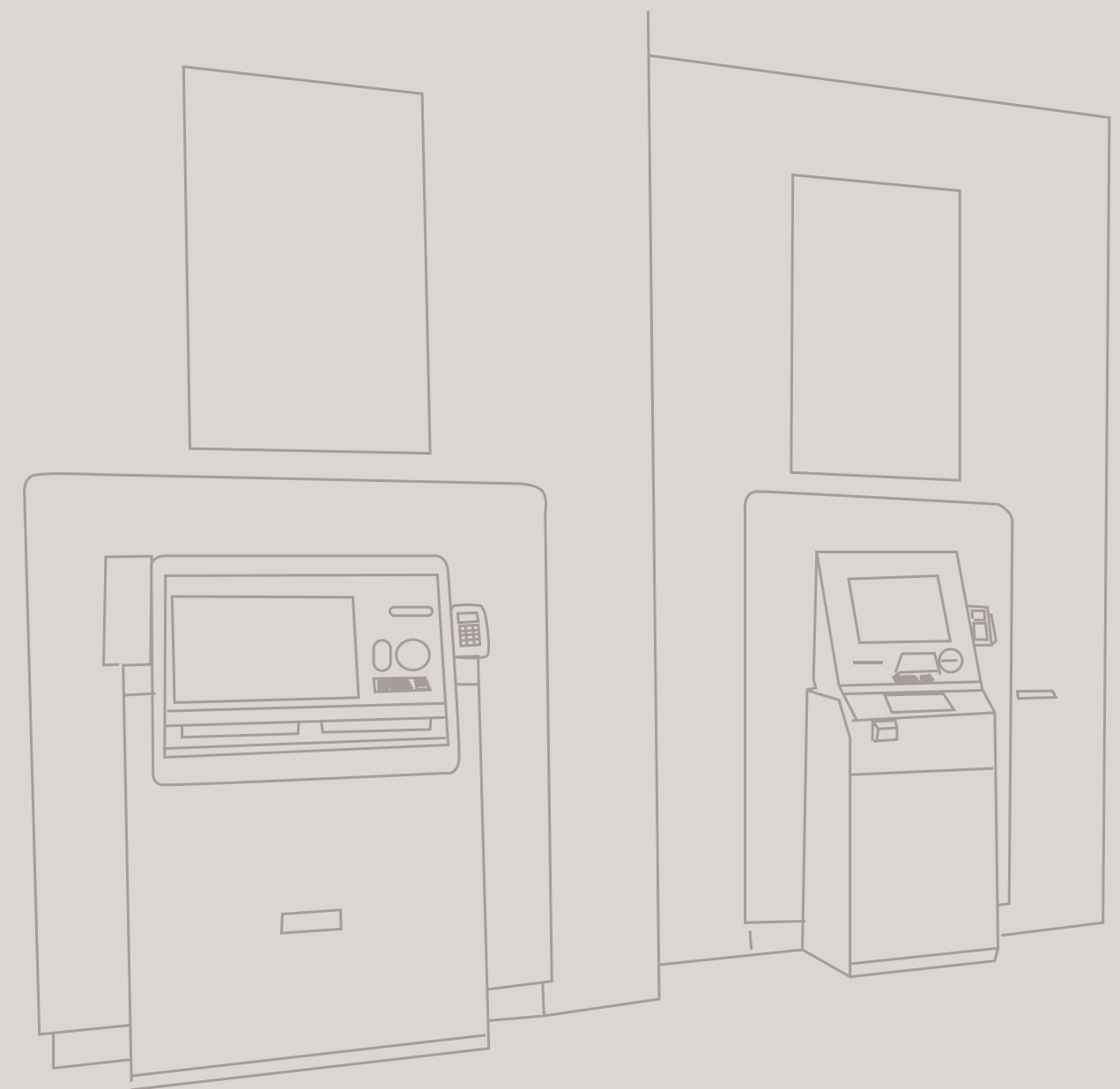
3.3.3 Linking reward criteria to performance.

3.3.4 Rewards should be determined based on the level of the job, the duties and responsibilities assigned to the position, academic qualifications, work experience, skills, and performance levels.

3.3.5 Rewards should be in line with the size, nature, and risk level of the bank.

3.3.6 The reward and incentive pool tied to performance should be based on the profit margin associated with the risk level, and follow the regulations, standards, rules, and principles of the Saudi Central Bank related to rewards and incentives, and the related principles and standards.

3.4. Disclosure in the Board of Directors' report to the General Assembly in its annual meeting regarding the rewards of the five highest-paid executives in the company, including the CEO and CFO.



Board of Directors Remuneration for the financial year 2025:

	Fixed Remunerations								Variable Remunerations								
	Certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kinbonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total		Profit Rate %	Periodic Remunerations (Annual rewards paid to the chairs and members of the Committees)	Short-term incentiveplans	Long-term incentive plans	Granted Shares	Total	End of service remunerations	Gross Total	Expense Allowance
First: Independent Members																	
Adeeb Muhammad Abanumai	500,000	50,000	35,000	-	-	-	585,000		-	350,000	-	-	-	350,000	-	935,000	-
Mr. Zaid Abdulrahman Algwaiz ¹	354,795	35,000	40,000	-	-	-	429,795		-	219,972	-	-	-	219,972	-	649,767	-
Nasser Suleiman Al-Nasser	500,000	50,000	65,000	-	-	-	615,000		-	250,000	-	-	-	250,000	-	865,000	-
Haitham Mohammed Al-Fayez	500,000	50,000	35,000	-	-	-	585,000		-	250,000	-	-	-	250,000	-	835,000	-
Muadh Abdulrahman Al-Husseini	500,000	50,000	50,000	-	-	-	600,000		-	310,000	-	-	-	310,000	-	910,000	-
Abdulaziz AbdulHameed Al Bassam ¹	354,795	35,000	15,000	-	-	-	404,795		-	70,959	-	-	-	70,959	-	475,754	-
Zeyad Othman Alhekail ²	145,205	15,000	5,000	-	-	-	165,205		-	72,603	-	-	-	72,603	-	237,808	-
Total	2,854,795	285,000	245,000	-	-	-	3,384,795		-	1,480,959	-	-	-	1,523,534	-	4,908,329	-

	Fixed Remunerations								Variable Remunerations								
	Certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kinbonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total		Profit Rate %	Periodic Remunerations (Annual rewards paid to the chairs and members	Short-term incentive plans	Long-term incentive plans	Granted Shares	Total	End of service remunerations	Gross Total	Expense Allowance

Second: Non-Executive Members

Nasser Mohammed AlSubaei	500,000	50,000	65,000	-	-	-	615,000		-	350,000	-	-	-	350,000	-	965,000	-
Khalid Abdulrahman AlRajhi	500,000	50,000	65,000	-	-	-	615,000		-	250,000	-	-	-	250,000	-	865,000	-
Haytham Sulaiman AlSuhaimi	500,000	50,000	65,000	-	-	-	615,000		-	250,000	-	-	-	250,000	-	865,000	-
Mohammed Abdulrahman AlRajhi	500,000	45,000	20,000	-	-	-	565,000		-	100,000	-	-	-	100,000	-	665,000	59,258
Total	2,000,000	195,000	215,000	-	-	-	2,410,000		-	950,000	-	-	-	950,000	-	3,360,000	59,258

Third: Executive Members

Abdulaziz Mohammed AlOnaizan	500,000	50,000	65,000	-	-	-	615,000		-	250,000	-	-	-	250,000	-	865,000	-
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Explanations::
1. New members in the current term starting April 17, 2025,
2. Members of the previous term ending April 16, 2025

*The Board remuneration for 2025 will be paid after approval of the General Assembly

Remunerations of the Board Committee Members 2025:

Committee Members	Fixed Remuneration (Except for attendance allowance)	Allowance for Attending Meetings	Total
Members of the Nomination and Remuneration Committee:			
Yasser bin Abdullah Al-Rayes ¹	106,438	15,000	121,438
Khalid bin Saleh Al-Hathal ²	43,562	15,000	58,562
Samir bin Omar Baissa ²	43,562	15,000	58,562
Total	193,562	45,000	238,562
Members of the Audit Committee:			
Mohammed Farhan Nader	175,000	35,000	210,000
Abdulaziz Abdullah Al-Aql	175,000	35,000	210,000
Total	350,000	70,000	420,000
Members of the Risk Committee:			
Khalid Sulaiman Alharbi	150,000	30,000	180,000
Total	150,000	30,000	180,000
Members of the Compliance and Governance Committee:			
Samir Omar Baissa ²	43,562	5,000	48,562
Total	43,562	5,000	48,562
Members of the Sharia Committee:			
Sheikh Prof. Abdullah Musa Al-Ammar	350,000	145,000	495,000
Sheikh Prof. Mohammed Saud Al-Osaimi	300,000	145,000	445,000
Sheikh Prof. Yousef Abdullah Al-Shubaily	300,000	145,000	445,000
Total	950,000	435,000	1,385,000

(1) New members in the current term starting April 17, 2025
(2) Members of the previous term ending April 16, 2025

Details of remunerations, salaries, allowances, and other compensation paid to senior executives

Statement	Five senior executives, including the CEO and CFO (Thousands of ٬)
Salaries and compensation	15,233
Periodic and annual allowances and remunerations	31,855
Total	47,088

General Assemblies Held During 2025

During the financial year 2025, the Bank held an Extraordinary General Assembly (EGA) for its shareholders. This was the fifteen Extraordinary General Assembly, convened on 16 Shawwal 1446H, corresponding to 14 April 2025.

A) Attendance Record of Board Members and Committee Chairpersons at the Extraordinary General Assembly

The meeting was conducted using modern technology, with attendance from the Board of Directors as follows:

Name	Attendance
Mr. Nasser Mohammed AlSubeaei (Chairman of the Board)	✓
Mr. Adeeb Mohammed Abanumai (Vice Chairman)	✓
Dr. Zeyad Othman Alhekail	✓
Mr. Abdulaziz Mohammed AlOnaizan	✓
Mr. Khalid Abdulrahman AlRajhi	✓
Mr. Nasser Suleiman Al-Nasser	✓
Mr. Mohammed Abdulrahman AlRajhi	✓
Mr. Haitham Mohammed Al-Fayez	✓
Mr. Muadh Abdulrahman Al-Husseini	✓
Mr. Haytham Sulaiman AlSuhaimi	✓

Committee Chairpersons Present:

Name	Attendance
Mr. Nasser Mohammed AlSubeaei (Chairman of the Executive Committee)	✓
Dr. Abdullah Musa Al-Ammar (Chairman of the Sharia Committee)	✓
Dr. Zeyad Othman Alhekail (Chairman of the Compliance & Governance Committee)	✓
Mr. Adeeb Mohammed Abanumai (Chairman of the Audit Committee)	✓
Mr. Haitham Mohammed Al-Fayez (Chairman of the Nomination and Remuneration Committee)	✓
Mr. Muadh Abdulrahman Al-Husseini (Chairman of the Risk Committee)	✓

B) Results of Voting on the General Assembly Agenda Items

- 1) The Board of Directors’ report for the fiscal year ending on 31 December 2024 was viewed and discussed.

2) Approved the external auditor’s report for the fiscal year ending on 31 December 2024 after discussed.

3) The Financial Statements for the fiscal year ending on 31 December 2024 were viewed and discussed.

4) Approved on reappointment of Ernst & Young (EY) with the amount of ﷲ 2,500,000 excluding VAT and Price Water House Coopers (PwC) with the amount of ﷲ 2,500,000 excluding VAT(as the Bank external auditors among the candidates based on the Audit Committee’s recommendation, to examine, review and audit the (second, third) quarter and annual financial statements of the fiscal year 2025, and the first quarter of the fiscal year 2026, and approved their fees.
- 5) Approved on releasing the members of the Board of Directors from their liabilities for the fiscal year ending on 31 December 2024.

6) Approved on the Board of Directors recommendation to increase the capital by way of issuing bonus shares as follows:

a) Total amount of increase: **ﷲ** 2,500 Million

b) Capital before increase: **ﷲ** 12,500 Million. Capital after increase: **ﷲ** 15,000 Million. Increase percentage: 20%

c) Number of shares before increase: 1,250 Million shares. Number of shares after increase: 1,500 Million shares.

d) This recommendation aims to enhance the Bank's financial solvency and retain its resources in operational activities.

e) The capital increase will be made through the capitalization of **ﷲ** 1,500 million from the retained earnings and **ﷲ** 1,000 million from statutory reserve by granting one share for every five shares.

f) In the event of stock fractures, the fractions will be grouped into a single portfolio for all shareholders and sold at the market price and then distributed to the shareholders entitled to the grant each according to their share within 30 days of the date of the determination of the shares due to each shareholder.

g) In case the Bank's shareholders approved in the extraordinary general assembly on the increase of the capital, the shareholders registered in the Bank's shareholders' register with the Securities Depository Center Company (Edaa) by the end of the second trading day following the date of the Extraordinary General Assembly meeting, will be eligible for the bonus shares.

h) Approved on amend Article No. 7 relating to Capital, of the Articles of Association of the Bank.

7) Approval on the election of board members from among the candidates for the next term, which will start from 17 Apr 2025 for a period of three years ending on 16 Apr 2028. The following members were elected:

1) Mr. Nasser Mohammed Ibrahim Alsubaei – Non Executive

2) Mr. Adeeb Mohammed Abdulaziz Abanumi – Independent

3) Mr. Abdulaziz Mohammed Ali Alonaizan - Executive

4) Mr. Khalid Abdulrahman Saleh AlRajhi – Non Executive

5) Mr. Nasser Sulaiman Abdullah Alnasser – Independent

6) Mr. Mohammed Abdulrahman Abdulaziz AlRajhi – Non Executive

7) Mr. Haitham Mohammed Abdulrahman Alfayez – Independent

8) Mr. Muadh Abdulrahman Hasan Al-Husseini – Independent

9) Mr. Haitham Sulaiman Abdulaziz Alsuhaime – Non Executive

10) Mr. Zaid Abdulrahman Abdullah Alquaiz – Non Executive

11) Mr. Abdulaziz Abdulhameed Abdulrahman Albassam – Non Executive

8) Approved on delegating the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2025.

9) Approved on paying an amount of (**ﷲ** 3,200,000) as remuneration to the Board members by (320) thousand riyals for each member for the fiscal year ending on 31 December 2024.

10) Approved on authorizing the elected Board of Directors with the powers of the Ordinary General Assembly as stipulated in paragraph (1) of Article 27 of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the authorized Board's term, whichever comes first, in accordance with the controls and conditions based on the Implementing Regulations of the Companies Law related to listed joint-stock companies regarding transactions and contracts in which a Board member has a direct or indirect interest.

11) Approved on authorizing the elected Board of Directors with the powers of the Ordinary General Assembly as stipulated in paragraph (2) of Article 27 of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the authorized Board's term, whichever comes first, in accordance with the controls and conditions based on the Implementing Regulations of the Companies Law related to listed joint-stock companies regarding engaging in competing business activities.

12) Approved on amending Article 19 of the bank's Articles of Association related to Board Committees.

13) Approved on amending the Audit Committee Charter.

14) Approved on amending the Corporate Social Responsibility Policy.

The Bank also held an Extraordinary General Assembly (EGA) for its shareholders. This was the sixteen Extraordinary General Assembly, convened on 15 Rabi second 1447H, corresponding to 7 October 2025.

A) Attendance Record of Board Members and Committee Chairpersons at the Extraordinary General Assembly

The meeting was conducted using modern technology, with attendance from the Board of Directors as follows:

Name	Attendance
Mr. Nasser Mohammed AlSubeaei (Chairman of the Board)	✓
Mr. Adeeb Mohammed Abanumai (Vice Chairman)	✓
Mr. Zaid Abdulrahman Algwaiz	✓
Mr. Abdulaziz Mohammed AlOnaizan	✓
Mr. Khalid Abdulrahman AlRajhi	✓
Mr. Nasser Suleiman Al-Nasser	✓
Mr. Mohammed Abdulrahman AlRajhi	✓
Mr. Haitham Mohammed Al-Fayez	✓
Mr. Muadh Abdulrahman Al-Husseini	✓
Mr. Haytham Sulaiman AlSuhaimi	✓
Mr. Abdulaziz Abdulhameed Albassam	✓

Committee Chairpersons Present:

Name	Attendance
Mr. Nasser Mohammed AlSubeaei (Chairman of the Executive Committee)	✓
Dr. Abdullah Musa Al-Ammar (Chairman of the Sharia Committee)	✓
Mr. Zaid Abdulrahman Algwaiz (Chairman of the Compliance & Governance Committee)	✓
Mr. Adeeb Mohammed Abanumai (Chairman of the Audit Committee)	✓
Mr. Haitham Mohammed Al-Fayez (Chairman of the Nomination and Remuneration Committee)	✓
Mr. Muadh Abdulrahman Al-Husseini (Chairman of the Risk Committee)	✓

B) Results of Voting on the General Assembly Agenda Items

1) Approval on the Board of Directors’ recommendation to purchase a number of the Bank’s shares, with a maximum of (10,000,000) shares, for the purpose of allocating them to the Employee Shares Program and authorized the Board of Directors to complete the purchase within a maximum period of (18) months from the date of the Extraordinary General Assembly’s resolution. The purchase will be financed through the Bank’s own resources and the Bank shall retain the purchased shares for a period not exceeding (10) years from the date of the Extraordinary General Assembly’s resolution, as a maximum, until they are allocated to eligible employees. Upon the expiration of this period, the Bank shall follow the procedures and regulations stipulated in the relevant laws and regulations.

Shareholder Communication

In line with the Bank's commitment to strengthening its relationship with shareholders, investors, and customers, and in firm adherence to the principles of transparency and disclosure, the Board of Directors continuously operates in accordance with governance principles to ensure the equitable treatment of all shareholders and to clearly define and uphold its responsibilities toward them. This is carried out in compliance with the regulations and instructions issued by the Saudi Central Bank, the Capital Market Authority, the recommendations of the Basel Committee, and other relevant regulatory bodies.

The Bank is committed to providing comprehensive and accurate information on its activities and operations through its Annual Report, summarized financial statements, and disclosures published on the Saudi Exchange (Tadawul). In addition, the Bank actively participates in investor conferences both within the Kingdom and internationally. Shareholders and investors may also access information through the Bank's official website (www.bankalbilad.com), which includes further details and updates such as capital increases, cash dividends distributed to shareholders, inquiries regarding unclaimed dividends, and other relevant tools.

The Bank places significant importance on responding to shareholder inquiries in a timely and transparent manner and encourages shareholders to participate in Annual General Assembly meetings, where the Bank's performance and activities are discussed.

The Bank also continues to enhance its digital platforms and shareholder communication mechanisms to improve access to information and deliver best-in-class engagement.

Measures Taken by the Board of Directors to Inform Its Members, Particularly Non-Executive Directors, of Shareholder Proposals and Observations

The Bank continuously works to safeguard the rights of stakeholders, particularly shareholders. These rights are enshrined in the Bank's bylaws, as well as in its related policies, manuals, and governance documents. Key shareholder rights include attending Ordinary and Extraordinary General Assembly meetings, discussing agenda items, directing questions to the Board of Directors, external auditors, and executive management, and submitting proposals and observations regarding the Bank and its performance, in accordance with the approved mechanisms.

All shareholder proposals and observations are communicated to the members of the Board of Directors through established channels. This includes matters raised during General Assembly meetings, which are documented in the minutes of the General Assembly and subsequently reviewed by the Board, as well as proposals submitted through designated communication channels. Such matters are presented to the Board at its first subsequent meeting and, where applicable, are recorded in the meeting minutes.

Interests in Voting Shares

There are no interests in classes of shares carrying voting rights held by any persons who have notified the Bank of such interests, other than members of the Board of Directors, senior executives, and their relatives.

Waiver of Interests by Shareholders, Board Members, or Senior Executives

- There are no arrangements or agreements with any member of the Board of Directors or senior executives under which any salaries, remunerations, or compensations have been waived.
- There are no arrangements or agreements with any shareholders under which any dividend rights have been waived.

Information on Any Business Activities That Compete with the Company or Any of Its Lines of Business, Undertaken Currently or Previously by Any Member of the Board of Directors, Including the Names of the Individuals Involved, the Nature of Such Activities, and Their Terms

With the beginning of the current term of the Board of Directors, which commenced on April 17, 2025, Board members Mr. Zaid Abdulrahman Algwaiz and Mr. Abdulaziz AbdulHameed Al Bassam were classified as Non-Executive members, as each was considered to be engaged in activities classified as competing business with the Bank Group.

The nature of such competing activities was participation in the boards of directors and committees of financial companies or establishments competing with the Bank or its Group.

Based on Paragraph (2) of Article (27) of the Companies Law, and in accordance with Item (10) of the Controls and Conditions governing the Ordinary General Assembly's delegation to the Board to authorize a Board member to engage in competing business (approved by the General Assembly on April 14, 2025), and in line with the Bank's Conflict of Interest Management Policy and related documents, the Board issued Resolution No. (BOD/04/2025-5) approving the granting of a grace period to both members until September 30, 2025 to submit their resignation from the boards and committees of the financial companies in which they held memberships.

Both members complied, as confirmed by their updated disclosure forms and information updates. After fulfilling all legal and regulatory requirements and confirming the cessation of competing business, the Board reclassified their membership from "Non-Executive" to "Independent."

Number of the Bank’s Requests for the Shareholders’ Register, the Dates of Those Requests, and the Reasons for Them

Date of Ownership File	Reason for Request
2/1/2025	Corporate procedures
3/2/2025	Corporate procedures
3/3/2025	Corporate procedures
6/4/2025	Corporate procedures
4/5/2025	Corporate procedures
2/6/2025	Corporate procedures
2/7/2025	Corporate procedures
4/8/2025	Corporate procedures
2/9/2025	Corporate procedures
2/10/2025	Corporate procedures
3/11/2025	Corporate procedures
2/12/2025	Corporate procedures
4/1/2026	Corporate procedures

Dividend Distribution Policy

The Bank distributes its annual net profits, determined after deducting all general expenses, other costs, and allocations to reserves required to cover doubtful debts, investment losses, and contingent liabilities deemed necessary by the Board of Directors, in accordance with the provisions of the Banking Control Law, the Companies Law and its regulations, and the directives of the Saudi Central Bank. The distribution of net profits shall be as follows:

1. The amounts necessary to pay Zakat due on shareholders are calculated and paid by the Bank to the relevant authorities.
2. At least 25% of the remaining net profits, after deducting Zakat, is transferred to the statutory reserve until such reserve equals at least the paid-up capital.

3. From the remaining profits, after deducting the statutory reserve and Zakat, an amount of no less than 5% of the paid-up capital is allocated for distribution to shareholders in accordance with the Board of Directors’ proposal and the approval of the General Assembly. If the remaining profits are insufficient to cover this percentage, shareholders are not entitled to claim it in the current or subsequent years, and the General Assembly may not approve a distribution exceeding the percentage proposed by the Board.
4. The remaining, after allocating the amounts mentioned in paragraphs (1), (2), and (3), shall be utilized as recommended by the Board of Directors and approved by the General Assembly.

Subject to the provisions of paragraphs (1-4) above, the Bank may distribute interim dividends to shareholders on a semi-annual or quarterly basis, subject to meeting the following requirements:The Ordinary General Assembly shall authorize the Board to distribute interim dividends by virtue of a resolution renewed annually.

1. The Ordinary General Assembly shall authorize the Board to distribute interim dividends by virtue of a resolution renewed annually.
2. The bank has good and regular profits.
3. The Bank has reasonable liquidity and can reasonably predict its profitability.
4. The Bank shall have distributable profits in accordance with the latest audited financial statements, sufficient to cover the dividends proposed to be distributed, after deducting the dividends distributed and capitalized from those profits after the date of these financial statements.

Dividends Distributed During the Financial Year

- Pursuant to the Board of Directors’ resolution dated 22/7/2025G, interim dividends were disbursed for the first half of the fiscal year 2025 in the amount of ﷲ (675) million, at the rate of (45) Halalas per share after Zakat and at the rate of 4.5% of the nominal value of the share, pursuant to the authorization of the General Assembly of the Board of Directors to distribute semi-or quarterly interim dividends for the fiscal year 2025, and the eligibility for dividends was for the shareholders who own the shares at the end of trading on the date of eligibility corresponding to 5/8/2025, and the dividends were distributed on 20/8/2025.
- On 4/2/2026, the Board of Directors recommended to the Bank’s General Assembly the payment of dividends to shareholders for the second half of the fiscal year 2025 in the amount of ﷲ (825) million, at the rate of (55) Halalas per share after Zakat and at a rate of 5.5% of the nominal value of the shares, and the eligibility for dividends will be for the shareholders who own the shares at the end of the trading day of the Bank’s General Assembly and who are registered in the Bank’s shareholders’ register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the date of the General Assembly.

Mechanisms and means for evaluating the performance of the Board of Directors, its committees, and their respective members:

The Board of Directors, in evaluating its own performance as well as the performance of its committees and members, relies on a mechanism that involves the Nomination and Remunerations Committee, which is responsible for conducting an annual evaluation of the Board and its committees. This is done either through specially designed evaluation forms and mechanisms created for this purpose by the committee and its team, or at least once every three years by an external party.

The committee oversees, studies, and discusses the evaluation results, identifying strengths and recommending actions to enhance them, as well as weaknesses and recommending actions to address them. A summary of the results and the committee's recommendations are then presented to the Board. The internal evaluation of the Board and its committees for the year 2024 was implemented under the supervision of the Nomination and Remuneration Committee. The evaluation of the Board and its committees for the year 2025 will be completed through a party specialized in evaluation during the first quarter of 2026.



Internal Audit

Internal audit is an independent and objective function that reports directly to the Audit Committee formed by a resolution of the bank's Board of Directors. It aims to provide reasonable assurances to the Audit Committee and senior management of the bank regarding the adequacy and effectiveness of the internal control system, through the application of an organized approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The internal audit division follows a risk-based audit methodology in planning and conducting audit work, and it also follows-up the correction of observations raised in internal audit, external auditors, and regulatory and supervisory bodies' reports to ensure they are closed according to the specified schedule and procedures to guarantee the integrity of internal controls. The internal audit division applies a quality assurance program that covers all internal audit activities and contributes to enhancing performance and compliance with internal audit standards, and the implementation of best practices. The scope of the Internal Audit division encompasses all activities and departments of the Bank. In 2025, the division carried out internal audit work according to the plan approved by the Audit Committee, which was based on a comprehensive study and a thorough risk assessment of the units subject to audit at the bank level.

Additionally, the Internal Audit division executed many other tasks assigned by the bank's management, the Saudi Central Bank, and other regulatory and supervisory authorities.

Results of the annual review of the effectiveness of the bank's internal control procedures, in addition to the Audit Committee's opinion on the adequacy of the bank's internal control system

The bank's executive management is responsible for establishing an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the bank's strategic objectives. Accordingly, an integrated internal control system has been established as recommended by regulatory and supervisory authorities, starting with the general governance framework of the bank, which defines the roles and responsibilities assigned to the Board of Directors, its subcommittees, as well as the executive management committees, ensuring appropriate oversight at the bank level.

Additionally, all Bank's divisions perform combined and coordinated efforts to improve the control environment through continuous development and review of policies, procedures, and automated systems, to minimize any violations and to prevent and correct any deficiencies in the internal control system.

In addition to Bank's control functions activities carried out including Compliance & Anti-Financial Crimes division, the Risk Management Group, and Sharia'a division; the internal audit is considered an independent line of defense from executive management. Its scope of work includes evaluating the effectiveness of the internal control system, including compliance with approved policies and procedures.

Audit reports, which include weaknesses in the internal control system as well as corrective actions, are submitted to the CEO and the Audit Committee, which monitors the progress of corrective actions and oversees the adequacy and effectiveness of the internal control system to mitigate risks and protect the bank's interests.

Based on the results of the continuous evaluation of the internal control system during the year 2025, as well as the reasonable assurances of the Board of Directors regarding the soundness of the design and effectiveness of the implementation of the internal control system, the Audit Committee is of the opinion that the internal control system has been adequately designed, implemented, effectively and monitored on a regular basis, and that there are no control gaps or material weaknesses in the Bank's Internal operations for the year 2025. Bank's management continuously works to strengthen the internal control system, knowing that no internal control system, regardless of how soundly designed and effective its implementation, can provide absolute assurance.

Compliance & Anti-Financial Crimes

Bank Albilad places great importance on complying with regulations, standards, and instructions set by regulatory and supervisory bodies. This commitment is crucial for the bank's success and is a top priority. By doing so, the bank safeguards its reputation, credibility, and the interests of its shareholders and depositors. It also helps protect the bank from potential regulatory and legal consequences.

The Role of the Compliance and Anti-Financial Crimes Division

Compliance is an independent function that is charged with identifying, evaluating, providing advice and counsel, and following up and preparing reports on the risks of the bank's non-compliance with regulations and instructions. The objective is to shield the bank and its representatives from potential regulatory or administrative penalties, as well as any actions that could damage the bank's reputation due to its failure to follow rules, regulations, controls, or good organizational and behavioral standards and professional practices.

The Compliance and Anti Financial Crimes Division at the Bank plays a key role in ensuring that all of the Bank's policies, manuals, and procedures are in line with the regulations and instructions set by regulatory and supervisory bodies. They also ensure that these guidelines are effectively implemented by the Bank.

The division is responsible for a variety of tasks and responsibilities that are categorized into specific functions, such as:

- Combating money laundering and terrorist financing, preventing its spread, and combating commercial concealment.
- Promoting and reinforcing the concepts and culture of compliance among all bank personnel.
- Offering guidance and assistance to all administrative units inside the bank.
- Combating corruption and reporting violations.
- Identifying, analyzing, and assessing compliance risks associated with the bank's clients, services, products, geographic areas of operation, and delivery channels, and implementing relevant controls and standards.
- Building and documenting relationships, as well as communicating effectively with regulatory and supervisory organizations.
- Training and awareness.
- Creating and filing compliance risk reports, as well as implementing supervision controls for relevant departments, to guarantee that regulations and instructions are followed.
- Safeguarding the bank's reputation, workers, and other stakeholders.

Monitoring and assessing the effectiveness of implementing regulations and instructions

The Compliance and Anti Financial Crimes Division is responsible for assessing and supervising the bank's compliance with rules, regulations, and instructions established by regulatory and legislative authorities.

This involves ensuring that the bank adheres to its own policies, guidelines, processes, products, and services.

HR Policies

The bank's commitment to adhering to regulations, laws, and policies is crucial for its success, reputation, and credibility. It was essential for all the bank's ambassadors to understand and follow all necessary regulations, instructions, and policies related to their work and assigned tasks, without any transgressions or negligence.

End-of-Service Benefits

The benefits due to bank employees upon termination of their services are calculated in accordance with the Saudi Labor Law and are included under other liabilities in the consolidated statement of financial position.

Principles and Code of Professional and Ethical Conduct

The principles and code of professional and ethical conduct and related principles are fundamental to Bank Albilad Group’s business ethics and conduct. Their application is instrumental in driving the bank’s strategic goals, safeguarding its interests, and ensuring the satisfaction of all stakeholders, including investors, customers, and dealers. Additionally, it plays a vital part in fostering business growth, enhancing the bank’s reputation, and strengthening its brand.

The bank has established a strong reputation by diligently adhering to its banking principles and values, which are rooted in Islamic Sharia and comply with the regulations set forth by regulatory bodies like the Saudi Central Bank and the Capital Market Authority.

The bank’s reputation has been further solidified by the loyalty, commitment, and dedication of its employees to provide customers with the utmost level of professional and ethical banking service. Trust, responsibility, honesty, and respect are fundamental elements that form the foundation of the Bank’s reputation. They are also key in delivering value to the customers and fulfilling the bank’s obligations to all stakeholders in a view to preserve the values and principles. This requires all employees, regardless of their position, to conduct themselves in a manner that upholds the bank’s values and principles.

This commitment ensures the preservation of the bank’s reputation and protects it from any potential harm or risks arising from any improper conduct, both within and outside the bank, whether in or outside the Kingdom. Every employee is expected to maintain a high standard of conduct, treating others with dignity and respect. It is important to take responsibility for one’s actions, comply with laws and regulations, and make well-informed decisions through open, honest, and frank communication.

Employee Share Program

The Bank provides an equity-settled share-based payment plan to eligible employees, which has been approved by the central bank. Under the plan, eligible employees are offered stocks that will be deducted from their annual bonus payments.

The cost of the plan is measured by reference to the fair value at the date on which the stocks are granted. The cost of the plan is recognized over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the stock option (‘the vesting date’). The cumulative expense recognized for the plan at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Bank’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a year represents the movement in cumulative expense recognized as at the beginning and end of that year.

The Bank has entered into an agreement with an independent third-party, with the approval of the central bank, for custody of the shares under the plan, as well as any benefits accrued thereon.

Significant features of these plans are as follows:

Maturity Dates	Between January 2026 to December 2028
Total Number of Shares Granted	1,665,142
Grant Period	3 Years
Method of Settlement	Shares
Fair Value of Share on Grant Date	Average 36.73 ﷼

The shares are granted only under service condition with no market condition associated with them

Fines imposed on the Bank by supervisory and regulatory authorities:

First: Saudi Central Bank (SAMA):

The following is a statement of the fines imposed on the Bank during the previous year 2024 and the current year 2025:

Subject of violation	Year 2024	
	Number of penal decisions	Total amount of fines in ﷲ
Bank Albilad violation: supplying counterfeit currency notes to the Central Bank	3	15,000
Bank Albilad violation regarding the accuracy/authenticity of data provided to the Central Bank.	1	55,500
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions.	4	1,153,100
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions (Implementation).	1	100,000
Bank Albilad violation of anti-fraud instructions.	1	555,000
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions (Self-supervision/Oversight)	1	200,000
Bank Albilad violation of instructions related to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)	1	55,000
Total	12	2,133,600

Subject of violation	Year 2025	
	Number of penal decisions	Total amount of fines in ﷲ
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions (Banking Licensing).	3	230,000
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions (Operational Resilience/Soundness).	4	1,704,250
Bank Albilad's violation of the Central Bank's instructions related to Customer Protection (Consumer Protection).	3	1,204,000
Bank Albilad violation of the Central Bank's instructions from the General Department of Banking Supervision and Inspection.	3	334,500
Bank Albilad violation of instructions related to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT).	2	2,300,000
Bank Albilad's violation of the Central Bank's instructions from the Currency Operations Control Department.	1	Notice Letter
Bank Albilad violation of the Central Bank's supervisory and regulatory instructions (For Execution Operations/Compliance).	1	60,000
Bank Albilad violation of the Central Bank's instructions regarding the safety and security of financial institutions/facilities.	1	40,000
Total	18	5,872,750

Second: Zakat, Tax and Customs Authority (ZATCA):

Supervisory Authorities	Number of fines	Total amount of fines in ﷲ	Statements of fines
Zakat, TAX and Customs Authority	17	85,000	Incomplete data provided in CRS and FATCA reports for the year 2023.
Zakat, TAX and Customs Authority	8	40,000	Incomplete data provided in CRS and FATACA reports for the year 2022.
Total	25	125,000	

Third: The following is a statement of the fines imposed on the Bank by other supervisory and regulatory authorities:

Supervisory Authorities	Number of fines	Total amount of fines in ﷲ	Statements of fines
Riyadh Region Municipality	63	877,500	Violations related to ATM locations; violations related to the presence of unlicensed screens in two Bank Albilad branches.
Madinah Region Municipality	2	12,500	The licenses have expired.
General Authority of Civil Aviation (Riyadh Airports)	1	2,000	Non-compliance with security and safety requirements.
Total	66	892,000	

The Bank seeks to avoid the recurrence of such fines by adopting the necessary policies and allocating the required resources in compliance with the instructions of the supervisory and regulatory authorities.

Outstanding Statutory Payments

(ﷲ million)		
Details	2025	2024
Legal Zakat ¹	350	322
General organization for Social Insurance ²	9.4	9.5

- (1) Legal Zakat – According to the Zakat return that will be submitted for the year 2025, the Bank estimated the Zakat due for the year 2025 at ﷲ 350 million (2024: ﷲ 322 million).
- (2) The Bank estimated the amount due to the General Organization for Social Insurance (GOSI) for the year 2025 at ﷲ 9.4 million (2024: ﷲ 9.5 million), which was paid during January 2025.

Value of statutory paid and accrued payments for the period ending on 31 December 2025:

(﷼ thousands)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	323,486	-	Annual Zakat for 2024	Zakat for 2025 is still under process, and will be paid in April 2026
Withholding tax for non-residents	12,967	706	Withholding tax for non-residents	December 2025 tax, which was paid in January 2026
VAT	125,161	5,856	VAT	December 2025 tax, which was paid in January 2026
General Organization for Social Insurance (GOSI)	87,157	8,056	Social insurance payments paid during 2025	Social insurance payments for December 2025, which was paid in Jan 2026
Capital Market Authority	2,062	-	Fees for Capital Market Authority	Fees of the Capital Market Authority in addition to fees for registering employees with it
Municipality fees	11,887	-	Municipality fees	Annual Municipality fees

Albilad Investment Company

(﷼ thousands)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	20,768	23,890	Zakat due for 2024	Annual Zakat for 2025
Withholding tax for non-residents	1,172	94	Tax for non-residents 2025	Tax for non-residents due for November and December 2025
VAT	35,332	3,414	VAT paid during 2025	VAT due for December 2025
General Organization for Social Insurance (GOSI)	9,507	801	Social insurance payments paid during 2025	Social insurance payments for December 2025
Visa and passport costs	25	-	Renewal of residency fees, exit and return fees, and sponsorship transfer	Renewal of foreign employee residency, exit and return fees, and sponsorship transfer
Labor office fees	189	-	Work permit fees for foreign employees	Fees of the Capital Market Authority in addition to fees for registering employees with it
Capital Market Authority	885	-	Fees for Capital Market Authority	Capital Market Authority fees in addition to fees for registering employees with it
Municipality fees	9	-	Annual Municipality fees	Annual Municipality fees
Thiqa Business Services Company	15	-	Renewal of Chamber of Commerce and Commercial Registration Fees	Renewal of Chamber of Commerce and Commercial Registration Fees

Enjaz Payment Services Company

(٠٠٠ thousands)

Item	Paid	Accrued until the end of the annual fiscal year and not paid	Brief	Reasons
Zakat	10,722	12,023	Annual Zakat for 2024	Zakat is calculated at 10.3 % of income
Withholding tax for non-residents	363	108	15-5 %of amounts paid abroad are subject to withholding tax	2025 tax
VAT	20,584	2,043	Amount due to ZATCA from VAT	VAT for December 2025
General Organization for Social Insurance (GOSI)	13,025	1,179	Social insurance dues paid during 2025	December 2025: Social insurance dues were paid in Jan 2026
Visa and passport costs	74	-	Residency renewal, exit/return fees and sponsorship transfer	Renewal of foreign workers' residencies and sponsorship transfer
Labor office fees	888	-	Work permit fees for foreign employees	Work permit fees for foreign employees
Municipality fees	513	-	Issuance and renewal of municipal licenses and other municipal fees	Annual Municipality fees



Micro, Small and Medium Enterprises

Qualitative Disclosure

During 2025, Bank Al Bilad maintained the continuous efforts towards the MSMEs focusing on this segment and continue participating in achieving the KSA vision 2030 pillars by supporting the various economical activities of MSMEs. These efforts were done to retain the momentum in terms of growth in assets and customer portfolio, through applying main approaches summarized as follows:

1. Increase the Bank’s market share by attracting more MSME’s customers.
2. Introducing additional financing programs covering various industries directed mainly to the Micro enterprises.
3. Maintaining a recognizable successful relationship with the KAFALAH program and the SME bank Co-financing agreements directed to the whole SMEs.

In the short-term, Bank Albilad plans continue to leverage the implementation of the above-mentioned approaches. Customized financing programs will be continuously enhanced and developed to widen the revenue stream and expand the targeted industries while at the same time maintain acceptable risk criteria.

2026 Plans

For 2026, based on the dynamic economy and considering the market conditions, several action plans are laid out to drive BAB’s SME business, as follows:

1. Given its success and proving to be a major source of new business, the Bank shall continue to offer innovative financing programs and services.
2. Maintain focus on the middle market segment that can provide growth and stability in the asset portfolio.
3. Streamline the credit process for Small and Micro Businesses to reduce turnaround time for processing credit applications; financing transactions and to implement credit parameters that are more suitable for MSEs.
4. Increase exposure in social media and other marketing media to raise awareness of BAB MSME products and services; and improve visibility of MSME products and programs in branches.
5. Intensify synergy with other departments particularly Retail Banking to drive cross-sell. This involves increase in awareness as well as lead generation initiatives to address the needs of MSMEs.

6. Collaborate with the Digitization and Business Innovation Division and Marketing Communications on the continuous enhancement of Business Internet Banking, Mobile Banking, and Corporate Website to widen customer reach, offer quality customer experience and create customer feedback mechanism.
7. Continue the strategic plan to Enhance iCorp system, BAB’ Platform for Supply chain Finance, RMs’ Dashboard, The Corporate’s front-end credit application system, to properly digitalize the processes.

Quantitative Disclosure

(Amounts in millions of ﷲ - 2025)

Details	Micro	Small	Medium	Total
Direct facilities for micro, small, and medium enterprises	125	1,606	9,587	11,318
Indirect facilities for micro, small, and medium enterprises (nominal value)	279	831	1,601	2,711
Direct facilities for micro, small, and medium enterprises relative to the total direct facilities	1 %	14 %	%85	%100
Indirect facilities for micro, small, and medium enterprises relative to the total indirect facilities	10 %	31 %	%59	%100
Number of customers for direct and indirect facilities				
Number of customers for direct and indirect facilities	538	729	221	1488
Number of direct and indirect facilities customers in cooperation with the MSME Bank	82	93	8	183
Total direct and indirect facilities in cooperation with the MSME Bank (amounts represent the bank’s share in financing “%20”)	3	20	5	28
Number of customers of direct, indirect, and guaranteed facilities through Kafalah program	49	101	61	211
Total direct, indirect, and guaranteed facilities through Kafalah program	20	371	838	1,229

(amounts in millions of ﷲ - 2024)

Details	Micro	Small	Medium	Total
Direct facilities for micro, small, and medium enterprises	176	1,948	10,391	12,515
Indirect facilities for micro, small, and medium enterprises (nominal value)	607	1,010	1,974	3,591
Direct facilities for micro, small, and medium enterprises relative to the total direct facilities	1 %	16 %	83 %	100 %
Indirect facilities for micro, small, and medium enterprises relative to the total indirect facilities	%17	28 %	55 %	100 %
Number of customers for direct and indirect facilities				
Number of customers for direct and indirect facilities	965	856	230	2051
Number of direct and indirect facilities customers in cooperation with Monsha’at Bank	137	120	12	269
Total direct and indirect facilities in cooperation with Monsha’at Bank (amounts represent the bank’s share in financing “%20”)	4	28	7	48
Number of customers of direct, indirect, and guaranteed facilities through Kafalah program	137	190	61	388
Total direct, indirect, and guaranteed facilities through Kafalah program	42	754	818	1,613

Financial Management & Compliance

Related Party Transactions

In the ordinary course of activities, the Group transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and the regulations issued by Saudi Central Bank. The nature and balances of transactions with the related parties for the years ended December 31 are as follows:

A) Directors, key management personnel, other major shareholders, their affiliates balances and others:

Details	2025 (ﷲ thousand)
Financing*	3,043,989
Financing**	4,483,372
Commitments and contingencies	138,902
Deposits	93,459

* The amounts for utilized credit facilities measured according to the definition of related parties under International Financial Reporting Standards (IFRS).

** The amounts for utilized credit facilities measured according to the definition of related parties under International Financial Reporting Standards and the Saudi Central Bank regulations.

B) Group’s mutual funds:

Details	2025 (ﷲ thousand)
Customers’ deposits	4,435
Investments - units	413,736

C) Income and expense:

Directors, Key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:

Details	2025 (₪ thousand)
Income	289,898
Expense	9,466

The total amount of compensation paid to key management personnel during the year is as follows:

Details	2025 (₪ thousand)
Employee benefits	215,543

From another perspective, Major Shareholders are those who own 5% or more of the Bank's share capital, and Senior Executives are those individuals who have the authority and responsibility to plan, direct and supervise the Bank's activities, whether directly or indirectly.

Below are the details of the transactions and contracts in which the Bank was a party and in which a Board member, a senior executive, any related person, or any of the Bank's subsidiaries had an interest, and which were executed during the year 2025.



#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (S)	Contract Date		Date of Approval/Endorsement
						From	To	
1	Mr. Abdulrahman Saleh AlRajhi	Mr. Khalid Abdulrahman AlRajhi	Father of Board Member	Lease of Enjaz Center 302 – Al-Khafji, owned by Mr. Abdulrahman Saleh AlRajhi	120,000	11/04/2010	31/12/2028	09/04/2019
2	Mr. Abdulrahman Abdulaziz AlRajhi	Mr. Abdulrahman Abdulaziz AlRajhi	Major Shareholder	Lease of Branch 217 – Yanbu, owned by Mr. Abdulrahman Abdulaziz AlRajhi	180,000	09/08/2010	07/02/2028	09/04/2019
3	Procure Specialty Hospital	Mr. Khalid Abdulrahman AlRajhi	Board Member	Lease of ATM site – Riyadh	20,000	01/06/2020	31/05/2028	14/03/2022
4	Riyadh Development Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad Father of Mr. Majid Nasser AlSubeaei, Board Member of Riyadh Development Co.	Lease of Enjaz Branch 174	96,900	02/07/2018	12/12/2026	14/03/2022
5	Masic Logistics Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad Board Member of Masic	Lease of ATM site – Riyadh, investment return for Masic Logistics Co.	60,000	18/03/2018	17/03/2028	26/04/2020

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
6	Abdullah Ibrahim AlSubeaei Real Estate Co.	Abdullah Ibrahim AlSubeaei Investment Co. (One Person Co.)	Major Shareholder	Lease of Branch 921 – Al-Aqrabiyah, owned by Abdullah Ibrahim AlSubeaei Real Estate Co.	2,882,600	03/01/2005	12/11/2026	14/03/2022
7	Argan Homes Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad	Lease of ATM site – Jubail, owned by Argan Homes Co.	90,000	05/08/2018	04/08/2032	26/04/2020
			Board Member of Argan Homes Co.					
8	Argan Homes Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad	Lease of ATM site – Yanbu, owned by Argan Homes Co.	80,000	01/09/2018	31/08/2032	26/04/2020
			Board Member of Argan Homes Co.					
9	Argan Homes Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad	Lease of ATM site – Yanbu, owned by Argan Homes Co.	80,000	01/09/2018	31/08/2032	26/04/2020
			Board Member of Argan Homes Co.					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/Endorsement
						From	To	
10	Mohammed Ibrahim AlSubeaei & Sons Co. (Masic)	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad	Lease of Enjaz Center – Riyadh (Ind. 2), owned by Mohammed Ibrahim AlSubeaei & Sons Co.	519,200	15/11/2016	14/11/2026	09/04/2019
			Board Member of Masic					
		Mohammed Ibrahim AlSubeaei & Sons Co. (Masic)	Major Shareholder					
		Mr. Khalid Saleh AlHathal	Board Member of Albilad Capital					
			Board Member of Masic					
11	Kenan International Real Estate Development Co.	Mr. Abdullah AlArifi	Board Member of Kenan International representing Bank Albilad	Lease of Branch 729 – Al Dana Mall (tiered pricing structure)	133,504	01/01/2019	31/12/2028	10/02/2020
				First three years 133,504				
				Second three years 146,020				
			Senior Executive at Bank Albilad	The last four years: 158,536				
12	Riyadh Development Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad	Car auction agreement	Unit Price	05/04/2022	04/04/2027	14/12/2020
			Father of Mr. Majid Nasser AlSubeaei, Board Member of Riyadh Development Co.					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/Endorsement
						From	To	
13	Riyadh Development Co.	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad Father of Mr. Majid Nasser AlSubeaei, Board Member of Riyadh Development Co.	Cash transport and counting services	Unit Price	28/12/2022	27/12/2027	14/12/2020
14	Saudi Automotive Services Co. (SASCO)	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad Father of Mr. Majid Nasser AlSubeaei, Board Member of SASCO	Lease of ATM site – Makkah, owned by SASCO	80,000	22/11/2022	21/08/2027	23/03/2023
15	Saudi Automotive Services Co. (SASCO)	Mr. Nasser Mohammed AlSubeaei	Chairman of the Board of Bank Albilad Father of Mr. Majid Nasser AlSubeaei, Board Member of SASCO	Lease of ATM site – Taif, owned by SASCO	65,000	01/01/2021	31/12/2030	23/03/2023
16	Saudi Lease Registration Co. (Sijil)	Mr. Raed Mohammed Al Abdulkareem Mr. Abdullah Saad AlRowais	Board Member of Sijil Senior Executive at Bank Albilad Executive Committee Member of Sijil Senior Executive at Bank Albilad	Lessors agreement	375,000	17/03/2023	16/03/2027	23/03/2023

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (SAR)	Contract Date		Date of Approval/Endorsement
						From	To	
17	Bayan Credit Bureau	Yousef Mohammed AlKhalawi	Executive Director of Governance and Board Secretary Representing Bank Albilad at Bayan Credit Bureau	Membership agreement	Unit Price	25/09/2021	24/09/2026	23/03/2023
18	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Muhammadiyah – Regional Administration	50,000	1/07/2022	30/06/2055	23/03/2023
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
19	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Muannisiyah	50,000	1/09/2022	31/08/2055	23/03/2023
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
20	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Wurood	50,000	1/01/2021	31/12/2053	23/03/2023
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
21	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Ar Rawdah Branch	50,000	25/09/2018	31/12/2050	23/03/2023
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
22	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for An Naseem	50,000	1/01/2021	31/12/2053	23/03/2023
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
23	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Hamra	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
24	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for As Safra	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
			Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
25	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for As Safa	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
26	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for South Aziziyah Makkah	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
27	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for South Aziziyah Makkah	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
28	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Ar Rawdah	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
29	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Ar Rabwah	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
30	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Dhahran Al Janoub	50,000	1/05/2021	30/04/2054	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
31	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Hizam Road	50,000	1/05/2021	30/04/2054	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
32	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Dammam Corniche	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
33	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Marqab	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
34	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Marqab	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
35	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Faisaliyah	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
36	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for At Tahlia	50,000	1/01/2021	31/12/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
37	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Hittin	50,000	25/12/2022	24/12/2055	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
38	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Al Hada Khobar	50,000	22/01/2023	21/01/2056	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
39	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for At Takhassusi Road	50,000	22/01/2023	21/01/2056	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
40	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Unaizah	50,000	22/01/2023	21/01/2056	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
41	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Ar Rass	50,000	1/11/2022	31/10/2056	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
42	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for An Nuzhah District	50,000	1/11/2022	31/10/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (S)	Contract Date		Date of Approval/Endorsement
						From	To	
43	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for Ash Shifa Riyadh District	50,000	15/11/2022	14/11/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
44	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Land contract for An Naqrah Hail District	50,000	5/02/2023	04/02/2053	23/03/2023
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
45	Riyadh Holding Company	Mr. Haitham bin Mohammed Al-Fayez	Board Member of Bank Albilad	Contract for four ATM sites in Haraj bin Qasim at S 30,000 per contract	120,000	1/06/2023	31/05/2026	Transaction approved pursuant to Board Resolution No.: (BOD/2023/07-5a) dated 15/12/2023
			Member of Executive Committee of Riyadh Holding Company					
			Member of Executive Committee of Riyadh Holding Company					
			Member of Executive Committee of Riyadh Holding Company					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (S)	Contract Date		Date of Approval/ Endorsement
						From	To	
46	Riyadh Holding Company	Mr. Haitham bin Mohammed Al-Fayez	Board Member of Bank Albilad Chairman of NRC Member of Risk Committee Member of Executive Committee of Riyadh Holding Company	Bank Albilad Ad Dirah Branch 427 contract	329,100	1/08/2023	31/07/2026	Transaction approved pursuant to Board Resolution No.: (BOD/2023/07-5a) dated 15/12/2023
47	Shifa Health Sustainable Development Association	Mr. Abdulrahman Abdulaziz Alrajhi	Major Shareholder Chairman of the Association	Enjaz Al Bukayriyah Branch contract	70,000	14/06/2023	13/06/2030	Transaction approved pursuant to Board Resolution No.: (BOD/2023/07-5a) dated 15/12/2023
		Mr. Mohammed Abdulrahman Alrajhi	Board Member of Bank Albilad Vice Chairman of the Association					
48	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate Senior Executive at Bank Albilad	Land contract for Jeddah Ash Shiraa, Al Amwaj district	50,000	11/06/2023	10/06/2029	Transaction approved pursuant to Board Resolution No.: (BOD/2023/07-5a) dated 15/12/2023
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/Endorsement
						From	To	
49	Sae Logistics Solutions Company	Haytham bin Sulaiman AlSuhaيمي	Board Member of Bank Albilad Member of Executive Committee Member of Executive Committee of Riyadh Holding Company	Customer card delivery contract	UNIT PRICE	26/03/2023	25/03/2027	Transaction approved pursuant to Board Resolution No.: (BOD/2023/07-5a) dated 15/12/2023
50	Real Estate Development Fund	Abdulaziz Mohammed AlOnaizan	CEO of Bank Albilad Board Member Chairman of Compliance and Cybersecurity Committee of the Fund	Real estate developers empowerment contract	UNIT PRICE	1/04/2024	30/03/2027	Transaction approved pursuant to Board Resolution No.:
51	Albilad Real Estate	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate Senior Executive at Bank Albilad	Al Suly – Archive contract	50,000	5/02/2024	4/02/2029	Transaction approved pursuant to Board Resolution No.:
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate Senior Executive at Bank Albilad					01/2025 dated 16/01/2025

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
52	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Parking – Conferences contract	50,000	29/12/2024	28/12/2034	Transaction approved pursuant to Board Resolution No.: 01/2025 dated 16/01/2025 at Bank Albilad
			Vice Chairman of Albilad Real Estate					
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Senior Executive at Bank Albilad					
53	Albilad Real Estate	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Al Hofuf – Al Ahsa contract	50,000	1/05/2024	30/04/2057	Transaction approved pursuant to Board Resolution No.: 01/2025 dated 16/01/2025
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Vice Chairman of Albilad Real Estate					
			Senior Executive at Bank Albilad					
54	Albilad Real Estate Co.	Saleh Suliman Al Habib	Chairman of the Board of Directors of Albilad Real Estate	Al Kharj land contract	50,000	5/05/2024	4/05/2057	Transaction approved pursuant to Board Resolution No.: 01/2025 dated 16/01/2025
			Senior Executive at Bank Albilad					
		Raed Mohammed Al Abdulkareem	Senior Executive at Bank Albilad					
			Senior Executive at Bank Albilad					

#	Related Party	Member/Person with a direct or indirect interest	Reason	Type/nature of relationship or conflict	Contract Value (ﷲ)	Contract Date		Date of Approval/ Endorsement
						From	To	
55	Albilad Capital (One Person Company)	Abdulaziz Mohammed AlOnaizan	Chairman of the Board of Directors of Albilad Real Estate	Albilad Capital Branch 422	50,675	1/01/2024	31/12/2029	Transaction approved pursuant to Board
		Haytham Sulaiman AlSuhaimi	Senior Executive at Bank Albilad					Resolution No.: 01/2025 dated 16/01/2025
		Abdullah Mohammed AlArifi	Vice Chairman of Albilad Real Estate					
		Haitham Medainy Al Medainy	Senior Executive at Bank Albilad					
56	Albilad Capital (One Person Company)	Abdulaziz Mohammed AlOnaizan	Chairman of the Board of Directors of Albilad Real Estate	Albilad Capital Branch 425	168,327	1/01/2024	31/12/2029	Transaction approved pursuant to Board Resolution No.:
		Haytham Sulaiman AlSuhaimi	Senior Executive at Bank Albilad					01/2025 dated 16/01/2025
		Abdullah Mohammed AlArifi	Vice Chairman of Albilad Real Estate					
		Haitham Medainy Al Medainy	Senior Executive at Bank Albilad					
57	Enjaz Payment Services Company	Abdulaziz Mohammed AlOnaizan	CEO of Bank Albilad Chairman of Enjaz	Enjaz Branch at the Bank Station (Metro)	135,000	1/06/2025	4/01/2035	Transaction approved pursuant to Board Resolution No.: 06/2025 dated 23/06/2025
58	Saudi Automotive Services Company (SASCO)	Mr. Nasser bin Mohammed AlSubeaei	Chairman of Bank Albilad; Relationship (Father) to Mr. Majed bin Nasser AlSubeaei (SASCO Board Member)	ATM site lease – Riyadh, Al Rimal district, owned by SASCO	100,000	21/01/2023	20/01/2028	

General Notes and Guidelines:

1. The cases included in the Register were compiled and recorded based on the data and forms received from the relevant administrative units for each case. The data captured for the purpose of approving the Register, along with the detailed information for each transaction or case, are stated or referenced in the appendices of the relevant resolution or the minutes of the meeting in which they were discussed, and in accordance with the Companies Law, corporate governance regulations, and the instructions of regulatory and supervisory authorities. This includes the recusal of the concerned member from discussion or recommendation.
2. The Register is approved by the Compliance & Governance Committee on a semi-annual basis or as needed, and is presented to the Board of Directors annually or as required.



Current and Future Risks

Exposure to risks is related to the nature of the bank’s business; however, the bank monitors and manages these risks through the risk management group responsible for managing credit risks, market risks, operational risks, information security and cybersecurity, anti-fraud, and supervising the follow-up and collection of distressed debts. The bank strictly adheres to the requirements of the Saudi Central Bank and the Basel Committee on Banking Supervision. The risks are thoroughly detailed in Notes 31 to 33 of the consolidated financial statements, serving as a supplement to the Board of Directors’ report.

Here are the most important ones:

In 2025, the Risk Management Group remained dedicated to enhancing the effectiveness of the risk management system and implementing best practices and systems to ensure that the bank’s activities achieve an appropriate balance between return and risk.

The risk management group’s framework is built upon three key pillars: solid risk management principles, a well-defined organizational structure, and risk measurement and control processes suited to banking activities to maintain an acceptable level of risk. The risk management group operates autonomously and is independent of the bank’s business groups and departments, in accordance with the Saudi Central Bank’s directives.

The bank has established frameworks to identify, measure, monitor, and manage risks. The banking risk management

process encompasses various types of risks that banks face, including credit risks, market risks, liquidity risks, operational risks, information security risks, and cybersecurity, as well as anti-fraud risks. The bank regularly reviews risk management policies and systems to keep pace with changes in markets and products, aiming to achieve international best practices. Following is a summary of the most significant risks:

Credit Risks

Credit risks are a significant concern for the bank due to its involvement in financing and investment activities. In compliance with approved credit policies and procedures, credit risk work is organized into several units that function as a single system.

Assessing credit risk:

The bank assesses credit risk through quantitative and qualitative measures to determine the risk associated with granting credit facilities. The bank uses an internal rating system to evaluate credit risk for corporate clients, medium and small enterprises, private banking and retail clients, and financial institutions, measuring the probability of default, the potential amount at default, and expected loss given default. The bank continually enhances and periodically reviews internal rating methodologies. In addition, financing for retail customers is provided through approved programs tailored to the risk profile of each product.

Credit risk mitigators and controls:

The bank employs various strategies to mitigate credit risk and ensure compliance with acceptable limits, including forward-looking analysis of financial data and cash flows to assess repayment capacity. Credit approval passes through multiple approval levels and credit committees comprising executive members of the bank or committees at the Board level, based on credit risk level, potential loss, and facility size, in line with the approved credit authority matrix. The bank also obtains appropriate collateral where necessary, including cash cover, pledges over investments and assets, mortgages over commercial and residential real estate, assignment of project proceeds for project finance, and financial, personal, or third-party guarantees. Where applicable, the bank utilizes the Kafalah Program guarantees and co-financing with the SME Bank for SME customers, subject to program criteria. The bank also monitors and limits credit concentration across single counterparties and sectors, applying internal limits to manage concentrations in the financing portfolio.

Monitoring and reports:

The bank conducts at least an annual credit review for all customers with commercial financing through Corporate and Private Banking to confirm business continuity, financing needs, and relationship quality, complemented by periodic client visits during the year. The bank monitors early-warning indicators on a regular basis to safeguard customers’ credit standing. Corporate customers with high credit-risk ratings are placed under special monitoring with semi-annual reviews to reduce exposure prudently.

Retail portfolios (consumer finance, credit cards, and real estate finance) are monitored by segment against set criteria. The bank maintains appropriate insurance for the retail financing portfolio (e.g., credit-life) and insurance on financed properties to mitigate associated risks.

The bank recognizes credit provisions in accordance with international financial reporting standards when indicators suggest expected credit losses, reviewing inputs and assumptions used in the ECL model, including macroeconomic factors and default rates, to reflect changing conditions.

Additionally, the bank issues periodic and monthly portfolio reports analyzing credit concentrations against approved ratios for senior management review and oversight, with regular reporting escalated to the Board Risk Committee.

Real Estate Finance Risk

The Bank's total outstanding residential real estate finance portfolio as of 31 December 2025 was ~~SR~~ 72,100 (in Millions). The Bank has developed adequate policies and procedures to mitigate the credit risk with ensure that the appropriate insurance coverage is in place to hedge against potential financial losses associated with residential real estate portfolio. However, risk elements which are not part of the insurance coverage are dealt with according to the Bank's internal risk management framework.

Following are the different types of insurance that the Bank has utilized to hedge various risks associated with its residential real estate finance portfolio.

(i) Life Insurance: The life insurance provides financial protection in the event of death resulting from natural or accidental events or specified cause as per the real estate financing regulations issued by The Saudi Central Bank.

(ii) Disability Insurance: The disability insurance provides financial protection to recover the outstanding financing amount in the event that the customer becomes fully and permanently disabled and is unable to work or engage in an income earning activity.

(iii) Property Insurance: Property insurance provides coverage for physical damage or loss to the property caused by events such as fire, flood, or natural disasters etc. This is aimed to mitigate the financial impact of property damage, allowing the Bank to recover the costs due to unexpected / unforeseen events.

The bank follows internationally recognized financial standards to determine credit allocations in its financial records and statements. These allocations are made when there are indications of potential losses and may impact the expected cash flows from these assets or investments. The bank carefully evaluates the inputs and assumptions utilized to calculate projected credit losses. This includes making necessary adjustments to the macroeconomic factors and inputs employed in the credit loss model, such as default rates, to account for any economic fluctuations that may arise.

In addition, the bank compiles a comprehensive monthly report that provides an in-depth analysis of the bank's portfolio. This report includes an evaluation of credit concentrations and compares them to the approved ratios. It is then reviewed and supervised by the bank's senior management.

Market Risks

Market risks pose a significant threat to the bank's activities, as they can result in unfavorable outcomes and potential losses. Fluctuations in prices, profit rates, and currencies are key factors contributing to these risks. Furthermore, any sharp and sudden movements in these factors may also affect the Bank's liquidity and funding capacity. The bank is exposed to various types of market risks, including:

Profit Rate Risk:

Profit rate risk refers to the potential impact on a bank's profitability due to fluctuations in market profit/yield rates. Price fluctuations can be attributed to various factors, such as market dynamics and economic conditions, or counterparty-specific adjustments.

Foreign Currency Risk:

This risk arises from fluctuations in exchange rates affecting the Bank's open foreign-currency positions.

The objective of the Bank's market-risk management is to manage and monitor exposures so as to optimize returns within the approved market-risk policies and the Bank's risk-appetite limits. The bank's market risk exposure is categorized into various sources:

Trading portfolios: Exposure arises from changes in market prices of instruments held for trading.

Portfolios for non-trading purposes: The exposure to market risks in portfolios for non-trading purposes is mainly caused by the mismatch between the maturities/ repricing of assets and liabilities, and by the impact of price changes upon reinvestment.

Liquidity Risk

This risk includes the possibility that the bank may be unable to meet funding requirements at a reasonable cost (funding liquidity risk) or unable to liquidate investments quickly at an appropriate price (market liquidity risk). The bank manages liquidity risk by maintaining adequate high-quality liquid assets, diversifying funding sources, regularly monitoring liquidity indicators, and complying with applicable regulatory requirements.

Governance of Market Risks and Liquidity Risks

Enterprise Risk Management and Market Risk functions set limits and monitor adherence by implementing policies and limits approved by the Board of Directors. The Assets and Liabilities Committee (ALCO) is responsible for the strategic management of market and liquidity risks under its assigned mandate. Limits for credit portfolios, products, and risk types are set with consideration for required liquidity and associated credit risk.

The Market Risk Department functions as an independent supervisory unit responsible for effective implementation of market risk policies, developing methodologies and models for market, investment, and liquidity risk measurement (including behavioral liquidity models), promptly reporting any limit breaches to senior management, and reporting market and liquidity risk exposures and limit excesses to ALCO and the Board of Directors.

The bank continued to diversify funding sources to reduce liquidity risk and concentration, maintain adequate liquid assets, and established emergency liquidity and recovery plans in line with SAMA and Basel guidance. Policies and procedures for liquidity risk management are reviewed periodically and require ALCO and Board approval.

Stress testing is performed regularly to assess the impact of changes in profit rates, foreign exchange rates, and other risk factors on profitability, capital adequacy, and liquidity. Results are shared on a regular basis with executive management and the Board of Directors.

In 2025, the Risk Management Group continued to enhance technical systems used for measuring liquidity and market risks, asset-liability management, related studies and reports, and stress testing, as part of an ongoing program to strengthen measurement capabilities.

Operational Risk

Operations risks refer to the potential losses that can occur due to deficiencies or failures in internal processes, individuals, technical systems, or external events. This definition covers legal risks while excluding strategic and reputational risks. Operations risks are inherent in all products, activities, operations, and the bank's technical systems. These risks arise from internal factors and are separate from credit risks and market risks, which are influenced by external factors. Considering this, the bank has implemented a strategy that emphasizes the active involvement of executive management in handling this kind of risk. This is due to the significant influence it has on the bank's various operations. The bank consistently strives to minimize the impact of operational risks in order to accomplish its strategic goals by:

- Thoroughly analyzing and evaluating goals and activities to minimize exposure to operations risks.

Information Security Risks

The bank's information security department is committed to minimizing the risks associated with information networks and security. As technology continues to advance, the department works diligently to ensure the highest standards of information security are upheld, including availability, integrity, and confidentiality. This is crucial in supporting the growth of the bank's technical services and safeguarding against cyber threats. The bank is always assessing cyber risks in order to guarantee the security of the technology or services it uses to give its customers the services they require. Here are the key points covered in this information security risk assessment:

- Assessing potential operational risks in current and new products and services, as well as information technology activities, processes, and systems. Utilizing operational risk management tools to identify any gaps that could result in operational losses. Developing corrective measures to prevent these losses from happening in the future. Evaluating the risks associated with the bank's different activities and implementing measures to mitigate these risks. Collecting data on key risk indicators to proactively monitor the level of exposure to operations risks as an early warning system.
- The bank's management takes a proactive approach to addressing operational risks.
- Conducting regular and comprehensive assessments of the bank's policies, procedures, and performance.
- Ensuring complete compliance to instructions from regulatory authorities and international standards when managing operations risks.
- Providing regular reports to the executive management and the Board of Directors regarding the assessment of operations risks and losses faced by the bank, along with the necessary corrective actions.
- Assessment of services, technical projects, and new initiatives implemented by the bank to enhance its electronic services.
- Regularly assess the response to cybersecurity incidents to ensure the procedure's effectiveness.
- Assessing the security level of technical services through rigorous security vulnerability assessments and breach tests on highly sensitive systems.
- Regular risk assessment focused on the business and IT departments to identify any potential security risks in the procedures or controls of security systems.
- Supervising the compliance process with regulatory guidelines and laws and ensuring the enforcement of cybersecurity controls.

Financial Fraud Risks

These are risks arising from the possibility that an individual or fraudulent entity may engage in deception and manipulation to steal personal data and commit financial fraud through electronic channels for illegal purposes. The bank continuously works through a specialized fraud-prevention function to implement measures that reduce fraud risk, applying SAMA regulatory controls and monitoring transactions based on customer behavior to limit or prevent fraudulent activity, alongside ongoing assessment of emerging fraud typologies. The key tasks include:

- Assessing financial-fraud risks by reviewing process steps and limits for products and services, particularly across digital channels.
- Continuing to deploy advanced systems to detect and prevent fraud in accordance with regulatory controls.
- Raising awareness of fraud risks and building a culture of vigilance among the bank's customers and business lines.
- Ensuring compliance with regulatory guidelines and the applicable anti-fraud framework controls.

Business Continuity

The bank is dedicated to thoroughly reviewing, updating, and developing the concept of business continuity to assess the bank's readiness in the unfortunate event of crises, God forbid. In 2025, Three comprehensive tests were conducted (Business Continuity Annual Plan Test - Disaster Recovery Annual Plan Test - Cybersecurity Annual Test) to ensure the effectiveness of the business continuity plan in accordance with the instructions of the Saudi Central Bank.

Furthermore, comprehensive disaster recovery plan tests were conducted, spanning 14 days and encompassing all critical operations and IT systems. These tests involved switching these systems to the Bank's secondary data center. The test was successfully completed.

In response to a request from the Saudi Central Bank, the Bank also conducted a sudden disaster recovery test. This test, which spanned 14 days, entailed switching all critical operations and IT systems to the secondary data center. The test was successfully completed.

The Bank provides comprehensive training to all employees and its subsidiaries on business continuity, ensuring widespread awareness among staff. By fostering employee knowledge, the Bank enhances the resilience of business continuity plans and procedures, aligning with the directives of the Saudi Central Bank.

Compliance with Corporate Governance Regulations

The Bank and its Board of Directors shall comply with the updated Corporate Governance Regulations issued by the Capital Market Authority, its updates, as well as with the Executive Regulations of the Companies Law for listed joint stock companies, the main principles of governance in financial institutions subject to the supervision of the Saudi Central Bank and their updates, the regulatory instructions and controls issued in accordance with the Companies Law, its updates and regulations, and the Bank's relevant policies and documents.

The Bank has committed to implementing all the provisions of the aforementioned Corporate Governance Regulations, with the exception of sub-paragraph (b) related to the disclosure of senior executives' remuneration of subparagraph (4) of paragraph (a) of Article (90) and related to paragraph (b) of the same article, as it was partially complied with by disclosing the total remuneration of the aforementioned senior executives.

Board Acknowledgments

The Board of Directors of the Bank affirms the following:

- The account records have been appropriately prepared.
- The internal control system has been adequately developed and effectively implemented.
- There is absolutely no doubt about the Bank's ability to continue its activities.

In conclusion, the Board of Directors, the CEO and all the ambassadors of the Bank have the honor to extend their deepest thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud - may Allah protect him, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and the Prime Minister - may Allah protect him - for the assistance, support and encouragement received by the banking sector and financial institutions, and thanks to the Ministry of Finance, the Ministry of Commerce, the Capital Market Authority, and the Saudi Central Bank.

The Board of Directors and the CEO would also like to extend their thanks and appreciation to all the Bank's shareholders and customers for their support and trust. They also thank Albilad ambassadors for their sincere efforts to develop and improve the performance and achieve the Bank's goals and objectives.

05

Financial Statements



Consolidated Statement of Financial Position

as at december 31, 2025 and 2024

	Note	2025 S 000	2024 S 000
ASSETS			
Cash and balances with Saudi Central Bank	5	9,616,694	11,248,481
Due from banks and other financial institutions, net	6	5,883,033	5,099,401
Investments, net	7	31,123,031	25,032,071
Financing, net	8	122,188,499	109,304,086
Other assets	9	1,364,184	1,909,913
Property, equipment and right of use assets, net	10	2,796,630	2,370,735
Total assets		172,972,071	154,964,687
LIABILITIES AND EQUITY			
Liabilities			
Due to banks, Saudi Central Bank and other financial institutions	11	6,982,815	5,492,799
Customers' deposits	12	132,879,116	121,776,215
Sukuk and term financing	13	3,144,407	3,147,121
Other liabilities	14	8,609,813	7,855,322
Total liabilities		151,616,151	138,271,457
Equity			
Share capital	15	15,000,000	12,500,000
Treasury shares		(223,001)	(210,866)
Statutory reserve	16	2,646,327	2,883,989
Other reserves	17	(421,338)	(387,077)
Retained earnings		1,895,955	1,869,134
Employees' share plan reserve		20,119	38,050
Equity attributable to the shareholders of the Bank		18,918,062	16,693,230
Tier 1 Sukuk	13	2,437,858	-
Total equity		21,355,920	16,693,230
Total liabilities and equity		172,972,071	154,964,687

CONSOLIDATED STATEMENT OF INCOME

for the years ended december 31, 2025 and 2024

	Note	2025 S 000	2024 S 000
INCOME:			
Income from investing and financing assets	20	9,143,390	8,559,276
Return on deposits and financial liabilities	21	(4,391,867)	(4,125,673)
Income from investing and financing assets, net		4,751,523	4,433,603
Fee and commission income	22	1,291,769	1,212,340
Fee and commission expenses	22	(568,796)	(511,825)
Fee and commission income, net	22	722,973	700,515
Exchange income, net		296,123	316,470
Dividend income		103,827	103,245
Gain on fair value through statement of income (FVSI) investments, net	23	17,010	14,156
Other operating income		300,441	103,890
Total operating income		6,191,897	5,671,879
EXPENSES:			
Salaries and employee related expenses	24	1,514,748	1,443,286
Depreciation and amortization	10	303,492	273,382
Other general and administrative expenses	25	792,792	696,726
Operating expenses before expected credit losses		2,611,032	2,413,394
Impairment charge for expected credit losses, net	26	181,363	129,688
Total operating expenses		2,792,395	2,543,082
Net income for the year before zakat		3,399,502	3,128,797
Zakat for the year		350,149	322,266
Net income for the year after zakat		3,049,353	2,806,531
Basic and diluted earnings per share (S)	27	1.99	1.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended december 31, 2025 and 2024

	Note	2025 ₹ 000	2024 ₹ 000
Net income for the year after zakat		3,049,353	2,806,531
Other comprehensive income / (loss):			
Items that will not be reclassified to the consolidated statement of income in subsequent periods			
• Net changes in fair value of FVOCI – equity instruments		(125,808)	(5,757)
• Actuarial (loss) / gain on re-measurement of employees' end of service benefits ("EOSB")	29	(4,164)	(711)
Items that may be reclassified to the consolidated statement of income in subsequent periods			
• Net changes in fair value of FVOCI – debt instruments		93,991	(203,896)
• Impairment (reversal) / charge for expected credit losses of FVOCI debt instruments		9,430	4,867
• Effective portion of change in the fair value of cash flow hedges		(7,710)	2,564
Total other comprehensive (loss) / income for the year		(34,261)	(202,933)
Total comprehensive income for the year		3,015,092	2,603,598

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 RM '000	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
Balance at the beginning of the year		12,500,000	(210,866)	2,883,989	(387,077)	1,869,134	38,050	16,693,230	-	16,693,230
Net changes in fair value of FVOCI-equity instruments					(125,808)			(125,808)		(125,808)
Re-measurement of employees' end of service benefits ("EOSB")	29				(4,164)			(4,164)		(4,164)
Net changes in fair value of FVOCI - debt instruments					93,991			93,991		93,991
Impairment reversal for expected credit losses of FVOCI debt instruments					9,430			9,430		9,430
Effective portion of change in fair value of cash flow hedge					(7,710)			(7,710)		(7,710)
Total other comprehensive loss for the year					(34,261)			(34,261)		(34,261)
Net income for the year after zakat						3,049,353		3,049,353		3,049,353
Total comprehensive income for the year					(34,261)	3,049,353		3,015,092		3,015,092
Movement in treasury shares			(12,135)				12,135	-		-
Employees' share plan reserve							(30,066)	(30,066)		(30,066)
Issuance of bonus shares	15	2,500,000		(1,000,000)		(1,500,000)		-		-
Interim cash dividend paid for the year 2025	18					(675,000)		(675,000)		(675,000)
Tier 1 Sukuk issued	13							-	2,437,858	2,437,858
Tier 1 Sukuk costs	13					(85,194)		(85,194)		(85,194)
Transfer to statutory reserve	16			762,338		(762,338)		-		-
Balance at the end of the year		15,000,000	(223,001)	2,646,327	(421,338)	1,895,955	20,119	18,918,062	2,437,858	21,355,920

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended december 31, 2025

2024 Rp 000	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
Balance at the beginning of the year		10,000,000	(148,493)	2,182,356	(166,337)	3,371,429	19,155	15,258,110	-	15,258,110
Net changes in fair value of FVOCI-equity instruments					(5,757)			(5,757)		(5,757)
Re-measurement of employees' end of service benefits ("EOSB")	29				(711)			(711)		(711)
Net changes in fair value of FVOCI - debt instruments					(203,896)			(203,896)		(203,896)
Impairment reversal for expected credit losses of FVOCI debt instruments					4,867			4,867		4,867
Effective portion of change in fair value of cash flow hedge					2,564			2,564		2,564
Total other comprehensive loss for the year					(202,933)			(202,933)		(202,933)
Net income for the year after zakat						2,806,531		2,806,531		2,806,531
Total comprehensive income for the year					(202,933)	2,806,531		2,603,598		2,603,598
Realized gain from sale of FVOCI equity instruments					(17,807)	17,807		-		-
Movement in treasury shares			(62,373)				62,373	-		-
Employees' share plan reserve							(43,478)	(43,478)		(43,478)
Issuance of bonus shares	15	2,500,000				(2,500,000)		-		-
Final cash dividend paid for the year 2023	18					(500,000)		(500,000)		(500,000)
Interim cash dividend paid for the year 2024	18					(625,000)		(625,000)		(625,000)
Transfer to statutory reserve	16			701,633		(701,633)		-		-
Balance at the end of the year		12,500,000	(210,866)	2,883,989	(387,077)	1,869,134	38,050	16,693,230	-	16,693,230

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the years ended december 31, 2025 and 2024

	Note	2025 S 000	2024 S 000
OPERATING ACTIVITIES			
Net income for the year before zakat		3,399,502	3,128,797
Adjustments to reconcile net income to net cash generated from operating activities:			
Return on sukuk		212,337	235,774
Gain on FVSI investments, net		(17,010)	(14,156)
Gain on disposal of property and equipment, net		(148,618)	(167)
Finance charges on lease liabilities		16,505	11,576
Depreciation and amortization	10	303,492	273,382
Impairment charge for expected credit losses, net	26	181,363	129,688
Employees' share plan reserve		(17,931)	18,895
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(339,271)	(564,506)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		(104,406)	1,227,373
Investments at amortized cost maturing after ninety days from date of acquisition		842,391	780,622
Financing, net		(13,059,887)	(7,336,706)
Other assets		545,729	(275,229)

	Note	2025 S 000	2024 S 000
Net increase / (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		1,490,016	1,218,891
Customers' deposits		11,102,901	8,944,970
Other liabilities		599,102	204,880
		5,006,215	7,984,084
Zakat paid		(344,254)	(272,302)
Net cash generated from operating activities		4,661,961	7,711,782
INVESTING ACTIVITIES			
Purchase of investments held as FVOCI		(9,018,576)	(3,214,324)
Proceeds from sale of investments held as FVOCI		1,199,241	339,851
Proceeds from sale / (purchase) of investments held as FVSI		9,460	(46,183)
Proceeds from maturity / (purchase) of investments held as amortized cost		865,258	(1,019,752)
Purchase of property and equipment		(574,839)	(453,327)
Proceeds from sale of property and equipment		233,412	167
Net cash used in investing activities		(7,286,044)	(4,393,568)

Consolidated Statement of Cash Flows

for the years ended december 31, 2025 and 2024

	Note	2025 ﷲ 000	2024 ﷲ 000
FINANCING ACTIVITIES			
Sukuk return paid		(215,051)	(240,266)
Issuance of sukuk		2,437,858	-
Tier 1 Sukuk costs		(85,194)	-
Movement in treasury shares		(12,135)	(62,373)
Dividends paid		(675,000)	(1,125,000)
Payment of finance charges on lease liabilities		(16,505)	(11,576)
Principal payment of lease liabilities		(101,722)	(121,442)
Proceeds from term financing		-	100,000
Net cash from / (used in) financing activities		1,332,251	(1,460,657)
Net (decrease) / increase in cash and cash equivalents		(1,291,832)	1,857,557
Cash and cash equivalents at the beginning of the year		8,727,034	6,869,477
Cash and cash equivalents at the end of the year	28	7,435,202	8,727,034
Income received from investing and financing assets during the year		8,692,908	8,639,647
Return paid on deposits and financial liabilities during the year		4,252,817	4,300,957
Supplemental information			
Right of use assets		239,342	32,830
Effective portion of change in fair value of cash flow hedge		(7,710)	2,564

*refer note 40

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements

1. GENERAL

a) Incorporation and operation

Bank Albilad (“the Bank”), a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia, was formed and licensed pursuant to Royal Decree No. M/48 dated Ramadan 21, 1425H (corresponding to November 4, 2004) in accordance with the Counsel of Ministers’ resolution no. 258 dated Ramadan 18, 1425H (corresponding to November 1, 2004). The Bank operates under Commercial Registration No.1010208295 dated Rabi Al Awal 10, 1426H (corresponding to April 19, 2005), Unified National No. 7001473102 and the Bank provides banking services through 108 banking branches (December 31, 2024: 107) in the Kingdom of Saudi Arabia.

The registered address of the Bank’s head office is as follows:

Bank Albilad
P.O. Box 140
Riyadh 11411
Kingdom of Saudi Arabia

The Group’s objective is to provide full range of banking services and conduct financing and investing activities through various Islamic instruments. The activities of the Bank are conducted in compliance with the Shariah Committee resolutions and directions and within the provisions of the Bank’s By-laws and the Banking Control Law.

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”). Albilad Investment Company, Albilad Real Estate Company,

Enjaz Payment Services Company, Financial Solutions Company for Investment and Dufaa Finance Company are directly or indirectly 100% owned by the Bank. All subsidiaries are incorporated in the Kingdom of Saudi Arabia.

b) Shariah Committee

The Bank has established a Shariah Committee (“the Committee”). It ascertains that all the Bank’s activities are subject to its approval and control.

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia (“IFRS”) and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and the Banking Control Law and the applicable provisions of Regulations for Companies in the Kingdom of Saudi Arabia.

b) Basis of measurement and presentation

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement of the financial instruments held at Fair value through statement of income (FVSI), Fair Value through other comprehensive income (FVOCI) investments, liabilities for cash-settled-share based payments and defined benefit obligations.

The consolidated statement of financial position is stated in order of liquidity.

c) Going concern

In making the going concern assessment, the Group has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc.

d) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals (SAR), which is the Bank's functional currency. Except otherwise indicated, financial information presented in SAR has been rounded off to the nearest thousand.

e) Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA, requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and fair value measurement.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates,

assumptions or exercised judgements are as follows:

i- Expected credit losses ("ECL") on financial assets

The measurement of ECL under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

1 The selection of an estimation technique or modelling methodology, covering below key judgements and assumptions:

- a) The Bank's internal credit grading model, which assigns Probability of default (PD) to the individual grades;
- b) The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- c) The segmentation of financial assets when their ECL is assessed on a collective basis;
- d) Development of ECL models, including the various formulas.
- e) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

2. The selection of inputs for those models and the interdependencies between those inputs such as macroeconomic scenarios and economic inputs.

- ii- Fair value measurement of financial instruments (note 34).
- iii- Determination of control over investees (note 3).
- iv- Depreciation and amortization (note 4 and 10).
- v- Employee benefit obligation (note 29).
- vi- Government grant (note 4).
- vii- Lease accounting (note 4).
- viii- Judgement of equity vs liability for Tier 1 Sukuk.

The Bank classifies Sukuks issued with no fixed redemption / maturity dates (perpetual Sukuk), and where the Bank may elect not to pay profit, as part of equity. The related initial costs and distributions thereon are recognised directly in the consolidated statement of changes in equity under retained earnings. Management exerts judgment in the determination of equity classification for the Tier 1 Sukuk, after considering the terms and conditions in the Offering Circular.

financial statements from the date that control commences until the date that control ceases.

All intra-group balances, transactions, income and expenses are eliminated in full in preparing these consolidated financial statements.

The consolidated financial statements have been prepared using uniform accounting policies and valuation methods for like transactions and other events in similar circumstances. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as identified in note 1. The financial statements of subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies.

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

• **Change in accounting policies**

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective January 1, 2025 replacing, amending or adding to the corresponding accounting policies set out in 2024 annual consolidated financial statements.

New standards, interpretations and amendments adopted by the Group

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, these do not have a material impact on the consolidated financial statements of the year:

Standard, interpretation or amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	January 1, 2025

New standards, interpretations and amendments issued but not yet effective and not early adopted by the Group

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2026. The Group did not opt for early adoption of these pronouncements and is in process of assessing the impact on the consolidated financial statements of the Group.

• **Change in accounting policies (continued)**

New standards, interpretations and amendments issued but not yet effective and not early adopted by the Group (continued)

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	January 1, 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	January 1, 2026

• Change in accounting policies (continued)

New standards, interpretations and amendments issued but not yet effective and not early adopted by the Group (continued)

Standard, interpretation or amendments	Description	Effective date
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of income classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVSI.

Financial Asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVSI:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Currently, cash and balances with Saudi Central Bank (SAMA), due from banks and other financial institution, certain investments (Bei -Ajel with Saudi Central Bank and Sukuk and term financing), financing and certain other assets are classified as held at amortized cost.

Financial Asset at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVSI:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Profit income and foreign exchange gains and losses are recognised in consolidated statement of income.

Equity Instruments: On initial recognition, for an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument (i.e. share-by-share) basis.

Financial Asset at FVSI

All other financial assets are classified as measured at FVSI.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVSI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice; In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- • How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Classification of financial assets (continued)

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVSI because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic financing risks associated with the principal amount outstanding during a particular period and other basic financing costs (e.g. liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

Financial Asset at FVSI (continued)

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money- e.g. periodical reset of profit rates.

• Classification of financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and financing commitments, as measured at amortized cost.

• Derecognition

- Financial assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in consolidated statement of income.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale and repurchase transactions, as the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

- Financial liabilities

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

• Modifications of financial assets and financial liabilities

- Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new financial asset and fees that represents reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in consolidated statement of income as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as income from investing and financing assets.

Modified financial assets are not automatically presumed to remain in stage 1 following modification.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Modifications of financial assets and financial liabilities

- Financial liabilities

The Bank derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in consolidated statement of income.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective profit rate and the resulting gain or loss is recognized in consolidated statement of income. For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

• Expected Credit losses (ECL)

The Bank recognizes loss allowances for ECL on the following financial instruments that are not measured at FVSI:

- Financial assets that are measured at amortized cost;
- Debt instruments assets measured at FVOCI;
- Financial guarantee contracts issued; and
- Financing commitments issued.

No impairment loss is recognized on FVOCI equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt security/other financial asset to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. Investment grade is considered to be rated BBB- or higher for Fitch and S&P Global. Investment grade for Moody's is considered Baa3 or higher.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognized are referred to as 'Stage 1' performing financial instruments. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as 'Stage 2 performing financial instruments'. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Financial instruments for which the lifetime

ECL are recognized and that are credit-impaired are referred to as 'Stage 3 non-performing financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

• Expected Credit losses (ECL) (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and the ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset and then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of financing by the Bank on terms that the Bank would not consider otherwise.
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Credit-impaired financial assets (continued)

A financing that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

- The rating agencies' assessments of creditworthiness;
- The country's ability to access the capital markets for new debt issuance; and
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

• Expected Credit losses (ECL) (continued)

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Financing commitments and financial guarantee contracts: generally, as a provision;

- Where a financial instrument includes both a drawn and an undrawn component and the Bank cannot identify the ECL on the financing commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.
- Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of consolidated financial position because the carrying amount of these assets is their fair value.

Write-off

Financing and investment in debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income.

• Financial guarantees and financing commitments

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to financing at a below-market profit rate are initially measured at fair value and the initial fair value is amortized over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principle of IFRS 15.

The Bank has issued no financing commitments that are measured at FVSI. For other financing commitments, the Bank recognizes loss allowance.

• Derivative financial instruments

Derivative financial instruments and hedge accounting

Derivative financial instruments including foreign exchange contracts, profit rate swaps and currency swaps are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value in the consolidated statement of financial position. The transaction costs are recognised in the consolidated statement of income.

All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow models and approved pricing models, as appropriate.

The treatment of changes in their fair value depends on their classification into the following categories:

i. Derivatives held for trading

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to the consolidated statement of income and disclosed as gains on FVSI investments, net. Derivatives held for trading also includes those derivatives which do not qualify for hedge accounting.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Derivative financial instruments

Derivative financial instruments and hedge accounting (continued)

ii. Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank accounts for an embedded derivative separately from the host contract when:

- a) the host contract is not an asset in the scope of IFRS 9;
- b) the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- c) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value with all changes in fair value recognized in consolidated statement of income unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

iii. Hedge Accounting

As indicated in the accounting policies below, the Bank elected to account for hedge accounting under IFRS 9.

The Bank designates certain derivatives as hedging instruments in qualifying hedging relationships to manage exposures to profit rate, foreign currency and credit risks including exposures arising from highly probable forecast transactions and firm commitments. To manage particular risk, the bank applies hedge accounting for transactions that meet specific criteria.

For the purpose of hedge accounting, hedges are classified into two categories:

- (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, (or assets or liabilities in case of portfolio hedging), or an unrecognised firm commitment or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss; and
- (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

To qualify for hedge accounting, the hedge should be expected to be highly effective, i.e., the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objective and strategy are documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged and how the Bank will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an on-going basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. Hedge ineffectiveness is

recognized in the statement of income in 'Net trading income'.

For situations where the hedged item is a forecast transaction, the Bank also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the consolidated statement of income.

Fair Value Hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect statement of income, any gain or loss from re-measuring the hedging instruments to fair value is recognised immediately in the consolidated statement of income together with change in the fair value of the hedged item attributable to the hedged risk under non-trading gains / losses in the consolidated statement of income.

For hedged items measured at amortised cost, where the fair value hedge of a commission bearing financial instrument ceases to meet the criteria for hedge accounting or is sold, exercised or terminated, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the effective commission rate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated statement of income.

Cash flow hedges

For designated and qualifying cash flow hedging, derivatives instruments in a hedge of a variability in cash flows attributable to a particular risk associated with recognised asset or a liability or a highly probable forecast transaction that could affect the consolidated statement of income, the portion of the gain or loss on the hedging instrument that is determined to be an effective portion is

recognised directly in other comprehensive income and the ineffective portion,

if any, is recognised in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves, are transferred to the consolidated statement of income in the same period in which the hedged item affects the consolidated statement of income. However, if the Bank expects that all or a portion of a loss recognized in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into the consolidated statement of income as a reclassification adjustment the amount that is not to be recognized.

Where the hedged forecasted transaction results in the recognition of a non- financial asset or a non-financial liability, then at the time such asset or liability is recognised the associated gains or losses that had previously been recognised directly in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of such asset or liability.

When the hedging instrument is expired or sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the forecast transaction is no longer expected to occur, or the Bank revokes the designation then hedge accounting is discontinued prospectively. At that point of time, any cumulative gain or loss on the cash flow hedging instrument that was recognised in other comprehensive income from the period when the hedge was effective is transferred from equity to statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affects the statement of income, the net cumulative gain or loss recognised in "other comprehensive income" is transferred immediately to the consolidated statement of income.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Government grant

The Group recognizes a government grant related to income, if there is a reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant. The benefit of a government deposit at a below-market rate of profit is treated as a government grant related to income. The below-market rate deposit is recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the deposit determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. The government grant is recognized in the consolidated statement of income on a systematic basis over the period in which the Group recognizes as expenses the related costs for which the grant is intended to compensate.

• Revenue / expenses recognition

- Income on investing and financing assets and return on deposits and financial liabilities

Income on investing and financing assets and return on deposits and financial liabilities is recognized in the consolidated statement of income using the effective yield method on the outstanding balance over the term of the contract.

When calculating the effective yield rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective yield rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective yield rate includes transaction costs and fees and points paid or received that are an integral part of the effective yield rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

- Measurement of amortized cost and profit income

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective yield method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating yield income and expense, the effective yield rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, yield income is calculated by applying the effective yield rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of yield income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, yield income is calculated by applying the credit-adjusted effective yield rate to the amortized cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

- Customer loyalty program

The Bank offers customer loyalty program (reward points) which allows card members to earn points that can be redeemed for certain Partner outlets. The Bank allocates a portion of transaction price (interchange fee) to the reward points awarded to card members, based on the relative stand-alone selling price.

The amount of revenue allocated to reward points is deferred and released to the consolidated statement of income when reward points are redeemed.

The cumulative amount of contract liability related unredeemed reward points is adjusted over time based on actual experience and current trends with respect to redemption.

- Foreign currencies

The Group's consolidated financial statements are presented in Saudi Arabian Riyals, which is also the Bank's and group companies' functional currency.

Transactions in foreign currencies are translated into Saudi Arabian Riyals at spot rates prevailing transactions dates. Monetary assets and liabilities at year-end, denominated in foreign currencies, are translated into Saudi Arabian Riyals at exchange rates prevailing at the reporting date.

Realized and unrealized gains or losses on exchange are credited or charged to the consolidated statement of income.

- Exchange income / (loss)

Exchange income/ (loss) is recognized as detailed in foreign currencies policy above.

- Fees and commission income and expenses

Fees and commission income and expenses that are integral to the effective yield rate on a financial assets or financial liability are included in the income from investing and financing assets.

Fees and commission income and expense that are not integral part of the effective yield calculation on a financial asset or liability are recognized when the related service is provided as follows:

- Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually over the period of time.
- Fee received on asset management, wealth management, financial planning, custody services and other similar services that are provided over an extended period of time, are recognized over the period when the service is being provided.
- Performance linked fees or fee components are recognized at point in time when the performance criteria are fulfilled.
- Financing commitment fees for financing that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the effective yield on the financing at a point in time when the performance obligation is fulfilled. When a financing commitment is not expected to result in the draw-down of a financing, financing commitment fees are recognized on a straight-line basis over the commitment period.
- Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the transaction is completed or the service, is received.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Dividend income

Dividend income from investment is recognized when the Group's right to receive the dividend is established.

Fair value measurement

The Group measures financial instruments, such as, equity instruments and non-financial assets, at fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

Where the Bank purchases the Bank's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Bank as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the owners of the Bank.

Shares held by the Bank are disclosed as treasury shares and deducted from contributed equity.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold.

Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the consolidated statement of financial position.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• **Property and equipment**

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss. Freehold land is not depreciated. Changes in the expected useful life are accounted for by changing the period or method, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the group. On-going repairs and maintenance are expensed as incurred.

The cost of other property and equipment is depreciated and amortized on the straight-line method over the estimated useful lives of the assets as follows:

Building	33 years
Leasehold improvements	Over lease period or economic life (10 years), whichever is shorter
Equipment and furniture and motor vehicles	4 to 6 years
Computer hardware	5 years

The assets' residual values depreciation methods and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the consolidated statement of income.

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

• **Provisions**

Provisions are recognised when a reliable estimate can be made by the Bank for a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation.

Provisions for liabilities and charges

The Group receives legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depends on the due process being followed as per law.

• **Accounting for leases**

- Right of use ("ROU") asset / lease liability

On initial recognition at the inception of the contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is identified if most of the benefits are flowing to the Group and the Group can direct the usage of such assets.

- Right of use asset

The Group applies cost model and measures the right of use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any re-measurement of the lease liability for lease modifications.

Generally, the ROU asset would equate the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transactions etc. these need to be added to the ROU asset value.

- Lease liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Bank measures the lease liability by:

- 1. Increasing the carrying amount to reflect the profit on the lease liability;
- 2. Reducing the carrying amount to reflect the lease payments made; and
- 3. Re-measuring the carrying amount to reflect any re-assessment or any lease modification.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense.

• **Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash in hand, balances and Bei-Ajel with the Saudi Central Bank (SAMA) excluding statutory deposit and due from banks and other financial institutions with original maturities of three months or less from the date of acquisition which is subject to insignificant changes in their fair value.

• **Treasury shares**

Treasury shares are recorded at cost and presented as a deduction from the equity as adjusted for any transaction costs, dividends and gains or losses on sale of such stocks. Subsequent to their acquisition, these shares are carried at the amount equal to the consideration paid.

These shares are acquired by the Bank with the approval of SAMA, primarily for discharging its obligation under its share-based payment plans.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Employees' share plan

The Bank offers its eligible employees an equity-settled share-based payment plan as approved by Saudi Central Bank. As per the plan, eligible employees of the Bank are offered stocks to be withheld out of their annual bonus payments.

The cost of the plan is measured by reference to the fair value at the date on which the stocks are granted.

The cost of the plan is recognized over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the stock option ('the vesting date'). The cumulative expense recognized for the plan at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a year represents the movement in cumulative expense recognized as at the beginning and end of that year.

The Bank, with the approval from Saudi Central Bank, has entered into an agreement with an independent third-party for custody of the shares under the plan, plus any benefits accrued there-on.

• End of service benefits

The provision for end of service benefits is made based on actuarial valuation in accordance with Saudi Arabian Labour Laws. Net obligation, with respect to end of service benefits, to the Bank is reviewed by using a projected unit credit method. Actuarial gains and losses (Re-measurements) are recognized in full in the period in which they occur in other comprehensive income. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

Profit expense is calculated by applying the discount rate to the net defined benefit liability. The Bank recognizes the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the consolidated statement of income.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Net profit expense or income

The assumptions used to calculate the scheme obligations include assumptions such as expected future salaries growth, expected employee resignation rates and discount rate to discount the future cash flows.

• Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and is expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

• Zakat and withholding tax

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the profit or loss. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat.

Withholding tax is withheld from payments made to non-resident vendors for services rendered according to the tax law applicable in Saudi Arabia and are directly paid to the ZATCA on a monthly basis.

• Value Added tax ("VAT")

The Group collects VAT from its customers for qualifying services provided and makes VAT payments to its vendors for qualifying payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is borne by the Group and is either expensed or in the case of property, equipment and intangibles payments, is capitalized and either depreciated or amortized as part of the capital cost.

• Investment management services

The Group offers investment services to its customers, through its subsidiary, which include management of certain investment funds in consultation with professional investment advisors. The Group's share of these funds is included in the FVSI investment and fees earned are disclosed under related party transactions.

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly, are not included in the consolidated financial statements.

• Islamic banking products

Financing comprises of Bei-ajel, Installment Sales, Musharakah and Ijarah originated or acquired by the Group.

Bei-ajel and installment sales are financing contracts based on Murabaha whereby the Group sells to customers a commodity or an asset which the Group has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin. Bei ajel is used for corporate customers whereas installment sale is used for retail customers.

Ijarah muntahia bittamleek is an agreement whereby the Group, acting as a lessor, purchases or constructs an asset for lease according to the customer (lessee) request, based on his promise to lease the asset for an agreed rent and for a specific period. Ijarah could end by transferring the ownership of the leased asset to the lessee.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

• Islamic banking products (continued)

Musharakah is an agreement between the Group and a customer to contribute to a certain investment enterprise or the ownership of a certain property ending up with the acquisition by the customer of the full ownership. The profit or loss is shared as per the terms of the agreement.

• Profit sharing investment account (PSIA)

The Bank offers unrestricted and restricted investment accounts based on fully Shariah compliant concept.

In Mudaraba, the Bank (Mudarib) manages Investment Holders (IAH) funds along with its own share of investment, to an unrestricted joint investment pool. Funds from this unrestricted joint investment pool are utilized to provide financing to customers under Islamic modes and to invest in other Shariah compliant investments opportunities. Such information is available for all customers at Bank’s website, branches and call center.

Under Wakala arrangement, Bank accepts funds from investors as Wakeel and invests in Sharia compliant assets. Wakeel is entitled to a fixed fee as a lump sum or percentage of fund provided. Expected profit payout is mentioned to investors upfront while any return generated in excess of expected profit is retained by the Bank as Wakeel. Wakeel should bear the loss in case of Wakeel’s default, negligence or violation of any terms and conditions of the Wakala agreement, otherwise the loss would be borne by the investor or Muwakil.

The bank maintains necessary reserves as required by SAMA.

Any profits accrued out of the investment are shared between the two parties on a pre-agreed basis, while loss (if any) is borne by the Investor (Rab-ul-Maal). Operating expenses incurred by the Bank are not charged to investment account. In case of the loss resulting from the transactions in a jointly financed investment, such loss shall first be deducted from undistributed profits, if any. Any excess of such loss shall be deducted from Investment Risk Reserve (IRR).

Unrestricted investment accountholders are commingled with Bank funds for investment, no priority is granted to any party for the purpose of investments and distribution of profits. The administration expenses are only charged on the Bank expenses.

5. CASH AND BALANCES WITH SAUDI CENTRAL BANK

	Note	2025 ﷼ 000	2024 ﷼ 000
Cash in hand		1,428,593	1,314,780
Statutory deposit	5.1	6,351,536	6,012,265
Other balances	5.2	1,836,565	3,921,436
Total		9,616,694	11,248,481

5.1 In accordance with the Banking Control Law and Regulations issued by Saudi Central Bank, the Bank is required to maintain a statutory deposit with Saudi Central Bank at stipulated percentages of its demand, saving, time and other deposits, calculated based on end of day monthly average balance. The statutory deposit with Saudi Central Bank is not available to finance the Bank’s day to day operations and therefore is not part of cash and cash equivalents. As at December 31, 2025, the Bank is in compliance with these deposit requirements.

5.2 This includes mainly cash management account with Saudi Central Bank.

6. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS, NET

	2025 ﷼ 000	2024 ﷼ 000
Demand	691,437	901,461
Commodity murabaha	5,193,711	4,199,985
Less : allowance for expected credit losses	5,885,148 (2,115)	5,101,446 (2,045)
Total	5,883,033	5,099,401

An analysis of changes in loss allowance and gross carrying amount for due from banks and other financial institutions is, as follows:

	Expected credit loss allowance			
December 31, 2025 ₪ in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2025	2,045	-	-	2,045
Net charge for the year	70	-	-	70
Net movement during the year	-	-	-	-
As at December 31, 2025	2,115	-	-	2,115

	Gross carrying amount			
December 31, 2025 ₪ in '000'	Stage 1 12-month) (ECL	Stage 2 (Lifetime ECL not credit (impaired	Stage 3 Lifetime) ECL credit (impaired	Total
As at January 1, 2025	5,101,446	-	-	5,101,446
Net reversal for the year	-	-	-	-
Net derecognized during the year	783,702	-	-	783,702
As at December 31, 2025	5,885,148	-	-	5,885,148

	Expected credit loss allowance			
December 31, 2024 ₪ in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2024	2,913	-	-	2,913
Net reversal for the year	(868)	-	-	(868)
Net derecognized during the year	-	-	-	-
As at December 31, 2024	2,045	-	-	2,045

	Gross carrying amount			
December 31, 2024 ₪ in '000'	Stage 1 12-month) (ECL	Stage 2 (Lifetime ECL not credit (impaired	Stage 3 Lifetime) ECL credit (impaired	Total
As at January 1, 2024	8,173,007	-	-	8,173,007
Net reversal for the year	-	-	-	-
Net derecognized during the year	(3,071,561)	-	-	(3,071,561)
As at December 31, 2024	5,101,446	-	-	5,101,446

7. INVESTMENTS, NET

a. Investments as at December 31 comprise the following:

2025					
	Domestic		International		Total
	Quoted ﷲ '000'	Unquoted ﷲ '000'	Quoted ﷲ '000'	Unquoted ﷲ '000'	
Fair value through other comprehensive income (FVOCI)					
Equities	682,084	163,005	50,626	-	895,715
Sukuk	12,603,158	4,250,906	1,107,263	-	17,961,327
	13,285,242	4,413,911	1,157,889	-	18,857,042
Fair value through statement of income (FVSI)					
Mutual funds	68,447	396,053	3,467	511,071	979,038
Equities	89,159	-	61,574	-	150,733
	157,606	396,053	65,041	511,071	1,129,771
Amortized cost					
Bei-Ajel with Saudi Central Bank	-	309,549	-	-	309,549
Sukuk	7,059,387	1,401,679	1,642,002	723,601	10,826,669
	7,059,387	1,711,228	1,642,002	723,601	11,136,218
Total	20,502,235	6,521,192	2,864,932	1,234,672	31,123,031

2024*					
	Domestic		International		Total
	Quoted ﷲ '000'	Unquoted ﷲ '000'	Quoted ﷲ '000'	Unquoted ﷲ '000'	
Fair value through other comprehensive income (FVOCI)					
Equities	417,931	160,940	-	-	578,871
Sukuk	7,741,039	2,016,272	723,912	-	10,481,223
	8,158,970	2,177,212	723,912	-	11,060,094
Fair value through statement of income (FVSI)					
Mutual funds	95,011	410,466	7,079	511,400	1,023,956
Equities	52,378	-	45,887	-	98,265
	147,389	410,466	52,966	511,400	1,122,221
Amortized cost					
Bei-Ajel with Saudi Central Bank	-	1,151,940	-	-	1,151,940
Sukuk	7,966,869	1,390,554	2,087,239	253,154	11,697,816
	7,966,869	2,542,494	2,087,239	253,154	12,849,756
Total	16,273,228	5,130,172	2,864,117	764,554	25,032,071

*Refer note 40

7. INVESTMENTS, NET (continued)

	Domestic		International		Total	
	2025 ﷲ '000'	2024 ﷲ '000'	2025 ﷲ '000'	2024 ﷲ '000'	2025 ﷲ '000'	2024 ﷲ '000'
Fixed-rate securities	24,068,443	18,426,198	3,190,981	2,770,990	27,259,424	21,197,188
Floating-rate securities	1,556,236	1,840,476	281,885	293,315	1,838,121	2,133,791
Others	1,398,748	1,136,726	626,738	564,366	2,025,486	1,701,092
Total	27,023,427	21,403,400	4,099,604	3,628,671	31,123,031	25,032,071

b. The analysis of investments by counterparty is as follows:

	2025 ﷲ '000	2024 ﷲ '000
Government and quasi government	18,629,981	15,331,874
Corporate and banks	12,493,050	9,700,197
Total	31,123,031	25,032,071

c. Management believes that the cost of Bei-ajel with Saudi Central Bank and unquoted sukuk approximates its fair value.

d. Equity investment securities designated as at FVOCI

The Group has designated investment in equity securities designated at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long-term purposes.

e. FVOCI sukuks are classified as stage 1 and ECL amount is immaterial.

An analysis of changes in expected credit loss allowance and gross carrying amount for debt instruments held as amortized cost, is as follows:

December 31, 2025 ﷲ '000	Expected credit loss allowance			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2025	21,271	-	-	21,271
Net charge for the year	1,518	-	-	1,518
Net purchased during the year	-	-	-	-
As at December 31, 2025	22,789	-	-	22,789

December 31, 2025 ﷲ '000	Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2025	12,871,027	-	-	12,871,027
Net charge for the year	-	-	-	-
Net purchased during the year	(1,712,020)	-	-	(1,712,020)
As at December 31, 2025	11,159,007	-	-	11,159,007

7. INVESTMENTS, NET (continued)

December 31, 2024 ₪ 000	Expected credit loss allowance			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2024	19,713	-	-	19,713
Net charge for the year	1,558	-	-	1,558
Net purchased during the year	-	-	-	-
As at December 31, 2024	21,271	-	-	21,271

December 31, 2024 ₪ 000	Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
As at January 1, 2024	12,647,342	-	-	12,647,342
Net charge for the year	-	-	-	-
Net purchased during the year	223,685	-	-	223,685
As at December 31, 2024	12,871,027	-	-	12,871,027

*Refer note 40

8. FINANCING, NET

a) Held at amortized cost

December 31, 2025	Performing financing	Non-perform- ing financing	Gross financing	Allowance for expected credit losses	Financing, net
Commercial	64,734,615	710,058	65,444,673	(1,629,783)	63,814,890
- Corporate	53,335,997	476,090	53,812,087	(1,285,731)	52,526,356
- MSMEs	11,398,618	233,968	11,632,586	(344,052)	11,288,534
Retail	58,643,378	505,164	59,148,542	(774,933)	58,373,609
- Real Estate	43,620,947	403,263	44,024,210	(640,342)	43,383,868
- Personal financing	11,753,668	65,596	11,819,264	(93,645)	11,725,619
- Credit Cards	605,294	10,399	615,693	(11,155)	604,538
- Auto Financing	2,663,469	25,906	2,689,375	(29,791)	2,659,584
Total	123,377,993	1,215,222	124,593,215	(2,404,716)	122,188,499

December 31, 2024	Performing financing	Non-perform- ing financing	Gross financing	Allowance for expected credit losses	Financing, net
Commercial	58,012,977	807,655	58,820,632	(1,973,954)	56,846,678
- Corporate	45,457,564	489,096	45,946,660	(1,571,101)	44,375,559
- MSMEs	12,555,413	318,559	12,873,972	(402,853)	12,471,119
Retail	52,599,477	522,177	53,121,654	(664,246)	52,457,408
- Real Estate	39,999,923	421,485	40,421,408	(532,479)	39,888,929
- Personal financing	9,820,953	63,552	9,884,505	(87,896)	9,796,609
- Credit Cards	546,411	9,104	555,515	(9,933)	545,582
- Auto Financing	2,232,190	28,036	2,260,226	(33,938)	2,226,288
Total	110,612,454	1,329,832	111,942,286	(2,638,200)	109,304,086

8. FINANCING, NET (continued)

a) Held at amortized cost (continued)

The following tables further explain changes in gross exposure amount for financing portfolio to help explain their significance to the changes in the expected credit loss allowance for the same portfolio:

Commercial December 31, 2025 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	50,134,530	7,878,447	807,655	58,820,632
Transfers to Stage 1	269,583	(269,583)	-	-
Transfers to Stage 2	(1,475,320)	1,475,320	-	-
Transfers to Stage 3	(178,667)	(70,007)	248,674	-
Net change for the year	9,660,690	(2,690,378)	(40,476)	6,929,836
Write-offs	-	-	(305,795)	(305,795)
Gross exposure amount as at December 31, 2025	58,410,816	6,323,799	710,058	65,444,673

Commercial December 31, 2024 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	45,092,129	8,087,412	1,044,658	54,224,199
Transfers to Stage 1	418,333	(418,333)	-	-
Transfers to Stage 2	(1,029,059)	1,029,059	-	-
Transfers to Stage 3	(16,853)	(100,171)	117,024	-
Net change for the year	5,669,980	(719,520)	(82,321)	4,868,139
Write-offs	-	-	(271,706)	(271,706)
Gross exposure amount as at December 31, 2024	50,134,530	7,878,447	807,655	58,820,632

Retail December 31, 2025 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	51,926,573	672,904	522,177	53,121,654
Transfers to Stage 1	284,056	(234,959)	(49,097)	-
Transfers to Stage 2	(641,232)	664,928	(23,696)	-
Transfers to Stage 3	(167,798)	(126,866)	294,664	-
Net change for the year	6,002,405	114,923	36,033	6,153,361
Write-offs	-	-	(126,473)	(126,473)
Gross exposure amount as at December 31, 2025	57,404,004	1,090,930	653,608	59,148,542

Retail December 31, 2024 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	49,940,140	423,284	388,303	50,751,727
Transfers to Stage 1	166,016	(121,954)	(44,062)	-
Transfers to Stage 2	(441,311)	449,636	(8,325)	-
Transfers to Stage 3	(152,797)	(100,940)	253,737	-
Net change for the year	2,414,525	22,878	38,423	2,475,826
Write-offs	-	-	(105,899)	(105,899)
Gross exposure amount as at December 31, 2024	51,926,573	672,904	522,177	53,121,654

8. FINANCING, NET (continued)

a) Held at amortized cost (continued)

Total December 31, 2025 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	102,061,103	8,551,351	1,329,832	111,942,286
Transfers to Stage 1	553,639	(504,542)	(49,097)	-
Transfers to Stage 2	(2,116,552)	2,140,248	(23,696)	-
Transfers to Stage 3	(346,465)	(196,873)	543,338	-
Net change for the year	15,663,095	(2,575,455)	(4,443)	13,083,197
Write-offs	-	-	(432,268)	(432,268)
Gross exposure amount as at December 31, 2025	115,814,820	7,414,729	1,363,666	124,593,215

Total December 31, 2024 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	95,032,269	8,510,696	1,432,961	104,975,926
Transfers to Stage 1	584,349	(540,287)	(44,062)	-
Transfers to Stage 2	(1,470,370)	1,478,695	(8,325)	-
Transfers to Stage 3	(169,650)	(201,111)	370,761	-
Net change for the year	8,084,505	(696,642)	(43,898)	7,343,965
Write-offs	-	-	(377,605)	(377,605)
Gross exposure amount as at December 31, 2024	102,061,103	8,551,351	1,329,832	111,942,286

a) Held at amortized cost (continued)

An analysis of changes in expected credit loss allowance for financing is, as follows:

Commercial December 31, 2025 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	166,171	1,174,654	633,129	1,973,954
Transfers to Stage 1	4,260	(4,260)	-	-
Transfers to Stage 2	(48,054)	48,054	-	-
Transfers to Stage 3	(178,460)	(66,182)	244,642	-
Net charge / (reversal) for the year	241,260	(332,421)	52,785	(38,376)
Write-offs	-	-	(305,795)	(305,795)
Expected credit loss allowance as at December 31, 2025	185,177	819,845	624,761	1,629,783

Commercial December 31, 2024 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	168,955	1,342,576	797,735	2,309,266
Transfers to Stage 1	394	(394)	-	-
Transfers to Stage 2	(45,705)	45,705	-	-
Transfers to Stage 3	(10,357)	(51,449)	61,806	-
Net charge / (reversal) for the year	52,884	(161,784)	45,294	(63,606)
Write-offs	-	-	(271,706)	(271,706)
Expected credit loss allowance as at December 31, 2024	166,171	1,174,654	633,129	1,973,954

8. FINANCING, NET (continued)

a) Held at amortized cost (continued)

Retail December 31, 2025 S 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	148,107	105,446	410,693	664,246
Transfers to Stage 1	2,195	(1,921)	(274)	-
Transfers to Stage 2	(78,841)	84,002	(5,161)	-
Transfers to Stage 3	(105,185)	(81,683)	186,868	-
Net charge / (reversal) for the year	202,174	37,225	(2,239)	237,160
Write-offs	-	-	(126,473)	(126,473)
Expected credit loss allowance as at December 31, 2025	168,450	143,069	463,414	774,933

Retail December 31, 2024 S 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	175,430	113,995	297,170	586,595
Transfers to Stage 1	1,046	(763)	(283)	-
Transfers to Stage 2	(66,067)	67,844	(1,777)	-
Transfers to Stage 3	(111,436)	(73,790)	185,226	-
Net charge / (reversal) for the year	149,134	(1,840)	36,256	183,550
Write-offs	-	-	(105,899)	(105,899)
Expected credit loss allowance as at December 31, 2024	148,107	105,446	410,693	664,246

Total December 31, 2025 S 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Loss allowance as at January 1, 2025	314,278	1,280,100	1,043,822	2,638,200
Transfers to Stage 1	6,455	(6,181)	(274)	-
Transfers to Stage 2	(126,895)	132,056	(5,161)	-
Transfers to Stage 3	(283,645)	(147,865)	431,510	-
Net charge / (reversal) for the year	443,434	(295,196)	50,546	198,784
Write-offs	-	-	(432,268)	(432,268)
Loss allowance as at December 31, 2025	353,627	962,914	1,088,175	2,404,716

Total December 31, 2024 S 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Loss allowance as at January 1, 2024	344,385	1,456,571	1,094,905	2,895,861
Transfers to Stage 1	1,440	(1,157)	(283)	-
Transfers to Stage 2	(111,772)	113,549	(1,777)	-
Transfers to Stage 3	(121,793)	(125,239)	247,032	-
Net charge / (reversal) for the year	202,018	(163,624)	81,550	119,944
Write-offs	-	-	(377,605)	(377,605)
Loss allowance as at December 31, 2024	314,278	1,280,100	1,043,822	2,638,200

The contractual amount outstanding on financial assets that were written off during the year ended December 31, 2025 and that are still subject to enforcement activity is SAR 432 million (2024: SAR 378 million).

8. FINANCING, NET (continued)

b) Financing includes finance lease receivables, which are as follows

Gross receivables from ijarah financing	2025 R'000		2024 R'000	
	Retail	Commercial	Retail	Commercial
Less than 1 year	756,093	377,959	603,925	20,986
1 to 5 years	2,606,188	849,869	1,988,392	891,556
Over 5 years	5,660	836,592	-	477,137
	3,367,941	2,064,420	2,592,317	1,389,679
Unearned finance income on ijarah financing	(678,567)	(9,259)	(332,241)	(3,494)
Net receivables from ijarah financing	2,689,374	2,055,161	2,260,076	1,386,185

Net receivables from ijarah financing	2025 R'000		2024 R'000	
	Retail	Commercial	Retail	Commercial
Less than 1 year	603,756	368,700	526,524	17,492
1 to 5 years	2,081,098	849,869	1,733,552	891,556
Over 5 years	4,520	836,592	-	477,137
	2,689,374	2,055,161	2,260,076	1,386,185

9. OTHER ASSETS

	2025 R'000	2024 R'000
Prepaid expenses and advances to suppliers	185,957	245,613
Positive fair value of Shariah compliant derivatives (note 14.1)	33,706	24,479
Accounts receivables and Others	1,144,521	1,639,821
Total	1,364,184	1,909,913

10. PROPERTY, EQUIPMENT AND RIGHT OF USE ASSETS, NET

December 31, 2025 S'000	Land and building	Leasehold improvements	Equipment, furniture and motor vehicles	Computer hardware	Right of use (RoU) assets	Total
Cost						
As at the beginning of the year	1,491,321	979,109	586,248	842,092	1,087,126	4,985,896
Additions during the year	192,737	21,385	75,065	285,652	239,342	814,181
Disposals	(84,794)	-	(24,656)	(372)	-	(109,822)
As at the end of the year	1,599,264	1,000,494	636,657	1,127,372	1,326,468	5,690,255
Accumulated depreciation and amortisation						
At the beginning of the year	120,360	600,370	466,929	667,270	760,232	2,615,161
Charge for the year	26,496	20,464	52,752	90,891	112,889	303,492
Disposals	-	-	(24,656)	(372)	-	(25,028)
As at the end of the year	146,856	620,834	495,025	757,789	873,121	2,893,625
Net book value						
As at December 31, 2025	1,452,408	379,660	141,632	369,583	453,347	2,796,630

December 31, 2024 S'000	Land and building	Leasehold improvements	Equipment, furniture and motor vehicles	Computer hardware	Right of use (RoU) assets	Total
Cost						
As at the beginning of the year	1,254,762	933,909	536,019	722,489	1,054,296	4,501,475
Additions during the year	236,559	45,200	51,132	120,436	32,830	486,157
Disposals	-	-	(903)	(833)	-	(1,736)
1,491,321	1,491,321	979,109	586,248	842,092	1,087,126	4,985,896
Accumulated depreciation and amortisation						
At the beginning of the year	97,181	577,947	420,562	604,026	643,799	2,343,515
Charge for the year	23,179	22,423	47,270	64,077	116,433	273,382
-	-	-	(903)	(833)	-	(1,736)
As at the end of the year	120,360	600,370	466,929	667,270	760,232	2,615,161
Net book value						
As at December 31, 2024	1,370,961	378,739	119,319	174,822	326,894	2,370,735

Land and building, leasehold improvements and computer hardware includes work in progress as at December 31, 2025 amounting to SAR 564.2 million (2024: SAR 357.8 million).

10. PROPERTY, EQUIPMENT AND RIGHT OF USE ASSETS, NET (Continue)

Movement in right-of-use-assets (RoU):

December 31, 2025 ﷲ '000	Land and building	Equipment, furniture and motor vehicles	Total
Balance at the beginning of the year	326,894	-	326,894
Additions	239,342	-	239,342
Amortization	(112,889)	-	(112,889)
Balance at the end of the year	453,347	-	453,347

December 31, 2024 ﷲ '000	Land and building	Equipment, furniture and motor vehicles	Total
Balance at the beginning of the year	410,497	-	410,497
Additions	32,830	-	32,830
Amortization	(116,433)	-	(116,433)
Balance at the end of the year	326,894	-	326,894

Movement in lease liability

	2025 ﷲ'000	2024 ﷲ'000
Balance at the beginning of the year	281,952	370,564
Payment during the year	(118,227)	(133,018)
New leases	239,342	32,830
Finance cost	16,505	11,576
Balance at the end of the year	419,572	281,952

11. DUE TO BANKS, SAUDI CENTRAL BANK AND OTHER FINANCIAL INSTITUTIONS

	2025 ﷲ'000	2024 ﷲ'000
Demand	162,996	140,384
Direct investment	6,819,819	5,352,415
Total	6,982,815	5,492,799

12. CUSTOMERS' DEPOSITS

	2025 ﷲ'000	2024 ﷲ'000
Demand	44,361,140	43,177,327
Direct investment	53,364,980	44,573,389
Albilad account (Mudarabah)	31,437,032	30,174,831
Others	3,715,964	3,850,668
Total	132,879,116	121,776,215

The above include foreign currency deposits as follows

	2025 ﷲ'000	2024 ﷲ'000
Demand	282,457	369,561
Direct investment	2,138,867	3,108,834
Albilad account (Mudarabah)	9,397,323	5,613,957
Others	100,479	86,230
Total	11,919,126	9,178,582

13. SUKUK AND TERM FINANCING

Sukuk and term financing comprises of

	2025 SAR'000	2024 SAR'000
Tier 2 Sukuk	3,044,407	3,047,121
Term Financing	100,000	100,000
Total	3,144,407	3,147,121

On April 15, 2021, the Bank issued 3,000 Tier 2 Sukuk Certificates (Sukuk) of SAR 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 (SAR 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 (SAR 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.

14. OTHER LIABILITIES

	2025 SAR'000	2024 SAR'000
Accounts payable	5,484,326	4,963,118
Accrued expenses	762,198	717,793
Lease liability (note 10)	419,572	281,952
Expected credit loss allowance on commitment and guarantee contracts (note 19)	105,378	128,688
Negative fair value of shariah compliant derivatives (note 14.1)	35,849	25,793
Others	1,802,490	1,737,978
Total	8,609,813	7,855,322

14.1 DERIVATIVES

In the ordinary course of business, the Bank utilises the following Shariah compliant derivative financial instruments for both trading and hedging purposes:

Type of derivatives

a) Profit Rate Swaps

Profit Rate Swaps are commitments to exchange one set of cash flows for another. For Profit Rate Swaps counterparties generally exchange fixed and floating rate profit payments in a single currency without exchanging principal. For cross-currency Profit rate swaps, principal, fixed and floating profit payments are exchanged in different currencies.

b) Forwards

Forwards are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter markets.

c) FX Swaps

Foreign Exchange Swaps are agreements between two parties to exchange a given amount of one currency for an amount of another currency based on the current spot rate and forward rates. The two parties will then settle their respective foreign exchange notional amounts governed by the previously agreed specific forward rate, The forward rate locks in the exchange rate at which the funds will be exchanged in the future.

14.1 DERIVATIVES (Continue)

Purpose of derivatives

- Held for trading purposes**
Most of the Bank’s derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers and banks in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favorable movements in prices, rates, or indices. Arbitrage involves identifying, with the expectation of profiting from price differentials between markets or products.
 - Held for hedging purposes**
The Bank has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Bank’s exposure to fluctuations in foreign exchange and profit rates to reduce its exposure to currency and profit rate risks to acceptable levels as determined by the Board of Directors and within the guidelines issued by SAMA.
- The Board of Directors has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits. The

Board of Directors has established the level of profit rate risk by setting limits on profit rate gaps for stipulated periods. Asset and liability profit rate gaps are reviewed frequently and hedging strategies are used to reduce profit rate gap within the established limits.

As part of its asset and liability management the Bank uses derivatives for hedging purposes in order to adjust its own exposure to currency and profit rate risks. This is generally achieved by hedging specific transactions as well as strategic hedging against overall statement of financial position exposures. Strategic hedging, other than portfolio hedges for profit rate risk, do not qualify for special hedge accounting and related derivatives are accounted for as held for trading.

- Cash flow hedges**
The Bank is exposed to variability in future profit cash flows on non-trading assets and liabilities, which bear profit at a variable rate. The bank uses profit rate swaps as cash flow hedges of these profit rate risks. Below is the schedule indicating as at 31 December, the periods when the hedged cash flows are expected to occur and when they are expected to affect the consolidated statement of income:

December 31, 2025 ﷲ '000	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	28,354	53,510	14,161	-
Cash out flows (liabilities)	(30,333)	(60,876)	(15,167)	-
Net cash flow	(1,979)	(7,366)	(1,006)	-

December 31, 2024 ﷲ '000	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	31,580	58,744	48,252	-
Cash out flows (liabilities)	(30,455)	(60,710)	(49,367)	-
Net cash flow	1,125	(1,966)	(1,115)	-

The tables below summarize the positive and negative fair values of derivative financial instruments, together with the notional amounts, analysed by the term to maturity and monthly average. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year-end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank’s exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk.

The above includes Shariah approved derivative products as below.

Derivative financial instruments	Notional amounts by term to maturity						
December 31, 2025 ﷲ '000	Positive fair value	Negative fair value	Notional amount Total	Within 3 months	From 3-12 months	From 1-5 years	Over 5 years
Held for trading							
Profit rate swaps	29,783	(22,735)	3,974,535	72,221	748,944	1,793,788	1,359,582
Forward foreign exchange contracts	3,923	(3,336)	4,027,550	3,181,074	846,476	-	-
Held as cash flow hedges							
Profit rate swaps	-	(9,778)	600,000	-	-	600,000	-
Total	33,706	(35,849)	8,602,085	3,253,295	1,595,420	2,393,788	1,359,582

14.1 DERIVATIVES (Continue)

Derivative financial instruments	Notional amounts by term to maturity						
December 31, 2024 ₪ '000	Positive fair value	Negative fair value	Notional amount Total	Within 3 months	From 3-12 months	From 1-5 years	Over 5 years
Held for trading							
Profit rate swaps	21,080	(19,565)	1,162,442	40,696	-	1,121,746	-
Forward foreign exchange contracts	2,988	(3,749)	2,400,999	2,109,902	22,133	268,964	-
Held as cash flow hedges							
Profit rate swaps	411	(2,479)	600,000	-	-	600,000	-
Total	24,479	(25,793)	4,163,441	2,150,598	22,133	1,990,710	-

The tables below show a summary of hedged items and portfolios, the nature of the risk being hedged, the hedging instrument and its fair value.

Description of hedged items December 31, 2025 ₪ in '000'	Fair Value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Floating profit rate investments	590,222	600,000	Cash flow	Profit rate swap	-	(9,778)

Description of hedged items December 31, 2024 ₪ in '000'	Fair Value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Floating profit rate investments	597,932	600,000	Cash flow	Profit rate swap	411	(2,479)

15. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Bank consists of 1,500 million shares of ₪ 10 each (December 31, 2024: 1,250 million shares of ₪ 10 each).

The Board of Directors in its meeting held on Sha’ban 7, 1446H (corresponding to February 6, 2025) recommended to the Extra-ordinary General Assembly the issuance of bonus shares of one share for every five shares held. The increase has been approved in the Extraordinary General Assembly meeting held on Shawwal 16, 1446H (corresponding to April 14, 2025), increasing the Bank’s capital from ₪ 12,500 million to ₪ 15,000 million. The increase has been done through capitalization of SAR 1,500 million from the retained earnings and SAR 1,000 million from statutory reserve. The number of shares outstanding after the bonus issuance increased from 1,250 million shares to 1,500 million shares.

The Board of Directors in its meeting held on Rajab 23, 1445H (corresponding to February 4, 2024) recommended to the Extra-ordinary General Assembly the issuance of bonus shares of one share for every four shares

held. The increase has been approved in the Extraordinary General Assembly meeting held on Shawwal 20, 1445H (corresponding to April 29, 2024), increasing the Bank’s capital from SAR 10,000 million to ₪ 12,500 million. The increase has been done through capitalization of SAR 2,500 million from the retained earnings. The number of shares outstanding after the bonus issuance increased from 1,000 million shares to 1,250 million shares.

The Bank intends to purchase a maximum 10 million shares of its own shares, based on the Board of Directors’ recommendation to General Assembly dated Thul-Hijjah 27, 1446H (corresponding to June 23, 2025) to be allocated within the employee share plan, and that has been approved in the Extra Ordinary General Assembly meeting held on Rabi’ al-Thani 15, 1447H (corresponding to October 7, 2025).

16. STATUTORY RESERVE

In accordance with Article 13 of the Banking Control Law, a minimum of 25% of the annual net income is required to be transferred to the statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, ₪ 762 million (2024: ₪ 702 million) has been transferred to the statutory reserve. The statutory reserve is not available for distribution to shareholders.

17. OTHER RESERVES

2025 س' 000	FVOCI (debt instruments)	FVOCI (equity instruments)	Employees' end of service benefits (EOSB)	Effective portion of change in the fair value of cash flow hedge	Total
Balance at the beginning of the year	(416,986)	19,195	12,782	(2,068)	(387,077)
Net movement during the year	93,991	(125,808)	(4,164)	(7,710)	(43,691)
Impairment reversal for ECL	9,430	-	-	-	9,430
Balance at the end of the year	(313,565)	(106,613)	8,618	(9,778)	(421,338)

2024 س' 000	FVOCI (debt instruments)	FVOCI (equity instruments)	Employees' end of service benefits (EOSB)	Effective portion of change in the fair value of cash flow hedge	Total
Balance at the beginning of the year	(217,957)	42,759	13,493	(4,632)	(166,337)
Net movement during the year	(203,896)	(5,757)	(711)	2,564	(207,800)
Impairment charge for ECL	4,867	-	-	-	4,867
Transfer to retained earnings on disposal	-	(17,807)	-	-	(17,807)
Balance at the end of the year	(416,986)	19,195	12,782	(2,068)	(387,077)

18. CASH DIVIDENDS

The Board of Directors recommended to the General Assembly to distribute interim cash dividends of SAR 825 million (SAR 0.55 per share after deduction of Zakat) to shareholders for the Second half of 2025 in the meeting held Sha’aban 16, 1447H (corresponding to February 4, 2026).

The Board of Directors resolved to distribute interim cash dividends of SAR 675 million (SAR 0.45 per share after deduction of Zakat) to shareholders for the first half of 2025 in the meeting held Muharram 27, 1447H (corresponding to July 22, 2025) and the dividends have been distributed.

The Board of Directors’ resolved to distribute interim cash dividends of SAR 625 million (SAR 0.50 per share after deduction of Zakat) to shareholders for the first half of 2024 in the meeting held on Rabi Alawal 2, 1446H (corresponding to September 5, 2024) and the dividends have been distributed.

The Board of Directors’ recommended to the General Assembly to distribute cash dividends

of SAR 500 million (SAR 0.50 per share after deduction of Zakat) to shareholders for the year 2023 in the meeting held on Rajab 23, 1445H (corresponding to February 4, 2024). The dividends distribution has been approved in the Extraordinary General Assembly meeting that has been held on Shawwal 20, 1445H (corresponding to April 29, 2024). The dividends have been distributed.

19. COMMITMENTS AND CONTINGENCIES

a) Legal proceedings

As at December 31, 2025 and 2024, there were legal proceedings outstanding against the Bank and the Group. Provisions have been made for some of these legal cases based on the assessment of the Bank’s and Group’s legal advisers.

b) Capital commitments

As at December 31, 2025, the Bank had capital commitments of SAR 250 million (2024: SAR 315 million) relating to leasehold improvements and equipment purchases.

c) Credit related commitments and contingencies

The primary purpose of these instruments is to ensure that funds are available to customers as required.

Guarantee and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as financing. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate and therefore have significantly less risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent unused portions of authorization to extend credit, principally in the form of financing, guarantees or letters of credit. With respect to credit risk relating to commitments to extend credit, the Group is potentially exposed to a loss in an amount which is equal to the total unused commitments. The amount of any related loss, which cannot be reasonably estimated, is expected to be considerably less than the total unused commitments, since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

19. COMMITMENTS AND CONTINGENCIES (Continue)

(i) Contractual maturity structure of the Group's commitments and contingencies

2025 (₹ '000)	Less than 3 months	From 3 months to 12 months	From 1 to 5 years	More than 5 years	Total
Letters of credit	446,835	1,273,036	23,023	-	1,742,894
Letters of guarantee*	731,368	4,529,836	6,077,846	1,224,976.00	12,564,026
Acceptances	929,955	206,308	-	-	1,136,263
Irrevocable commitments to extend credit	-	-	-	975,344	975,344
Total	2,108,158	6,009,180	6,100,869	2,200,320	16,418,527

2024 (₹ '000)	Less than 3 months	From 3 months to 12 months	From 1 to 5 years	More than 5 years	Total
Letters of credit	526,624	1,254,412	4,700	-	1,785,736
Letters of guarantee*	1,363,979	5,004,730	6,675,616	2,402,853	15,447,178
Acceptances	640,554	247,511	-	-	888,065
Irrevocable commitments to extend credit	100,677	389,567	1,349,076	-	1,839,320
Total	2,631,834	6,896,220	8,029,392	2,402,853	19,960,299

*This is as per contractual period of the guarantee and in event of default may be payable on demand and therefore current in nature.

The outstanding unused portion of commitments as at December 31, 2025 which can be revoked unilaterally at any time by the Group amounts to ₹ 26.8 billion (2024: ₹ 25.8 billion).

The following tables further explains changes in gross exposure amount for commitments and contingencies:

December 31, 2025 ₹ in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	18,969,418	819,485	171,396	19,960,299
Transfers to Stage 1	222,575	(222,575)	-	-
Transfers to Stage 2	(568,482)	568,482	-	-
Transfers to Stage 3	(38,010)	(18,628)	56,638	-
Net change for the year	(3,275,111)	(227,347)	(39,314)	(3,541,772)
Gross exposure amount as at December 31, 2025	15,310,390	919,417	188,720	16,418,527

December 31, 2024 ₹ in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	17,400,550	1,252,202	238,927	18,891,679
Transfers to Stage 1	152,028	(152,028)	-	-
Transfers to Stage 2	(131,137)	131,137	-	-
Transfers to Stage 3	-	(35,634)	35,634	-
Net change for the year	1,547,977	(376,192)	(103,165)	1,068,620
Gross exposure amount as at December 31, 2024	18,969,418	819,485	171,396	19,960,299

19. COMMITMENTS AND CONTINGENCIES (Continue)

An analysis of changes in expected credit loss allowance is, as follows:

December 31, 2025 S in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Loss allowance as at January 1, 2025	41,867	14,243	72,578	128,688
Transfers to Stage 1	3	(3)	-	-
Transfers to Stage 2	(10,211)	10,211	-	-
Transfers to Stage 3	(18,500)	(4,350)	22,850	-
Net charge / (rever- sal) for the year	10,365	(3,746)	(29,929)	(23,310)
Loss allowance as at December 31, 2025	23,524	16,355	65,499	105,378

December 31, 2024 S in '000'	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Loss allowance as at January 1, 2024	58,018	12,600	65,329	135,947
Transfers to Stage 1	377	(377)	-	-
Transfers to Stage 2	(439)	439	-	-
Transfers to Stage 3	-	(10,344)	10,344	-
Net (reversal) / charge for the year	(16,089)	11,925	(3,095)	(7,259)
Loss allowance as at December 31, 2024	41,867	14,243	72,578	128,688

(ii) Commitments and contingencies by counterparty:

	2025 S'000	2024 S'000
Corporate	12,417,793	16,304,668
Financial institutions	2,582,371	2,129,755
Others	1,418,363	1,525,876
Total	16,418,527	19,960,299

20. INCOME FROM INVESTING AND FINANCING ASSETS

Income from investments and due from banks and other financial institutions

	2025 S'000	2024 S'000
Income from bei-ajel with Saudi Central Bank	116,747	187,357
Income from murabaha with banks and other financial institutions	300,646	324,950
Income from sukuk and other investments*	1,306,340	957,350
Income from financing	7,419,657	7,089,619
Total	9,143,390	8,559,276

21. RETURN ON DEPOSITS AND FINANCIAL LIABILITIES

Return on:	2025 S'000	2024 S'000
Due to banks, Saudi Central Bank and other financial institutions, deposits and others	4,092,284	3,837,256
Sukuk and others	299,583	288,417
Total	4,391,867	4,125,673

22. FEE AND COMMISSION INCOME, NET

Fee and commission income	2025 ﷼'000	2024 ﷼'000
Remittance	320,471	305,795
ATM and point of sale	501,133	494,010
Letters of credit and guarantee	149,444	140,246
Management fee (mutual fund and others)	169,658	158,783
Brokerage income	37,465	61,677
Others	113,598	51,829
Total fee and commission income	1,291,769	1,212,340
Fee and commission expenses		
ATM and point of sale	319,770	331,302
Brokerage expenses	20,741	30,318
Remittance	21,324	20,285
Others	206,961	129,920
Total fee and commission expenses	568,796	511,825
Fee and commission income, net	722,973	700,515

23. GAIN ON FAIR VALUE THROUGH STATEMENT OF INCOME (FVSI) INVESTMENTS, NET

	2025 ﷼'000	2024 ﷼'000
Investments	10,993	16,405
Derivatives	6,017	(2,249)
Total	17,010	14,156

24. SALARIES AND EMPLOYEE RELATED EXPENSES

The following table summarizes compensation practices and includes total of fixed and variable compensation paid to employees during the year ended December 31, 2025 and 2024, and the form of such payments:

2025	Number of employees	Fixed compensation ﷼' 000	Variable compensation paid		
			Cash	Shares ﷼' 000	Total
Senior executives	30	50,492	35,084	23,125	58,209
Employees engaged in risk taking activities	238	119,779	60,509	2,984	63,493
Employees engaged in control functions	531	139,372	29,608	1,069	30,677
Other employees	2,866	510,407	81,886	3,151	85,037
Outsourced employees	814	162,286	393	-	393
Total	4,479	982,336	207,480	30,329	237,809

Variable compensation accrued, and other employees' related benefits*	532,412
Total salaries and employee related expenses	1,514,748

24. SALARIES AND EMPLOYEE RELATED EXPENSES (Continued)

2024	Number of employees	Fixed compensation S' 000	Variable compensation paid		
			Cash	Shares S' 000	Total
Senior executives	29	49,020	34,801	24,941	59,742
Employees engaged in risk taking activities	340	128,497	45,928	2,318	48,246
Employees engaged in control functions	388	106,121	23,451	1,286	24,737
Other employees	3,010	512,964	87,857	1,385	89,242
Outsourced employees	848	150,740	-	-	-
Total	4,615	947,342	192,037	29,930	221,967

Variable compensation accrued, and other employees' related benefits*	495,944
Total salaries and employee related expenses	1,443,286

* Other employees' related benefits include, insurance, pension, relocation expenses, recruitment expenses, training and development and other employees' benefits.

Employees Compensation and Benefits

1. Quantitative Disclosure

This disclosure has to be bifurcated between the following categories, whereby the meaning of each category is mentioned below:

- a) Senior executives:

Senior executives are the employees holding key positions such as CEO, CFO (EVP Finance), EVP Shared Services, CRO (EVP Risk Management), EVP Corporate Banking, EVP Retail Banking, EVP Human Resource, etc.
- b) Employees engaged in risk taking activities:

This comprises of management staff within various business lines i.e. corporate, retail, treasury, trade services, private banking etc. who are responsible for executing and implementing the business strategy of the bank.
- c) Employees engaged in control functions:

This comprises of employees working in divisions that are not involved in risk taking activities but engaged in review functions i.e. risk management, compliance, internal audit, treasury operations, finance, and accounting, etc.
- d) Other employees:

All regular employees other than those mentioned in (a) to (c) above.
- e) Outsourced employees:

This includes staff employed by various agencies who supply services to the Bank on a full-time basis in non-critical roles. None of these roles require risk undertaking or control.

2. Qualitative Disclosure

The Bank has developed a Compensation Policy ("Policy") based on the 'Rules on Compensation Practices' issued by Saudi Central Bank as well as the guidelines provided by the Financial Stability Board and the Basel Committee on Banking Supervision in this respect.

The Compensation Policy has been approved by the Board of Directors (BOD). The BOD has also delegated Nominations and Remuneration Committee to oversee the implementation of the Policy.

The mandate of the Committee is to oversee the compensation system design and operation, prepare and periodically review the Compensation Policy and evaluate its effectiveness in line with the industry practice.

2. Qualitative Disclosure (continued)

Policy Objectives

The policy sets guidelines for determination of both fixed and variable compensation to be paid to the employees of the Group. The scope of the Policy includes all compensation elements, approval and reporting process, stock options, bonus and its deferral, etc.

The objective of the Policy is to ensure that the compensation is governed by the financial performance evaluation and is linked to the various risks associated, at an overall level. Key staff members of the Bank are eligible to variable compensation which is derived from Risk Adjusted Net Income of the Bank which accounts for significant existing and potential risks in order to protect the Bank’s Capital Adequacy and to mitigate the risk of potential future losses.

Compensation Structure

The compensation structure of the Bank is based on appropriate industry benchmarking and includes both fixed and variable components. The variable component is designed to ensure key employee retention and is based on three-year vesting period.

- **Fix Components:**
Provide a competitive salaries or wage according to annual market alignment, including (basic, housing, transportation and fixed allowances) which are written in the employee’s contract.
- **Variable Components:**
Taking into account the risk associated with the Bank’s performance & individual performance appraisal, all these factors are assessed on periodical basis and the results are shared with the stakeholders based on which the incentive is announced at the close of each accounting period.

Performance Management System

The performance of all employees is measured by way of a balance score card methodology taking into consideration, financial, customer, process and people factor with appropriate weightage to each factor based on the respective assignments.

The Bank has following share-based payment plans outstanding at the end of the year. Significant features of these plans are as follows:

Maturity dates	Between January 2026 and December 2028
Total number of shares granted	1,665,142
Vesting period	3 Years
Method of settlement	Equity
Fair value per share on grant date	Average ₪ 36.73

The shares are granted only under service condition with no market condition associated with them.

25. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	2025 ₪'000	2024 ₪'000
Repair, maintenance and information technology costs	185,126	150,749
Communications and utilities expenses	111,868	115,833
Subscription, publication and advertising	134,689	103,526
Professional and consultancy fees	55,783	37,136
Others	305,326	289,482
Total	792,792	696,726

26. IMPAIRMENT CHARGE FOR EXPECTED CREDIT LOSSES, NET

	Note	2025 ₪'000	2024 ₪'000
Due from banks and other financial institutions, net	6	70	(868)
Investments, net		5,819	17,871
Financing, net	8	198,784	119,944
Commitment and financial guarantee contracts, net	19	(23,310)	(7,259)
Total		181,363	129,688

27. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended December 31, 2025 and 2024 is calculated by dividing the net income for the year attributable to the equity holders (after deduction of Tier 1 sukuk costs) by the weighted average number of outstanding shares 2025: 1,491 million shares (2024: 1,491 million shares – restated due to bonus shares) after accounting for treasury shares.

28. CASH AND CASH EQUIVALENTS

	2025 S'000	2024 S'000
Due from banks and other financial institutions (maturing within ninety days from acquisition)	4,170,044	3,490,818
Cash and balances with Saudi Central Bank (excluding statutory deposit)	3,265,158	5,236,216
Total	7,435,202	8,727,034

29. EMPLOYEE BENEFIT OBLIGATION

a. General description

The Bank operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under Projected Unit Credit Method while the benefit payments obligation is discharged as and when it falls due.

b. The movement in the obligation during the year based on its present value are as follows:

	2025 S'000	2024 S'000
Defined benefit obligation at the beginning of the year	411,414	373,142
Charge for the year	38,795	58,970
Benefits paid	(46,164)	(21,409)
Unrecognized actuarial loss	4,164	711
Defined benefit obligation at the end of the year	408,209	411,414

c. Charge for the year

	2025 S'000	2024 S'000
Current service cost	22,001	42,562
Past service cost	156	885
Finance cost	16,638	15,523
	38,795	58,970

d. Principal actuarial assumptions (in respect of the employee benefit scheme)

	2025 S'000	2024 S'000
Discount rate	5.55%	5.35%
Expected rate of salary change	3.50%	3.00%

Normal retirement age		
Male	Ranges between 58 and 65 years	60 years
Female	Ranges between 58 and 65 years	55 years

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region.

29. EMPLOYEE BENEFIT OBLIGATION (continued)

e. Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the defined benefit obligation valuation as at December 31, 2025 to the discount rate 5.55% (2024: 5.35%), salary escalation rate 3.50% (2024: 3.00%), withdrawal assumptions.

SAR 000			
2025	Impact on defined benefit obligation – increase / (decrease)		
Base Scenario	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(27,547)	30,908
Expected rate of salary change	1%	31,178	(28,192)
Withdrawal assumptions	20%	780	(2,205)

SAR 000			
2024	Impact on defined benefit obligation – increase / (decrease)		
Base Scenario	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(26,250)	29,968
Expected rate of salary change	1%	30,363	(26,982)
Withdrawal assumptions	20%	1,398	(1,981)

The above sensitivity analysis is based on a change in an assumption keeping all other assumptions constant.

30. SEGMENTAL INFORMATION

Operating segments, based on customer groups are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Assets and Liabilities Committee (ALCO) in order to allocate resources to the segments and to assess its performance. The Group's main business is conducted in the Kingdom of Saudi Arabia.

There has been no change to the basis of segmentation or the measurements basis for the segment profit or loss since December 31, 2024.

For management purposes, the Group is divided into the following four operating segments:

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.

Transactions between the above operating segments are under the terms and conditions of the approved Fund Transfer Pricing (FTP) policy. The support segments and Head Office expenses are allocated to other operating segments, based on an approved criterion.

30. SEGMENTAL INFORMATION (continued)

a) The Group’s total operating income, expenses, and net income before zakat, for the years ended December 31, 2025 and 2024 for each segment are as follows:

2025 (฿' 000)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Income from investing and financing assets, net	1,893,343	1,575,546	1,126,886	155,748	4,751,523
Fee, commission and other income, net	516,704	336,693	309,749	277,228	1,440,374
Total operating income	2,410,047	1,912,239	1,436,635	432,976	6,191,897
Impairment charge for expected credit losses, net	237,160	(61,686)	8,253	(2,364)	181,363
Depreciation and amortization	255,275	38,090	8,174	1,953	303,492
Total operating expenses	2,087,146	363,602	147,529	194,118	2,792,395
Net income for the year before zakat	322,901	1,548,637	1,289,106	238,858	3,399,502

2024 (฿' 000)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Income from investing and financing assets, net	1,754,100	1,663,828	852,890	162,785	4,433,603
Fee, commission and other income, net	486,365	195,989	313,768	242,154	1,238,276
Total operating income	2,240,465	1,859,817	1,166,658	404,939	5,671,879
Impairment charge for expected credit losses, net	183,550	(70,865)	7,502	9,501	129,688
Depreciation and amorti-zation	228,517	34,923	7,034	2,908	273,382
Total operating expenses	1,926,421	292,505	122,683	201,473	2,543,082
Net income for the year before zakat	314,044	1,567,312	1,043,975	203,466	3,128,797

The Group’s total assets and liabilities at December 31, 2025 and 2024, for each segment are as follows:

2025 (฿' 000)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	69,320,282	63,019,288	39,109,737	1,522,764	172,972,071
Total liabilities	75,005,265	30,211,567	46,051,632	347,687	151,616,151

2024 (฿' 000)	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	66,558,282	56,795,551	30,421,573	1,189,281	154,964,687
Total liabilities	68,458,285	31,149,431	38,433,793	229,948	138,271,457

30. SEGMENTAL INFORMATION (continued)

b) Credit exposure by operating segments is as follows:

2025 (S' 000)	Retail	Corporate	Treasury	Total
Total assets	58,373,609	63,814,890	34,980,578	157,169,077
Commitments and contingencies	-	12,594,673	-	12,594,673

2024 (S' 000)	Retail	Corporate	Treasury	Total
Total assets	52,457,408	56,846,678	28,430,380	137,734,466
Commitments and contingencies	-	14,336,727	-	14,336,727

Group credit exposure is comprised of due from bank and other financial institutions, investments and financing. The credit equivalent value of commitments and contingencies are included in credit exposure.



31. FINANCIAL RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee which has the responsibility to monitor the overall risk process within the Bank.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, limits and review of the policies.

CREDIT RISK

Credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in financing and investment activities. There is also credit risk in off-balance sheet financial instruments, such as letters of credit, letter of guarantees and financing commitments.

The Group assesses the probability of default of counterparties using internal rating tools. Also, the Group uses the external ratings of the major rating agency, where available.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify, to set appropriate risk limits, and to monitor the risks and adherence to limits. Actual exposures against limits are monitored daily. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group seeks to manage its credit risk exposure through diversification and managing undue concentration of risks with individuals or groups of customers in specific locations or business. It also takes security when appropriate. The Group also seeks additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant facilities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

The Group regularly reviews its risk management policies and systems to reflect changes in market products and emerging best practice.

The debt securities included in the investment portfolio are mainly sovereign risk. Analysis of investments by counter-party is provided in note 7. For details of the composition of financing refer to note 8. Information on credit risk relating to commitments and contingencies in note 19. The information on Bank's maximum credit exposure by business segment is given in note 30.

Concentration of risks of financial assets with credit risk exposure and financial liabilities

a. Geographical concentration

The geographical distribution of assets, liabilities, commitments and contingencies and credit risk exposure as of December 31:

2025 SAR 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Assets							
Cash and balances with Saudi Central Bank	9,616,694	-	-	-	-	-	9,616,694
Cash in hand	1,428,593	-	-	-	-	-	1,428,593
Balances with Saudi Central Bank	8,188,101	-	-	-	-	-	8,188,101
Due from Banks and other financial institutions	2,628,739	1,784,436	1,040,451	233,256	49,878	146,273	5,883,033
Demand	-	137,091	124,927	233,256	49,878	146,273	691,425
Commodity murabaha	2,628,739	1,647,345	915,524	-	-	-	5,191,608
Investments, net	27,023,427	4,011,537	88,067	-	-	-	31,123,031
FVOCI	17,699,153	1,157,889	-	-	-	-	18,857,042
FVSI	553,659	488,045	88,067	-	-	-	1,129,771
Amortized cost	8,770,615	2,365,603	-	-	-	-	11,136,218
Financing, net	122,188,499	-	-	-	-	-	122,188,499
Retail	58,373,609	-	-	-	-	-	58,373,609
Commercial	63,814,890	-	-	-	-	-	63,814,890
Other assets	1,111,366	-	-	-	-	-	1,111,366
Total	162,568,725	5,795,973	1,128,518	233,256	49,878	146,273	169,922,623

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

2025 ﷲ 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Liabilities							
Due to banks, Saudi Central Bank and other financial institutions	3,850,421	2,853,722	261,959	-	4,328	12,385	6,982,815
Demand	-	124,233	22,050	-	4,328	12,385	162,996
Direct investment	3,850,421	2,729,489	239,909	-	-	-	6,819,819
Customer deposits	132,879,116	-	-	-	-	-	132,879,116
Demand	44,361,140	-	-	-	-	-	44,361,140
Direct investment	53,364,980	-	-	-	-	-	53,364,980
Albilad account (Mudarabah)	31,437,032	-	-	-	-	-	31,437,032
Other	3,715,964	-	-	-	-	-	3,715,964
Sukuk and term financing	3,144,407	-	-	-	-	-	3,144,407
Other liabilities	7,810,209	-	-	-	-	-	7,810,209
Total	147,684,153	2,853,722	261,959	-	4,328	12,385	150,816,547
Commitments and contingencies							
Letters of credit	1,742,894	-	-	-	-	-	1,742,894
Letters of guarantee	12,564,026	-	-	-	-	-	12,564,026
Acceptances	1,136,263	-	-	-	-	-	1,136,263
Irrevocable commitments to extend credit	975,344	-	-	-	-	-	975,344
	16,418,527	-	-	-	-	-	16,418,527
Credit risk*	12,594,673	-	-	-	-	-	12,594,673

*Stated at credit equivalent amounts on commitments and contingencies

2024 ﷲ 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Assets							
Cash and balances with Saudi Central Bank	11,248,481	-	-	-	-	-	11,248,481
Cash in hand	1,314,780	-	-	-	-	-	1,314,780
Balances with Saudi Central Bank	9,933,701	-	-	-	-	-	9,933,701
Due from Banks and other financial institutions	998,477	1,307,368	250,146	2,379,194	34,057	130,159	5,099,401
Demand	-	207,298	250,146	279,779	34,057	130,159	901,439
Commodity murabaha	998,477	1,100,070	-	2,099,415	-	-	4,197,962
Investments, net	21,403,400	3,322,551	306,120	-	-	-	25,032,071
FVOCI	8,569,184	193,115	-	-	-	-	8,762,299
FVSI	557,855	511,400	52,966	-	-	-	1,122,221
Amortized cost	12,276,361	2,618,036	253,154	-	-	-	15,147,551
Financing, net	109,304,086	-	-	-	-	-	109,304,086
Retail	52,457,408	-	-	-	-	-	52,457,408
Commercial	56,846,678	-	-	-	-	-	56,846,678
Other assets	1,537,578	-	-	-	-	-	1,537,578
Total	144,492,022	4,629,919	556,266	2,379,194	34,057	130,159	152,221,617

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

2024 SAR 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Liabilities							
Due to banks, Saudi Central Bank and other financial institutions	2,891,956	2,319,861	-	-	1,125	279,857	5,492,799
Demand	-	132,090	-	-	1,125	7,169	140,384
Direct investment	2,891,956	2,187,771	-	-	-	272,688	5,352,415
Customer deposits	121,776,215	-	-	-	-	-	121,776,215
Demand	43,177,327	-	-	-	-	-	43,177,327
Direct investment	44,573,389	-	-	-	-	-	44,573,389
Albilad account (Mudarabah)	30,174,831	-	-	-	-	-	30,174,831
Other	3,850,668	-	-	-	-	-	3,850,668
Sukuk and term financing	3,147,121	-	-	-	-	-	3,147,121
Other liabilities	6,995,256	-	-	-	-	-	6,995,256
Total	134,810,548	2,319,861	-	-	1,125	279,857	137,411,391
Commitments and contingencies							
Letters of credit	1,785,736	-	-	-	-	-	1,785,736
Letters of guarantee	15,447,178	-	-	-	-	-	15,447,178
Acceptances	888,065	-	-	-	-	-	888,065
Irrevocable commitments to extend credit	1,839,320	-	-	-	-	-	1,839,320
	19,960,299	-	-	-	-	-	19,960,299
Credit risk*	14,336,727	-	-	-	-	-	14,336,727

*Refer note 40
**Stated at credit equivalent amounts on commitments and contingencies

CREDIT RISK (continued)

Credit equivalent amounts reflect the amounts that result from translating the Group’s commitments and contingencies into the risk equivalent of financing facilities using credit conversion factors prescribed by Saudi Central Bank. Credit conversion factor is used to capture the potential credit risk resulting from the Group meeting its commitments.

b. The geographical distribution of the impaired financial assets and the allowance for expected credit losses are set out as below:

The geographical distribution of assets, liabilities, commitments and contingencies and credit risk exposure as of December 31:

2025 SAR 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Non- Performing financing	1,215,222	-	-	-	-	-	1,215,222
Allowance for expected credit losses	2,404,716	-	-	-	-	-	2,404,716

2024 SAR 000	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Non-Performing financing	1,329,832	-	-	-	-	-	1,329,832
Allowance for expected credit losses	2,638,200	-	-	-	-	-	2,638,200

31. FINANCIAL RISK MANAGEMENT (continued)

Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortized cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For financing commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

December 31, 2025 S\$ '000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Due from bank and other financial institutions				
Investment grade	5,047,782	-	-	5,047,782
Non-investment grade	837,366	-	-	837,366
Unrated	-	-	-	-
Gross carrying amount	5,885,148	-	-	5,885,148
December 31, 2024 S\$ '000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Due from bank and other financial institutions				
Investment grade	4,974,273	-	-	4,974,273
Non-investment grade	112,831	-	-	112,831
Unrated	14,342	-	-	14,342
Gross carrying amount	5,101,446	-	-	5,101,446

Financing to customers at amortized cost

December 31, 2025 S\$ '000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Commercial	58,410,816	6,323,799	710,058	65,444,673
Grades 1-15: Low – fair risk	57,953,123	2,678,168	-	60,631,291
Grades 16-20: Watch list	457,693	3,645,631	-	4,103,324
Grades 21: Substandard	-	-	156,200	156,200
Grades 22: Doubtful	-	-	6,808	6,808
Grades 23: Loss	-	-	547,050	547,050
Retail				
Unrated	57,404,004	1,090,930	653,608	59,148,542
Gross carrying amount	115,814,820	7,414,729	1,363,666	124,593,215
December 31, 2024 S\$ '000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Commercial	50,134,530	7,878,447	807,655	58,820,632
Grades 1-15: Low – fair risk	49,637,264	3,033,382	-	52,670,646
Grades 16-20: Watch list	497,266	4,845,065	-	5,342,331
Grades 21: Substandard	-	-	263,523	263,523
Grades 22: Doubtful	-	-	341,251	341,251
Grades 23: Loss	-	-	202,881	202,881
Retail				
Unrated	51,926,573	672,904	522,177	53,121,654
Gross carrying amount	102,061,103	8,551,351	1,329,832	111,942,286

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Financing to customers at
amortized cost (continued)

December 31, 2025 ﷼' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Debt investment securities at amortized cost				
Investment grade	8,776,019	-	-	8,776,019
Non-investment grade	1,136,903	-	-	1,136,903
Unrated	1,246,085	-	-	1,246,085
Gross carrying amount	11,159,007	-	-	11,159,007
December 31, 2024 ﷼' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Debt investment securities at amortized cost				
Investment grade	10,532,156	-	-	10,532,156
Non-investment grade	1,055,900	-	-	1,055,900
Unrated	1,282,971	-	-	1,282,971
Gross carrying amount	12,871,027	-	-	12,871,027

*Refer note 40

CREDIT RISK (continued)

Credit quality analysis (continued)

December 31, 2025 ﷼' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Debt investment securities at FVOCI				
Investment grade	11,466,893	-	-	11,466,893
Unrated	132,882	-	-	132,882
Gross carrying amount	11,599,775	-	-	11,599,775
December 31, 2024 ﷼' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Debt investment securities at FVOCI				
Investment grade	6,588,603	-	-	6,588,603
Unrated	145,348	-	-	145,348
Gross carrying amount	6,733,951	-	-	6,733,951

31. FINANCIAL RISK MANAGEMENT (continued)

Credit quality analysis (continued)

December 31, 2025 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Commitments and contingencies				
Grades 1-15: Low – fair risk	13,714,840	731,516	-	14,446,356
Grades 16-20: Watch list	1,595,550	187,901	-	1,783,451
Grades 21: Substandard	-	-	598	598
Grades 22: Doubtful	-	-	784	784
Grades 23: Loss	-	-	187,338	187,338
Gross carrying amount	15,310,390	919,417	188,720	16,418,527

December 31, 2024 ₪ 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Commitments and contingencies				
Grades 1-15: Low – fair risk	18,029,820	508,398	-	18,538,218
Grades 16-20: Watch list	939,597	311,088	-	1,250,685
Grades 21: Substandard	-	-	20,372	20,372
Grades 22: Doubtful	-	-	892	892
Grades 23: Loss	-	-	150,132	150,132
Gross carrying amount	18,969,417	819,486	171,396	19,960,299

*Refer note 40

CREDIT RISK (continued)

Amounts arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank’s historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The PD at the reporting date; with
- The PD estimated at the time of initial recognition of the exposure.

In addition to the above, other major quantitative consideration include days past due and rating of customer.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The assessment of significant increase in credit risk, is assessed taking on account of:

- Days past due;
- Change in risk of default occurring since initial recognition;
- Expected life of the financial instrument; and
- Reasonable and supportable information, that is available without undue cost or effort that may affect credit risk.

Lifetime expected credit losses are recognized against any material facility which has experienced significant increase in credit risk since initial recognition. There is a rebuttable presumption that recognition of lifetime expected credit losses will be made if any facility is past due for more than 30 days.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes 30 days past due; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Credit risk grades

For the wholesale portfolio, the bank allocates each exposure (either through reliance on internal rating or external rating agencies) to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Commercial exposures	Retail exposures	All exposures
- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality management, and senior management changes. - Data from credit reference agencies, press articles, changes in external credit ratings - Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities - Business analysis of the borrower, including business risk, management, financial document and support, stability and behavior. - Industry analysis in which the borrower is operating, including the phase of industry growth and industry failure rate.	- Internally collected data and customer behavior – e.g. utilization of credit card facilities. - Affordability metrics. - External data from credit reference agencies including industry-standard credit	- Payment record – this includes overdue status as well as a range of variables about payment ratios. - Utilization of the granted limit - Requests for and granting of forbearance. - Existing and forecast changes in business, financial and economic conditions.

Generating the term structure of PD

Credit risk grades (or for aforementioned bucket created for retail portfolio) are a primary input into the determination of the term structure of PD for exposures.

Using the realized default data for each grade or bucket, the bank employs statistical models to generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Bank employs following steps in order to generated term structure of the PD:

The Bank first calculates the observed default rates for its portfolios which involves monitoring customer behavior over next 12 months, then classifying default, which is then forecasted using acceptable actuarial method and thereafter adjusted for macroeconomic outlook (see below).

The Bank factors in forward looking information in its PD calibration through macroeconomic models for each portfolio. The impact of macroeconomic variables on default rates has been calculated using a multiple scenario-based modeling framework which factors upturn, downturn and baseline scenarios’ forecast in to the probability of default. This analysis includes the identification and calibration of relationships between changes in default rates and macro-economic factors. The forecast is used to estimate the impact on the PD over the upcoming years.

The “Point in Time” PD and later adjusted for macroeconomic overlay to make it forward looking. Transition matrix approach is used to forecast grade wise PDs over the upcoming years transition matrix. This provide the grade wise PD over the upcoming years, thus the term structure of the PD.

Definition of ‘Default’

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Bank.

In assessing whether a borrower is in default. The Bank considers indicators that are:

- Qualitative- e.g. breaches of covenant;
- quantitative- e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources; and
- inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Modified financial assets

The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized and the renegotiated financing recognized as a new financing at fair value in accordance with the accounting policy.

When the terms of the financial assets are modified that does not result into de-recognition, the Bank will recalculate the carrying amount of the asset by discounting the modified contractual cash flows using EIR prior to the modification. Any difference between the recalculated amount and the existing carrying amount will be recognized in statement of income for asset modification.

To measure the Significant Increase in Credit Risk (for financial assets not de-recognized during the course of modification), the Bank will compare the risk of default occurring at the reporting date based on modified contract terms and the default risk occurring at initial recognition based on original and unmodified contract terms. Appropriate ECL will be recorded according to the identified staging after asset modification i.e. 12-Month ECL for Stage 1, Lifetime ECL for Stage 2 and Default for Stage 3.

The Bank renegotiates financing to customers in financial difficulties referred to as “forbearance activities” to maximize collection opportunities and minimize the risk of default. Under the Bank’s forbearance policy, financing forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the

original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of profit payments and amending the terms of financing covenants. Both retail and commercial financing are subject to the forbearance policy.

The asset will be provided appropriate treatment according to the identified staging after asset modification i.e. 12-Month ECL for Stage 1, Lifetime ECL for Stage 2 and Default for Stage 3. No asset modification to be considered if the same were not driven by Credit Distress situation of Obligor.

During the year, no material losses were recognized on modification or restructuring of any facility.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. For the purpose of ECL measurement with respect to the retail and commercial (including SME) portfolios, this is done through application of macroeconomic models which have been developed for the various portfolios of the banks. Through the macroeconomic models the Bank assesses the impact of the macroeconomic variables on the default rates. The forecasts of the variables are gathered from the external sources.

The Bank formulates a ‘base case’ view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by independent external agencies.

The base case represents a most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The economic scenarios used as at December 31 included the following ranges of key indicators.

Economic Indicators	2025	2024
GDP, oil prices and inflation	Upside 30%	Upside 30%
	Base case 40%	Base case 40%
	Downside 30%	Downside 30%

The Bank has updated its forward-looking variables (key economic drivers).

Probability weightages

The Bank considered the probability weightages to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Bank’s credit portfolios in determining them.

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Incorporation of forward-looking information (continued)

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 7 to 10 years. The Bank has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

Economic Indicators	Forecast calendar years used in 2025 ECL model			Forecast calendar years used in 2024 ECL model		
	2026	2027	2028	2025	2026	2027
GDP (￼ in Billions)	3,656	3,761	3,868	3,205	3,279	3,353
Oil prices (USD per barrel)	64.54	67.06	68.72	77.37	75.33	74.98
Inflation (Consumer Price Index)	106.65	108.75	110.93	113.68	116.10	118.59

With respect to the listed, sovereign and Financial Institutions, the bank utilizes a Credit Default Swap based methodology (extracted from independent sources), which incorporates the market’s forward-looking view in order to arrive at the ECL.

Sensitivity of ECL allowance

Given current economic uncertainties and the judgment applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Bank should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of ECL to key factors used in determining it as at the year-end:

Assumptions sensitized	ECL impact 2025 (￼ 000)
Macro-economic factors:	
Decrease in \$10 oil price per barrel	379,919
Decrease in \$20 oil price per barrel	759,839
Decrease in GDP growth rate by 0.5%	240,581
Decrease in GDP growth rate by 1%	481,161

Sensitivity of ECL allowance (continued)

Where modeling of a parameter is carried out on a collective basis, the financial instruments are assessed on the basis of shared risk characteristics that include:

- Product type
- Delinquency
- Employer (Government & private segmentation)
- Income (salary & non salary transfer)
- Collateral type;

Measurement of ECL

For retail and commercial (including SME exposures), the key inputs into the measurement of ECL are the term structure of the following variables:

- a) Probability of default (PD);
- b) Loss given default (LGD); and
- c) Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated, based on statistical rating models and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to the financial asset. LGD is calculated on a discounted cash flow basis using the contractual profit rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Measurement of ECL (continued)

As described above and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance, terminate a financing commitment, or guarantee.

For credit card facilities that include both a financing and an undrawn commitment component, the Bank measures ECL over a period of contractual maturity, as the bank considers that it has the contractual ability to demand repayment and cancel the undrawn commitment. Although these facilities do not have a fixed term or repayment structure and are managed on a collective basis, there is an annual review of the limits, where these can be cancelled.

For portfolios, such as listed exposures, Sovereign and FI exposures, in respect of which the Bank has limited historical data, credit default swap spreads are utilized to determine the expected credit loss amount.

The PD, EAD and LGD models are subject to the Bank's IFRS 9 model validation policy that stipulates periodic model monitoring, periodic revalidation.

During the year, the Bank has validated and redeveloped some models where necessitates based on updated default data / macroeconomic information.

Economic Sector risk concentration for the financing and allowance for ECL are as follows:

2025 ₪ 000	Performing	Credit-impaired	Allowance for expected credit losses	Financing, net
Retail	58,643,378	505,164	(774,933)	58,373,609
Real estate and rental	28,234,574	1,087	(159,278)	28,076,383
Industrial	5,535,614	39,945	(367,943)	5,207,616
Electricity, water, gas & health services	6,113,579	1,097	(8,232)	6,106,444
Commercial	3,948,312	173,656	(426,670)	3,695,298
Services	8,813,052	301,178	(350,348)	8,763,882
Building and construction	2,176,081	48,326	(61,600)	2,162,807
Transportation and communication	3,347,297	-	(9,067)	3,338,230
Mining & Quarrying	1,527,746	-	(2,520)	1,525,226
Agriculture and fishing	904,296	-	(798)	903,498
Other	4,134,064	144,769	(243,327)	4,035,506
Total	123,377,993	1,215,222	(2,404,716)	122,188,499
2024 ₪ 000	Performing	Credit-impaired	Allowance for expected credit losses	Financing, net
Retail	52,599,477	522,177	(664,246)	52,457,408
Real estate and rental	24,148,629	324,817	(632,054)	23,841,392
Industrial	5,064,841	9,584	(403,102)	4,671,323
Electricity, water, gas & health services	4,272,963	3,023	(4,271)	4,271,715
Commercial	4,224,870	190,664	(478,123)	3,937,411
Services	8,167,808	27,364	(95,597)	8,099,575
Building and construction	2,318,725	28,593	(37,989)	2,309,329
Transportation and communication	2,632,975	-	(18,862)	2,614,113
Mining & Quarrying	1,541,925	-	(1,546)	1,540,379
Agriculture and fishing	935,447	-	(1,977)	933,470
Other	4,704,794	223,610	(300,433)	4,627,971
Total	110,612,454	1,329,832	(2,638,200)	109,304,086

31. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Measurement of ECL (continued)

Collateral

The banks in the ordinary course of lending activities hold collaterals as security to mitigate credit risk in the financing. These collaterals mostly include time, demand and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial and retail financing and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

The amount of commercial collateral held as security for financing that are credit-impaired as at December 31, 2025 and 2024 are as follows:

ﷲ 000	2025	2024
Total fair value of collateral	274,307	456,962

Financial assets subject to offsetting, netting arrangements

Related amounts not offsetted			
ﷲ 000 December 31, 2025	Gross assets before offset	Amounts subject to masted netting arrangement	Net amount
Derivative financial instruments	33,706	(35,849)	(2,143)
Related amounts not offsetted			
ﷲ 000 December 31, 2024	Gross assets before offset	Amounts subject to masted netting arrangement	Net amount
Derivative financial instruments	24,479	(25,793)	(1,314)

32. MARKET RISK

Market risk is the risk that the fair value to future cash flows of the financial instruments will fluctuate due to changes in market variables such as profit rate, foreign exchange rates and equity prices.

a. Profit rate risk

Cash flow profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market profit rates. The Group does not have any significant exposure to the effects of fluctuations in prevailing level of market profit rates on its future cash flows.

b. Foreign exchange rate risk

Foreign exchange rate risk represents the risk of change in the value of financial instruments due to change in exchange rates. The Group is exposed to the effects of fluctuations in foreign currency exchange rates on both its financial position and on its cash flows. The Group’s management sets limits on the level of exposure by individual currency and in total for intraday positions, which are monitored daily.

The Group had the following summarized exposure to foreign currency exchange rate risk as at December 31:

	2025		2024	
	Saudi Riyal ﷲ 000	Foreign currency ﷲ 000	Saudi Riyal ﷲ 000	Foreign currency ﷲ 000
Assets				
Cash and balances with Saudi Central Bank	9,531,358	85,336	11,134,022	114,459
Due from banks and other financial institutions, net	2,817,140	3,065,893	1,746,352	3,353,049
Investments, net	22,040,695	9,082,336	17,594,405	7,437,666
Financing, net	118,370,260	3,818,239	107,272,131	2,031,955
Other assets	1,317,649	46,535	1,902,101	7,812
Liabilities and equity				
Due to banks, Saudi Central Bank and other financial institutions	3,491,316	3,491,499	3,082,588	2,410,211
Customer deposits	120,959,990	11,919,126	112,597,633	9,178,582
Sukuk and term financing	3,144,407	-	3,147,121	-
Other liabilities	8,543,070	66,743	7,783,188	72,134
Equity	18,872,369	2,483,551	16,693,230	-

A substantial portion of the net foreign currency exposure to the Group is in US Dollars, where SAR is pegged to US Dollar. The other currency exposures are not considered significant to the Group’s foreign

exchange rate risks and as a result the Group is not exposed to major foreign exchange rate risks.

32. MARKET RISK (continued)

b. Foreign exchange rate risk (continued)

The Bank has performed a sensitivity analysis over one year time horizon for the probability of changes in foreign exchange rates, other than US Dollars, using historical average exchange rates and has determined that there is no significant impact on its net foreign currency exposures.

Currency position

At the end of the year, the Group had the following significant net exposures denominated in foreign currencies:

	2025 ₹ 000 Long/(short)	2024 ₹ 000 Long/(short)
US Dollars	(2,683,038)	826,877
UAE Dirham	52,589	134,098
Pakistan Rupees	38,540	29,076
Indian Rupee	28,041	29,066
Bangladeshi Taka	30,104	20,130
Others	671,184	249,306
Total	(1,862,580)	1,288,553

c. Investment price risk

Investment risk refers to the risk of change in fair values of equities and mutual funds in the Group's investment portfolio as a result of possible changes in levels of market indices and the value of individual stocks.

The effect on the Group's investments due to reasonable possible change in market indices, with all other variables held constant is as follows:

Security types	December 31, 2025		December 31, 2024	
	Change in investment price %	Effect in ₹ 000	Change in investment % price	Effect in ₹ 000
Fair value through other comprehensive income (FVOCI)- Retained earnings Equity				
Quoted	± 10	73,271	± 10	41,793
Unquoted	± 2	3,260	± 2	3,219
Fair value through statement of income (FVSI)- Statement of income Equity				
Quoted	± 10	15,073	± 10	9,827
Mutual Funds				
Quoted	± 10	7,191	± 10	10,209
Unquoted	± 2	18,142	± 2	18,437

33. LIQUIDITY RISK

Liquidity risk is the risk that the Group 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, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents and readily marketable securities.

Management monitors the maturity profile to ensure that adequate liquidity is maintained. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by Assets Liability Committee (ALCO). Daily reports cover the liquidity position of both the Bank and operating subsidiaries. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

In accordance with Banking Control Law and the regulations issued by Saudi Central Bank, the Bank maintains a statutory deposit with Saudi Central Bank equal to 7% (2024: 7%) of total monthly average demand deposits and 4% (2024: 4%) of monthly average time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of not less than 20% of its total deposits, in the form of cash and assets, which can be converted into cash within a period not exceeding 30 days.

The Bank has the ability to raise additional funds through special investment arrangements facilities with Saudi Central Bank.

a. Analysis of discounted financial assets and financial liabilities by expected maturities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

2025 S 000	Within 3 Months	months to 3 1 year	Over one year to 5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with Saudi Central Bank	3,265,158	-	-	-	6,351,536	9,616,694
Cash in hand	1,428,593	-	-	-	-	1,428,593
Balances with Saudi Central Bank	1,836,565	-	-	-	6,351,536	8,188,101
Due from Banks and other financial institutions, net	4,245,439	-	1,637,594	-	-	5,883,033
Demand	691,425	-	-	-	-	691,425
Commodity murabaha	3,554,014	-	1,637,594	-	-	5,191,608
Investments, net	501,813	1,411,854	11,326,321	15,857,557	2,025,486	31,123,031
FVOCI	-	3,041	6,180,939	11,777,347	895,715	18,857,042
FVSI	-	-	-	-	1,129,771	1,129,771
Amortized cost	501,813	1,408,813	5,145,382	4,080,210	-	11,136,218
Financing, net	16,519,901	16,211,138	48,175,731	41,281,729	-	122,188,499
Retail	2,230,103	4,719,449	20,789,512	30,634,545	-	58,373,609
Commercial	14,289,798	11,491,689	27,386,219	10,647,184	-	63,814,890
Other assets	458,049	-	-	-	653,317	1,111,366
Total assets	24,990,360	17,622,992	61,139,646	57,139,286	9,030,339	169,922,623

33. LIQUIDITY RISK (continued)

a. Analysis of discounted financial assets and financial liabilities by expected maturities: (continued)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

2025 SAR 000	Within 3 Months	months 3 to 1 year	Over one year to 5 years	Over 5 years	No fixed maturity	Total
Liabilities						
Due to banks, Saudi Central Bank and other financial institutions	3,495,345	2,885,702	601,768	-	-	6,982,815
Demand	162,996	-	-	-	-	162,996
Direct investment	3,332,349	2,885,702	601,768	-	-	6,819,819
Customer deposits	38,204,389	13,979,395	1,181,196	-	79,514,136	132,879,116
Demand	-	-	-	-	44,361,140	44,361,140
Direct investment	38,204,389	13,979,395	1,181,196	-	-	53,364,980
Albilad account (Mudarabah)	-	-	-	-	31,437,032	31,437,032
Other	-	-	-	-	3,715,964	3,715,964
Sukuk and term financing	-	-	-	3,144,407	-	3,144,407
Other liabilities	3,456,272	-	-	-	4,353,937	7,810,209
Total liabilities	45,156,006	16,865,097	1,782,964	3,144,407	83,868,073	150,816,547
Commitments & contingencies*	2,108,158	6,009,180	6,100,869	2,200,320	-	16,418,527

* The cumulative maturities of commitments & contingencies are given in note 19 of the financial statements.

a. Analysis of discounted financial assets and financial liabilities by expected maturities: (continued)

2024 SAR 000	Within 3 Months	months to 3 1 year	Over one year to 5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with Saudi Central Bank	5,236,216	-	-	-	6,012,265	11,248,481
Cash in hand	1,314,780	-	-	-	-	1,314,780
Balances with Saudi Central Bank	3,921,436	-	-	-	6,012,265	9,933,701
Due from Banks and other financial institutions, net	3,500,517	411,356	1,187,528	-	-	5,099,401
Demand	901,439	-	-	-	-	901,439
Commodity murabaha	2,599,078	411,356	1,187,528	-	-	4,197,962
Investments, net	387,841	1,262,272	8,770,189	12,910,677	1,701,092	25,032,071
FVOCI	-	101,191	4,784,017	5,596,015	578,871	11,060,094
FVSI	-	-	-	-	1,122,221	1,122,221
Amortized cost	387,841	1,161,081	3,986,172	7,314,662	-	12,849,756
Financing, net	14,303,386	15,903,731	43,494,514	35,602,455	-	109,304,086
Retail	1,858,978	4,021,928	17,308,173	29,268,329	-	52,457,408
Commercial	12,444,408	11,881,803	26,186,341	6,334,126	-	56,846,678
Other assets	1,018,675	-	-	-	518,903	1,537,578
Total assets	24,446,635	17,577,359	53,452,231	48,513,132	8,232,260	152,221,617

33. LIQUIDITY RISK (continued)

a. Analysis of discounted financial assets and financial liabilities by expected maturities: (continued)

2024 S 000	Within 3 Months	months to 3 1 year	Over one year to 5 years	Over 5 years	No fixed maturity	Total
Liabilities						
Due to banks, Saudi Central Bank and other financial institutions	5,034,985	457,814	-	-	-	5,492,799
Demand	140,384	-	-	-	-	140,384
Direct investment	4,894,601	457,814	-	-	-	5,352,415
Customer deposits	35,066,673	9,404,460	102,256	-	77,202,826	121,776,215
Demand	-	-	-	-	43,177,327	43,177,327
Direct investment	35,066,673	9,404,460	102,256	-	-	44,573,389
Albilad account (Mudarabah)	-	-	-	-	30,174,831	30,174,831
Other	-	-	-	-	3,850,668	3,850,668
Sukuk and term financing	-	-	-	3,147,121	-	3,147,121
Other liabilities	2,922,420	-	-	-	4,072,836	6,995,256
Total liabilities	43,024,078	9,862,274	102,256	3,147,121	81,275,662	137,411,391
Commitments & contingencies*	2,631,834	6,896,220	8,029,392	2,402,853	-	19,960,299

*Refer note 40

** The cumulative maturities of commitments & contingencies are given in note 19 of the financial statements.

b. Analysis of financial liabilities by the remaining undiscounted contractual maturities as at December 31, are as follows:

The table below summarizes the maturity profile of the Bank's financial liabilities at December 31, 2025 and 2024 based on contractual undiscounted repayment obligations whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

As due to banks, Saudi Central Bank and other financial institutions and customers' deposits payments up to contractual maturity are included in the table, totals do not match with the statement of financial position.

2025 S 000	Within 3 Months	months to 3 1 year	Over one year to 5 years	Over 5 years	No fixed maturity	Total
Financial liabilities						
Due to banks, Saudi Central Bank and other financial institutions	3,532,563	2,928,342	637,970	-	-	7,098,875
Customers' deposits	38,254,668	14,498,962	1,246,995	-	79,514,136	133,514,761
Financial liabilities						
Due to banks, Saudi Central Bank and other financial institutions	5,229,852	544,060	-	-	-	5,773,912
Customers' deposits	35,131,751	9,791,473	103,568	-	77,202,826	122,229,618

34. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

• Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

		Fair value			
RM 000 December 31, 2025	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Held as FVSI (mutual funds)	979,038	71,914	907,124	-	979,038
Held as FVSI (equity instruments)	150,733	150,733	-	-	150,733
Held as FVOCI (equity instruments)	895,715	732,710	-	163,005	895,715
Held as FVOCI (Sukuk)	17,961,327	13,710,421	4,250,906	-	17,961,327
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	5,883,033	-	-	5,883,033	5,883,033
Investments held at amortized cost	11,136,218	8,120,624	2,381,641	-	10,502,265
Financing, net	122,188,499	-	-	122,434,238	122,434,238

		Fair value			
RM 000 December 31, 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Held as FVSI (mutual funds)	1,023,956	102,090	921,866	-	1,023,956
Held as FVSI (equity instruments)	98,265	98,265	-	-	98,265
Held as FVOCI (equity instruments)	578,871	417,931	-	160,940	578,871
Held as FVOCI (Sukuk)	10,481,223	8,464,951	2,016,272	-	10,481,223
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	5,099,401	-	-	5,099,401	5,099,401
Investments held at amortized cost	12,849,756	9,690,271	2,808,276	-	12,498,547
Financing, net	109,304,086	-	-	109,503,201	109,503,201

*Refer note 40

34. FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

		Fair value			
ﷲ 000 December 31, 2025	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	6,982,815	-	-	6,982,815	6,982,815
Customers' deposits	132,879,116	-	-	132,879,116	132,879,116
Sukuk and term financing	3,144,407	-	-	3,144,407	3,144,407
ﷲ 000 December 31, 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	5,492,799	-	-	5,492,799	5,492,799
Customers' deposits	121,776,215	-	-	121,776,215	121,776,215
Sukuk	3,147,121	-	-	3,147,121	3,147,121

The fair values of financial instruments which are not measured at fair value in these consolidated financial statements are not significantly different from the carrying values included in the consolidated financial statements.

Cash and balances with Saudi Central Bank, due from banks with maturity of less than 90 days and other short-term receivable are assumed to have fair values that reasonably approximate their corresponding carrying values due to the short-term nature.

The fair values, of profit bearing customer deposits, held at amortized cost investment, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since either the current market profit rates for similar financial instruments are not significantly different from the contracted rates, or for the short duration of certain financial instruments particularly due from and due to banks and other financial institutions or a combination of both. An active market for these instruments is not available and the Group intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
FVSI investments	Fair value is determined based on the investee fund's most recent reported net assets value which is based on fair value of underlying assets.	None	Not applicable
FVOCI equity instruments	Market comparable approach	None	Not applicable

Financing classified as level 3 have been valued using expected cash flows discounted at relevant SAIBOR.

During the current year, no financial assets / liabilities have been transferred between level 1 and / or level 2 fair value hierarchy.

• Reconciliation of level 3 fair values held as FVOCI

	December 31, 2025 S 000	December 31, 2024 S 000
Balance at the beginning of the year	160,940	151,530
Gain / (loss) included in OCI	-	-
Net changes in fair value (unrealised)	2,065	9,410
Balance at the end of the year	163,005	160,940

35. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of activities, the Group transacts business with related parties. Related party transactions are governed by limits and terms set by the Banking Control Law and the regulations issued by Saudi Central Bank.

The nature and balances of transactions with the related parties for the years ended December 31 are as follows:

a. Directors, key management personnel, other major shareholders, their affiliates balances and others:

	2025 S\$ 000	2024 S\$ 000
Financing	3,043,989	2,358,334
Commitments and contingencies	138,902	132,192
Deposits	93,459	87,998

b. Group's mutual funds:

	2025 S\$ 000	2024 S\$ 000
These are the outstanding balances with Group's mutual funds as of December 31:		
Customers' deposits	4,435	46,371
Investments - units	413,736	413,461

c. Income and expense:

	2025 S\$ 000	2024 S\$ 000
Directors, Key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:		
Income	289,898	254,354
Expenses	9,466	14,836

d. The total amount of compensation paid to key management personnel during the year is as follows:

	2025 S\$ 000	2024 S\$ 000
Employee benefits	215,543	163,611

36. 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.

	2025 S\$ 000	2024 S\$ 000
Credit Risk RWA	118,341,390	106,050,880
Operational Risk RWA	5,022,005	6,479,677
Market Risk RWA	4,072,222	2,176,515
Total Pillar-I RWA	127,435,617	114,707,072
Tier I Capital	18,918,062	16,693,230
Tier II Capital	21,355,920	16,693,230
Total Tier I & II Capital	4,386,562	4,324,648
Capital Adequacy Ratio %	25,742,482	21,017,878
Common Equity Tier I ratio	14.85%	14.55%
Tier I ratio	16.76%	14.55%
Tier I + Tier II ratio	20.20%	18.32%

37. INVESTMENT MANAGEMENT AND BROKERAGE SERVICES

The Bank offers investment management services to its customers through its subsidiary, Albilad Investment Company. These services include the management of 18 public mutual funds (2024: 16 public mutual funds) with assets under management (AUM) totaling SAR 9,107 million (2024: SAR 9,539 million). Albilad Investment Company acts as the fund manager of these funds. All of these funds comply with Shariah rules and are subject to Shariah controls on a regular basis. Some of these mutual funds are managed in association with external professional investment advisors.

The Group also manages private investment portfolios on behalf of its customers amounting to SAR 2,574 million (2024: SAR 1,941 million). The financial statements of these funds and private portfolios are not included in the consolidated financial statements of the Group. However, the transactions between the Group and the funds are disclosed under related party transactions (see note 35).

38. PROFIT SHARING INVESTMENT ACCOUNTS

a) Analysis of PSIA income according to types of financing and investments

As of December 31, 2025, all financing and investments are funded by depositors’ pool which includes funds from Unrestricted Investment Accountholder.

Gross financing by type of contract:

	2025 SAR 000	2024 SAR 000
Bei Ajel	63,928,596	57,365,501
Musharaka financing	1,088,410	1,121,312
Other instruments	4,912,199	5,803,011
Total financing and investments	69,929,205	64,289,824

b) The basis for calculating and allocating profits between the bank and the IAHs;

Computation of pool income is as follows:

	2025 SAR 000	2024 SAR 000
Pool income from financing	4,398,292	4,327,055
Income from investments	220,773	272,451
Total pool income	4,619,065	4,599,506
Total amount attributable to Investment Account Holders	2,601,387	2,442,796
Total amount attributable to shareholders	2,017,678	2,156,710

The basis of allocating the profits between IAH and the Bank:

	IAH Share	Bank Share
Profit sharing allocation percentages	70%	30%

c) The equity of the IAHs at the end of the reporting period:

	2025 SAR 000	2024 SAR 000
Investment account holders balance before profit	56,111,714	46,464,062
Add: profit for the IAH during the year	2,601,387	2,442,796
Less: profit paid out during the year	(2,476,712)	(2,383,309)
Total equity for Investment Account Holders	56,236,389	46,523,549

39. MORTGAGE SUPPORT PROGRAM FROM REAL ESTATE DEVELOPMENT FUND (“REDF”)

During 2023, the Real Estate Development Fund (“REDF”) launched a new program (“the program”) to support residential mortgage finance to certain eligible customers at a subsidized profit rate and for a specified period. On November 11, 2023, the Bank became a participant under the program by signing an agreement with REDF.

In accordance with the requirements of IFRS 9, fair value loss arises on the origination of the subsidized mortgage facilities due to the below-market profit rates. The Bank has received compensation from REDF against the fair value losses. The Bank’s management has determined that the compensation amount received from REDF qualifies as a government grant under IAS 20, that has been recorded as deferred income in other liabilities and amortized over the average life of the financings to off-set the fair value losses arising on the mortgage facilities.

40. COMPARATIVE FIGURES

During the year ended December 31, 2025, the Bank has reassessed the classification of its Tier 1 Sukuk and reclassified these investments amounting to SAR 2,297.8 million as at December 31, 2024 from “Amortized cost” to “Fair value through other comprehensive income” categories within note 7 to the consolidated financial statements, due to fact that these are equity instruments. These Tier 1 Sukuks are equity instruments from the issuer’s perspective and therefore did not meet the amortized cost classification criteria in IFRS 9 (Financial Instruments) on initial recognition.

These adjustments are considered as correction of error in accordance with the requirements of International Accounting Standard 8 (Accounting policies, Changes in Accounting Estimates and Errors). As a result, the purchase of investments held as amortized costs amounting to SAR 601 million during the year ended December 31, 2024 have been re-classified from “Proceeds from maturity / (purchase) of investments held as amortized cost” to “purchase and proceeds from sale of investments held as FVOCI”, both within investing activities in the consolidated statement of cash flows.

The impact of the reclassification of Tier 1 sukuk investments on the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity for the year ended December 31, 2024 was immaterial.

41. BOARD OF DIRECTORS’ APPROVAL

The consolidated financial statements were authorized for issue by the Board of Directors on Sha’aban 22, 1447H (corresponding to February 10, 2026).



