



# harmonize the group





**In The Name of Allah  
The Most Merciful, The Most Gracious**



The Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al Saud**



His Royal Highness Crown Prince, Prime Minister,  
**Mohammad Bin Salman Bin Abdulaziz Al Saud**



# harmonize the group



Every decade or so, new trends, technologies, and rapidly evolving customer needs cause seismic shifts in the banking industry. Over these past few decades, alrajhi bank has been at the forefront of such industry changes. With YOU as our primary focus, our approach to these inevitable transitions has been strategic, yet bold. Prudent, yet innovative. Progressive, yet sustainable. We evolved alongside you and your needs, from a bank to an ecosystem of broader financial capabilities and solutions, ready for the next paradigm shift.

A seamlessly connected, digitally elevated, hyper-personalised, omnichannel, universal banking experience, harmonized to fulfil YOUR evolving financial needs.

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The web and mobile HTML versions are published online on the same date as the date of issue of this publication at

<https://www.alrajhibank.com.sa/ir25/index.html>

# about the report

GRI 2-2, 2-3, 2-4



alrajhi bank is pleased to present its Integrated Annual Report for the financial year ended 31 December 2025, prepared in accordance with the International Integrated Reporting <IR> Framework, now part of the International Financial Reporting Standards (IFRS) Foundation. The Report serves as the primary communication to shareholders, investors and other stakeholders, providing a balanced and comprehensive overview of alrajhi bank's performance, operations and strategy during the year. The Integrated Annual Report is available online in HTML as well as in print and PDF versions.

## Reporting period

This Report covers the 12-month period from 1 January to 31 December 2025, and is consistent with the bank's conventional annual reporting cycle for integrated financial and sustainability reporting. The bank's most recent integrated report covered the 12-month period that ended 31 December 2024. There are no restatements of information from the previous report and no major changes from previous reporting periods in the scope and aspect boundaries.

## Report boundary

The boundary for financial reporting in this document extends to cover alrajhi bank, referred to as 'the bank', and its subsidiaries, which together with the bank, are collectively referred to as the 'group'. Where applicable, other group entities are referred to as 'group' or 'Consolidated'.

## Data collection approach

The bank has adopted a comprehensive data collection methodology to ensure the accuracy and reliability of the information presented in this report. This methodology includes internal systems for collecting environmental, social and governance metrics, including but not limited

## The report reflects on:

The value created against the trends that shaped the operating environment in the short, medium and long-term.	The governance, risk management and sustainability frameworks entrenched across the group.	The financial, operational, environmental and social reviews and results of the group for the year.
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## about the report

to indicators such as greenhouse gas emissions, energy consumption, employee demographics, employee engagement and data breaches.

### Compliance

alrajhi bank Integrated Annual Report 2025 complies with all applicable laws, regulations and standards, and guidelines for voluntary disclosures. Additional details can be found in the chapter on Governance (pages 214 to 277) and in the Financial Statements and the Notes therein (pages 279 to 412).

The consolidated Environmental, Social and Governance (ESG) data has been prepared in alignment with the Saudi Exchange ESG Disclosure Guidelines ([www.sseinitiative.org](http://www.sseinitiative.org)), and in reference to the GRI Sustainability Reporting Standards ([www.globalreporting.org](http://www.globalreporting.org)).

As organisations preparing an integrated report are not required to adopt the International <IR> Framework categorisation of capitals (as provided in the paragraphs 2.10 and 2.17-2.19 in the <IR> Framework), the bank has categorised the capitals distinctively in its value creation model diagram (page 42 to 43), to aptly describe its value creation process. The process of preparing this Report continues to strengthen and reinforce integrated thinking across the bank.

The Consolidated Financial Statements presented in this report are in line with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards, and pronouncements issued by the Saudi Organisation for Certified Public Accountants (SOCPA). The Statements comply with the provisions of the banking Control Law, the Regulations for Companies in the KSA, and the bank's Articles of Association.

### Precautionary principle

alrajhi bank is conscious of the wider impact of its operations, and always takes into consideration the financial, economic, social and environmental consequences of its actions when launching new ventures and initiatives. One particular area of interest to the bank is the indirect results of the actions of businesses to which the bank lends.

The bank is guided by its 'Sustainable Finance Framework' regarding the allocation of proceeds of sustainable financing instruments, with an annual 'Allocation and Impact Report' issued by the bank providing details of the impact of projects benefitting from these allocations.

Although the bank's business model and nature of operations do not directly create a significant negative impact on the environment; every effort is made to reduce its own carbon footprint through initiatives such as renewable energy usage, prudent energy and water consumption, the utilisation of building management systems, waste management, and the elimination of paper usage across its operations.

### Queries

Your comments on this Report are most welcome. Please email: [IR@alrajhibank.com.sa](mailto:IR@alrajhibank.com.sa) to send in your feedback on the bank's Integrated Annual Report 2025.

### Standards and guidelines followed for reporting



The Saudi Exchange ESG Disclosure Guidelines (<https://www.saudiexchange.sa/wps/portal/saudiexchange/listing/issuer-guides/esg-guidelines>)



The International Integrated Reporting Framework ([www.integratedreporting.org](http://www.integratedreporting.org))



GRI Sustainability Reporting Standards - GRI Standards ([www.globalreporting.org](http://www.globalreporting.org))

# this is alrajhi bank

GRI 2-1



## purpose

- We enable finance for your thriving future



## ambition

- To enrich people's lives through a leading financial ecosystem built on seamless experiences, innovative solutions and endless opportunities



## our values

Our core values articulate why we are the number one bank of choice in the Kingdom.

- **People focused**  
We put people at the heart of everything we do.
- **Progressive**  
We think ahead and adapt rapidly to deliver value.
- **Principled**  
We operate with integrity, transparency and modesty.



## our evolution

alrajhi's journey from a bank to an ecosystem of broader financial capabilities is anchored in a rich, decades-long legacy:

### 1957

Established as an exchange house

### 1978

Several individual entities under the Al Rajhi name were merged under the umbrella organisation Al Rajhi Trading and Exchange Corporation

### 1988

Converted to a bank under the name Al Rajhi Banking and Investment Corporation

### 2006

Named Al Rajhi Bank

Established Al Rajhi Bank Malaysia – the first overseas branch

### 2008

Established Al Rajhi Capital Company as a securities business subsidiary

### 2010

Established Al Rajhi Bank Kuwait



# this is alrajhi bank

## 2011

Established Al Rajhi Bank Jordan

## 2013

Established Tudor Real Estate Company to manage the growing real estate and properties of the alrajhi group

## 2018

Established Emkan Finance Company for microfinancing

## 2019

Established Tawtheeq for financial leasing contracts registration and streamlining litigation processes

## 2021

Established Neoleap as a FinTech company focused on payment solutions

Centralised and absorbed all operations, automation, and professional services under Tanfeeth, later rebranded as Atmaal

## 2022

Fully acquired Ejada Systems Limited Co. to extend IT capabilities

## 2024

Established Neotek as a FinTech company focused on data aggregation

Acquired majority stake of the Drahim App – a personal financial management (PFM) and automated investment app – the first-of-its-kind investment in the region.

## the bank

GRI 2-1

Headquartered in Riyadh, Kingdom of Saudi Arabia, alrajhi bank operates under Commercial Registration No. 1010000096. A member of the alrajhi bank group, the bank is listed on the Saudi Stock Exchange (Tadawul) with the Ticker No. RJHI [1120]. alrajhi bank is the world's largest Islamic bank with  $\text{ﷲ}$  1,043 Bn. (USD 278 Bn.) in assets, a paid-up capital of  $\text{ﷲ}$  40 Bn. (USD 11 Bn.) and an employee base of over 25,000 associates.

The bank's business is diversified across the following verticals:



this is alrajhi bank

# alrajhi bank group

GRI 2-6

alrajhi bank group provides customers with innovative financial products and services that are simultaneously in line with Islamic banking principles and rapidly evolving market requirements.

The group is Shariah-compliant and has been instrumental in bridging the gap between 21<sup>st</sup>-century financial demands and intrinsic Islamic values.



# this is alrajhi bank



## Locations of subsidiaries and branches

alrajhi Bank



Kuwait

alrajhi Bank



Jordan

Al Rajhi Capital Company

Atmaal Company

Tuder Real Estate Company

Emkan Finance Company

Tawtheeq Company

International Digital Solutions Co. (Neoleap)

Ejada Systems














Neotek



# this is alrajhi bank

## Subsidiaries and international network

GRI 2-6

 <p><b>Al Rajhi Capital Company</b></p> <p>A Saudi closed joint stock company authorised by the Capital Market Authority to carry on securities business in the activities of dealing/brokerage, managing assets, advising, arranging and custody.</p>	 <p><b>Tuder Real Estate Company</b></p> <p>A limited liability company registered in the Kingdom of Saudi Arabia to carry out the real estate and property management function on behalf of the bank.</p>	 <p><b>International Digital Solutions Co. (Neoleap)</b></p> <p>A closed joint stock company owned by the bank for the purpose of practising technical work in financial services, digital payment systems, financial settlements and related services.</p>
 <p><b>Atmaal</b></p> <p>A limited liability company registered in the Kingdom of Saudi Arabia to provide recruitment services, automation, and business solutions.</p>	 <p><b>Emkan Finance Company</b></p> <p>A closed joint stock company registered in the Kingdom of Saudi Arabia providing micro consumer financing, finance lease and small and medium business financing.</p>	 <p><b>Ejada Systems</b></p> <p>A Saudi Closed Joint Stock Company owned by the Bank for the purpose of providing professional, scientific, technological activities, information communication services, and system analysis and senior management consultation services.</p>
 <p><b>alrajhi bank - Kuwait</b></p> <p>Foreign branch registered with the Central Bank of Kuwait.</p>	 <p><b>Tawtheeq Company</b></p> <p>A closed joint stock company registered in the Kingdom of Saudi Arabia providing financial leasing contracts registration to organise contracts data and streamline litigation processes, and transferring and holding the title deeds of real estate properties on behalf of the bank.</p>	 <p><b>Neotek</b></p> <p>A FinTech company regulated by the Saudi Central Bank (SAMA) as a Third-Party Provider (TPP) of cutting-edge financial technology solutions.</p>
 <p><b>alrajhi bank - Jordan</b></p> <p>Foreign branch operating in the Hashemite Kingdom of Jordan, providing financing, banking, and investments services, and importing and trading in precious metals and stones in accordance with Islamic Shariah and applicable banking laws.</p>	 <p><b>alrajhi Financial Markets Ltd.</b></p> <p>A Limited Liability Company registered in the Cayman Islands with the objective of managing certain treasury related transactions on behalf of the bank.</p>	 <p><b>Drahim</b></p> <p>A leading financial management and automated investment platform licensed by the Saudi Central Bank (SAMA) within the FinTech Lab and the Capital Market Authority's regulatory environment.</p>
 <p><b>alrajhi bank - Malaysia</b></p> <p>Foreign subsidiary and licensed Islamic Bank under the Islamic Financial Services Act 2013, incorporated and domiciled in Malaysia.</p>		



this is alrajhi bank

## Strength and reach

- The largest Islamic bank in the world with the largest branch network in the Middle East including 13 branches in Jordan, 2 branches in Kuwait and 13 branches in Malaysia
- The largest bank in terms of financing portfolio and total deposits, and the second largest bank in Saudi Arabia in terms of assets – accounting for 22.5% of total assets, 24.0% of loans, 22.6% of total deposits among banks in the Kingdom as of 31 December 2025
- Total group assets amounted to ﷲ 1,043 Bn. as at 31 December 2025
- A market capitalisation of ﷲ 390 Bn. as at 31 December 2025
- Diverse traditional and modern channels spanning the Kingdom including:
  - 511 branches | 4,327 ATMs | 991,927 POS terminals | 135 Tahweel centres
- Expanding digital banking ecosystem with 14.9 Mn. active users
- Handling an average of 1+ billion transactions per month
- 25,000+ employees at the end of 2025 ranking the group among the top 10 employers in the Kingdom
- Industry-leading Return Metrics with Return on Equity standing at 23.4%, Cost to Income ratio at 23.3% and Asset Quality with NPL standing at 0.75% as at 31 December 2025



## Commitment to Vision 2030

alrajhi bank remains one of the Kingdom's main contributors towards the three themes of Vision 2030: A vibrant society, a thriving economy, and an ambitious nation. With a significant number of the goals of Vision 2030 either directly or indirectly connected with finance, the bank and its subsidiaries are ideally placed to further the Kingdom's aspirations, policies, and plans in its journey towards realising Vision 2030 in the coming years.

# value drivers 2025

## #1 in

- Bank in KSA (by number of customers and total financing)
- Retail bank in the Middle East (Retail Deposits and Income)
- Distribution network in the Middle East (by # of Branches, POS, ATMs, Remittance Centres)
- In banking transactions in KSA (1+ billion transactions per month, on average)
- Bank for remittances in Middle East (by payment value)
- Bank brand in KSA (brand power score)



مصرف الراجحي  
alrajhi bank

**World's largest Islamic Bank  
(by assets and market cap)**

Leading market share in KSA across key products

#1 in  
Personal Loans

#1 in  
Auto Loans

#1 in  
Mortgages

#3 in  
Corporate

One of the Highest Net Promoter Scores (NPS) in the Kingdom

# 2025 – 82

Net income after Zakat

## 2025

ﷲ 24.8 Bn.  
2024 – ﷲ 19.7 Bn.



Total assets

## 2025

ﷲ 1,043 Bn.  
2024 – ﷲ 972 Bn.



Earnings per share


## 2025

ﷲ 5.85  
2024 – ﷲ 4.67



## value drivers 2025





**Key Awards and recognitions received in 2025**

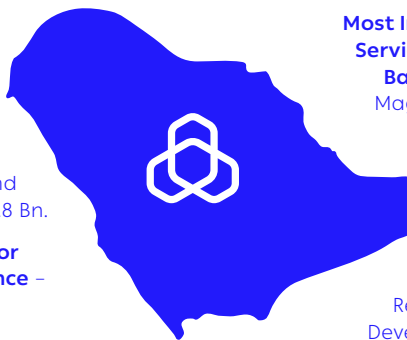
**Strongest Banking Brand in the Middle East** for the fourth consecutive year – Brand Finance (Brand Strength Index score of 87.8/AAA rating)

Named the **Most Valuable Saudi Brand** by Kantar BrandZ, with a brand valuation of USD 16.8 Bn.

**Best Digital Bank for Customer Experience** – The Digital Banker

**Best Mobile Banking Retail App** – The Global Economics

**Best Bank – Saudi Arabia** – MEED Banking Excellence Awards



**Best use of AI in Banking and Excellence in AI-Powered Financial Services** – World Business Outlook

**Most Innovative Banking Service and Best Digital Bank** – Brands Review Magazine Awards 2025

**Top honours at Social Responsibility Awards** organised by the Ministry of Human Resources and Social Development of KSA for second consecutive year

**Leading Corporate for Investor Relations – Saudi Arabia** Middle East Investor Relations Association (MEIRA) IR Awards

\*Full list of awards are mentioned under respective chapters throughout the Report.

# five-year summary

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Key indicators from the consolidated financial statements for the year ended 31 December 2025.

For the years ended 31 December	2025	2024	2023	2022	2021
<b>Operating results for the year, ₪ '000</b>					
Net financing and investment income	29,845,671	24,843,046	21,269,119	22,172,687	20,391,936
Total operating income	39,093,965	32,055,303	27,531,409	28,575,019	25,716,398
Total operating expenses	11,447,469	10,087,408	9,002,124	9,452,329	9,271,608
Net income	24,791,754	19,731,186	16,621,159	17,150,825	14,746,211
Total comprehensive income	25,716,835	19,516,348	16,955,074	16,640,035	15,190,996
<b>Assets and liabilities, ₪ '000</b>					
Financing, net	752,759,851	693,409,723	594,204,806	568,338,114	452,830,657
Customer deposits	667,287,500	654,988,501	573,100,607	564,924,688	512,072,213
Total assets	1,043,268,297	972,444,354	808,098,272	761,618,888	623,644,628
Total liabilities	900,355,952	849,305,123	701,338,841	661,393,853	556,363,064
Total equity	142,912,345	123,139,231	106,759,431	100,225,035	67,281,564
<b>Profitability</b>					
Return on average assets (%)	2.41	2.26	2.12	2.46	2.70
Return on average equity (%)	23.36	21.06	19.35	22.68	23.87
Earnings per share (₪)	5.85	4.67	3.95	4.24	3.69
Dividend per share (₪)	2.5*	2.71	2.30	1.25	0.88
<b>Regulatory ratios</b>					
Capital adequacy ratio:					
Tier I (%)	20.49	19.29	20.40	20.27	16.36
Tier I and II (%)	21.85	20.21	21.52	21.41	17.50
<b>Growth</b>					
alrajhi group staff (Nos.)	25,083	23,406	20,878	19,964	15,078
Branches (Nos.)	511	512	509	516	521
ATMs (Nos.)	4,327	4,371	4,552	4,727	4,891
POS terminals (Nos.)	991,927	786,252	601,153	533,442	326,121

\*The Board of Directors recommended to the General Assembly to distribute ₪ 1.75 dividends per share for the second half of 2025.





# chairman's statement

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Through a unified digital ecosystem and broader financial inclusion, we have delivered exceptional value, supporting national growth and cementing our position as a key architect of the Kingdom's economic transformation.



## chairman's statement

It is with great pleasure that we present alrajhi bank's Annual Report for the year 2025 to our esteemed shareholders, customers, partners, and the financial and business community. This report provides a clear and comprehensive view of the bank's performance and achievements, as well as its pioneering role in supporting the national economy. It also highlights the development projects and programmes undertaken by the bank, its community mission, and its future aspirations underpinned by the "harmonize the group" strategy.

The Kingdom of Saudi Arabia continues to occupy a prominent global position as an influential force in today's world. It has strengthened its standing as a preferred destination for global investment, a hub for international interest, and an active leader in preserving global stability and peace. The Saudi economy has achieved remarkable growth rates despite the ongoing geopolitical tensions, shifts affecting global trade, and persistent inflationary pressures and monetary policies that have cast a shadow over the global economy. This growth stems from the economy's inherent resilience and the continuous expansion of non-oil sectors, including technology, productive industries, and logistics services, alongside the expanding role of the private sector. Complementing these developments are a flourishing tourism sector, major international events hosted across the Kingdom, and the increasing relocation of global corporate headquarters to Saudi Arabia due to the compelling incentives and limitless opportunities it offers. Collectively, these factors are positioning the Kingdom, through its unique strategic location and competitive advantages, as an emerging global hub for trade, investment, and innovation.

Within this dynamic environment, alrajhi bank continued to reinforce its role as a leading pillar of the national economy. The bank remained firmly aligned with Vision 2030 and continued to contribute to the development of the Saudi banking sector under the guidance of the Central Bank by advancing innovation, accelerating digital transformation, and strengthening its technological infrastructure and cloud systems. It also adopted smart

solutions and integrated artificial intelligence into financial services. The bank also worked to enhance financial inclusion by expanding its customer base and providing innovative and diverse products tailored to different segments, while providing dedicated support to SMEs and adopting policies that promote sustainability and environmental, social, and corporate governance.

These efforts are bolstered by alrajhi bank's strong technological infrastructure and extensive customer base, supported by additional development programmes that reaffirm its commitment to implementing Central Bank policies, complying with regulatory requirements, applying principles of governance and transparency, and strengthening its position as a national economic institution contributing to the realisation of Saudi Vision 2030 objectives.

alrajhi bank achieved outstanding financial results during 2025, reflecting the continued success of the "harmonize the group" strategy, which unifies financial solutions within a comprehensive digital ecosystem built on advanced data management and artificial intelligence. As part of this progress, the bank strengthened cross-selling activities across its group companies, broadening the integration of products and services to better meet customer needs and enhance the overall value delivered across the organisation. This integrated direction enabled the bank to improve operational efficiency, elevate customer experience, accelerate innovation, and broaden its avenues for sustainable growth across all its business lines.

In 2025, the bank's net income after Zakat reached **ﷲ 24,792 Mn.**, a year-on-year growth of 26%, resulting from a 22% increase in operating income driven by 20% growth in net financing and investment income, and a notable 25% rise in income from banking service fees. The bank maintained a high percentage of high-quality liquid assets, with the liquidity coverage ratio reaching 169%, and shareholders' equity increased by 16% compared to 2024, reaching **ﷲ 143 Bn.**

## chairman's statement

alrajhi bank achieved strong corporate and SME financing growth, maintained leadership in retail and POS markets, expanded internationally, advanced digital and fintech innovation, and fulfilled our community and sustainability commitments, reinforcing our regional and national impact.

Furthermore, the bank achieved strong growth in its corporate financing portfolio by 24%, driven by a 50% increase in the SME financing portfolio, reflecting its commitment to supporting private-sector development in alignment with Vision 2030. The bank grew its retail mortgages portfolio by 3% and sustained its market-leading position with a 37.7% market share, supporting the objectives of the National Housing Programme. alrajhi bank also maintained its leading position in retail financing with a 37.8% market share and upheld its dominant position in the point-of-sale (POS) market, with more than one million POS devices and a market share of 43.5%, contributing significantly to national efforts to expand digital payments and advance the transition toward a cashless economy.

The bank succeeded in attracting further foreign investment, with foreign ownership of its shares exceeding 16.1%, equivalent to a market value of ﷲ 60 Bn. This achievement strengthens the bank's position as one of the most prominent listed companies attracting foreign investment in the Saudi capital market.

During 2025, alrajhi bank's international network in Malaysia, Kuwait, and Jordan achieved strong and sustainable growth, reflecting the success of the bank's strategic expansion in regional and global markets. Across all three countries, the international operations recorded increases in profits, total assets, financing, and deposits, supported by strengthened governance frameworks and enhanced operational efficiency. These results reaffirm the effectiveness of the bank's expansion strategy and its commitment to reinforcing its presence in key international markets.

To reinforce its position and strength in global markets, the bank successfully issued international US-dollar-denominated Sukuks during 2025 through two separate tranches. The first tranche, issued in January, was a sustainable issuance valued at USD 1.5 Bn., while the second tranche, issued in September, was a social issuance valued at USD 1 Bn. These issuances build on the bank's strong track record in previous international offerings, all of which have received high demand from global investors. This continued interest reflects confidence in the bank's financial strength, its performance, and its position in international markets, supporting the bank's operations and its sustainable development projects.

To strengthen its leadership within the financial sector and support the development of innovative solutions across financial services, investment, payments, and service quality, alrajhi bank leveraged the expertise of Ejada Systems to advance its comprehensive digital transformation programme, enhance data centre development, and adopt artificial intelligence solutions. These initiatives aim



## chairman's statement

to automate processes, improve operational efficiency, and elevate the quality of services provided to customers, employees, and government entities. Also, as part of the bank's broader technological transformation, alrajhi bank had previously established Neoleap and Neotek, two companies specialising in digital financial technology and open banking. These entities play a vital role in enabling digital transformation by providing the technical infrastructure required to operate integrated digital platforms that support financial institutions both inside and outside the Kingdom.

Through these partnerships and the capabilities of its technology subsidiaries, the bank continues to enhance its ability to develop innovative fintech solutions, benefit from local expertise, and transfer global expertise in designing and operating data centres, cybersecurity, and digital innovation. This contributes significantly to reinforcing alrajhi bank's leadership at regional and global levels.

True to its community role under the slogan "Right and Duty," alrajhi bank remained firmly committed to fulfilling its social mission across the health, education and housing sectors, with the aim of creating long-term community value. While the report presents these initiatives in detail, we highlight the most notable achievements here.

In the health sector, the bank continued its support for hospitals and medical centres specialising in diabetes care, physical therapy and cardiac catheterisation, as well as the Disabled Children's Association. More than 90,000 beneficiaries received support through these initiatives, in addition to 9,000 blood donors supported across the Kingdom. In the housing sector, and in honour of the families of martyrs, the bank, in cooperation with the Martyrs, Wounded, Prisoners and Missing Persons Fund, continued its support of the "Dar Shahm" initiative by building 50 housing units for beneficiaries as a tribute to their sacrifices and to enhance their family stability. The bank also contributes to employment programmes for social security beneficiaries in cooperation with the Ministry of Human

Resources and Social Development, and supports development-housing initiatives with the Ministry of Municipalities and Housing, helping raise home-ownership rates and affirming the bank's commitment to social solidarity.

In line with its role in empowering community groups and enhancing their economic participation, alrajhi bank continued to provide annual scholarships to more than 200 orphaned students, while also strengthening social employment programmes through the hiring of 792 employees across the bank and its subsidiaries from social security categories, in partnership with the Ministry of Human Resources and Social Development and several charitable organisations.

The bank's community mission extended beyond financial support to include financial education, promoting awareness of saving, investment and financial resource management. The bank also continued to encourage volunteerism by motivating employees to participate in initiatives serving pilgrims, supporting environmental awareness efforts and strengthening the role of charitable organisations in serving communities across the Kingdom.

With a deep understanding of today's environmental challenges and their global impact, alrajhi bank takes great pride in its active role in supporting the Saudi Green Initiative (SGI) and advancing sustainability. The bank has embedded environmental responsibility into its long-term strategy and demonstrated this commitment through investments in clean and renewable energy, efforts to reduce its carbon footprint, and the adoption of smart building-management systems that conserve energy and water. These measures, along with the bank's initiatives to measure and monitor emissions, improve operational efficiency, and reduce waste, demonstrates its commitment to environmental stewardship and sustainable development.

## chairman's statement

Aligned with the Saudi Vision 2030, the bank's sustainability efforts also received strong local and global recognition. For the second consecutive year, alrajhi bank earned the Social Responsibility Award – Gold Category from the Ministry of Human Resources and Social Development, recognising its effective contribution to sustainable development through programmes that balance social, economic and environmental impact. The bank also upgraded to an AA rating in 2025 from the MSCI ESG Global Standard Index, reinforcing its position among the most influential global financial institutions supporting sustainable development.

During a year marked by exceptional accomplishments, alrajhi bank received more than 35 prestigious local and international awards, reaffirming its leadership in areas of critical importance such as digital transformation, customer experience, strong financial performance and innovation. Among these recognitions were the title of World's Largest Islamic Bank from Tap Insights; First Place in Investor Relations from the Middle East Investor Relations Association (MEIRA); Best Bank for Youth and Students in Saudi Arabia from Global Banking & Finance Magazine (GBAF); the Most Valuable Brand in Saudi Arabia award from Kantar Brands; and the Best Loyalty Programme award from The Digital Banker. Together, these accolades highlight the bank's continued ability to innovate, create value and strengthen its leadership across the financial services landscape.

At the heart of every accomplishment are the ambitious minds and exceptional talents who continuously strive for excellence, and alrajhi bank remains firmly committed to investing without limits in developing and empowering its human capital. Throughout 2025, the bank continued to provide a positive and motivating work environment that encourages creativity, innovation and high performance. This included strengthening a culture of leadership, enabling employees to assume greater responsibilities, and supporting advancement based on merit, capability and ambition.

## We earned local and global recognition for sustainability and social responsibility, advanced digital and fintech solutions, and invested in national talent to support innovation and Vision 2030.

The bank also offers advanced development programmes designed to equip employees with the skills they need to excel, innovate, and deliver solutions that enable customers to manage their financial needs. To support this commitment, the bank continued to expand its learning ecosystem through the alrajhi academy, providing a range of training and upskilling programmes for employees across the organisation. Among these offerings is the Graduate Development Programme, which prepares future leaders in key areas of banking. At the close of 2025, the programme had completed 32 intakes, totalling 890 trainees.

Furthermore, the bank continued providing on-the-job training through the Tamheer programme in cooperation with the Human Resources Development Fund, and strengthened its partnerships with leading local and international educational institutions. The bank also expanded opportunities for professional development and skill-building, reflecting its commitment to nurturing national talent capable of competing globally.



## chairman's statement

Marking a major milestone, Al Rajhi Bank has announced the Board of Directors' recommendation to increase the bank's capital through the issuance of bonus shares. This will involve capitalising ﷲ 20 Bn. from retained earnings. Shareholders will receive one bonus share for every two shares held, which will raise the bank's capital from ﷲ 40 Bn. to ﷲ 60 Bn. The increase in the bank's capital is aimed to strengthen the bank's core capital structure, which contributes to achieving our strategic objectives.

Looking ahead, the bank's strategic direction focuses on advancing its digital and technological transformation, enhancing customer experience, driving innovation and expanding support for the small and medium-sized enterprise sector. These priorities further advance the "harmonize the group" strategy, and are supported by continued investment in financial technology, artificial intelligence and data-driven capabilities. The bank will also continue strengthening its investment banking offerings, developing its international network, and reinforcing its role as an institution that contributes meaningfully to the realisation of Saudi Vision 2030. The bank remains committed to sustainability and social responsibility as fundamental pillars of its growth journey.

In conclusion, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and to His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz – may Allah protect them – for their wise leadership, steering our country towards limitless horizons of progress and prosperity. We also express sincere appreciation to the Ministry of Finance, the Ministry of Economy and Planning, the Saudi Central Bank, the Capital Market Authority, and all government entities whose efforts have contributed to the development of the financial ecosystem.

I extend my thanks and appreciation to our shareholders for their trust, to our customers for their continued loyalty, and to our partners for their collaboration in supporting the bank's growth. I also thank the Shariah Council for their guidance, and express my appreciation to my esteemed colleagues, the members of the Board of Directors for their efforts in strengthening governance and supporting strategic decision-making. Finally, I express my deep gratitude to all employees of alrajhi bank for their dedication, commitment and contributions throughout 2025. Their efforts remain the cornerstone of the bank's achievements and future aspirations.

May Allah grant success

**Abdullah bin Sulaiman Al Rajhi**

Chairman of the Board of Directors

# managing director and chief executive officer's review

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In 2025, we accelerated our digital transformation, strengthened our performance, and continued delivering sustainable growth aligned with Vision 2030 and our unified group strategy.



## managing director and chief executive officer's review

As one of the Kingdom's leading financial institutions, alrajhi bank has played an integral role in supporting national development for nearly seven decades. Over this period, the bank has continuously evolved in step with the Kingdom's economic transformation, contributing to growth, resilience, and long-term value creation.

Today, the Kingdom stands at the forefront of the world's major economies, driven by strong national growth, expanding non-oil sectors, a thriving tourism industry, and rapid advancements across multiple strategic areas. These developments reflect the country's ambition to position itself as a global hub that capitalises on its unique geographic and economic advantages, in line with Saudi Vision 2030.

Against this backdrop, we are pleased to present our Annual Report for 2025 to our shareholders, customers, and partners. The report highlights the bank's progress during the year and the achievements delivered in line with the "harmonize the group" strategy under the guidance of our Board of Directors. These accomplishments provide a solid foundation for the next phase of growth and strategic development at alrajhi bank.

The Saudi economy continued to perform strongly in 2025, supported by steady progress toward Vision 2030's national objectives. GDP grew by 4.5% in 2025, while non-oil GDP increased by 4.9%. The International Monetary Fund projects real GDP growth of 4.5% for 2026, driven by higher oil production levels and sustained expansion in non-oil sectors. Government investment in infrastructure, technology, and long-term strategic industries further strengthened this positive outlook.

The Saudi Vision 2030 places great emphasis on responsible development. This entails focusing on economic diversification, while prioritising environmental sustainability and social responsibility. Key Vision 2030 programmes and ongoing mega-projects have helped stimulate supply chains, create employment opportunities, and enhance private-sector participation. These efforts reinforce the

position of non-oil sectors as key engines of growth and form an essential part of the Kingdom's broad economic transformation. This momentum has also strengthened the operating environment for the Saudi banking industry, enabling the sector to support economic expansion, financial stability, and national investment priorities.

The Saudi banking sector maintained its strong performance during 2025, supported by rising financing activity, healthy liquidity levels, and resilient asset quality. Private-sector financing grew by 10.4% through December 2025, reflecting robust demand from retail customers and corporate clients aligned with the Saudi Vision 2030's strategic priorities.

Capital adequacy ratios remained within the range of 19-20%, significantly above regulatory requirements. Profitability also remained solid, with return on assets exceeding 2% by year-end 2025, reflecting strong operating fundamentals and sustained positive momentum across the sector.

As one of the Kingdom's most influential financial institutions, alrajhi bank has remained a key contributor to national economic transformation, aligned with the Saudi Vision 2030, driving growth across key sectors. During 2025, the bank made substantial progress in implementing its "harmonize the group" strategy, designed to unify banking products, services, and solutions across a single digital ecosystem powered by advanced data capabilities and artificial intelligence. This strategic approach has improved accessibility, speed, and flexibility, while unlocking new growth opportunities, strengthening cross-selling, increasing fee-based income, enhancing operational efficiency, and creating added value across the group.

The successful execution of the strategy has delivered tangible impact across the bank's operations. In retail banking, the percentage of customers with more than one product increased to 44.6% since the strategy's launch in early 2024, while sales within the targeted customer segment rose by an impressive 340%. The bank's customer base surpassed

## managing director and chief executive officer's review

a milestone 20 million individuals across the Kingdom, supported by consistently high satisfaction levels reflected in an industry-leading Net Promoter Score of 82 points. Leveraging its extensive branch and channel network across the Kingdom, alrajhi bank further strengthened its position in the corporate sector by deepening integration and collaboration across business lines and subsidiaries.

On the digital transformation front, the bank expanded its investment in technology and automation to further enhance operational efficiencies. Automated processes reached 62%, while cloud-based applications grew to 92%, moving the bank closer to a fully cloud-native operating environment.

Managing liquidity alongside accelerating demand for financing continued to pose a significant challenge to the Saudi banking sector. alrajhi bank effectively addressed this by diversifying its funding sources and expanding its presence in local and international debt markets, alongside other alternative funding sources. These efforts enabled the bank to leverage a broad range of competitively priced instruments to support stable and resilient growth. The bank also maintained its focus on strengthening profitability through repricing initiatives and expanding fee-based income, supported by a disciplined cross-selling approach.

In response to increasing competition from digital banks and emerging fintech players, alrajhi bank adopted a dual strategy that combines internal capabilities development with external expansion. Internally, the bank continued to invest in its advanced digital infrastructure, resulting in a mobile banking experience regarded as one of the strongest in the market. Digital adoption reached 96%, with over 90% of personal financing completed digitally, supported by significant improvements across the customer journey. Externally, the bank advanced the development of a fully integrated financial ecosystem through the establishment of specialised subsidiaries such

as Emkan for microfinance and Neoleap for payments. The bank also strengthened its technological capabilities by founding Neotek, a digital financial solutions provider, and acquiring a 65% stake in Drahim, a fintech company specialising in financial management and automated investment. These initiatives enhance the bank's ability to meet evolving customer expectations and reinforce its competitive position in a rapidly changing financial landscape.

Throughout 2025, alrajhi bank delivered exceptional financial performance, demonstrating the strength of its business model and the balanced diversity of its performance drivers. Net income after Zakat increased by 26%, supported by 7% growth in total assets, and a 6% increase in liabilities, further reinforcing its strong financial position. The bank continued to play a leading role in supporting the Saudi economy and advancing the objectives of Vision 2030 by enabling private-sector participation and expanding financing for SMEs, whose portfolio grew by 50%. It's worth highlighting that overall Corporate financing increased by 24% by year-end, resulting in a 14.5% market share in corporate lending.

The bank's real-estate financing portfolio grew by 3% during the year, driven by ongoing collaboration with the National Housing Programme. alrajhi bank maintained the largest market share in the Kingdom's real-estate financing segment at 37.7%, and continued to lead the retail financing market with a share of 37.8%. In the payments sector, the bank sustained its market leadership with nearly one million point-of-sale (POS) devices and a 43.5% market share, underscoring its role in enabling an advanced digital economy. This strong, broad-based performance highlights the bank's ability to achieve sustainable and balanced growth across all business lines while continuing to contribute to the major economic transformations taking place across the Kingdom.



## managing director and chief executive officer's review

Across its international network, alrajhi bank Malaysia recorded another year of robust performance in 2025. Return on equity improved to 10.16%, and the cost-to-income ratio declined to 56%, supported by revenue growth and effective cost management. Current and savings account balances also rose by 21%, reflecting enhanced digital adoption and increasing customer trust. These results reflect the bank's growing presence and strategic relevance in the Malaysian financial market.

**alrajhi bank expanded its reach across multiple markets, empowered national talent, embraced innovation in digital and fintech, and advanced sustainable initiatives, solidifying its reputation as a leading regional financial institution.**

In Kuwait, alrajhi bank demonstrated resilience and growth despite broader economic challenges arising from global slowing activity, reduced oil production, and the effects of monetary tightening. The bank expanded its financing and investment portfolio in collaboration with alrajhi bank in Saudi Arabia, and updated its governance standards and operating framework in line with national development priorities. Total assets increased by 37%, yield income grew by 24%, and operating income rose by 8%, while maintaining a low non-performing financing ratio of 2%.

In Jordan, alrajhi bank achieved further progress in 2025, supported by the introduction of new services and the expansion of its customer base through targeted and competitive market campaigns. Operating income increased by 3%, while deposits grew by 6.4%, reflecting improving customer confidence and liquidity. These results highlight the bank's strengthening market position and continued upward trajectory in the Jordanian market.

The bank's subsidiaries too, delivered strong performances in 2025. Al Rajhi Capital maintained its position as the leading broker in traded value on the Tadawul stock exchange with a 15.5% share, and retained second place in assets under management, achieving 11% growth. It also ranked third in the Kingdom for public offerings, reinforcing its position as one of the market's most influential investment institutions.

Emkan achieved notable progress in 2025, expanding its presence across the microfinance segment and strengthening its product suite to better meet customer needs. The company continued to grow its lending portfolio and enhance operational efficiency, while maintaining strong risk management practices. Emkan successfully issued  $\$$  2.03 Bn. in private sukuk, supporting its funding structure and enabling further expansion of its financing activities.

Neoleap recorded another year of strong growth in 2025, with more than 70,000 new corporate wallets added during the year. POS transactions reached 18 million per month by year-end, and the number of POS devices increased to 111,000. As a result, the company's market share rose by 300 bps in 2025. On the retail front, urpay continued to reinforce its position as one of the fastest-growing digital wallets in the Kingdom, with its user base expanding to more than 8 million. Its market share in international remittances increased by 2.5%, and it ranked second in both card issuance and the Musaned domestic worker payroll service. The company aims to raise its remittance market share while continuing to broaden its services and enhance the overall user experience.

## managing director and chief executive officer's review

In the area of human capital, alrajhi bank advanced the implementation of its comprehensive strategy focused on employee development, workplace enhancement, and specialised training. The bank delivered more than 650,000 learning hours and 100,000 training days during the year. It expanded its graduate programmes to 32, supporting more than 890 graduates, and welcomed hundreds of participants into its cooperative training programmes. The bank achieved full compliance with all performance indicators and mandatory learning requirements, ensuring strong readiness for succession planning across key roles. It also strengthened partnerships with leading global educational institutions to further enhance technical and leadership capabilities across the organisation.

alrajhi bank also advanced the effective execution of its "Nomu" internal mobility platform following its launch in 2024. The platform plays an important role in developing leadership talent from within and reducing hiring time. This reflects alrajhi bank's commitment to building highly qualified national talent and reinforces its position as an employer of choice in the Saudi banking sector.

In strengthening its role in social responsibility, the bank implemented a wide range of initiatives across social welfare, health, education, and housing. These efforts reflect alrajhi bank's commitment to sustainable development and its alignment with the objectives of Saudi Vision 2030. Key initiatives included support for national platforms and charitable programmes, educational and healthcare initiatives, and the development of housing projects for communities in need.

Furthering its goal to become a leader in financial conduct and sustainability, the bank continued its progress towards transparent disclosure. This includes aligning itself with the Global Reporting Initiative (GRI) and voluntarily adopting relevant Sustainability Accounting Standards Board (SASB) metrics. In addition, the bank also conducted a review of its GHG inventory and has updated its calculation methodology.

The bank also played a central role in advancing innovation and developing the local fintech ecosystem by investing in start-ups and empowering young national talent. These initiatives support the development of a knowledge and innovation-driven economy and reinforce the Kingdom's position as an emerging regional centre for financial technology.

Building on the strong foundations established in recent years, alrajhi bank will continue to advance its strategic priorities in 2026 and beyond. The bank will deepen digital integration, expand its product and service ecosystem, and strengthen risk and governance frameworks. It will also accelerate innovation across all business lines. These priorities will enable the bank to support national economic ambitions, enhance customer value, and reinforce its regional and international standing.

In conclusion, my deepest thanks and gratitude go to our wise leadership, may Allah protect them, who are leading our nation toward new horizons of progress and prosperity. As we look ahead to a new year of progress and achievement, I extend my sincere appreciation to the Chairman and Members of the Board of Directors for their ongoing support and guidance. I also express my gratitude to our customers, shareholders, and partners for their continued trust, and to all employees whose dedication and commitment were instrumental in delivering this year's success.

May Allah grant us all success in continuing our journey of excellence and achievement.

**Waleed Abdullah Almogbel**

Managing Director and CEO





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# operating context

## Global operating environment

During 2025, the global economy demonstrated stronger-than-expected resilience, with global GDP growth holding steady at 3.3% according to the International Monetary Fund (IMF). This performance was supported by sustained momentum in the United States at 2.1%, and robust expansion across emerging markets and developing economies, led by China's 5.0% and India's 7.3% growth. These performances collectively offset more moderate performances in advanced markets such as the Euro Area which remained modest at 1.4%.

Inflationary pressures continued to ease over the course of 2025 as the cumulative impact of earlier monetary tightening took effect. Global headline inflation declined steadily, allowing major central banks to maintain a cautious and data-dependent monetary policy stance. Financial conditions gradually normalised, although interest rates remained elevated relative to pre-pandemic levels. Global trade expanded modestly during the year, broadly in line with economic growth, despite ongoing fragmentation risks arising from geopolitical tensions, trade policy uncertainty, and the reconfiguration of supply chains. Elevated sovereign debt levels, particularly across emerging and developing economies, continued to constrain fiscal flexibility and public investment, reinforcing the role of private capital and financial institutions in mobilising long-term financing.

Climate change and sustainability considerations remained central to the global agenda throughout 2025. The International Energy Agency reported continued growth in global clean-energy investment, which exceeded USD 2 Tn. annually, reflecting accelerating commitments toward energy transition and decarbonisation. In 2025, global banking regulators, including the oversight body of the Basel Committee on Banking Supervision, reached a consensus to treat climate-related financial risk as a systemic issue, emphasising that banks must integrate both physical and transition climate risks into their core supervision and risk management frameworks and not to simply address them as optional sustainability initiatives. This reflects the growing recognition of climate risk's potential impact on overall financial stability. At the same time, regulatory expectations around ESG disclosures, climate risk and sustainable finance deepened across global financial systems.

Rapid technological advancement also shaped the global operating environment in 2025. The adoption of artificial intelligence, automation, and advanced analytics accelerated across industries, including financial services, enhancing productivity and customer engagement while heightening cyber-security, data-privacy, and governance risks.

## Key global trends impacting financial institutions

Several structural trends continued to influence the global financial sector during 2025:

### Trend 1

## Technological acceleration

AI and automation became increasingly embedded in banking operations, transforming service delivery and risk management.

### Trend 2

## Rising ESG integration

Financial institutions further embedded ESG considerations into credit, investment, and risk frameworks in response to regulatory and investor expectations.

### Trend 3

## Regulatory intensity

Supervisory focus on financial stability, digital risk, and non-bank financial activities increased globally.

## operating context

### Trend 4

## Evolving systemic risks

Geopolitical tensions, climate-related risks, and cyber threats continued to reshape the risk landscape.

### Trend 5

## Macroeconomic recalibration

Growth remained uneven across regions amid easing inflation and elevated interest rates.

Collectively, these trends reflect a shift towards embedding ESG considerations within core banking strategies, governance frameworks, and risk-management practices, with sustainability increasingly viewed as crucial to long-term financial stability and value creation.

## Regional operating environment

Economic conditions across the Gulf Cooperation Council (GCC) gained momentum in 2025, with growth projections revised upwards during the year, supported by improving oil market dynamics and sustained non-oil sector growth. According to the World Bank's Gulf Economic Update, regional growth accelerated, driven by diversification initiatives, infrastructure investment, rapid digital innovation, and expanding private-sector activity.

Non-oil sectors including tourism, logistics, manufacturing and mining, as well as construction continued to expand across the region, reinforcing economic resilience. Islamic finance remained a core pillar of the regional financial system, with continued growth in Shariah-compliant financing and capital-market activity.

This financial evolution is increasingly driven by the institutionalisation of sustainable finance; recent projections indicate that strategic green investments are expected to contribute up to \$2 Tn. to the cumulative GDP of GCC by 2030. This transition is expected to further diversify the regional economy while potentially creating more than one million high-skilled jobs in emerging green industries.

2025 recorded the highest annual ESG sukuk issuance, with Saudi Arabia and UAE issuers representing 68% of total ESG sukuk issuances at the end of Q3 in 2025. Most issuances were non-sovereign, and were supported by sovereign sustainability agendas and strong investor demand. A recent report by Fitch Ratings shows that both corporate and financial institutions were responsible for more than 40% each of ESG sukuk issuance in the first nine months of 2025, underscoring the expanding role that banks play in structuring and issuing ESG-labelled Islamic finance instruments. Fitch also observed a notable increase in subordinated ESG sukuk, with nearly USD 5 Bn. issued—entirely from Saudi banks, pointing to greater integration of ESG instruments into bank capital structures. While the strong momentum for ESG sukuk is expected to continue into 2026, Fitch cautioned about risks such as greenwashing, oil price fluctuations, and changes in Shariah compliance requirements.

Labour-market reforms and human-capital development initiatives progressed across GCC economies, contributing to higher workforce participation and supporting long-term economic transformation objectives.

## Local operating environment – Kingdom of Saudi Arabia

Saudi Arabia's economy recorded solid performance during 2025, driven by Vision 2030 reforms and sustained non-oil sector expansion. Real GDP growth improved compared to the previous year, supported by recovering oil production and strong domestic demand across non-oil sectors, and is expected to reach 4.5% in 2025.

Non-oil economic activity remained robust, driven by continued investment in tourism, entertainment, manufacturing, technology, and financial services. Overall, non-oil activity is estimated to contribute



## operating context

57% to Saudi Arabia's total GDP in 2025, a clear indication of the progress achieved under Vision 2030 to diversify the Kingdom's economy and reducing reliance on hydrocarbons. Business sentiment remained positive throughout the year, reflected in consistently expansionary Purchasing Managers' Index (PMI) readings.

The Kingdom continued to advance regulatory reforms aimed at strengthening transparency, governance, and investment attractiveness. Public Investment Fund (PIF)-led initiatives and giga-projects remained central to economic transformation, generating sustained financing and advisory opportunities for the banking sector. Increased emphasis on sustainable development and green investment aligned with national climate objectives.

In 2025, the Capital Market Authority introduced the Guidelines for Issuing Green, Social, Sustainability, and Sustainability-Linked Debt Instruments, effective from May 27. These Guidelines officially allow banks to issue ESG-labelled bonds and sukuk under a unified regulatory framework that aligns with international standards. Issuers are now required to clearly define how proceeds will be used or set specific sustainability-linked performance targets, obtain independent external reviews, and provide ongoing post-issuance reporting on fund allocation and ESG outcomes. These measures are designed to strengthen governance, reduce the risk of greenwashing, and boost investor confidence in Saudi Arabia's sustainable finance market.

Digitalisation remained a defining feature of the local operating environment in 2025. The adoption of digital payments, fintech solutions, and e-commerce continued to accelerate, supporting financial inclusion, operational efficiency, and the transition toward a less cash-dependent economy.

In early 2025, Fitch Ratings affirmed the Kingdom's sovereign credit rating at 'A+' with a Stable Outlook, reflecting strong fiscal and external balance sheets supported by large sovereign assets relative to GDP. S&P Global Ratings upgraded Saudi Arabia's sovereign rating to 'A+' with a Stable Outlook, highlighting ongoing economic and social reforms under Vision 2030 and enhanced productivity across diversified sectors.

### The Saudi banking sector

The Saudi banking sector operated in a favourable environment during 2025, supported by strong macroeconomic fundamentals, proactive regulation, ongoing economic transformation and robust credit growth. Saudi Arabia maintained one of the strongest banking operating environments in the region, reflecting robust institutional strength and regulatory oversight.

Total banking sector assets reached  $\text{ﷲ}$  4.96 Tn. by the end of 2025, highlighting the accelerating expansion of the Kingdom's financial sector. Total bank credit in the Kingdom increased to  $\text{ﷲ}$  3.30 Tn. by the end of the year, driven by strong demand for corporate financing linked to infrastructure, development and Vision 2030 projects. Bank deposits and liquidity remained prudent, and capital buffers continued to remain well above regulatory standards. Credit growth outpaced deposit growth, with the sector supporting broad economic activity including real estate, trade, manufacturing and utilities.

The Saudi Central Bank (SAMA) maintained a central role in safeguarding financial stability, while the Financial Sector Development Programme continued to enhance competitiveness, resilience and sustainability of the banking system.

Saudi Arabia's fintech ecosystem continued its rapid evolution in 2025, with intensified collaboration between banks and fintech firms against a progressively enabling regulatory backdrop. Fintech activity in the Kingdom has scaled significantly, with over 280 active fintech firms operating by late 2025, supported by SAMA and the Capital Market Authority (CMA). Banks and start-ups jointly advanced services across digital payments, embedded finance, BNPL, peer-to-peer lending, and API-driven platforms, fostering innovation that drives financial inclusion and diversification. SAMA's regulatory sandbox and CMA's Fintech Lab have together enabled 68 experimental fintech permits, of which 36 have commenced operations at the close of the year. Meanwhile, cashless transaction volumes remained elevated, reflecting the continued shift toward digital payments, and the growing adoption of digital channels by customers. These developments demonstrate strong ecosystem momentum anchored in Vision 2030 objectives, to accelerate digital transformation and expand fintech-enabled financial services.

# strategic direction

In 2025, alrajhi bank continued to strengthen its position as a leading financial institution in Saudi Arabia, delivering robust performance across its four strategic pillars: **Business-to-Consumer (B2C)**, **Business-to-Business (B2B)**, **Support Businesses**, and **Digital & Data**. Guided by its harmonize the group strategy, the bank focused on creating an integrated, customer-centric ecosystem, leveraging innovation, technology, and sustainability to drive long-term growth and value for all stakeholders.

Key highlights for the year include:

- **B2C Growth:** Delivered remarkable 340% growth in sales by expanding the bank's retail customer base across Premium, Expat, Family, and Mass segments, with improved value propositions and cross-selling initiatives.
- **B2B Leadership:** Strengthened the bank's position as the main bank for large corporates, accelerated investment banking revenue (270% growth), and expanded SME solutions portfolio (up 94.3% to 59 Bn.).
- **Operational Excellence:** Centralised and standardised operations, increased automation to 62%, and cloud-enabled 92% of applications, enhancing agility, scalability, and cost efficiency.
- **Digital and Data Innovation:** Expanded digital capabilities group-wide, delivered customer-centric digital journeys, and leveraged real-time marketing to generate a significant 447% revenue increase.
- **Stakeholder Engagement:** Elevated customer satisfaction (NPS 82), sustained employee engagement (74%), invested in career development and training, and strengthened ESG leadership (MSCI rating improved to AA).

This demonstrates alrajhi bank's continued commitment to delivering sustainable growth, digital innovation, and an integrated financial-services ecosystem aligned with Vision 2030. The bank's 'harmonize the group' strategy remains anchored to a customer-centric approach and supports increased cross-sales with efficiency from support businesses; creating multiple growth opportunities.

## Business-to-Consumer (B2C)

At the heart of alrajhi bank's 'harmonize the group' Strategy is how best to connect each customer segment to the bank's growing retail products and solutions. The B2C pillar is dedicated to integrating alrajhi bank's comprehensive banking and financial services ecosystem to better serve its growing retail customer base. The bank's Retail Banking Group continued to collaborate closely with business verticals and subsidiaries across the alrajhi group to meet the evolving requirements of existing as well as new emerging customer segments, with the aim to '**Leverage the Customer Base via Cross-Sell**', one of the B2C pillar's key strategic priorities. Through these partnerships, customers gain access to a wide range of complementary offerings, including microfinancing solutions from Emkan, digital payment wallets by Neoleap, wealth management and brokerage services through Al Rajhi Capital, and personal insurance solutions via Al Rajhi Takaful. Customers are also encouraged to take advantage of the bank's market-leading mokafaa loyalty programme, which rewards engagement across the broader alrajhi ecosystem and has a broadening range of acceptance through Partners. A key indicator of cross-sell success is the multi-product adoption rate, which rose from 38.0% in 2023 to 44.6% by the end of 2025.

The Retail Banking Group continued to develop new '**customer-focused value propositions**' and enhance existing ones for each profile, anchored in the core needs of retail customers: the need to transact, build savings for future needs, access credit (whether secured or unsecured), manage risk through appropriate insurance solutions, and build wealth through diversified investment options. By designing propositions around these needs and aligning them with its expanding suite of retail products and services, the bank aims to further deepen its customer relationships by offering products and services aligned to customers need as and when they need them.



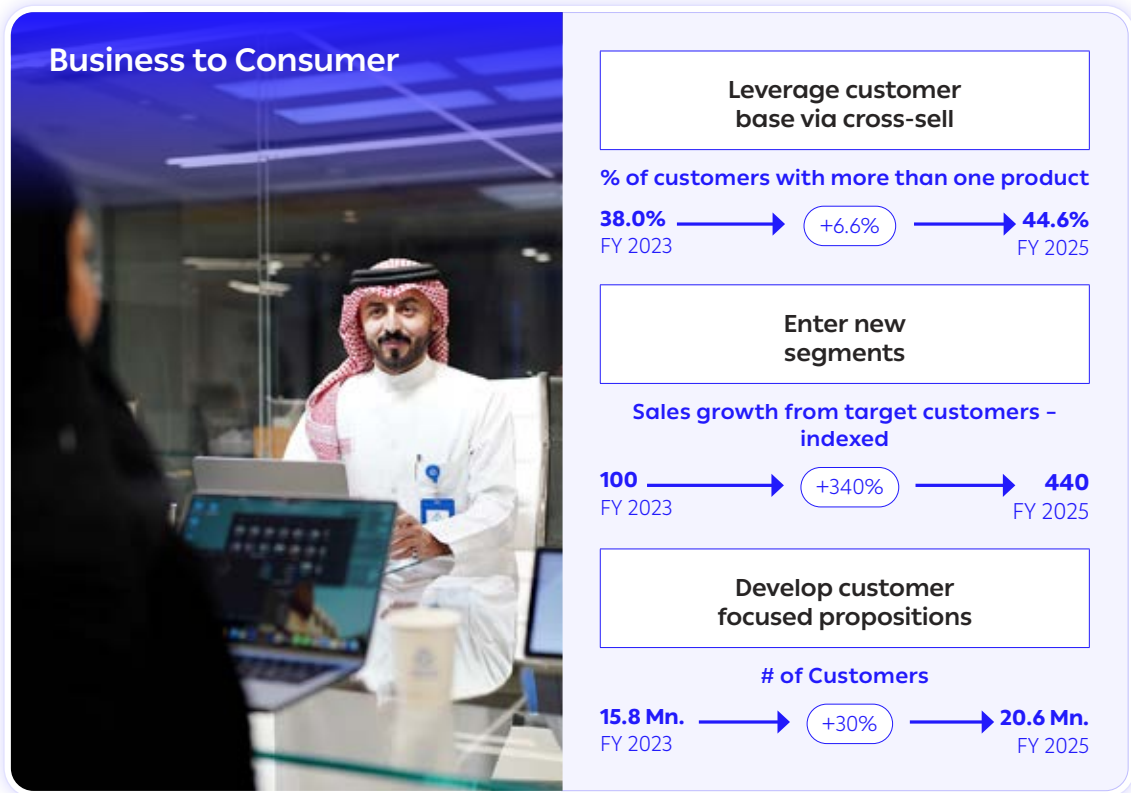
## strategic direction

Another core strategic priority falling under the B2C pillar is to **'Enter New Segments'**, enabling the bank to deepen its understanding of each segment and develop tailored value propositions that address their unique financial needs. The bank's four main segments continue to be Premium, Expat, Family, and Mass Market. Each segment has been further refined to capture the diverse expectations within its demographic.

The Premium segment targets the increasing population of high-income earners, ensuring bespoke services that reflect their evolving financial requirements. The Expat segment, traditionally centred on blue-collar workers, has been broadened to include the rapidly expanding group

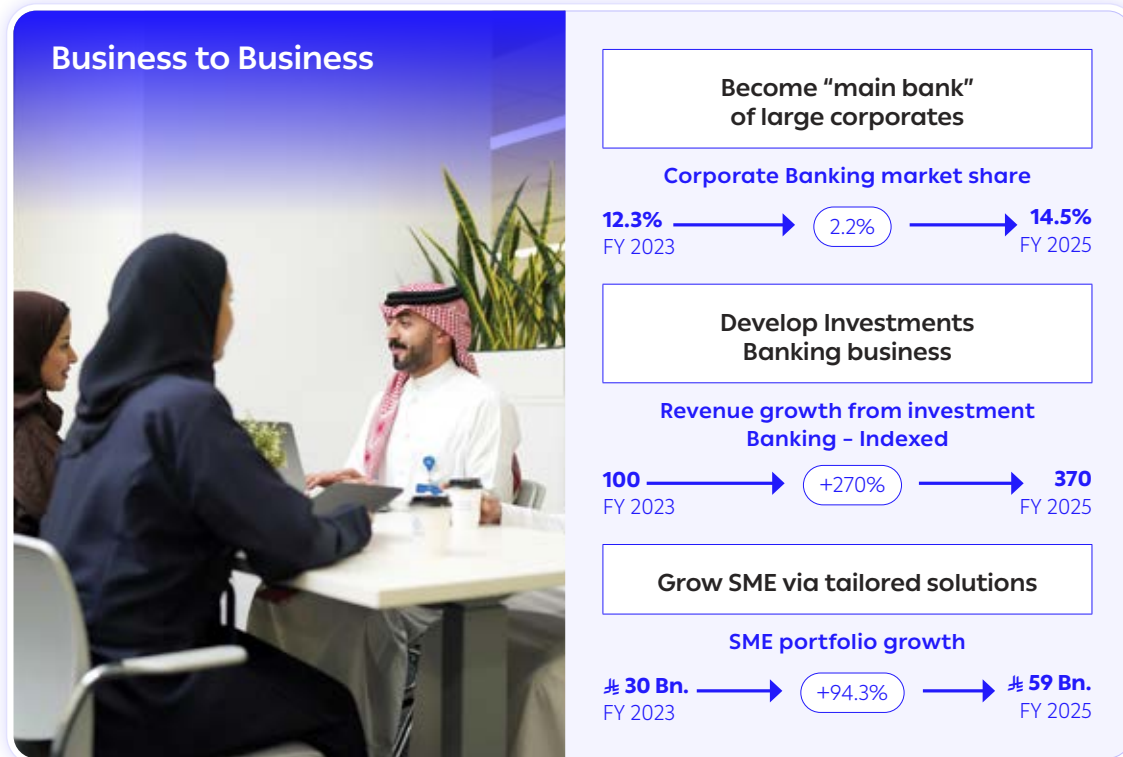
of white-collar professionals drawn to Saudi Arabia through Vision 2030 initiatives. The Family segment focuses on the emerging financial needs of youth and young families, supporting their long-term aspirations. Meanwhile, the Mass Market segment aims to support the concept of financial health which moves beyond just providing access to basic banking solutions for the wider consumer base.

Progress against each strategic imperative continued to be measured relative to the FY 2023 baseline, and tracked through key performance metrics and communicated quarterly to shareholders and investors. At the close of 2025, all core metrics within the B2C pillar demonstrated increasing momentum and remained in line with strategic objectives.



## strategic direction

## Business-to-Business (B2B)



The second strategic pillar focuses on alrajhi bank's corporate customer segments. A central objective within this pillar is to **'Become the Main Bank for Large Corporates'**. In recent years, alrajhi bank has strengthened its reputation as a trusted and sought-after partner in corporate banking by providing a comprehensive suite of services and financial solutions that address evolving market dynamics. Since the launch of the new strategy, the bank continues integrating its full ecosystem of products and services to deepen relationships within the B2B pillar, evolving from a provider of transactional and financing solutions to a long-term strategic partner.

alrajhi's Corporate Banking Group offers a broadening range of corporate banking products and advisory services. These are complemented by B2B wealth management and brokerage solutions from Al Rajhi Capital, corporate and

group insurance offerings from Al Rajhi Takaful, and exclusive Private Banking services for high-net-worth clients. The bank also leverages one of the region's most expansive Financial Institutions (FI) networks to support cross-border payments and foreign exchange trading through the Treasury Group, in addition to offering robust Trade Finance products designed to facilitate foreign trade and commercial activity.

Progress toward this strategic objective is measured through growth in corporate banking market share in the Kingdom. By the end of FY 2025, market share increased by 2.2% from the baseline year, reaching 14.5%. alrajhi bank's sustained commitment to enhancing its B2B value proposition for a wider range of clients has seen new propositions launched to support the growing SME segment as it continues to grow and mature adding economic value to the Saudi eco-system.

## strategic direction

The second key objective under the B2B pillar is **'Developing Investment Banking Business'**. With Vision 2030 initiatives attracting substantial foreign capital into Saudi Arabia, alrajhi bank has identified a significant opportunity to position itself as the corporate banking partner of choice for international investors and to strengthen its role in the syndication of large-scale transactions. These efforts are supported by the bank's robust Treasury capabilities, which manage funding requirements and deliver investment, income, and hedging solutions. Performance for this objective is measured through indexed revenue growth from investment banking activities, which accelerated momentum in growth last year and was 270% over the FY 2023 baseline by the end of FY 2025.

The third strategic imperative within the B2B pillar is to **'Grow SME via Tailored Solutions'**, encompassing micro, small, and medium enterprises. SMEs in KSA have shown a remarkable ~3X increase over the last 5 years. The SME sector is a central focus of Vision 2030, serving as a key driver of economic diversification, innovation, and job creation across the Kingdom. In alignment with this national priority, alrajhi bank has intensified its efforts in recent years to support the growth and sustainability of micro and SME businesses through a suite of targeted financial services and digital solutions.

Leveraging its 43.5% market share of physical Point-of-Sale (POS) terminals across Saudi Arabia, the bank offers POS financing solutions based on cash-flow generation, alongside a comprehensive portfolio of digital banking solutions that provide SMEs with rapid access to funding while helping them reduce operational costs. Complementing these offerings, the bank continues to strengthen its digitised value proposition by developing and integrating additional benefits such as access to B2B online Marketplaces and development of end to end digital solutions to reduce the administration burden for the segment.

One such digital solution is Qaema, a FinTech accounting solution designed to simplify financial management by allowing SMEs to conduct daily operations while maintaining compliance with accounting and regulatory requirements. The bank's concentrated efforts to grow this business vertical saw its SME portfolio nearly double, growing 94.3% from 30 Bn. in 2023 to 59 Bn. in 2025, with consistently increasing market share and cross-sales penetration.

### Support businesses

The third pillar encompasses the bank's IT and support functions that serve the wider alrajhi group. The bank's 'harmonize the group' strategy continued to capitalise on the modernised capabilities and technology investments made during its previous strategy cycle, and leverage them to maximise scalability and enhance operational efficiencies across the group.

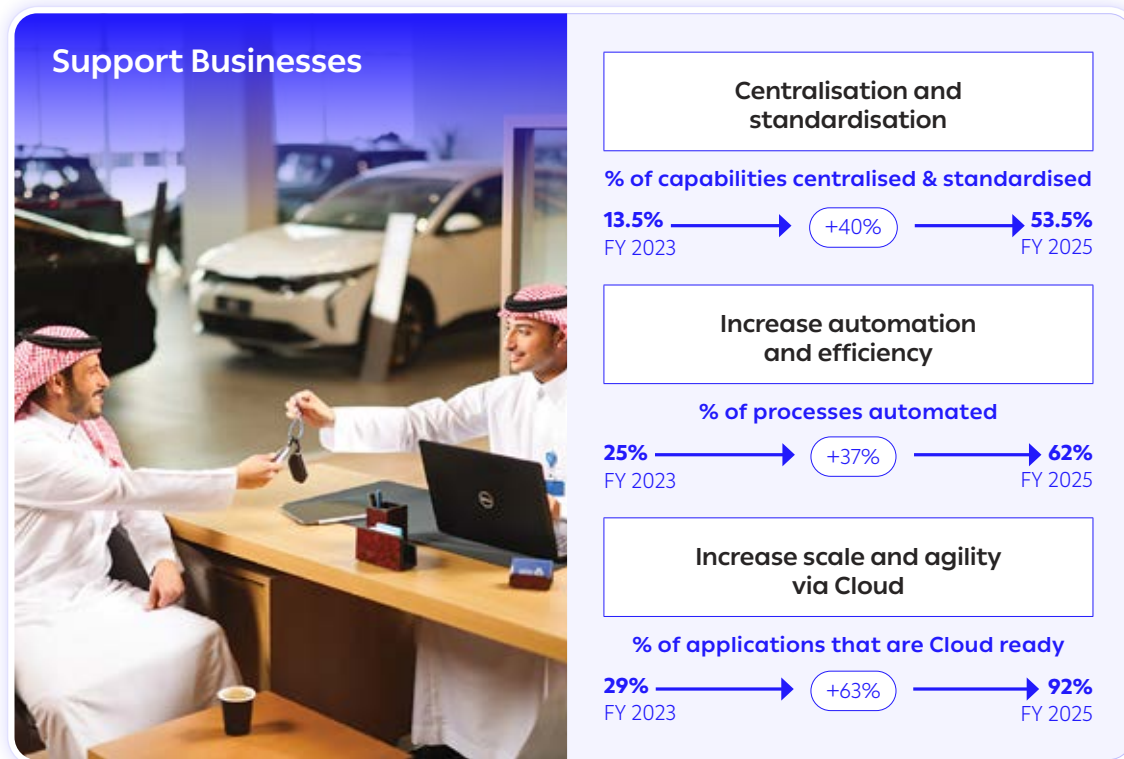
The first strategic objective under this pillar **'Centralisation and Standardisation'**, alongside the second objective of **'Increasing Automation and Efficiency'**, had a head start at the beginning of the strategy cycle. Multiple operational functions were consolidated under a single corporate entity rather than operating in silos, while workflows were streamlined, re-engineered, and automated. This consolidation delivered significant economies of scale, reduced cost-to-serve, and enhanced customer experience. The group's shared-services company, Atmaal, now oversees centralised operations, staffing solutions, automation, and call-centre activities, driving operational efficiency and reducing overhead costs. In addition, Tawtheeq operates as a fully automated and scalable platform that delivers financial registration services to both alrajhi bank and external clients.

By the close of the reporting period, 53.5% of capabilities had been centralised and standardised, reflecting a 40% improvement over the baseline of 13.5%. Automation progress also remained strong, with 62% of processes automated—representing a 37% improvement over baseline levels.

Ejada Systems, a leading IT services and solutions provider, has played a pivotal role in accelerating the bank's digital transformation, since its acquisition in 2022. Ejada has supported the bank's IT and Digital teams in rapidly developing and deploying digital capabilities, enabling the bank to stay ahead of competition and respond effectively to emerging market needs. Alongside increased automation, the bank continued upgrading infrastructure and systems to become cloud-ready—an initiative aligned with the third strategic imperative under the Support Businesses pillar, **'Increase Scale and Agility via Cloud'**.

With cloud adoption now strongly supported in Saudi Arabia and most global cloud hyperscalers fully operational in the Kingdom, alrajhi bank's early investment in cloud-enabled technologies has positioned it to fully leverage these advancements. By the end of the year, 92% of all applications were cloud-ready. In addition to improved scalability and agility, cloud adoption will further enhance business continuity by enabling advanced disaster recovery capabilities.

## strategic direction



### Digital and data

alrajhi bank recognises digital capabilities as a critical enabler of customer experience and group-wide integration. The fourth pillar of the **harmonize the group** strategy promotes the central role of digital innovation in modern banking and focuses on strengthening connectivity across the alrajhi ecosystem through enhanced digital and open-banking capabilities. The first two strategic objectives under this pillar, '**Expand Digital Capabilities Group-wide**' and '**Build Customer-centric Digital Journeys Group-wide**', are closely interlinked.

The bank continued to make significant progress in expanding its digital footprint during the reporting year, having digitised nearly all service and sales journeys across the organisation. Building on this success, the bank is now extending digital and data excellence across the wider group, leveraging its internal digital Centre of Excellence to deliver seamless, customer-centric experiences across all subsidiaries and business units. The bank has also commenced standardising customer journeys to enable familiarisation to customers across the ecosystem of the bank and its subsidiaries.

These integrated digital journeys enable customers to access holistic and bundled banking solutions tailored to their needs, with the bank orchestrating all necessary products and services through intuitive, end-to-end digital channels.

alrajhi bank's FinTech investments also fall under this pillar. As Open Banking continues to redefine the financial landscape in Saudi Arabia, the bank's ecosystem has been strengthened through key ventures including;

- Neoleap, alrajhi's payments company;
- Neotek, a data-aggregation and Open Banking fintech
- Drahim, a Personal Finance Management (PFM) application.

With customers' explicit and well-informed consent, aligned with KSA's Open Banking regulations and robust security standards, data can be securely shared across alrajhi bank, its subsidiaries, and other financial institutions. This creates hyper-personalised digital experiences and seamless



## strategic direction

interactions across multiple applications and platforms. alrajhi bank will continue investing in strategic FinTech opportunities and is fully prepared to capitalise on the expanding Open Banking environment in the Kingdom.

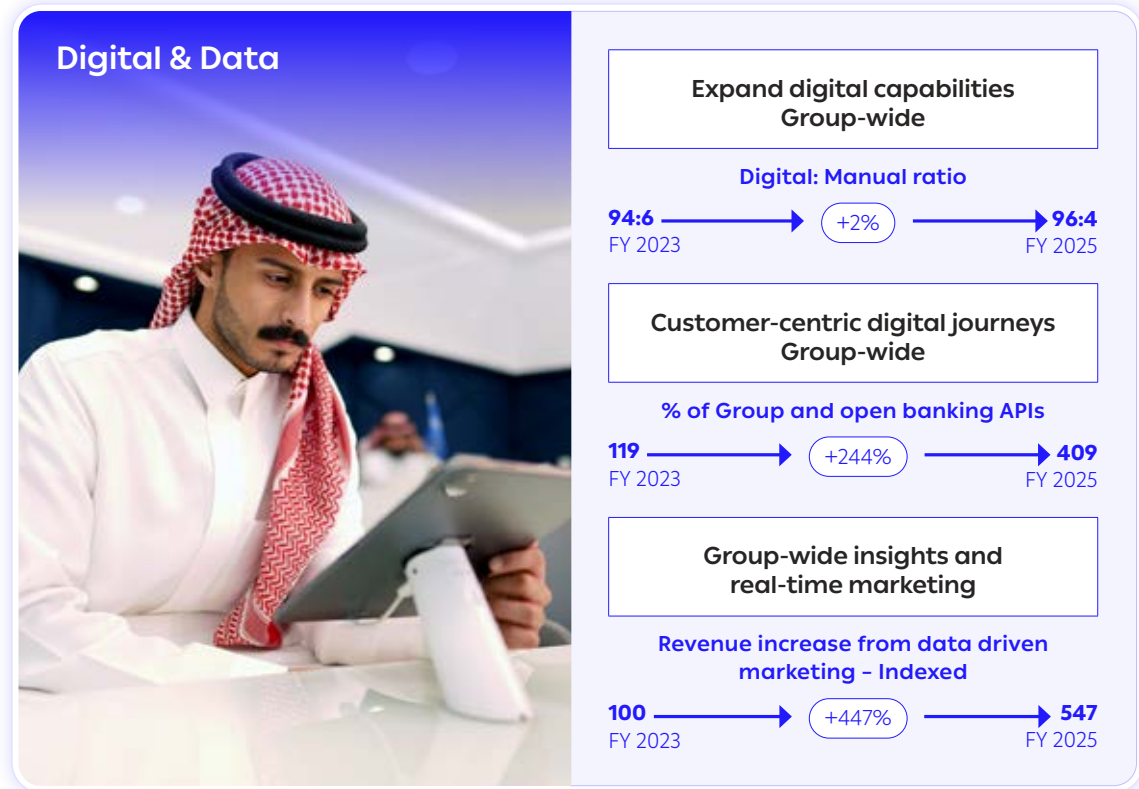
Progress in expanding digital capabilities is measured through the Digital-to-Manual ratio, which improved to 96:4 by the end of the year, compared to a baseline of 94:6. Advancement in customer-centric digital journeys is assessed through the number of group and Open Banking APIs, which increased by 244%, rising from 119 APIs in 2023 to 409 APIs at the end of the reporting period.

The third component of the Digital and Data pillar is 'Group-wide Insights and Real-time Marketing'. With real-time event processing enabled by the bank's upgraded digital core banking systems, alrajhi bank is able to monitor customer interactions as they occur and understand behavioural patterns across the customer journey.

This capability allows the bank to respond instantly to customer actions, whether triggered by an event or anticipated by behavioural analytics, through data-driven marketing and personalised services.

Events can range from specific credit card transaction, purchase of a travel ticket, to a reminder of an upcoming facility expiry. Each event initiates a tailored, automated response selected from hundreds of pre-programmed real-time actions, such as SMS or push notifications, credit-limit increase offers, or curated loyalty rewards from partner merchants at the point of sale.

Through real-time event tracking, the bank can respond dynamically to customer actions, offering automated, personalised communications and marketing offers. This advanced capability not only enhances customer experience but has also generated significant value for the bank, contributing to a remarkable 447% increase in revenue from data-driven marketing by year-end.



## strategic direction

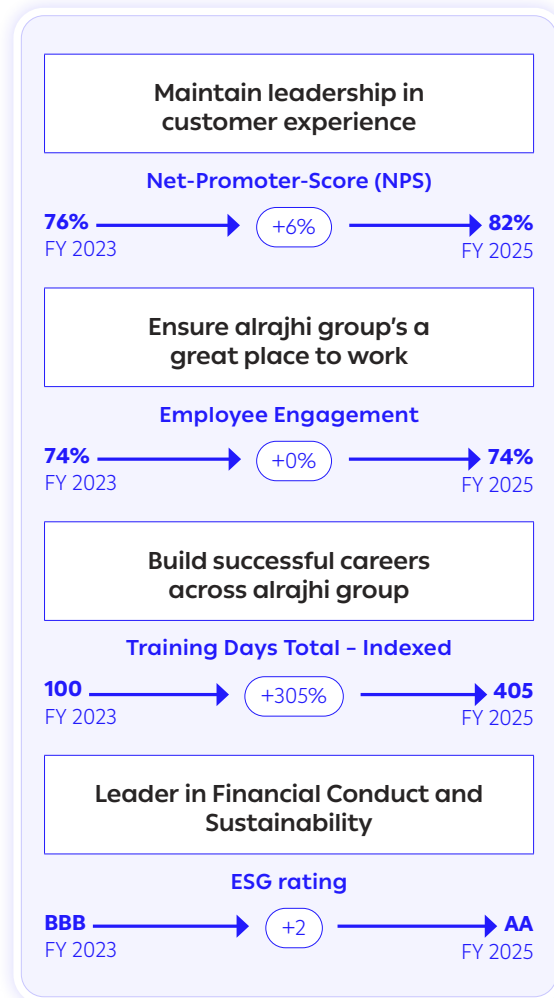
### Stakeholder engagement

Supporting the four strategic pillars are four additional strategic imperatives that underscores the bank's commitment to its key stakeholders.

The first of these is to '**Maintain Leadership in Customer Experience**', with progress measured through the Net Promoter Score (NPS), a globally recognised indicator of customer satisfaction and loyalty. alrajhi bank's enduring reputation as a customer-centric institution stems from its continued focus on understanding its customers, anticipating their needs, and proactively delivering solutions that ensure a superior banking experience.

Customer-centricity has been a defining theme across all of alrajhi bank's strategic cycles. The 'harmonize the group' strategy builds on the foundations of the previous strategy cycle where the bank focused on building products and infrastructure through a customer-first lens. It integrates new products, advanced technologies, expanded subsidiaries, and enhanced capabilities to deliver deeper, data-driven relationships and meet the full spectrum of customers' financial needs. This holistic approach is further strengthened by the bank's commitment to best-in-class sales and after-sales services, ensuring consistent care and engagement across all customer touchpoints. alrajhi bank maintained strong NPS scores since the start of its 2024-2026 strategy, moving from a baseline of 76 in FY 2023 to 82 at the close of FY 2025.

The second and third strategic imperatives are employee-centric, focused to ensure '**alrajhi group is a Great Place to Work**' and '**Build Successful Careers Across the Group**'. As one of the most sought-after employers in the Kingdom, alrajhi bank continues to uphold its strong reputation for best-in-class talent attraction, development, and retention, particularly among Saudi Arabia's top talent. The bank's consistently strong employee engagement score of 74% reflects its commitment to fostering an environment where employees feel empowered, supported, and equipped to advance the bank's ambitious goals while building fulfilling and rewarding careers. As well as providing on the job training, the bank continues to invest in its talent development to support capability enhancement in-line with the changing requirements of the financial sector. This is reflected with many vacancies being filled internally which increased promotions to existing staff.



Career progression is further supported through opportunities across the bank's subsidiaries and business verticals. Training remains a core enabler of this imperative, with substantial investments in knowledge transfer, capability building, and skills development. Total training delivered during the reporting period increased by 305% compared to the baseline year.

The fourth and final strategic imperative is to Be a **Leader in Financial Conduct and Sustainability**. alrajhi bank continues to operate with prudent management, responsible business practices, and strong regulatory compliance, underpinned by robust governance across all operations. As the world's largest Islamic Bank, alrajhi builds



## strategic direction

on its long-standing reputation for leadership in financial conduct, while demonstrating that Shariah-led Islamic finance aligns naturally with contemporary ESG standards and the wider goals of sustainable finance.

alrajhi bank has been an early and proactive adopter of ESG principles in the Kingdom, integrating sustainability across business lines and aligning its overall strategy with four key sustainability priorities: Supporting Vision 2030 and KSA Net Zero, Creating a Digital Future, Conducting Responsible Business with Good Governance, and Fostering Stronger Community Ties.

As part of its commitment to addressing climate change, the bank developed a comprehensive Sustainable Finance Framework, led by the Sustainable Finance Working Group – an ESG Committee responsible for overseeing the bank's ESG agenda. The Framework forms the basis for the bank's sustainable financing instruments and is fully aligned with internationally recognised standards, including the Social Bond Principles (ICMA, 2021), Social Loan Principles (LMA/LSTA/APLMA, 2021), Green Bond Principles (ICMA, 2021), Green Loan Principles (LMA/LSTA/APLMA, 2021), and the Sustainability Bond Guidelines (ICMA, 2021). The Framework has been independently verified by S&P Global.

Through alrajhi bank's sustainable financing initiatives, it continues to support progress toward the UN Sustainable Development Goals (UN SDGs), and channel investments into renewable energy, water and wastewater management, pollution prevention, clean transportation, green buildings, employment generation, affordable housing, and improved access to essential services. The bank also publishes an annual Allocation and Impact Report detailing the use of proceeds and the outcomes achieved through projects financed under the Framework.

The chosen performance indicator for this strategic imperative is the bank's ESG rating, assessed by external ESG rating agencies based on public disclosures. alrajhi bank has been successful in consistently improving its ESG rating from a baseline of BBB 2023 to A in 2024, becoming the first bank in Saudi Arabia to achieve AA during 2025.

The bank remains committed to partnering with stakeholders, peers, and key regulators, including SAMA, the Saudi Stock Exchange, and the Ministry of Economy and Planning, in order to advance ESG standards in the Kingdom, covering ESG taxonomy, risk policies, data and metrics, and qualification criteria for sustainable financing.

### Future outlook



alrajhi bank remains committed to executing the 'harmonize the group' strategy through 2024–2026. The ongoing successful execution of the strategy is reflected in the financial and non-financial achievements by the bank through the first two years of its implementation. During the final year of the strategy cycle, the bank will remain focused on building on the momentum and continue to expand its integrated financial-services ecosystem, drive digital innovation, enhance stakeholder value, and support Saudi Arabia's Vision 2030 and sustainable development objectives.

# value creation model

## Operating Environment

## Vision, Mission, and Values

## Stakeholders and Materiality

## Strategy

### Inputs

### Activities

#### Financial capital (on balance sheet)



Strong capitalisation profile and healthy liquidity position as at 01 January 2025

- Tier 1 Ratio: 19.3%
- NPL Coverage: 159.4%
- CASA: 70.4%
- LCR: 120.1%
- NPL Ratio: 0.76%

#### Institutional capital (off balance sheet)



Accumulated knowledge, digital-core systems, strong data and process capabilities, intellectual property, ethics and values, brand equity as the world's largest Islamic bank, and a deep capacity to innovate, all forming the unique institutional identity that enables the bank to create value.

#### Investor capital



Loyal investors engaged through transparent reporting, rewarded with strong performance, including a market-leading ROE of 21.1% and ₪ 10.84 Bn. in dividends.

#### Customer capital



Customer-centric, data-led digital journeys serving a loyal base of 18.5 million customers at the start of the year, supported by a market-leading NPS of 85, deep relationship banking, and segment-specific solutions across retail, corporate and SME segments.

#### Business partner capital



A resilient local supply chain with 94% of spend directed to local suppliers, creating growth opportunities for partners through optimised procurement processes and a Partnership Portal that supports SMEs with access to value-added services and tools to scale.

#### Employee Capital



A workforce of 23,000+ employees and 98% Saudisation (at bank level) at the onset of 2025, empowered through continuous learning and development within a conducive, inclusive and safe work environment, supported by extensive training programmes, an internal mobility platform, and strong employee engagement.

#### Social and Environmental Capital



Long-term contributions to financial inclusion, community development and environmental sustainability, guided by the Sustainable Finance Framework, including ₪ 100M+ in healthcare support, community programmes, and measurable reductions in energy and resource consumption.

#### Centres of Expertise

- Support businesses
- Digital and data

#### Core banking businesses

- Retail Banking
- Corporate Banking
- Treasury
- SME
- International Businesses

#### Group ecosystem

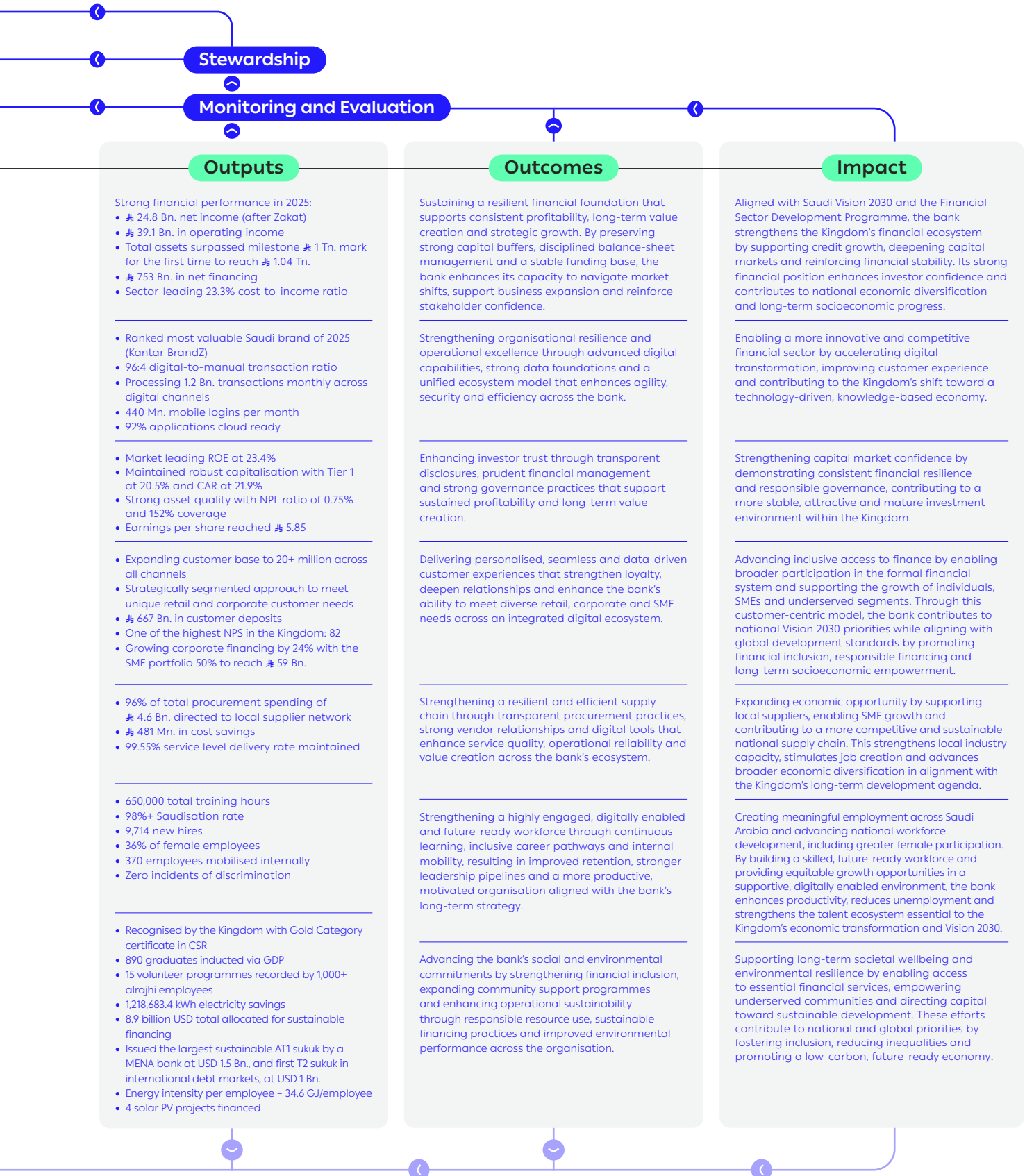
- ICT Services and Solutions
- Brokerage
- Payments
- Securities
- Insurance
- Microfinancing
- Fintech

#### Stewardship

- Governance Structure
- Risk Management
- Regulatory Compliance
- Strong Internal Controls
- Good Financial Conduct and Sustainability



## value creation model





# business in perspective

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shariah group

# chief financial officer's review of 2025 performance



**Abdulrahman Abdullah Al-Fadda**

## An overview

Government-led economic diversification efforts across the Kingdom continued to gain momentum during 2025, reinforcing Saudi Arabia's strong growth trajectory. The IMF maintained a positive outlook for the Saudi economy, projecting GDP growth of 4.5% in 2026. Economic activity accelerated during the year, with the economy expanding by 4.5% in 2025, supported by a 5.6% increase in oil sector activity alongside resilient performance across non-oil sectors. Consumer spending remained robust, rising by 10.7% in 2025, evidencing improving economic confidence and sustained domestic demand. The continued migration toward cashless transactions also progressed across the Kingdom, with digital payments accounting for approximately 66% of transactions, as individuals and businesses increasingly adopted technology-enabled payment solutions. Credit demand remained healthy, supported by Vision 2030 initiatives and a more accommodative interest-rate environment, with positive momentum expected to continue into 2026 and beyond.

Against this supportive macroeconomic backdrop, alrajhi bank delivered a strong performance across all business lines, driven by the continued execution of the "harmonize the group" strategy and a disciplined focus on value-driven growth. During the year, the bank surpassed the ₪ 1 Tn. milestone in total assets in the first quarter, marking a significant achievement in our growth journey. The balance sheet expanded by 7.3% YoY, driven primarily by a 8.6% increase in the financing portfolio to ₪ 753 Bn. Mortgage financing grew steadily and accounted for more than 36% of total financing and over 57% of the retail portfolio, while the non-retail book recorded strong growth of 24.1%, supported by continued expansion in corporate and SME financing. Profitability remained resilient, with net income reaching ₪ 24.8 Bn., supported by balanced growth in net yield and fee-based income. Non-yield income represented approximately 24% of total operating income and, notably, exceeded total operating expenses during the year, reflecting the bank's strategic emphasis on fee income generation and cross-sell across the group.



## chief financial officer's review of 2025 performance

During 2025, the bank also executed strategic balance-sheet optimisation initiatives, including the securitisation of approximately ₪ 10 Bn. in mortgage assets and nearly ₪ 4 Bn. in consumer finance, supporting long-term profitability, liquidity, and capital efficiency. In line with balance-sheet growth, we continued to diversify our funding profile, successfully issuing USD 1.5 Bn. Tier 1

Sustainable Sukuk and a USD 1 Bn. Tier 2 Social Sukuk, which marked our first Tier 2 issuance in international markets. These issuances were carried out alongside increased utilisation of syndicated facilities and certificates of deposit amounting to more than USD 6.9 Bn. and USD 7.6 Bn. respectively, further strengthening funding flexibility and cost efficiency of the bank.

### Income statement

	2025 ₪ '000	2024 ₪ '000	2023 ₪ '000	2022 ₪ '000	2021 ₪ '000
Gross financing and investment income	55,849,516	47,018,123	38,737,616	28,201,631	21,441,506
Gross financing and investment return	(26,003,845)	(22,175,077)	(17,468,497)	(6,028,944)	(1,049,570)
<b>Net financing and investment income</b>	<b>29,845,671</b>	<b>24,843,046</b>	<b>21,269,119</b>	<b>22,172,687</b>	<b>20,391,936</b>
Fee from banking services, net	5,869,207	4,692,727	4,225,650	4,624,140	3,933,107
Exchange Income, net	1,558,950	1,292,866	1,246,450	1,162,162	787,898
Other operating income, net	1,820,137	1,226,664	790,190	616,030	603,457
<b>Fees and other income</b>	<b>9,248,294</b>	<b>7,212,257</b>	<b>6,262,290</b>	<b>6,402,332</b>	<b>5,324,462</b>
<b>Total operating income</b>	<b>39,093,965</b>	<b>32,055,303</b>	<b>27,531,409</b>	<b>28,575,019</b>	<b>25,716,398</b>
Salaries and employees' related benefits	(4,025,571)	(3,723,809)	(3,525,096)	(3,395,191)	(3,132,346)
Depreciation and amortisation	(2,369,057)	(1,981,914)	(1,578,009)	(1,330,119)	(1,141,932)
Other general and admin expenses	(2,732,360)	(2,264,941)	(2,394,841)	(2,725,760)	(2,652,244)
<b>Operating expenses</b>	<b>(9,126,988)</b>	<b>(7,970,664)</b>	<b>(7,497,946)</b>	<b>(7,451,070)</b>	<b>(6,926,522)</b>
<b>Pre Provision Operating Profit</b>	<b>29,966,977</b>	<b>24,084,639</b>	<b>20,033,463</b>	<b>21,123,949</b>	<b>18,789,876</b>
<b>Total impairment charge</b>	<b>(2,320,481)</b>	<b>(2,116,744)</b>	<b>(1,504,178)</b>	<b>(2,001,259)</b>	<b>(2,345,086)</b>
<b>Net income for the period before Zakat</b>	<b>27,646,496</b>	<b>21,967,895</b>	<b>18,529,285</b>	<b>19,122,690</b>	<b>16,444,790</b>
<b>Zakat</b>	<b>2,821,986</b>	<b>2,236,709</b>	<b>1,908,126</b>	<b>1,971,865</b>	<b>1,698,579</b>
<b>Net income for the period after Zakat</b>	<b>24,824,510</b>	<b>19,731,186</b>	<b>16,621,159</b>	<b>17,150,825</b>	<b>14,746,211</b>
<b>Non-controlling interests</b>	<b>32,756</b>	<b>8,980</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income for the period</b>	<b>24,791,754</b>	<b>19,722,206</b>	<b>16,621,159</b>	<b>17,150,825</b>	<b>14,746,211</b>

# chief financial officer's review of 2025 performance

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## Subsidiaries operating income for 2025



Group Operating Income Distribution Graph (Bank vs. Subsidiaries contribution)

### Total operating income

alrajhi bank delivered a strong 22.0% growth in operating income, reaching **ﷲ 39.1 Bn.** in 2025. This growth was driven by a 20.1% YoY increase in net yield income resulting from stable margins, and healthy expansion in financing portfolios. It is noteworthy that non-yield income also maintained strong momentum, reflective of alrajhi bank's management initiatives to boost fee-based revenue and the progress achieved under the "harmonize the group" strategy. These efforts delivered a 25.1% YoY increase in fee income, which led to measurable improvements across several business lines including payments, trade, cash-management, bancassurance, and investment-banking and brokerage; digital and payments, wholesale, and brokerage recorded notable YoY growth of 29.8%, 35.9%, and 25.4% respectively.

Exchange income and other operating income rose by 20.6% and 48.4%, respectively. As a result of our strategy, we are focusing on further optimising our yield and non-yield income by cross selling our products, increasing the proportion of customers with more than one product to 44.6%, up from 38.0% in 2023.

### Operating expenses

The bank's operating expenses for the period increased to **ﷲ 9.1 Bn.**, reflecting a YoY growth of 14.5%, broadly in line the bank's balance sheet and high transaction volumes. A number of targeted strategic investments were also made during the year to support the delivery of ambitious KPIs under the bank's "harmonize the group" strategy, contributing towards the operating expenses. The bank maintained strong cost discipline to deliver a market leading cost-to-income ratio of 23.3% for the period.



## chief financial officer's review of 2025 performance

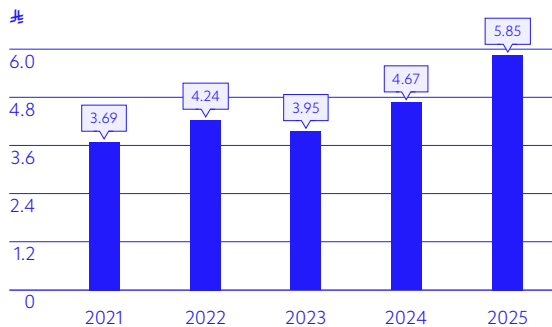
### Impairment charges

In accordance with IFRS 9 requirements issued by the International Accounting Standards Board (IASB), we updated the bank's "expected credit loss" (ECL) model for the recognition of impairment, taking into consideration the positive macroeconomic outlook for the Kingdom of Saudi Arabia. The net impairment charge for 2025 amounted to **ﷲ 2.3 Bn.**, a YoY increase of 9.6% primarily attributable to the continued growth of the financing portfolio. Asset quality remained resilient, with the cost of risk maintained at 0.32% for the reporting period.

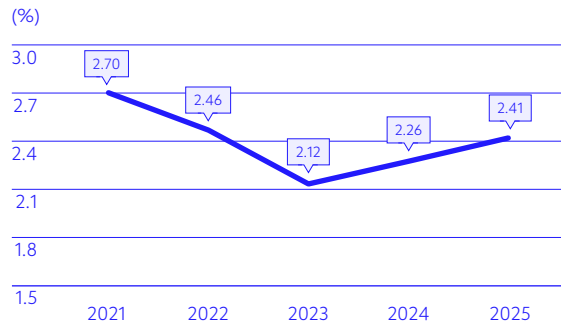
### Profitability

alrajhi bank delivered the highest net income after Zakat since inception, reaching **ﷲ 24.8 Bn.** at the close of 2025, recording an outstanding growth of 25.7% YoY. The bank also continued to deliver industry-leading return metrics, with Return on Risk-Weighted Assets (RORWA) improving to 3.86%, Return on Assets (ROA) reaching 2.41%, and market-leading Return on Equity (ROE) of 23.36% for 2025.

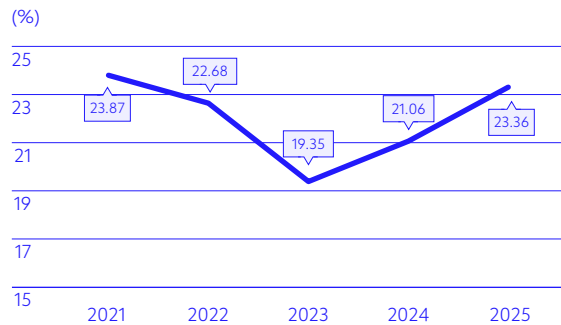
### Earnings per Share (EPS)



### Return on Assets



### Return on Equity



## chief financial officer's review of 2025 performance

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### Statement of financial position

	2025 ฿ '000	2024 ฿ '000	2023 ฿ '000	2022 ฿ '000	2021 ฿ '000
Cash and balances with SAMA	54,004,876	53,244,710	41,767,641	42,052,496	40,363,449
Due from banks	26,940,586	19,529,727	9,506,673	25,655,929	26,065,392
Investments, net	175,461,841	176,067,849	134,298,611	102,146,142	84,433,395
Financing, net	752,759,851	693,409,723	594,204,806	568,338,114	452,830,657
Other assets, net	34,101,143	30,192,345	28,320,541	23,426,207	19,951,735
<b>Total assets</b>	<b>1,043,268,297</b>	<b>972,444,354</b>	<b>808,098,272</b>	<b>761,618,888</b>	<b>623,644,628</b>
Due to banks	117,283,797	117,677,378	97,246,889	70,839,117	17,952,140
Customers' deposits	667,287,500	654,988,501	573,100,607	564,924,688	512,072,213
Negative value of derivatives, net	2,276,665	1,679,043	793,541	961,405	311,138
Debt securities and term financing	79,866,625	37,457,972	3,789,117	-	-
Other liabilities	33,641,365	37,502,229	26,408,687	24,668,643	26,027,573
<b>Total liabilities</b>	<b>900,355,952</b>	<b>849,305,123</b>	<b>701,338,841</b>	<b>661,393,853</b>	<b>556,363,064</b>
Share capital	40,000,000*	40,000,000	40,000,000	40,000,000	25,000,000
Statutory reserve	40,000,000	38,373,547	33,442,996	29,287,706	25,000,000
Other reserves	581,422	(311,814)	(96,606)	(427,569)	282,107
Retained earnings	34,272,747	21,417,282	16,913,041	9,864,898	16,999,457
Proposed dividends	-	-	-	5,000,000	-
<b>Equity attributable to shareholders of the bank</b>	<b>114,854,169</b>	<b>99,479,015</b>	<b>90,259,431</b>	<b>83,725,035</b>	<b>67,281,564</b>
Equity sukuk	27,907,879	23,553,815	16,500,000	16,500,000	-
<b>Equity attributable to equity holders of the bank</b>	<b>142,762,048</b>	<b>123,032,830</b>	<b>106,759,431</b>	<b>100,225,035</b>	<b>67,281,564</b>
Non-controlling interests	150,297	106,401	-	-	-
<b>Total equity</b>	<b>142,912,345</b>	<b>123,139,231</b>	<b>106,759,431</b>	<b>100,225,035</b>	<b>67,281,564</b>

\* The bank has announced the Board of Directors' recommendation to increase the bank's capital through the issuance of bonus shares, where shareholders will receive one bonus share for every two shares held, which will raise the bank's capital to ฿ 60 Bn.



## chief financial officer's review of 2025 performance

### Assets

Marking a significant milestone in 2025, alrajhi bank surpassed the ₪ 1 Tn. threshold in total assets, closing the year with assets amounting to ₪ 1,043 Bn., which represented a 7.3% YoY increase. The bank's asset quality remains healthy with 96.9% of our financing portfolio falling under the definition of stage 1 assets under the IFRS 9 classification. In addition, stage 2 and stage 3 exposures remained contained at 2.1% and 1.0% of the financing portfolio respectively.

Prudent risk management continued to support strong coverage levels, with stage 3 coverage at 55.5%, stage 2 coverage at 10.6%, and stage 1 ratio stable at 0.4%, all remaining above market average. This disciplined approach was further reflected in our sector-leading non-performing loan (NPL) ratio of 75 basis points, supported by a healthy NPL coverage ratio of 152%.

### Deposits and other liabilities

Total liabilities of alrajhi bank reached ₪ 900 Bn. at the close of the year, a YoY increase of 6.0%. Our customer deposits grew by ₪ 12 Bn. during 2025 to ₪ 667 Bn., a YoY growth of 1.9%. Demand and other deposits continued to dominate the mix, accounting for 64.8% of the overall customer deposits, while time deposits increased by ₪ 41 Bn. Interbank borrowing decreased 0.3% YoY to reach ₪ 117 Bn. Moreover, the bank continued diversifying the funding profile during the year by tapping in many alternatives tools such as Sukuks, Certificates of Deposits, Syndicated loan facilities resulting in an increase of ₪ 42 Bn. in Debt Securities and Term Financing. It is worth mentioning that Syndicated loans now stand at ₪ 26 Bn. comes from USD-denominated syndicated green loans, reinforcing the bank's commitment towards meeting the growing appetite among consumers for sustainable, climate-linked financing instruments.

### Stability

With a strong balance sheet backed by market-leading asset quality, healthy regulatory liquidity position and comfortable levels of capital ratios, alrajhi bank successfully maintained steady growth and consistent performance, demonstrating the stability, creditworthiness, and the continued confidence of shareholders in the bank.

### Liquidity position

alrajhi bank retained a healthy liquidity position in 2025, with a Liquidity Coverage Ratio (LCR) of 168.7%, and a regulatory Loan-to-Deposit Ratio (LDR) of 82.8%. Our Net Stable Funding Ratio (NSFR) stood at 109.0%, comfortably above regulatory requirements. Additionally, alrajhi's High-Quality Liquid Assets (HQLA) stood at ₪ 127.3 Bn.

### Capital position

alrajhi bank maintained a strong capital position in 2025, with a Tier 1 capital ratio of 20.5%, and a total capital adequacy ratio of 21.9%, well above regulatory requirements. Total regulatory capital reached ₪ 147.3 Bn., of which 94% comprised Tier 1 capital, signifying the bank's high-quality capital base. Our total Risk-Weighted Assets (RWA) increased by 10.2% YoY to ₪ 673.9 Bn., mainly driven by growth in the financing book. Resulting in a 10.6% increase in Credit Risk RWAs. RWA density stands at 64.6%, compared to 62.9% recorded during the preceding financial year.

Strong profitability further supported capital strength, with return on assets (ROA) of 2.4%, and shareholders' return on equity (ROE) of 23.4%, and a market-leading return on risk weighted assets (RoRWA) of 3.86%. Notably, higher return metrics with improved RWA density have contributed effectively in our internal capital generation.

## chief financial officer's review of 2025 performance

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### Strategic milestones and market recognition

At the onset of 2025, alrajhi bank surpassed the ₪ 1 Tn. asset milestone, demonstrating sustained balance-sheet growth driven by healthy financing expansion, disciplined risk management, and strong customer confidence across our diversified business lines. In Q3 2025, alrajhi bank successfully issued a USD 1 Bn. Tier 2 Social Sukuk, marking our first Tier 2 issuance in international debt markets. The transaction strengthened our capital base, diversified funding sources, and reinforced the bank's commitment to sustainable finance.

External ratings remain a critical indicator of alrajhi bank's financial strength, sustainability performance, and credibility with investors and stakeholders. During 2025, MSCI upgraded our ESG rating to AA, placing the bank among the highest-rated corporates in Saudi Arabia and the GCC, acknowledging our continued progress in governance, social impact, risk management, and the integration of sustainability across operations. Fitch Ratings also upgraded the bank's long-term issuer default rating in 2025 to 'A' from 'A-' with a Stable Outlook, recognising our strong profitability, resilient asset quality, robust capitalisation, and disciplined risk management framework.

In addition, alrajhi bank was awarded Best Investor Relations Team in Saudi Arabia, recognising the high standards of transparency, proactive engagement, and effective financial communication with investors, analysts, and broader stakeholder groups.

### Future outlook



Following a record-breaking performance in 2025 that demonstrated the effectiveness of the 'harmonize the group' strategy, alrajhi bank will continue to focus on our core retail banking business, while resolutely improving our corporate banking position, particularly within the SME segment that plays a key role in growing the Kingdom's non-oil economy. Against an improving macroeconomic outlook and continued economic diversification, the bank will pursue new growth opportunities by expanding into new customer segments, with greater focus on fee-based income generation across the group.

We will continue our mandate to create a digital financial ecosystem, delivering our loyal customers with innovative, accessible and seamless financial solutions that address their evolving needs. Moreover, we continue to focus on increasing product penetration per customer by optimising synergies across the bank's subsidiaries in investment banking, microfinancing, digital payment solutions and related services, to provide our growing customer base with an incomparable customer value proposition.





## business portfolio review



### retail banking group

The Saudi retail banking sector performed strongly in 2025, in an operating environment shaped by a resilient GDP growth of 4.5%, increased consumer spending, and continued government investments in housing and infrastructure. However, headwinds came in the form of increased funding costs and margin pressure resulting from an elevated SAIBOR borrowing rate that averaged 5.3% throughout the year. Liquidity tightened slightly due to intensified competition for deposits among banks and aggressive savings rate promotions. The increase in digital banking players entering the market further fuelled the competition, with digital-only banks aggressively taking the lead in customer acquisition, and raising customer expectations for seamless digital journeys.

Against this challenging backdrop, retail banking group (RBG) maintained a stable performance through customer growth, portfolio diversification, pricing optimisation, active liquidity management, and expansion in low-cost deposit segments. The bank's continued investment through the past five years in digital transformation, product innovation and customer segmentation has enabled RBG to

sustain its leadership status in Saudi Arabia's retail banking sector, firmly positioning retail banking as a cornerstone of alrajhi bank's growth platform.

In 2025, alrajhi bank exceeded 1 Tn. in assets, an extraordinary achievement for the bank. RBG's contribution to this outstanding performance through its digital-first product launches, targeted segment growth, and cross-product enhancements, further strengthened its role in the Bank's overall performance, contributing to deposit growth (a 7% growth YoY), fee income (13% YoY increase) and non-interest income (a significant growth of 19% YoY) from the retail segment.

Enhanced efficiencies and AI-based KYC verification delivered a frictionless digital onboarding process, reducing RBG's acquisition cost per customer. From the total new accounts opened in 2025, 97% were opened digitally, consistent with RBG's 2025 digital transformation targets, and reflective of the strong customer preference for self-service banking in KSA. This high rate of digital onboarding coupled with campaign-driven acquisitions drove a significant 25% YoY increase in savings accounts, which contributed to the overall growth in deposits.

# business portfolio review

retail banking group

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## Growth across key target segments



RBG continued to align with the bank's 'harmonize the group' strategy, leveraging group synergies to deliver several strategic objectives falling under the Business-to-Consumer (B2C) pillar. Key among these is the needs-based segmented approach with customers, where RBG continued to deepen relationships across Mass Market, Youth, Expat and Premium segments, developing unique customer value propositions in a highly contested environment.

The retail customer base expanded by 1.5 Mn. new customers YoY, of which 1.1 Mn. were acquired from the Expat segment through successful remittance-linked acquisition campaigns. The Youth customer base increased by 115,000, spurred by digital gamification and student-focused product launches. The Mass Market grew by 2% YoY as a result of bundled products and salary-backed financing, while the Premium customer base grew by 8% YoY, a growth reflecting the success of tailored wealth solutions. A modernised customer relationship management (CRM) system with centralised customer profiles enabled an uplift in sales conversions. Overall, the retail segment reached a total of 19.5 Mn. customers at the close of the year. Retail cross-selling remained a primary objective of the bank's strategy, with 44.6% of retail customers holding two or more products.

## Product innovation and portfolio expansion

In 2025, RBG further expanded its diversified product portfolio, capturing new opportunities through segment-based product innovation and digital first propositions. One of the key highlights of the reporting period was the launch of the enhanced variant of Tharwa, which allows customers to finance new properties, or unlock value of existing properties by converting rental income as the basis of repayment, and removing the need for salary-based financing. At the close of the year, Tharwa had contributed approximately 8% to total mortgage sales.

The reporting period saw RBG expand its suite of shariah-compliant personal financing solutions with the introduction of Watani Extra, an innovative product offering a higher financing amount against additional income, with no salary transfer deduction required.

During the reporting period, retail financing increased by 1.4% YoY, driven by a 3.2% growth in the total mortgage book. At the close of the year, RBG's personal finance market share held strong at 38.5%, with a robust share of 34.4% in the auto leasing market.

RBG maintained its leadership position in the mortgage market, holding a dominant 37.7% share. Ongoing partnerships with the Ministry of Housing and National Housing Company (NHC) were strengthened by streamlining digital journeys for property-linked products, simplifying customer journeys and supporting the growing demand for housing across the Kingdom. In 2025, alrajhi bank also expanded its cooperation with the Saudi Real Estate Refinance Company (SRC) through a landmark 10 Bn. Originate-to-Distribute (OTD) agreement. This strategic initiative facilitates the efficient transfer of mortgage portfolios, significantly boosting the bank's fee income through deal structuring and distribution. The model optimises capital efficiency while strengthening alrajhi bank's role as a leading financial intermediary in the Kingdom.

RBG continued to introduce tailored credit card products to meet segmented needs of retail customers, with credit card market share increasing from 35.4% in 2024 to 38.4% in 2025. Total credit card spend increased by 84% from 2023 supported by segment play as well as enhanced rewards and incentives. This year, RBG launched a Premium Rewards Credit Card tailored to meet the affluent lifestyles and spending habits of the bank's HNWI segment. The successful Student Credit Card and Gamer Prepaid Card launched in 2024 were further expanded with merchant partnerships and cashback tiers, further improving engagement with the growing demographic in 2025.



## business portfolio review

### retail banking group



The increasing frequency and sophistication of cyberthreats resulted in RBG introducing Cyber Security Insurance to its list of General Insurance products for retail SME customers in 2025. This expanded the current portfolio of Shariah-compliant Takaful insurance products offered to retail customers, including saving and protection programmes, travel insurance plans, comprehensive health insurance covers and motor insurance programmes. A new Private Conservative Investment Fund was introduced under RBG's broader suite of savings and protection programmes. Total insurance sales for the year reached **ﷲ 4.91 Bn.**, a 10% YoY increase driven by digital issuance, with bundled protection and motor programmes.

### Real estate finance risk

The bank's total outstanding residential real estate finance portfolio as of 31 December 2025 stood at **ﷲ 277 Bn.** We have prudently developed adequate policies and procedures to ensure 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 continue to be dealt according to the bank's internal risk management framework.

Types of insurance covers that the bank could utilise to hedge various risks associated with its residential real estate finance portfolio, are listed below:

- 1 **Life Insurance:** provides financial protection in the event of death resulting from natural or accidental events, or a specified cause as per the insurance policy in order to recover the outstanding finance amount from the insurance company.

- 2 **Disability Insurance:** provides financial protection to recover the outstanding financing amount in the event that the policyholder becomes fully and permanently disabled and is unable to work or engage in an income earning activity.
- 3 **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.

### Enhancing digital infrastructure and capabilities

RBG continued to rationalise its physical network in 2025, adapting to the market's pace in digital adoption. Low-performing branches were relocated to more favourable locations, while new smart branches opened in favourable locations, including Riyadh and Dammam growth corridors, strategically placed near transport hubs and retail centres.

RBG leveraged AI and advanced analytics to deploy real-time credit decisioning to significantly reduce time-to-approval, while utilising sophisticated next-best-offer models to maximise cross-sell opportunities through personalised product recommendations. Overall, close to 80% of customer-facing analytics workloads have been migrated to the cloud, enhancing operational resilience and enabling scalability to meet growing demand.

RBG also invested in strategic hiring in 2025 to build capability aligned to its digital growth, recruiting over 120 specialists with expertise across digital banking, data science, risk, and customer experience.

### A superior customer experience

During the course of the year, RBG further enriched the retail customer experience, with the overall value proposition evolving towards '**Digital-first with personalised human support**', focusing on perfecting the combination of digital efficiency and human interaction for its retail customers.

RBG utilised several tools and metrics to gauge customer satisfaction levels in 2025, across a wide range of focus areas. Retail Digital Channels and Contact Centre teams primarily used the Customer Effort Score (CES) to measure effort reduction and customer journey simplicity. A redesign of high-volume digital retail journeys was carried out in 2025, resulting in a CES of 82% to demonstrate minimised friction on key journeys such as account openings, card activations, and personal financing pre-approvals.

## business portfolio review

### retail banking group

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Post-interaction surveys were also conducted across branches, call centres and mobile banking to capture real-time customer feedback. Independent validation methods such as mystery shopping and benchmarking were also used to gain objective, third-party perspectives of service quality and retail channel performance in 2025. Documentation requirements were simplified for major retail products. Self-service options across ATMs and digital channels were expanded to keep pace with evolving modern consumer needs.

We achieved a high NPS score of 82 in 2025, primarily driven by deeper personalisation and communication via segmentation, and supported by faster, more intuitive digital journeys alongside improved service consistency across alrajhi's retail branch network.

Overall, these comprehensive initiatives collectively contributed to a significant enhancement in the overall customer experience, driving stronger loyalty, increasing operational efficiencies, and creating superior digital journeys for customers, solidifying RBG's customer-centric and market-leading retail position in the Kingdom.

### Fostering financial inclusion

RBG expanded its financial-inclusion initiatives through programmes that strengthened awareness, access, and community wellbeing. At Cityscape 2025, advisory sessions on home financing and digital services reached thousands of visitors. The 'Quick Donation' feature enabled more than **ﷲ 600 Mn.** in charitable contributions from over 200,000 customers. Our empowerment programmes supported the employment of 668 individuals from social security beneficiaries and vulnerable groups, enhancing livelihoods and living standards. Complementing these efforts, RBG continued to drive other initiatives such as the Orphan Education programmes supporting over 200 students, and the national kidney-transplant initiative, where the bank funded 91 procedures during the year. For more details on outreach programmes, please read the **Community Development** chapter on page 166.

Female participation in the workforce in Saudi Arabia has more than doubled since 2017 as a result of the Kingdom's Vision 2030 initiatives. RBG recognised this growing demographic, developing and enhancing several offerings tailored to women, including advisory services, investment products, and dedicated relationship support in selected flagship branches. Enhanced card benefits were also introduced for female-focused spending categories based on purchasing habits (i.e. health, wellness, retail, etc.). RBG also facilitated financial literacy sessions tailored to women covering budgeting, entrepreneurship, and digital banking.

RBG continued to promote financial inclusion by empowering demographics that have been traditionally underserved, introducing **Zero-Minimum-Balance Accounts** for low-income customers, and a dedicated **'Easy Account'** designed for low-literacy and first-time banking users with simplified onboarding.

For persons with disabilities, accessibility-friendly enhancements such as ramps, braille ATMs, priority service lanes have been integrated into select branches, while digital accessibility features including screen readers, simplified UI, and visual contrast modes have also been introduced. RBG further broadened the approach via partnerships with community organisations to support financial access for the unbanked and special needs customers.

### Awards and recognition

In 2025, RBG achieved strong industry recognition, earning several prestigious regional and international awards that underscore its leadership in retail banking, digital excellence and customer experience. Key awards included:

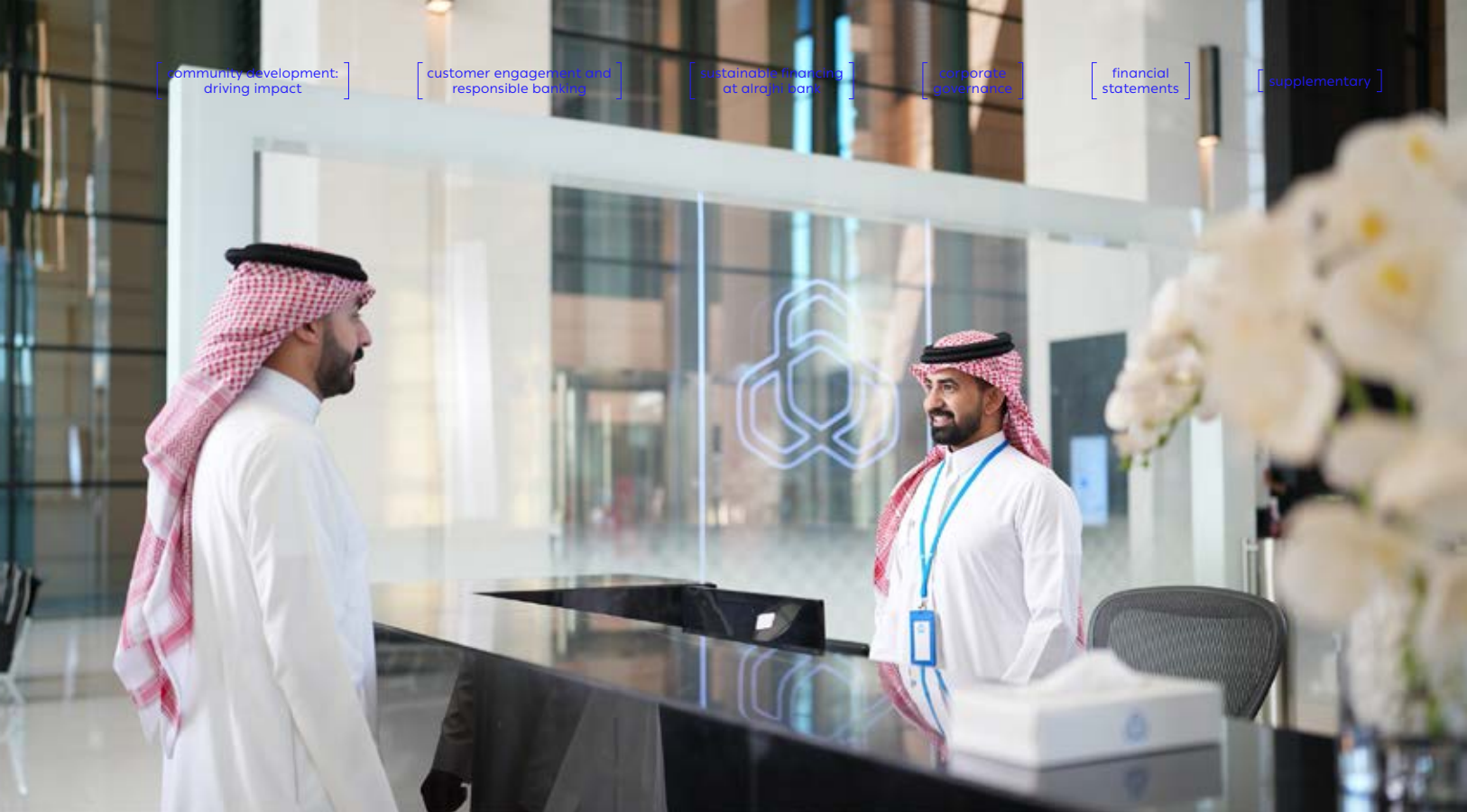
- **Best Retail Bank in Saudi Arabia** – Global Banking & Finance Review
- **Best Digital Consumer Bank** – Global Finance Magazine
- **Excellence in Customer Experience Award** – Middle East Banking Innovation Forum
- **Best Innovation in Cards** for segment-based card products, recognising RBG's advancement in tailored card propositions
- **Outstanding Mobile Banking Experience Award** for enhancements to digital journeys and service reliability
- **Leadership in Financial Inclusion Award** for initiatives supporting underserved and special-needs segments

### Future outlook



RBG will continue to strengthen the bank's B2C offering as it continues to implement and complete the strategic goals and objectives of 'harmonize the group' strategy in 2026, the final year of its strategy cycle. Customer primacy remains top priority for RBG as it continues to improve its customer value proposition through focused segmentation, orchestration of data, insights and technology.





## corporate banking group

The corporate banking sector of Saudi Arabia recorded significant growth in 2025, driven by the sustained momentum of economic diversification efforts of Vision 2030, and a strong demand for corporate credit. Large-scale giga-projects, increased public-private partnerships, and strong non-oil private sector growth continued to stimulate borrowing for project finance, working capital, and trade-related facilities. Banks benefited from rising demand for treasury services, cash management, payroll, trade finance, and capital markets-related solutions alongside traditional lending. Beyond the growing demand for corporate credit, key trends included accelerated digital transformation and AI adoption, a focus on sustainable/ESG financing, and a rise in SME financing opportunities, all supported by SAMA's regulatory framework aimed at enhancing financial inclusion and sector resilience. Overall, KSA's corporate banking sector in 2025 reflected a structurally transforming economy, with credit growth increasingly aligned with the Kingdom's diversified, non-oil economic activity.

Against this favourable backdrop, alrajhi bank's Corporate Banking Group (CBG) further reinforced its position as one of the Kingdom's leading corporate banks, capturing a 14.5% share of the corporate banking market and ranking third in Saudi Arabia by corporate loan portfolio.

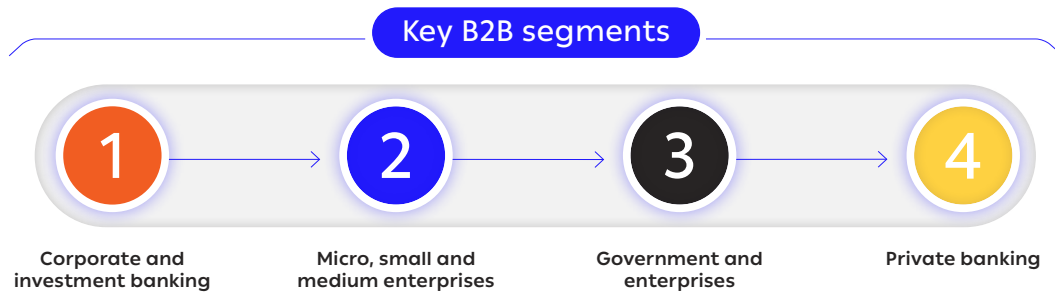
### A segmented approach to better serve customers

Following the launch of our overarching 'harmonize the group' strategy in 2024, CBG classified corporate clients into four distinct, needs-based segments: Corporate and Investment Banking; Micro, Small and Medium Enterprises; Government and Enterprises; and Private Banking. To serve these segments, the collective portfolio of corporate banking products and services spread across the alrajhi group was brought under the Business-to-Business (B2B) strategic pillar.

For Corporate and Investment Banking clients, CBG offered a broader set of products and services beyond the core corporate banking solution, in order to **become the 'House Bank' of Large Corporates**, a key strategic objective under the B2B pillar. By leveraging group synergies, CBG offered trade finance and treasury products to facilitate foreign trade and commerce, corporate insurance products from Al Rajhi Takaful, investment banking, asset management and brokerage from Al Rajhi Capital, and exclusive Private Banking services for HNWI customers, alongside payments, payroll, and accounting solutions tailored to meet evolving business needs. For 2025, CBG successfully recorded a notable 43.4% YoY growth in foreign exchange (FX) business, with a 23.9% increase in trade fee income during the year.

# business portfolio review

## corporate banking group



**Growing Small and Medium Enterprises (SMEs)** is also a key strategic imperative that falls under the B2B pillar. CBG follows a more focused approach to servicing the Kingdom’s growing Micro and SME sector, with product portfolios tailored to meet distinct business needs. Group synergies continued to be leveraged in 2025 to provide the growing segment with comprehensive, bundled banking and financial solutions through end-to-end digitised customer journeys, faster credit processing and reduced turnaround times. More details on these initiatives can be found on our dedicated **MSME Business section** on page 64 of this Report.

CBG continued its collaboration with Al Rajhi Capital to expand its Investment Banking offering and establish advisory services, including Mergers and Acquisitions (M&A), Advisory and Underwriting services, Access to Equity/Debt Capital Market (ECM/DCM) and more, as part of **developing the Investment Banking business**, yet another strategic imperative falling under the B2B pillar. The investment banking businesses continued to enhance non-yield income, with revenue from investment banking activities growing by a remarkable 220% at the close of the year from the 2023 baseline.

Overall, CBG recorded a strong performance in 2025: Our corporate portfolio increased 24% YoY to surpass **ﷲ 271 Bn.**, on the back of SME lending growing significantly by 50.4% during the reporting period. SME now represents 22% of alrajhi’s total non-retail book, and nearly 8% of the bank’s financing book. Total number of borrowing customers increased by 28% YoY. Corporate operating income increased by 24% to reach **ﷲ 9.7 Bn.**

At the close of the year, the corporate portfolio maintained strong asset quality with a non-performing loan (NPL) ratio of 1.37%, and a net credit loss (NCL) of 0.19%, reflecting strong recoveries and reversals made during 2025. The MSB portfolio recorded an NPL ratio of 5.04%

in 2025, remaining broadly in line with industry benchmarks for SME banking in KSA, while NCL stood at 1.39%, underscoring a controlled credit performance within the higher-risk segment.



### Driving Vision 2030 outcomes through corporate banking solutions

During the reporting period, CBG continued to engage with major public and private sector corporations to provide best-in-class financial solutions across the Kingdom’s priority growth sectors such as tourism and culture, entertainment, sports, education, and energy, supporting the delivery of Vision 2030’s Vision Realisation Programmes (VRPs). CBG also supported the expanding construction sector in KSA, with special focus on large-scale contractors and multinational companies involved in construction and infrastructure projects ranging from housing to smart cities.



## business portfolio review

### corporate banking group

In 2025, CBG deepened its engagement with Saudi Arabia's non-profit sector, reinforcing alrajhi bank's role as a trusted financial partner aligned with the Kingdom's social development agenda under Vision 2030. To support the sector's continued growth, CBG signed an MoU with the National Centre for Non-Profit Sector Development to strengthen collaboration, advance digital solutions, enhance governance, and broaden tailored banking offerings for non-profit organisations, which were incorporated under the B2B pillar in 2024. Customer experience was further improved through the removal of approval requirements for endowment (awqaf) account openings, and by reducing approval timelines for account openings for non-profit associations and foundations from five days to one.

### Strengthening the private banking value proposition

In 2025, CBG expanded its Private Banking offering through a balanced focus on bespoke financing, wealth transition solutions, and exclusive lifestyle privileges for affluent and HNWI clients. CBG introduced financing against demand and structured deposits, enhanced overdraft limits from S\$ 2 Mn. to S\$ 10 Mn., and launched the 'Wealth Leap' initiative to support clients' needs post IPOs. Private Banking also strengthened its lifestyle proposition during the reporting period through exclusive partnerships and experiences, including premium benefits and discounts with Zain, Al Hilal Club, Rolls-Royce, Bentley, Lamborghini and flynas, alongside curated retail, dining, travel, and bespoke gifting arrangements for Black Card and Private Banking clients. These enhancements reinforced a holistic value proposition that integrates wealth solutions with exclusive lifestyle access.

### Strategic digital transformation

Digitalisation initiatives during the reporting period under the B2B pillar focused on streamlining journeys, expanding digital product access, and improving client experience. Key developments during the year included the launch of a fully digital Letter of Guarantee (LG) journey with instant mobile issuance, the introduction of a new eCommerce marketplace, automated Buyer Finance, and Saudi Arabia's first fully digital B2B Buy Now, Pay Later (BNPL) solution. Clients were also introduced to the digital bid bonding process,

with 50% of bid bonds processed via mobile and e-business channels during 2025. Digital access for MSMEs was further enhanced through upgrades to sector-specific financing solutions. More than 80 targeted digital enhancements were delivered to improve customer experience, supported by new partnerships with leading technology start-ups. More statistics on the digital transformation of the B2B offering can be found in the digitalisation and automation on page 187 of this report.

### Active client engagement

Client engagement remained a key growth driver for CBG during the year in review. In 2025, CBG continued to strengthen the bank's 360-degree client coverage model, adopting a holistic, relationship-led approach to understanding corporate client needs. Active engagement through client calls and visits enhanced insight into customer requirements and market sentiment, enabling more proactive and targeted solutions. Leveraging the group's digital and data capabilities, CBG delivered relevant product recommendations and expanded cross-sell opportunities, supported by robust performance monitoring and reporting.

As part of the 'One Stop Shop' initiative, the number of CBG Business Solution Offices (Corporate Desks) within Retail branches stood at 138 by year-end. These efforts contributed to a market-leading Corporate Banking Net Promoter Score (NPS) of 71, reflecting strong client loyalty and satisfaction.

### Future outlook



CBG will continue to serve as the cornerstone of the bank's B2B pillar as we step into the final year of the 'harmonize the group' strategy cycle. Growth will be driven through a multi-faceted approach focused on expanding product capabilities, deepening group product penetration, leveraging data-driven insights, capturing new wealth opportunities, and delivering bundled solutions to meet evolving corporate needs. CBG will also remain a key enabler of the Kingdom's Vision 2030 objectives, reinforcing alrajhi bank's position as the preferred banking partner for corporate clients across Saudi Arabia.



## treasury group

Conditions remained stable and conducive for our treasury business in 2025, as the Kingdom continued its economic transformation plan, with strong growth in non-oil sector activity backed by Vision 2030's ambitious reform agenda. Saudi Arabia continued to strengthen its debt market as a core component of this economic transformation, aiming to diversify funding sources with a significant increase in debt and sukuk issuances. This move has established the Kingdom as a major emerging markets player in debt capital markets worldwide.

Our Treasury Group remained strongly positioned to capture new opportunities arising in this highly dynamic economic landscape, especially in corporate treasury solutions. In line with our overarching 'harmonize the group' strategy, Treasury enriched our cross-sell value proposition by expanding into new markets and introducing new products. A broader mix of funding from

different markets and instruments during the year mitigated risk concentration and increased stability, ensuring healthy regulatory ratios and control over our cost of capital. We penetrated the remittances and Multiple Currency Card space further by offering fund transfers in new currencies. Our gold trading business performed exceptionally well in 2025, while Treasury's expanded product offering in structured investment solutions further strengthened our balance sheet and market repute to build stable liabilities.



## business portfolio review

### treasury group

For the reporting period, Treasury recorded:

#### Operating income

ﷲ 8.1 Bn. vs ﷲ 3.0 Bn.

(2025 vs 2024)

#### Net income

ﷲ 7.7 Bn. vs ﷲ 2.8 Bn.

(2025 vs 2024)

#### Total treasury assets

ﷲ 246.7 Bn. vs ﷲ 240.5 Bn.

(2025 vs 2024)

#### Total treasury liabilities

ﷲ 242.9 Bn. vs ﷲ 198.1 Bn.

(2025 vs 2024)

### A diversified funding mix

2025 saw the Treasury Group continue to strengthen our balance sheet structure and support liquidity requirements by diversifying its funding mix. Treasury tapped into international debt capital markets twice during the reporting period, which paved the way for a number of historic firsts in the Kingdom's banking sector. In January 2025, we successfully issued a shariah-compliant USD 1.5 Bn. sustainable sukuk denominated in US dollars, the largest ever issuance of an Additional Tier 1 (AT1) instrument by a MENA bank to date. The sukuk built on the success of our previous international issuances in 2023 and 2024, receiving strong demand from both regional and international investors with coverage exceeding 200%, further enhancing our position in global markets. During the third quarter of 2025, we successfully issued an USD 1 Bn. Tier 2 social sukuk, marking our first ever Tier 2 issuance in international debt markets. This shariah-compliant sukuk that forms part of our Sustainable Finance

Framework, was issued with the lowest profit rate for a Tier 2 instrument in the Saudi market, as well as one of the lowest globally.

Beyond sukuk issuances, Treasury continued to further diversify our funding mix by expanding into other long-term funding instruments (syndicated loans), Certificates of Deposits (CDs), trade loans, and term repurchase agreements (term repos).

### An expanding product portfolio

The Treasury portfolio remains well diversified in terms of duration, credit rating and geographical distribution. Shariah approvals on new investment solutions were obtained in order to expand its range of asset classes and products to meet market demand for yield enhancement and risk management through hedging. Balance sheet management remained the key objective behind expanding the investment portfolio in 2025, a year where we continued to record a robust YoY increase in High Quality Liquid Assets (HQLA).

Our Trading Desk expanded its structured product offering with 13 new products that contributed positively to Treasury's net income in 2025. The Structuring Desk successfully concluded multiple market making deals with local banks during the year, creating a new revenue stream for the Trading Desk, while gaining a competitive advantage in pricing for alrajhi clients.

In 2025, Treasury focused on expanding the number of active counterparties as well as the number of treasury products such as bank notes, FX and investments products each counterparty engages with. During the reporting period, we strengthened cross-selling efforts by enhancing collaboration between Treasury and other business units, particularly Corporate and Retail Banking Groups, leveraging joint client meetings, targeted campaigns, and digital platforms to identify FX, investment, and hedging opportunities. This approach resulted in higher client penetration, improved market share, and overall increase in profitability.

Additionally, we remained a Primary Dealer for the National Debt Management Centre (NDMC) in 2025, driven by our commitment to contribute towards achieving the Kingdom's Vision 2030 goals and ensuring KSA's continued and strengthened presence in debt markets.

## business portfolio review

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### treasury group

#### A growing forex business

The reporting period saw our foreign exchange business record a significant 20.6% increase in income YoY, as we maintained top rank for the best exchange rates in the digital sphere across the Kingdom. The alrajhi FX Desk claim to the most extensive network of financial institutions (FIs) in the region, with more than 1,000 active FI relationships. We also added 6 new currencies in 2025, reaching new markets and expanding our capacity to facilitate trading in a total 55 currencies.

We grew our share of the Kingdom's FX income market to 20.5% at the close of the reporting period, and were recognised for our achievements in the forex domain both locally and regionally:

- 'Best Foreign Exchange Provider in Saudi Arabia' and
- 'Best FX Provider in the Middle East 2025' by Global Finance

We maintained our Long-Term Foreign Currency (LT FC) credit rating during the reporting period at 'A-' by S&P Global.

#### Strengthening client value proposition

During the year in review, Treasury Group facilitated direct client engagement through both physical and virtual meetings; visits were conducted to gain deeper insight to client sentiment and needs, while virtual sessions provided clients with market updates and awareness on new product offerings.

Treasury Group closely collaborated with HR to facilitate necessary trainings for Treasury team members in 2025, while also recruiting top talent from a competitive job market. These investments in capacity building were aimed at elevating the level of knowledge and expertise across the Treasury team, equipping them with the necessary skillset to identify gaps in product offerings, and the capabilities to collaborate with other business units to structure new financial instruments to capitalise on emerging market demands.

Our investments in Treasury technology continued in 2025 with a number of significant upgrades and improvements on our core technology infrastructure. Key among these upgrades is the integration of a new module to the Treasury Management System MUREX, which enabled the Treasury Group to expand product offerings. A number of new functions were also added to Treasury's Electronic Trading Engine.

Treasury Group also ensured compliance in 2025 with several new regulatory requirements implemented by SAMA. Most significant among these were the implementation of the Bilateral Initial Margin (BIM) for non-centrally cleared derivatives aligned with the BASEL III framework, and the mandate for a Unique Product Identifier (UPI) for over-the-counter derivatives for reporting purposes, which aligns us with a broader, globally coordinated effort to enhance transparency in the derivatives market. Treasury also carried out the implementation of smaller gold-related contracts to leverage growing market demand and higher volumes during the reporting period.

#### Gold trading

2025 witnessed a global price rally for gold, largely driven by persistent inflation, heightened geopolitical tensions, and record levels of global central bank purchases of gold. The gold share in global reserves reached 23% in the second quarter of 2025, the highest level in 30 years. This boost of confidence in gold bullion as a long-term safe asset drove a strong increase in demand for gold during the reporting period. We prioritised intensive relationship management through regular visits and proactive engagement, facilitating both a significantly enhanced customer experience, and increased gold sales.

Treasury's digital gold wallet 'Paper Gold' also performed exceptionally well in 2025, due to a high demand for gold from retail customers. We enabled fractional purchases by introducing a 1-gram gold trading feature through the wallet, attracting new customers to participate in gold trading.

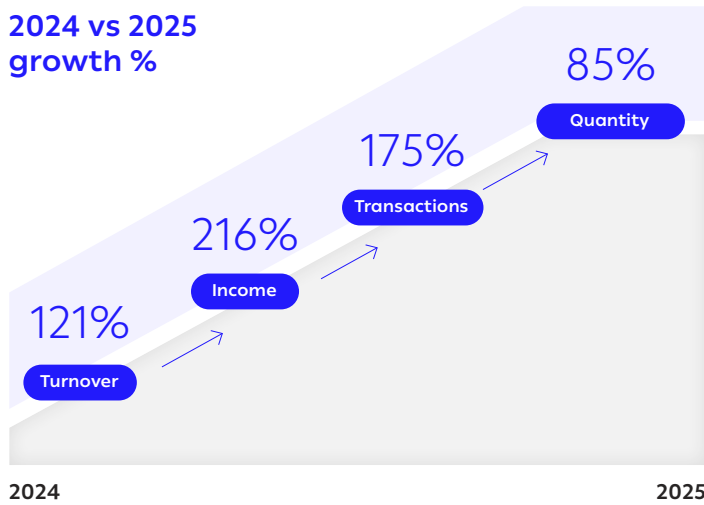


## business portfolio review

### treasury group

As a result, our gold trading business performed outstandingly well during the year in review, with bullion income more than tripling YoY with an increase of 216%.

#### 2024 vs 2025 growth %



#### Future outlook



The outlook for the Treasury Group in 2026 and beyond remains positive, supported by continued digital transformation and the expansion of client-focused solutions. Key areas of focus will include enhancing automation, strengthening corporate and retail FX offerings, developing innovative products, and deepening collaboration with other business units to drive sustainable growth and profitability. We will continue to invest in Treasury technology upgrades to enhance our readiness to capture new opportunities, while also further diversifying our funding sources to control our cost of capital. FI will continue expansions by exploring the market and providing unfunded and funded services to our counterparts and their clients. The Investment Desk is geared to continue its contribution to our overall strategy by enhancing engagement with international Tier 1 counterparties for balance sheet support, portfolio diversification and yield enhancement. We will also focus on expanding our Structuring Desk market making activities in profit rates derivatives and sukuk trading in the coming months.





## MSME business

The small and medium enterprise (SME) sector of Saudi Arabia continued to expand in 2025, supported by strong government initiatives and financing reforms. The number of active commercial registrations of SMEs has reached 1.7 Mn. at the end of Q2 2025, as per the Small and Medium Enterprise General Authority of Saudi Arabia – Monsha'at, a clear indication that private sector activity continues to power the Kingdom's non-oil GDP. The SME sector also continued to promote entrepreneurship across the Kingdom with 47% of all active registrations being female-owned companies, and youth-owned commercial registrations reaching an equally impressive 38%. Lending to small, medium and micro enterprises also surged in 2025 by a remarkable 37% YoY by the end of the second quarter, reaching a record 420.7 Bn. signalling increasing formal-sector financial support for MSMEs.

### Supporting MSME growth across sectors

Alrajhi bank continued to enable MSME development by offering sector-specific, digital financing solutions designed around the evolving needs of micro, small and medium enterprises. In 2025, the bank introduced a dedicated lending

programme for the contracting and construction sectors, addressing increased demand from SMEs participating in infrastructure, housing, and giga-project supply chains across the Kingdom. This solution streamlined the end-to-end credit journey, shortened processing times, and provided contractors with easier access to working capital and project-financing tools.

Enhancements were carried out on alrajhi bank's property-backed SME financing solution Tharwa by upgrading credit policy and digital workflows to accelerate approval decisions and improve customer experience. These improvements allowed more SMEs to leverage real-estate assets to fund business expansion and cash-flow needs.

During 2025, our MSME portfolio (inclusive of medium-sized enterprises) successfully grew 50% from 39.0 Bn. in 2024 to reach 58.7 Bn. at the close of the year, with a steadily increasing market share.



## business portfolio review

### MSME business

Loans to MSMEs	Micro and small		Medium		Total	
	2025	2024	2025	2024	2025	2024
On balance sheet (ﷲ '000)	38,891,875	26,271,556	19,759,723	12,712,680	58,651,598	38,984,236
On balance sheet loans to MSMEs as a percentage of total on balance sheet loans (%)	5.2	3.8	2.6	1.8	7.8	5.6

### Qualitative disclosure of micro, small and medium enterprise for financial services

The approved definition of micro, small and medium enterprises and initiatives adopted by the bank follows the classifications published by Monsha'at:

#### Micro (Ultrafine)

1-5 full-time employees with annual revenues less than ﷲ 3 Mn.

#### Small

6-49 full-time employees with annual revenues between ﷲ 3 Mn. to ﷲ 40 Mn.

#### Medium (Average)

50-249 full-time employees with annual revenues between ﷲ 40 Mn. to ﷲ 200 Mn.

Under this classification, we serve businesses classified as 'Micro' through structured lending products offered by our dedicated Micro and Small Business (MSB) Unit, and collectively serve businesses classified as 'Small' and 'Medium' through our SME Unit, both under the Corporate Banking Group. Lending policies for both groups are based on their varying financing requirements.

We routinely monitor the progress and growth of MSB clients, to better service them in terms of products, and cross sell relevant financing solutions as businesses show the potential to transition through the categorisation as they scale up.

### Strengthening product penetration and fee-based income

The MSME business continued to increase fee-based income by deepening product penetration, while utilising enhanced data insights to convert non-borrowing clients into borrowing customers. The dedicated MSB and SME call centres further strengthened service quality, offering customer support through dedicated toll-free lines.

Digital sales and financing products remained a core growth driver during the reporting period. Product enhancements and automation initiatives helped reduce turnaround times, improve customer experience, and contribute to overall revenue uplift. In 2025, the bank also delivered critical upgrades to the ACP system and SME credit-approval workflow, strengthening operational efficiency and accelerating decision-making across the portfolio.

Collective group synergies continued to be leveraged to deliver a unique value proposition for MSME businesses that go beyond financial support at market entry. Our SME bundled solution comprises a comprehensive suite of non-financial services: from payment solutions, eCommerce and marketplace access, to payroll services, fintech solutions, and advisory support.

## business portfolio review

### MSME business

#### Advancing digital financing solutions

The POS financing workflow underwent several enhancements in 2025, with optimised application and approval processes greatly reducing preparation time and enabling faster access to funding. These improvements resulted in an **ﷲ 300 Mn.** YoY increase in POS financing, demonstrating strong customer demand for digitally delivered working-capital solutions. We maintained our leading POS position in the Kingdom with 43.5% market share in physical POS terminals, allowing us to offer financing solutions against cash flows, thereby maintaining strong MSME portfolio quality with reduced levels of risk.

Further operational improvements were introduced in the Letters of Guarantee (LG) service, where turnaround time was substantially reduced from seven working days, improving client experience and supporting businesses engaged in government and private-sector contracting.

#### Aligning with Vision 2030

We continued to align with Vision 2030 objectives during the year in review, expanding the MSME lending portfolio to support entrepreneurship, encourage female participation in the economy, enable job creation, and boost non-oil GDP.

The bank facilitated over **ﷲ 1.8 Bn.** in funding to 434 clients in 2025 through the Ministry of Finance's Kafalah Loan Guarantee Programme, enabling SME's with limited collateral to secure credit through government-backed guarantees.

In November 2025, alrajhi bank participated as the Main Sponsor of Biban 2025 organised by Monsha'at, reaffirming its position as a key enabler of Saudi Arabia's entrepreneurial ecosystem, and the Kingdom's broader Vision 2030 agenda. During the event, alrajhi bank signed an **ﷲ 4 Bn.** financing agreement with Monsha'at, to expand innovative funding instruments and sector-specific lending solutions, improving access to diverse working capital sources and growth funding.

The bank also signed a credit facility agreement with the National Development Fund (NDF) in July 2025, bolstering development projects across the Kingdom through the NDF's 12 affiliated entities (including the Small and Medium Enterprise Bank) to achieve national transformation goals.

The SME Unit's continued commitment to financing emerging non-oil sectors earned alrajhi bank two distinctions at the Biban 2025 Forum; the Cultural Sector Support Award and the Entertainment Sector Support Award, recognising the bank's strong performance in enabling growth across high-potential industries.

#### Future outlook



As the MSME sector continues to advance in line with Vision 2030, alrajhi bank will maintain its focus on sustainable and profitable growth by deepening customer-centricity, strengthening fee income, liquidity and yield, and leveraging the collective strengths of the Group's B2B ecosystem. The bank will introduce new leveraged solutions and product variants, accelerate digitalisation across customer journeys, and expand its product offering to enhance Group-wide penetration. Efforts will continue to grow the MSME customer base through cross-sell, while offering customised investment and financing solutions that meet evolving business needs. Partnerships with public and private entities will remain central to broadening access to capital and supporting long-term sector growth.

## subsidiaries and international network

Name of subsidiary	Capital (# '000)	Ownership of the Company (%)	Country of Establishment	Country of Operation
AlRajhi Capital Company	500,000	100	KSA	KSA
Atmaal	500	100	KSA	KSA
Tuder Real Estate Company	1,000	100	KSA	KSA
Emkan Finance Company	2,000,000	100	KSA	KSA
Tawtheeq Company	10,000	100	KSA	KSA
International Digital Solutions Co. (Neoleap)	150,000	100	KSA	KSA
Ejada Systems	405,000	90	KSA	KSA
Neotek	130,000	100	KSA	KSA
Drahim	27,545	65	Cayman Islands	KSA

## subsidiaries and international network

Name of international network	Capital (£ '000)	Ownership of the Company (%)	Country of establishment	Country of operation
alrajhi bank – Kuwait	389,888	100	Kuwait	Kuwait
alrajhi bank – Jordan	264,843	100	Jordan	Jordan
alrajhi bank – Malaysia	1,511,126	100	Malaysia	Malaysia
Cayman alrajhi Financial Markets Ltd.	188	100	Cayman Islands	Cayman Islands

### International business group highlights 2025

Name of international network	Revenue (£ '000)	Expenses (£ '000)	Net Profit (£ '000)
Kuwait	118,778	117,995	783
Jordan	194,250	150,485	43,765
Malaysia	453,025	358,257	94,767





## subsidiaries

### alrajhi capital



In 2025, record banking sector profits failed to translate into a stronger overall index performance, with the Saudi Stock Exchange (Tadawul) posting the steepest decline among regional exchanges. The benchmark Tadawul All Share Index (TASI) saw declines in the first and second quarters of 2025 with lower than average daily turnover as a result of weakening oil prices, and persistently high interest rates.

While Tadawul witnessed robust activity in terms of IPOs and rights issues during the reporting period, the available liquidity among investors were distributed across other investment channels such as debt instruments and Murabaha, which provide stronger returns, making the stock market relatively less appealing. This meant that a majority of IPOs listed in 2025 traded below their listed prices. The market experienced a strong recovery in the third quarter, driven by the anticipation of relaxed foreign ownership rules of listed companies in KSA, yet continued to fluctuate towards the end of the year.

alrajhi capital (ARC) – the fully-owned financial services subsidiary of alrajhi bank, recorded a strong performance in these volatile market conditions in 2025, increasing operating income by 25% YoY during the reporting period. The performance was driven by strong growth across Asset Management and Real Estate, with income increasing by a significant 47% YoY to  $\text{ﷲ}$  716 Mn. This contributed to an overall 27% increase in net income, with ARC reaching  $\text{ﷲ}$  1,794.4 Mn. at the close of the year.

#### Securities services

Amidst challenging market conditions, ARC maintained its position as the top brokerage in KSA by value traded, maintaining a 15.5% market share at the close of 2025.

During the year in review, ARC expanded its securities services offering with the introduction of Securities Borrowing and Lending (SBL), primarily aimed at its institutional clients to support activities like short selling and hedging, and to generate additional income on idol portfolios. successfully introduced single-stock options (SSO)

## subsidiaries

### alrajhi capital

trading as a product to its growing portfolio, making the service accessible to clients via the ARC Super App. Options trading for international markets is also made available on the Super App, which provides clients with access to a wide range of investment opportunities and trading in 38 markets worldwide.

ARC was presented with the award for Best Broker in Saudi Arabia for 2025 at the Euromoney Capital Markets Awards, and Best Brokerage Firm at the Argaam Summit 2024, in recognition of its market leadership and overall strong performance across Saudi Arabia's capital markets. ARC also became a member of the International Securities Lending Association (ISLA), further strengthening its alignment with global market standards and best practices.

As an accredited Independent custody member in the Saudi Market, the value of total Assets under Custody (AUC) of ARC reached  $\text{ﷲ}$  3.7 Bn. at the close of 2025, a remarkable +147% YoY increase resulting from new mandates and larger institutional inflow.

### Asset management

During the year in review, ARC's total Assets under Management (AUM) grew by 35% YoY to reach  $\text{ﷲ}$  165.8 Bn., maintaining its rank as the second largest Asset Manager in the Kingdom.

ARC offers a wide range of innovative investment products across all major asset classes, with varying investment objectives and risk appetite. The Division manages international, regional and local mutual funds, in addition to customised discretionary portfolios for institutional and high net worth clients. Key asset classes under management include Equity Funds (Local, GCC, MENA and International), Commodity Murabaha Funds, and various Multi Asset Funds.

The Al Rajhi Awaheed Fund launched in 2024 with the aim to achieve capital growth and liquidity with low risk, was top ranked for its performance in 2025 in the Money Market asset class and was the largest public mutual public mutual fund in KSA. In line with its strategy to expand offerings in alternative investments, the Asset Management Division's Fund Factory launched four private equity funds during 2025:

- Indirect Financing Fund 2 and 3
- Pharma Sukuk Fund
- Private Conservative Fund
- Al Rajhi Monthly Distribution 3

In the money market segment, ARC delivered leading performance during the reporting period, with the Awaheed Fund achieving the highest returns in its category. Furthermore, ARC was recognised at the Argaam Summit 2024 for Best Performing Investment Fund.

ARC's commitment to supporting the Kingdom's growing non-profit sector by aligning with Vision 2030 efforts to grow funding through endowment funds was recognised during the year in review. ARC was felicitated at the 'Numo' Financial Sustainability Forum as a leading provider of services to endowment beneficiaries, currently serving 73 entities across key areas such as healthcare, education and charitable work, providing a stable, long-term source of sustainable funding for impactful social initiatives.

### Real estate division

More than 13 private real estate funds were successfully launched by ARC's Real Estate Division in 2025, with the combined size exceeding  $\text{ﷲ}$  25.8 Bn. The Division also carried out the execution of over 10 Memoranda of Understanding (MoUs) during the year in review. The reporting period also saw ARC's successful exit of a private fund exceeding  $\text{ﷲ}$  1 Bn. in size, delivering a return on equity of over 40%.



## subsidiaries

### alrajhi capital

#### Investment banking

ARC's Investment Banking Department offers a complete range of strategic financial advisory services, including debt and equity structuring and arranging, to assist clients in achieving their business and financial goals. The Investment Banking Team provides extensive regional and international expertise across various products and service lines.

The Investment Banking Division closed the year strongly, maintaining ARC's rank at #2 among Issuers in Saudi Arabia for both SAR and USD denominated sukuk, having successfully closed a total of 13 Debt Capital Market (DCM) transactions between USD and SAR. In the equity space, ARC secured the #3 position in the Kingdom's IPO League Table, demonstrating the subsidiary's continued role in performance and recognition as a market leader for its brokerage and investment solutions.

During the reporting period, ARC also participated in three IPOs and three transitions to the Main Markets, enabling greater efficiencies for clients via automated operational processes for main and Nomu IPO activities.

ARC managed government debt instrument issuances worth 274 Bn. The structured finance agency team of ARC managed the issuance of 85 government and institutional sukuk Issuances programmes in 2025, and successfully executed 98 Murabaha transactions. ARC has been accredited as a primary dealer for submitting bids for the purchase of sukuk issued by the KSA government.

#### Leading the digital evolution

In 2025, ARC captured 25.2% of the Kingdom's digital trading market. This was driven by the high adoption of its online platforms, with 85.3% of ARC's total value traded executed through its internet channels, reflecting the strong digital engagement of its clients. This commanding position in Saudi Arabia's digital brokerage market is powered by ARC's 'Super App', an industry-redefining mobile application that aggregates all ARC's investment services, from brokerage and asset management to investment banking, into one unified, user-friendly mobile interface.

During the year in review, ARC expanded its digital ecosystem with the launch of 'Super Web', a unified web-based platform that serves as the web counterpart to the Super App, offering integrated access to ARC's full suite of products and services. Users can access real-time information on and trade on the Saudi Tadawul Market and access 38 international markets, enabling them to explore new global investment opportunities instantly. This is further supported by ARC's robo advisory platform 'alrajhi Mashora', an automated, algorithm-driven investment management service.

Margin lending was fully digitised end-to-end from request to execution during the reporting period, and was made available through its digital platforms, contributing to a 150% increase in margin lending contracts. The Family Proposition was introduced in 2025, allowing parents to digitally onboard dependents and monitor their investment activities, supporting long-term financial planning and responsible wealth management. Customers were also introduced to Stock Profile technical analysis features for Saudi equities, combining listed company profiles with market data and technical indicators to enhance investment research and decision making.

In 2025, the Super App underwent a comprehensive interface upgrade, enhancing usability and streamlining the onboarding journey. These improvements, combined with stronger customer retention initiatives, drove a notable 47% YoY increase in international clients. Overall, the ARC Super App recorded over 3 million downloads in total at the close of 2025, while maintaining an impressive 4.6/5 App Store rating.

#### Leveraging group synergies

ARC launched its 3-year Business Strategy cycle in 2024, coinciding with the launch of alrajhi's new 'harmonize the group' strategy. This has enabled the subsidiary to collaborate with alrajhi bank in order to better leverage group synergies, and provide highly tailored investment solutions for bank customers under the Business-to-Consumer (B2C) and Business-to-Business (B2B) offerings. Investment options have also been integrated into the alrajhi bank app.

## subsidiaries

### alrajhi capital

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Under ARC's Human Capital Transformation Programme, the Subsidiary delivered a new HR System and app to its employees in 2025, enhancing communication and collaboration among employees, improving the onboarding experience, while also providing employee self-service options to unlock greater efficiencies. The team will continue to develop and deliver initiatives aimed at strengthening ARC's organisational culture and elevating the overall employee experience.

#### Future outlook



Al Rajhi Capital will enter 2026 with clear priorities focused on strengthening its core businesses, while scaling digital platforms and capabilities developed in recent years. In Securities Services, the subsidiary will look to accelerate international dealing, expand institutional trading, and build greater scale in custody services, supported by system upgrades, team expansion, and the launch of a client portal to enhance reporting and instruction processing.

Asset Management will deepen international exposure across public and private markets, and further expand its alternatives offerings. Investment Banking will sharpen its focus on higher-value mandates across equity capital markets and strategic M&A, and a robust multi-year pipeline. Corporate Finance and Real Estate will continue supporting clients with integrated financing, advisory and structuring solutions, underpinned by talent development and operating-model enhancements.





# neoleap



Against the backdrop of Saudi Arabia's rapidly expanding fintech sector, supported by the National FinTech Strategy and Vision 2030, neoleap continued to strengthen its position in 2025 as a key enabler of the Kingdom's digital payments ecosystem. As an alrajhi group subsidiary, neoleap plays a central role in delivering innovative, secure, and scalable payment solutions across both consumer (B2C) and business (B2B) segments, contributing directly to the group's 'harmonize the group' strategy.

Operating within an intensely competitive and highly regulated market, neoleap focused on enhancing the stability, resilience, and agility of its technology platforms during the reporting period. This approach enabled the subsidiary to deliver sustained growth during 2025, while continuing to evolve into a comprehensive fintech ecosystem serving merchants, financial institutions, and end consumers.

## Driving growth across B2C and B2B segments

In the B2C segment, urpay solidified its position as one of the Kingdom's leading digital wallets during the reporting period by prioritising growth, strategic expansion and enhanced user experience. In 2025, the wallet expanded its user base supported by continued product innovation and service diversification spanning payments, remittances, cards, and marketplace services. New offerings and expanded remittance capabilities strengthened urpay's value proposition and supported financial inclusion in KSA. Enhanced security features were also introduced to ensure a seamless and secure user experience. The reporting period saw neoleap refining the overall urpay user experience (UX) for onboarding, verification, cards, and transfers, thereby delivering top-tier digital experiences while maintaining SAMA compliance.

## subsidiaries

### neoleap

Neoleap further integrated urpay with its payment infrastructure, improving settlement speed, reliability and cost efficiency, while accelerating cross-sell across wallets, cards, remittance and marketplace services through bundled consumer offerings. Key highlights for the reporting period include remittance expansion through a strategic partnership with Western Union, the world's largest money transfer operator (MTO). This addition complements urpay's existing remittance services through MoneyGram and Transfast, significantly strengthening urpay's reach within the Kingdom's large expatriate population, and reinforcing its position in the fast-growing remittance market.

Urpay closed the year ranked second overall in card services, driven by cashback offerings and prices of up to ₪ 100,000, a unique and well-received card value proposition in the Saudi market. With the Ministry of Human Resources and Social Development of KSA transitioning to the mandatory electronic transfer of domestic worker salaries through the 'Musaned' platform, urpay also expanded its Musaned household salary provisions through multiple new features and benefits, promoted through targeted campaigns and offers. These new additional features enhanced customer engagement, increased transaction, and further positioned urpay as an inclusive digital wallet.

On the B2B front, neoleap recorded strong momentum across merchant acquiring, payment gateway, and POS services. The subsidiary continued to expand its merchant ecosystem through alrajhi group synergies and partner solutions into a unified digital experience. The alrajhi bank loyalty programme mokafaa was introduced as a payment method, alongside Buy Now, Pay Later (BNPL), POS financing and credit card offerings in collaboration with alrajhi's consumer finance arm Emkan, enabling merchants to offer flexible payment options to their customers. neotek's accounting solution

Qaema was embedded within the neoleap Merchant App, allowing merchants to seamlessly access accounting and financial management services. Al Rajhi Takaful was also incorporated to provide insurance solutions as part of a one-stop merchant proposition. Furthermore, neoleap successfully launched its e-commerce payment gateway, including Pay-by-Link services and payroll capabilities, further strengthening its end-to-end digital payments offering.

For Financial Institutions, neoleap pursued a clear mandate in 2025 to strengthen its product stack and competitive position, resisting pricing pressures by focusing on payment solutions and strengthening its value proposition to set the subsidiary apart in a highly contested market. The subsidiary expanded its POS footprint by collaborating with Banks and Fintechs for POS and Card related offerings. Additionally, for alrajhi bank terminals, neoleap enhanced its value-added services, including instalment-based payment solutions, loyalty points redemption enablement, and advanced POS devices, with the growing device portfolio expected to play a major role in neoleap's expansion plans next year. A key achievement during the year was the certification of Network Service Provider (NSP) connectivity, reducing reliance on third-party providers while unlocking new recurring revenue streams and driving significant cost optimisation.

Collaboration with the group also enabled key institutional milestones; neoleap is leading the payment solutions requirement for the massive urban development giga-project Al Qiddiya, providing an integrated bundle of payment solutions, POS devices, wearable payment acceptance and card processing. These collective efforts reflect the subsidiary's broader strategy to deepen group collaboration and deliver more unified, scalable solutions.



## subsidiaries

neoleap

## Key business highlights in 2025:

B2C	B2B	
End consumers	Merchants	Financial Institutions (FI)
<p>One of the fastest growing wallets in KSA with <b>over 8 million</b> users.</p> <p>Expanded cross-border payments by partnering with <b>Western Union (WU)</b>, the world's largest and most established MTO, strengthening urpay's position within the large expat demographic and the widely promising remittance market.</p> <p>International remittances recorded a notable <b>2.5%</b> YoY increase.</p> <p>Closed the year ranked second overall in card services driven by new card value propositions and Musaned household salary provisions.</p> <p>Secured <b>solid market share</b> of SADAD bill payments versus other wallets in KSA, indicating urpay is the preferred and trusted digital wallet for bill payments for a large segment of the population.</p> <p>Added recurring payment functionality via Apple Pay, Google Pay and Samsung Pay, a sought-after feature in a market that is embracing subscriptions, e-commerce, and automated billing.</p> <p>Introduced bundled service offerings focused on multi customer segments, providing an integrated experience that combines salary credits, remittances, and card usage.</p> <p>This to expand urpay' s reach by attracting and activating new customer segments, while increasing usage across multiple services within a single ecosystem.</p> <p>Reinforced our continued focus on protecting customers and maintaining a secure infrastructure.</p> <p>Strategic discussions with government stakeholders to support future promotion of the visitor wallet to targeted visitor demographics.</p> <p>Introduced combined wallet experiences linking Family Wallet, Cards, Marketplace and other channels.</p>	<p>A steady stream of thousands of new merchant wallets added each month, accelerating urpay's expansion and pushing the annual total of newly acquired merchants toward six figures by year's end.</p> <p>Point-of-sale (POS) activity continued to increase, with transaction volumes on track to exceed <b>18 million</b> transactions per month, increasing market share by 3% YoY in 2025.</p> <p>Sustained increases in activity were observed, with transaction volumes on pace to surpass 15 million per month.</p> <p>The merchant base grew by 130% YoY, supported by a 152% increase in deployed devices.</p>	<p><b>Payment gateway updates</b></p> <p>Secured <b>29.7% market share</b> by value across KSA.</p> <p>Enhanced functionalities include Apple enablement, MADA refund processing and improved checkout screen for premium clients.</p> <p>Increased Acceptance ratio of <b>84.8%</b>.</p> <hr/> <p><b>Point-of-sale updates</b></p> <p>Broadened POS related services footprint for the first time by commencing early-stage rollout with five additional institutions.</p> <p>Captured a staggering <b>36.6% POS market share for neoleap POS devices</b>.</p> <p>Introduced Tasaheal instalment plan on POS, the only POS-based instalment product of its kind in the market.</p> <p>Launched neoleap POS fleet for the first time across major cities, improving operational efficiency tracking and monitoring, with plans to further enhance it in the coming year.</p> <p>NSP Connectivity capability is certified and rollout is underway. A controlled pilot phase was carried out towards the end of the reporting period to validate and monitor performance at scale. A phased rollout with a clear plan to ramp up adoption across the POS estate through 2026 will be executed.</p>

## subsidiaries

### neoleap

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#### Investing in people and culture

The highly contested nature of the fintech job market prompted neoleap to implement strategic initiatives aimed at attracting and recruiting top talent within this sector during the reporting period. The subsidiary's Talent Acquisition team focused on understanding the specific needs of its business and hiring managers, while enhancing recruiters' knowledge of the fintech landscape, including regulatory requirements and industry experience. neoleap expanded its recruitment channels, and demonstrated its commitment to offer competitive compensation packages. Employee engagement remained a cornerstone of neoleap's corporate culture, and over the past year the subsidiary launched a structured employee recognition programme to strengthen morale and celebrate outstanding performances. Additionally, neoleap modernised its onboarding experience and introduced targeted engagement initiatives to boost employee participation and satisfaction.

The subsidiary's commitment to employee well-being includes awareness initiatives such as Vaccination Day and Health Day. HR development efforts continued to be robust, with the implementation of the Numo platform to facilitate cross-subsidiary talent mobility, and initiatives like "Coffee with the CEO" and Townhall meetings to enhance leadership visibility, and encourage open dialogue. Bravo Cards were introduced to recognise exceptional performances, and regular manager-subordinate meetings were facilitated with the aim to improve collaboration at team level. neoleap also celebrated division-wide achievements, fostering a sense of community and recognition throughout the organisation. Through these efforts, neoleap continues to cultivate a capable and engaged workforce, reinforcing its commitment to excellence in the fintech industry.

#### Future outlook



Looking ahead, neoleap will pursue balanced growth across both consumer and business segments, supported by disciplined scaling and product-led innovation. On the B2C front, the urpay wallet will focus on growing remittance and card market share, while continue engaging with Musaned ecosystem, ensuring alignment with updated regulations, introducing blue-collar financing, and enhancing everyday use cases through family solutions and new subscription-based offerings as part of the innovation roadmap, aimed at enhancing customer engagement while supporting recurring usage models. The subsidiary will also continue to grow its digital marketplace to serve diverse customer

segments. neoleap will accelerate its evolution into a leading B2B fintech in the Kingdom, strengthening cash-optimisation and POS ecosystems for SMEs and enterprises, supported by strong forecast growth in wallets, merchants, transactions and card volumes. For financial institutions, priorities will include enhanced customer experience through last-mile delivery capabilities, automated onboarding, end-to-end card tracking, and tighter SLA management. Together, these initiatives position neoleap to scale responsibly, deepen ecosystem integration, and capture new growth opportunities in an increasingly competitive fintech landscape in 2026 and beyond.







## emkan finance



Emkan Finance, alrajhi bank's microcredit arm, benefitted from favourable market conditions in 2025, driven by Vision 2030 goals for SME development and financial inclusion. The reporting period recorded significant and rapid growth across the Kingdom's microfinance market, as a result of an increasing credit demand from micro-enterprises and entrepreneurs, fuelled by strong government support and the entry of specialised Fintech lenders contesting for growing market share.

During the reporting year, Emkan continued to build upon its strong momentum from 2024 to expand its portfolio across both Retail and SME segments, while enhancing its digital capabilities and operational resilience. The subsidiary enhanced onboarding flows and reduced approval times through automated decision engines, ensuring near-instantaneous decision-making and disbursement to meet customer demand for speed, flexibility and convenience.

In 2025, Emkan diversified its product portfolio with specialised offerings to effectively capture high growth, underserved micro-segments. This included the launch of POS Financing and BNPL products, alongside the introduction of new SME products, such as the SME Credit Card. Furthermore, the reporting period saw Emkan strengthening internal controls and risk modelling to ensure full compliance with evolving SAMA and regulatory guidelines, while ensuring sustainable growth across all verticals of the business.

As a result, the subsidiary's recorded a 23% YoY in its customer base, while maintaining a non-performing loan (NPL) ratio below 5%, reflecting disciplined growth and strong portfolio quality. Supported by this increased penetration across both B2C and B2B markets, Emkan reaffirmed its leadership in Saudi Arabia's fast-growing microfinance sector with a dominant market share in Personal Finance.



## subsidiaries

### emkan finance

SAIBOR remained elevated during the early months of 2025, contributing to a temporary uptick in Emkan's cost of funds as a result of continued interest-rate pressures. Demonstrating strong adaptability, the subsidiary optimised its liquidity, executed disciplined funding strategies and key capital market programmes, successfully reducing its cost of funds. Emkan also successfully executed a Private Sukuk issuance exceeding  $\$ 2$  Bn., further strengthening its funding mix and enabling sustained portfolio growth throughout the year.

Emkan's leadership in digital microfinance and SME funding was recognised through several prestigious awards in 2025, including Best SME Financing Solutions – Saudi Arabia 2025 and Best Digital Finance Company – Saudi Arabia 2025 by International Business Magazine Awards, reinforcing its strong reputation for innovative and responsible lending.

### Product innovation and portfolio expansion

Emkan accelerated innovation across its product offerings in 2025 to meet shifting market needs. A major milestone was the launch of Retail-BNPL, designed to capitalise on the rapid expansion of e-commerce and consumer demand for flexible, interest-free instalment options that align with Islamic financing principles. Consumers could choose instalment options from 2-12 months, while an automated settlement process for merchants improved turnaround time and reconciliation accuracy from the backend. To support the product's rapid market adoption, Emkan deployed a BNPL engine capable of handling high transaction volumes in 2025 to capture the surge in market demand.

In 2025, Emkan introduced an SME Credit Card, with an end-to-end fully digital customer journey. This solution enables SMEs to access and manage working capital more efficiently, reinforcing the subsidiary's leadership in serving underbanked business segments. These new products strengthened Emkan's value proposition across both retail and SME markets, supporting strong portfolio expansion and enhanced customer engagement.

### Digital infrastructure and technology advancements

Emkan made major strides in 2025 to further enhance its technology backbone and improve operational efficiency, successfully completing its core system migration, and equipping Emkan with highly scalable, secure, and agile infrastructure. A comprehensive digital SME platform revamp was also carried out in 2025, improving processing speed and customer experience.

Data analytics continued to play a central role in Emkan's decision-making processes. The subsidiary advanced its use of machine learning and AI in 2025 for data gathering, cleansing, and predictive modelling, supported by a unified data analytics platform for real-time reporting and automation. These technologies enabled Emkan to anticipate market trends, refine risk assessment models, and introduce products better aligned with customer needs.

Emkan's mobile app underwent significant upgrades throughout the year, offering customers a seamless, full-service digital experience, including an end-to-end digital journey from applying for finance products, tracking their requests, and signing contracts directly through the app. With over 120,000 reviews and an Apple App Store rating of 4.5, the app continues to perform above industry benchmarks. Rising customer satisfaction was reflected through Emkan's Net Promoter Score (NPS).

### Attracting and retaining talent

Emkan continued to invest in its workforce with various HR initiatives implemented throughout the year. Key among them was the full implementation of a new HR system, transforming Emkan's HR operation into a data-driven, employee centric function with real-time insights and self-service tools, enriching the employee experience.

Continued expansion of the Emkan Digital Academy provided employees with access to over 50,000 training programmes, enhancing employee adaptability and opening pathways for career development. The subsidiary also partnered with The Financial Academy to offer specialised programmes in areas such as AML,

## subsidiaries

### emkan finance

fraud prevention, financial compliance, fintech innovation, data analytics, and emotional intelligence, nurturing a compliance culture while developing technical and behavioural capabilities of employees. Emkan also represented the Kingdom at international fintech events, including its role as Strategic Sponsor of Money 20/20 Middle East, further enhancing the organisation's visibility and attractiveness to global talent.

Additional employee engagement initiatives including shuttle services, recognition programmes (U Deserve It, U Learn It), and community-building activities contributed to a stronger organisational culture.

### Strengthening risk management

Risk management capabilities saw further improvement in 2025. Emkan integrated automation into its risk assessment framework and developed a decision engine to evaluate customer creditworthiness more accurately and consistently. The subsidiary also invested in extensive staff training to reinforce advanced risk management skills, ensuring robust governance as the portfolio continues to scale.



### Future outlook



Emkan is poised for significant growth in 2026 and beyond, fuelled by the booming microfinance sector and a favourable regulatory environment. To capitalise on this opportunity, Emkan will continue to focus on several key areas for long-term growth; diversification of revenue streams, data-driven decision-making, product innovation, and strategic partnerships with key financial institutions and mega merchants. Emkan remains well-positioned to capture future growth and strengthen its contribution to the alrajhi group ecosystem.



## ejada systems



In 2025, the Kingdom of Saudi Arabia launched its revised Digital Government Strategy for 2025-2030, and the broader Vision 2030 objective of fiscal prudence. A key pillar of this revised strategy is the strategic reallocation of the IT budget, and a very significant shift in procurement practices that saw the government move away from numerous individual Requests for Proposals (RFPs) towards more centralised, framework-based agreements.

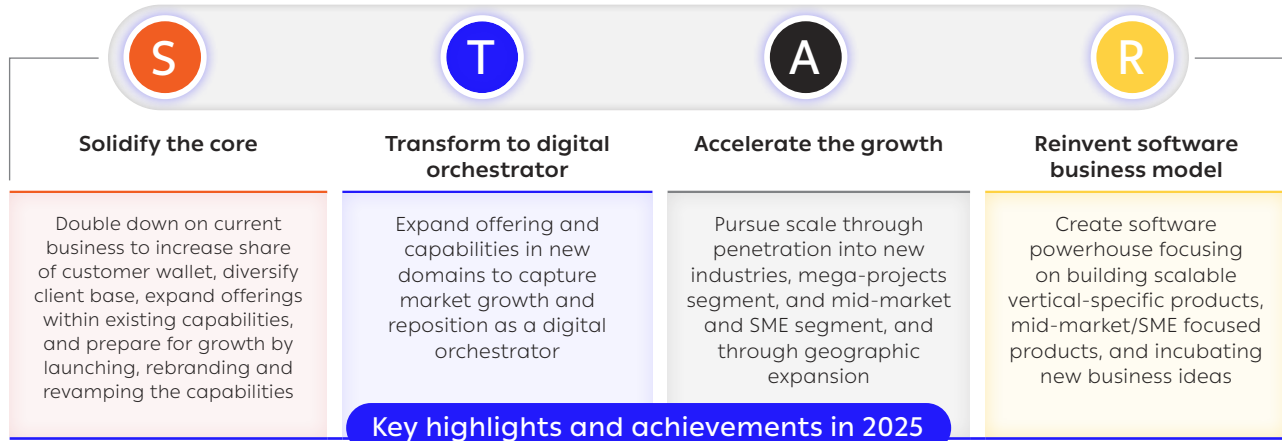
For Ejada, the IT subsidiary of alrajhi bank, these changes resulted in budget reallocations by certain existing clients, while also affecting the pace of project awards and revenue recognition during the reporting period. Ejada successfully mitigated the impact through strategic diversification efforts, strengthening its standing as a leading technology solutions and consulting services provider in the Kingdom, with a significant presence across the MENA region. In 2025, the subsidiary expanded its footprint across new sectors including

transportation and logistics, real estate, and sports, while nurturing partnerships with leading global technology providers. This diversification strategy, coupled with disciplined execution and pricing optimisation, allowed Ejada to secure a strong pipeline of new contracts, resulting in a 51% YoY increase in new contract value for 2025 and a healthy backlog supporting 2026 revenue visibility. Overall, Ejada recorded a 30% YoY increase in revenue for the reporting period.

# subsidiaries

## ejada systems

During the year in review, Ejada made great progress in executing well-defined strategic initiatives under the four main pillars of its **STAR** Strategy:



### Key highlights and achievements in 2025

Acquired 29 new clients in core industries like Government, BFSI, and other sectors including Commercial, Energy, Education etc.	Expanded new lines of business (Cloud, Cybersecurity, and Emerging Technology) with substantial growth in revenue from new capabilities in 2025	Awarded and delivered 'ADCB – Bank in a Box and Bank in a Cloud' mega project, on track to be the 'first bank in Saudi to be fully cloud-based'	Launched 5 SaaS products/ solutions on Ejada marketplace (eHub) and cloud marketplaces (Azure, OCI and GCP): SADAD Bill Payments, Reconciliation and Settlement Management, Loyalty Management and Notification Management Solutions, and GRC certification
Launched Network Command Centre as a Service, managing 3 group command centres (alrajhi bank, Neoleap, and alrajhi Takaful)	Developed and activated new cloud offerings CaaS (Cloud Command Centre as Service) and DRaaS (Disaster Recovery as Service)	Successfully launched Phase 1 of the NCNP Donation Governance Platform, a major milestone for the mega project	Field Force Management (ServiceNow platform-based solution) is ready to be published on the platform
Became a CSE (Centre for Sustainability and Excellence) certified sustainability consultant.	Focused heavily on expanding AI capabilities, developing new strategic partnerships for AI innovation (Huawei, Dyna.Ai), and for AI inference (Groq)	11 new clients acquired across new target industries: Healthcare, Transportation, Retail, Real Estate and STEC (Sports, Tourism, Entertainment and Culture)	
Attracting top local talent at Management level, with Saudi nationals now representing 61% of Management compared to 36% last year.	Developed and strengthened strategic partnerships with ServiceNow, Qlik, HCL, Axe Finance, Splunk, AWS, Redhat, Palo Alto and Fiserv	Completed GCC Go-To-Market planning. On-boarded GCC Sales Director, with deals acquisitions in progress	
Achieved 37% growth in Number of LinkedIn Followers YoY through various marketing channels (Social media, PR plan, events etc.)	Recognised by Google as their Partner of the Year in KSA		
Developed Ejada ESG (Sustainability) strategy and framework and initiated its activation	Secured new AI deals in 2025 to drive AI-enabled transformations across government and private entities		
	Launched 'ArchEye' and 'TrustFace' use cases at Tawtheeq, which are powered by Ejada GenXtract Computer Vision service (Face Recognition and OCR)		



## subsidiaries

### ejada systems

#### Growing a balanced portfolio

In 2025, Ejada successfully grew its number of contracts and new contract value across its established Lines of Business (LOB) comprising Enterprise Architecture (EA), Emerging Tech, Mobility and Customer Experience (CX), Data and Analytics, Cloud, Infrastructure, Cybersecurity and Observability, resulting in 51% YoY growth in new contract value.

Around 33% value of total new contracts value is contributed by high-value projects (greater than ﷲ 10 Mn.) in 2025. The extensive nature of some of these larger contracts meant that certain projects were shared between multiple LOBs. Responding proactively to the Saudi government's strategic reallocation of IT spending, and the changing project landscape from government-led funding to private-sector-driven investments, Ejada secured a balanced project portfolio in 2025. The deliberate diversification of securing 24 new non-government projects from a total 41 new logos for the year ensures Ejada's resilience in a challenging environment.

Category	Total new client
Government	17
Non-Government	24
Total Number of Clients	41

Ejada continued to deliver a wide range of projects for multiple Vision Realisation Programmes (VRPs) in 2025, contributing directly towards achieving the Kingdom's ambitious Vision 2030 goals and driving economic diversification in Saudi Arabia. Key projects include the design and establishment of a big data warehouse for the national transportation system for the Ministry of Transport and Logistics, implementation of a unified services portal for the Ministry of Sports, a national platform for the Donation Governance Project for the National Centre of Development for Non-Profits (NCNP), a Tasheel and data managed services programme for the National Centre for Government Resources Systems (NCGR), a foreign banking service project for Abu Dhabi Commercial Bank (ADCB), an Online Toxicology Analysis Requests and Results (OTARR) system maintenance and operation project for the Ministry of Health,

a project for external data integration through a data warehouse to develop business intelligence for the Ministry of Economy and Planning, and ERP transformation project for Mobily, and a platform and services framework agreement for NEOM.

Ejada's expanded lines of business and the corresponding portfolio of growing competencies also enabled the subsidiary to contribute greatly towards the continued implementation of alrajhi bank's overarching 'harmonize the group' strategy during the year in review. Ejada successfully executed a number of major alrajhi group projects throughout 2025, equipping the group with systems, tools and technologies to better leverage collective synergies. These projects included the establishment of a Unified Command Centre (UCC) to centralise monitoring and operations across alrajhi group, to enhance service reliability and operational efficiency through proactive incident management; the implementation and operation of a Quality Centre of Excellence (QCOE) for the group; the design, development and deployment of Hybrid Cloud Data Centres to host, migrate and manage alrajhi group community cloud; upgrading the Data Management Framework across alrajhi group in adherence with the Kingdom's comprehensive legal and regulatory framework for data management, comprising the Personal Data Protection Law (PDPL), and National Data Management Office (NDMO) Standards and Policies; implementing the Splunk Observability Cloud Platform to provide comprehensive visibility to alrajhi bank's digital infrastructure, supporting robust IT operations and advanced fraud detection capabilities; creating a unified customer profile for customers across alrajhi group; establishment of a central and unified product catalogue, and monetisation platform across alrajhi group; and the centralisation of the Service Desk (SD) Support across the bank and its subsidiaries, to highlight a few.

Ejada implemented a Unified Credit Decision Engine, and took on the full DigiCore Core Banking Engagement for alrajhi bank during the reporting period, while streamlining the digital transformation journeys for the international branches in Malaysia and Kuwait. Ejada also worked on several other alrajhi group subsidiaries, including the Core Banking and BNPL Engagements at Emkan, alongside the migration of its Loan Management and Loan Origination systems, as well as the launch of Value-Added Products and API subscription products for Neotek.

## subsidiaries

### ejada systems

#### Strengthening partnerships across tech value chain

Ejada continued to nurture strategic partnerships with global technology and software giants to strengthen the tech value chain and accelerate innovation, with many partners recognising Ejada's increasing competency and specialisation throughout the year:

- Recognised as 'Partner of the Year' by Google Cloud Country
- Recognised as Dataiku's 2025 EMEA Systems Integrator Partner of the Year
- Recognised as 'Cloud Security Partner of the Year' by Palo Alto Networks Saudi Arabia
- Named 'Kaspersky's Fastest Growing Partner' in Saudi Arabia
- Won Altair's 'Preferred Channel Partner' Award
- Presented with Red Hat Fastest Growing Partner Award
- Won 'Shield of Appreciation' from CISCO Splunk
- Promoted to Gold Certified Partner by Camunda
- Recognised as 'Rookie Partner of the Year - Saudi Arabia' by Nutanix
- Recognised as 'Outstanding Revenue Partner' by Huawei Cloud

The subsidiary also formed 18 new and promising alliances with emerging tech players gaining access to varying specialisations including AI, Cloud and Data Infrastructure, Enterprise Software, Cybersecurity and Fintechs. These partnerships and recognitions amplified Ejada's brand reputation as one of the major technology integrators and digital transformation partners in the Kingdom.

#### A sought-after employer

Ejada's expanding portfolio of top public and private sector clients and complex projects remained catalyst to its growing reputation of being a sought-after employer in KSA's highly-contested technology job market in 2025. The reporting period saw Ejada's core delivery headcount YoY increase of 14.3% at the close of 2025. 43% of the total delivery employees were located in KSA, while 57% in offshore locations. This comes in the wake of two new Ejada offices commencing operations in 2025, one in Al Qassim, Saudi Arabia, and another new offshore office in Chennai, India.

In Saudi Arabia, Ejada met its nationalisation target by reaching a Saudisation rate of 72%, a significant increase from 52% at the start of the reporting period. HR governance and compliance practices were established, with criminal check practices implemented internally. A total of 28 internal events were held across Ejada locations to nurture a strong company culture, and improve employee engagement and morale. A critical roles framework was established during the reporting period, a HiPo programme for high-potential individuals introduced, and succession planning completed for the 2025 cycle. In order to strengthen its talent pipeline and attract top talent, Ejada also completed tie-ups with 4 top universities and higher educational institutions in 2025, and also participated in 4 career fairs, sourcing over 400 prospective applicants with potential to inject fresh perspectives, and bridging future skill gaps.

#### A mature business model

Ejada continued to enhance its regulatory compliance and professional accreditations to strengthen internal systems, and set an industry benchmark for operating standards, particularly across its Application Development Centre and Application Testing Centre of Excellence.



## subsidiaries

## ejada systems

**Application Development Centre (ADC)**

Established by Ejada to successfully deliver custom development projects through highly competent onsite and offshore teams continued to operate optimally during 2025, fulfilling customer requirements and achieving several noteworthy performance KPIs:

**2**

major active engagements  
(Digital and Integration)

**547**

digital projects delivered across both retail and corporate segments of alrajhi bank

**297**

experts specialising across a range of technologies (Digital and Integration)

**501**

integration services implemented

**Application Testing Centre of Excellence (TCoE)**

Provides comprehensive testing services to meet customer requirements across the Banking, Financial Services, and Public sectors covering BAU Application testing, transformation projects and greenfield initiatives. Expertise encompasses both functional and non-functional testing, utilising a diverse range of tools for test management, automation, and performance validation.

A team of 240+ testing professionals, including domain and tool experts based across KSA, Egypt, Jordan, and India, with strong proficiency in both market-leading commercial and open-source automation and performance testing tools.

Over 140 Engineers are ISTQB/ISEB certified at Foundation/Advanced Level and specialised in Agile methodologies and mobile testing

Ejada now holds 1 ISTQB Platinum Partnership for Egypt, Gold Partnership for Jordan and on the way to obtaining the Gold Partnership for KSA, which will make Ejada eligible for ISTQB Global partnership

ISO 9001 certified

**Accreditations/regulatory compliance obtained/active (valid) in 2025****CMMI maturity level 3**

Achieving a capability maturity level 3 certification based on best practices in software development

**APMP certification**

Achieved global standard in proposal management set by Association of Proposal Management Professionals (APMP)

**ISO 27001**

Information Security Management Systems

**ISO 22301**

Business Continuity Management Systems

**ISO 20000**

Information Technology Service Management

**ISO 9001**

Quality Management Systems

**BIA certification**

Business Impact Analysis

**Amazon Web Services (AWS) certifications**

Achieved 24 accreditation, foundation and professional certifications

**AWS Well-Architected Partner**

Achieved AWS Well-Architected Partner status for implementing best practices

**Google Cloud Accreditation**

For Infrastructure Specialisation

**CCC**

Cybersecurity Compliance Certificate

**ISTQB - Platinum Partnership**

International Software Testing Qualification Board

**OCI**

Oracle Cloud Infrastructure

# subsidiaries

## ejada systems

### Future outlook



Ejada intends to accelerate its growth in advanced cloud professional services while building its own internal capabilities in this specialised area, and through its accumulated experience and expertise, focus on the development of a proprietary BFSI industry cloud blueprint with its corresponding partnership ecosystem. Additionally, Ejada plans to continue capability development as well as services and offerings expansion in Cloud and Cybersecurity domains. Another focus area for Ejada is AI, with the subsidiary stepping up efforts to capture emerging growth opportunities with integrated AI capabilities and offerings, while simultaneously infusing AI across internal operations to drive efficiency and speed. Ejada wishes to build digital advisory capabilities and value propositions across specialised industries such

as BFSI, Travel and Transportation, and Smart Cities, spearheading sector-driven business development and delivery, an approach that also enables the subsidiary to expand its client base across target industries.

Among other key strategic objectives for the future, Ejada is on track to explore the possibilities of geographic expansion in GCC markets. To further solidify the subsidiary's market position as a trusted partner in 'mission-critical' technology, Ejada will also focus on securing high-value contracts (mega projects) and strategic deals across the Kingdom, further contributing towards realising Vision 2030 goals in the next few years.





## atmaal

**atmaal**  
أتماال

Since 2022, atmaal has firmly established itself as the strategic engine of innovation and operational excellence for the alrajhi group. Today atmaal has evolved beyond its mandate of centralisation and standardisation to become a true solutions orchestrator, delivering intelligent, scalable capabilities that are driving the group's transformation into a high-performance financial ecosystem. The subsidiary continued to play a key role in alrajhi's ongoing 'harmonize the group' strategy, as it continues to streamline processes, optimise workflows, and support the group's transformation into a high-performance financial ecosystem.

During the reporting period, atmaal demonstrated its exceptional capacity to scale and innovate simultaneously, achieving a remarkable 41% reduction in the overall Cost per Unit, a powerful indicator of the subsidiary's commitment to operational excellence. This was accomplished while managing a 60% growth in business volumes combined with a 180% expansion in its service portfolio since the 2023 baseline of its strategy, proving its ability to thrive under the pressures of rapid expansion.

Through strategic focus on automation and process re-engineering, atmaal successfully scaled to meet growing market demand while optimising resource deployment. This performance reflects the company's commitment to operational excellence, enabling smart workforce management through automation and strategic redeployment to support sustained growth.

Steered by atmaal's RISE strategy, the subsidiary exceeded automation targets for the year with a 70% growth in automated processes since 2023, surpassing the milestone of 1,000 automated processes across the group in 2025. The growth in services increased 180% since 2023 to 117 managed services to date. Overall efficiency improvements drove down the unit rate marking a notable -13% CAGR reduction in unit costs. The subsidiary achieved a 6% increase in net profit margin YoY, successfully meeting budget projections.

## subsidiaries

atmaal



### RISE strategy

- R** Reimagine alrajhi group partnership
- I** Increase financial services presence
- S** Seek opportunities in new sectors
- E** Evolve into a solutions orchestrator

### Delivering against the RISE strategy

By year-end, 100% (40 out of 40) of planned functions for 2025 were migrated or created in atmaal to support group operations.

atmaal's biggest success story of 2025 was the migration of underwriting and post-sales functions of alrajhi bank's Retail Banking Group to the Al Qassim Delivery Centre. The migration saw the smooth transition of over 455 employees by year-end, with atmaal achieving an excellent retention rate of over 57% by seamlessly redeploying redundant employees within atmaal and across the group.

Other key migrated services/operations include the Counter Fraud Defence Unit and Voice of Customer for alrajhi bank, Outbound Proactive CSAT for neoleap, Fund Administration and IPO for Al Rajhi Capital, Salvage Operations for Al Rajhi Takaful, and SME Financing for Emkan. As such, atmaal grew beyond banking services during the year in review, in line with the RISE Strategy, increasing its BPO capabilities across other Banking, Financial Services and Insurance (BFSI) services across the group, including insurance, payments and fintech verticals.

These new areas of operations also demonstrated greater efficiencies. For Al Rajhi Takaful, one-and-done services were migrated from the back-office to the frontline, increasing customer satisfaction and improving the insurance company's First Call Resolution (FCR) rate. The migration of Al Rajhi Capital operations resulted in efficiency gains that contributed to the investment arm's improved top and bottom lines at the close of the year. atmaal continued to entrench and deepen its relationship within the group during the year in review, realising true economies of scale by expanding existing operations across group subsidiaries.

In 2025, atmaal leveraged trusted third-party data sources, and through alrajhi bank, integrated the Loan Origination System to Saudi Arabia's General Organisation for Social Insurance (GOSI) with the Finance Ministry's National Centre for Government Resources Systems (NCGR), creating a more cohesive and efficient digital government ecosystem across the Kingdom. This enabled atmaal to reimagine the credit journey for banking customers, reducing physical documentation and increasing automated underwriting processing. atmaal also transformed the auto lease customer journey by introducing a Dealer Management Portal to streamline the inventory and payment process, thereby shortening customer delivery times and enhancing its relationship with vehicle showrooms.

During the period, atmaal also sought opportunities in new sectors in line with the RISE Strategy, proving its abilities to support enterprise operations. These include marketing services, branch monitoring, HR and finance operations.

### The perfect blend of human engagement and technology

atmaal's Delivery Centre in Al Qassim now serves as the contact centre for all alrajhi group companies, recording a benchmark performance during the reporting period. Volume growth increased overall by 59% since 2023. alrajhi bank volumes grew by 16% YoY closely following the customer base growth, with the number of calls handled expected to reach 46 Mn. at the close of the year. Service Level Agreements (SLAs) were maintained above target thresholds across the services, with the Contact Centre achieving service levels of 81% and Managed Services achieving 91% for 2025. The Contact Centre (Al Qassim Delivery Centre) continued to maintain a majority female workforce, with the proportion of women surpassing 97.37%, with a 97.03% Saudisation rate.

During 2025, atmaal embarked on a Customer Experience Transformation study, to assess the group's current technologies and capabilities, thereby developing a target state for the subsidiary. The study revealed that investing in a CCaaS platform (Contact Centre as a Service Platform) would unlock economies of scale, provide multi-tenancy, and give atmaal the ability to serve alrajhi group with the latest capabilities required from modern contact centres. atmaal will seek a cloud-first approach, in conjunction



## subsidiaries

### atmaal

with regulatory approvals, and is currently in the process of evaluating vendors. While the Kingdom's current CCaaS vendor landscape remains limited to a few vendors, atmaal expects more contact centre vendors to enter the market in 2026. The objective of this transformation is to also develop customer engagements that add value to both customers and the alrajhi group through cross-sell and entrenchment.

### ATMAX: AI platform to lead agentic AI solutions

The landmark achievement of 2025 was the launch of ATMAX, atmaal's proprietary private cloud AI infrastructure. Developed through a strategic partnership with top tier tech companies, this world-class AI data centre was operationalised in under six months. ATMAX is equipped to deliver Agentic AI, Generative AI, and Advanced Data Analytics solutions for the group.

atmaal's team of AI, Automation, and Advanced Analytics engineers are leveraging ATMAX to deliver strategic use cases that will redefine industry standards for turnaround times and quality. Now, as the cornerstone of atmaal's innovation strategy, ATMAX provides the insights and data necessary to optimise solutions and offerings for the group and its customers.

### Benchmarking staffing solutions

As the managed HR services provider for the group, atmaal's overall headcount increased 15% YoY, with 30% of the recruited talent directed towards Core business functions, 22% towards non-core functions, and 10% towards the Contact Centre. The subsidiary focused heavily on training and development, collaborating with the alrajhi Academy to enrol 1,128 employees on the Kingdom's widely used e-learning management platform Blackboard, to prepare for mandatory SAMA Certifications.

During the reporting period, atmaal also cooperated with Saudi's Human Resources Development Fund (HRDF) to deliver workshops for employees at the Al Qassim Delivery Centre. Overall, 2,569 atmaal employees were trained in 2025, totalling to over 207,000 training hours. The atmaal Management Development Programme succeeded in graduating 19 high potential future-leaders through a rigorous in-class and practical programme. atmaal was successful in maintaining a feminisation rate of 80% this year among all its employees, with Saudisation increasing from 95% to 96% at the close of the year.

### Future outlook



Entering 2026, atmaal is perfectly positioned to build on the incredible momentum of its RISE strategy. The subsidiary will continue to diversify its services within the group, with a focus on migrating and consolidating enterprise operational functions from Procurement, HR, Marketing, and Finance, to name a few. atmaal's proven model of combining technological innovation with operational excellence will continue to unlock new levels of efficiency and value, solidifying its role as the indispensable partner in the alrajhi group's journey of transformation.





## neotek



neotek, one of alrajhi group's newest fintech subsidiaries, was established to support Saudi Arabia's digital transformations by developing unique market-focused solutions, innovative data products, and modern financial infrastructure. The subsidiary provides secure and reliable access to real-time data processing, Open Banking services, payment entablement, and Banking-as-a-Service (BaaS) capabilities, empowering financial and non-financial institutions of all sizes, from corporates to SMEs. During the reporting year, neotek focused on scaling its platform and accelerating the deployment of its offerings across the financial sector, entering 2025 with regulatory approval from SAMA in the 'Regulatory Sandbox', which enables innovation within a secure and regulated environment.

The fintech sector in Saudi Arabia has advanced rapidly in 2025, supported by Vision 2030, the National Fintech Strategy, and growing regulatory clarity around financial innovation.

Against this backdrop, neotek leveraged its early regulatory engagement to actively participate in ecosystem-wide discussions and position itself as a trusted innovation infrastructure provider in the market. These efforts resulted in the continued advancement of neotek's role as a strategic enabler of the Kingdom's digital financial ecosystem.

### Operational progress and strategic achievements

While contributing towards the overall 'harmonize the group' strategy by standardising and unifying financial technology and data solutions across group entities, neotek is also guided by its own independent strategy, progressing beyond the foundational and establishment phase to focus on becoming a leader in the fintech industry through three strategic pillars:



## subsidiaries

neotek

Data hub	Payments and money movement	SME financial hub (Qaema)
<p><b>Open banking (AIS):</b> Become Saudi Arabia's leading Open Banking and financial data engine by delivering Account Information Services (AIS) that enable secure data aggregation and hyper-personalised customer experiences.</p>	<p><b>Open banking (PIS):</b> Expand beyond data into Payment Initiation Services (PIS) and secure money movement solutions, streamlining transaction flows for the ecosystem.</p>	<p>Position Qaema as a leading unified financial accounting solution for SMEs, streamlining end-to-end financial operations through Open Banking integration, modular BaaS capabilities, and other integrated SME services hub.</p>
<p><b>Premium services:</b> Offer real-time data access beyond the standard open banking scope and provide advanced data analytics solutions to enable creation of market use cases.</p>	<p><b>Banking as a Service (BaaS):</b> Enabling Non-Bank Financial Institutions by offering banking and financial solutions that generate new revenue streams.</p>	

neotek focused on both: internal strategy, and broader group strategy, significantly expanding its capacity as a datahub, enriching its analytics with additional data sources beyond banks, and advancing normalisation and categorisation capabilities. This ability to provide richer, more contextual data enabled a comprehensive 360-degree financial view of individuals, SMEs and corporates, while simultaneously scaling a broader suite of data-driven services to support banks, financial institutions, and corporates to provide more accurate decisions.

Achieving live connectivity with all commercial banks in the Kingdom in 2025 was a major milestone for neotek. Integration complexities in connecting multiple banks and partners with varying legacy systems and readiness levels were addressed by adopting a clear methodology and an advanced integration process, with robust documentation, sandboxes and reusable components to streamline onboarding.

The reporting period saw neotek process over 30 million data sets, three times its 2024 volume. The subsidiary also became one of the most comprehensive API providers in Saudi Arabia, providing reliable data services that support various use-cases (i.e. from onboarding transformation and application automation, to processing critical requests). These unique offerings enables neotek to verify key information through trusted sources, enhancing the foundational data, decision-making processes, and financials workflows of clients.

Another significant highlight of 2025 is the expansion of neotek's active partner ecosystem to over 20 collaborators across various industries during the year, including financial institutions, governmental institutions, insurance companies, technology providers, key leading enterprises, and several others. The subsidiary was able to turn these partnerships into functioning infrastructure, shifting from memoranda of understanding (MoUs) to live integrations in 2025, powering real market use cases.

Through these milestone achievements in 2025, neotek demonstrated significant operational strength and strategic depth, and became increasingly recognised not only as a provider of open banking services, but as a multi-layered financial technology infrastructure that delivers reliable data, enterprise-level financial services, and scalable innovative digital solutions aligned with the Kingdom's digital transformation vision.

### An expanding product portfolio

In 2025, neotek not only grew its existing offerings, but expanded its live portfolio from 6 products in 2024 to more than 18 services and products across its strategic pillars at the close of the reporting year. neotek scaled Account Information Services (AIS) through Open Banking across all commercial banks, and launched innovative offerings to address identified market needs, including income and financial analytics and enriched transaction insights used for onboarding, credit decisioning, and risk scoring.

## subsidiaries

### neotek

Strengthening its role as a financial infrastructure provider, neotek also expanded its offering to provide BaaS solutions, enabling partners to embed accounts, payments, and financing features directly into their own customer journeys.

2025 also witnessed neotek focus on building a strong technical foundation and regulatory compliance for Payment Initiation Services (PIS) and embedded payment capabilities, in alignment with SAMA's Open Banking payments roadmap. The product roadmap successfully progressed from concept to market-ready architecture in 2025 as scheduled, setting the stage for expansion readiness in the beginning of 2026.

Qaema Accounting Solution, a core application developed by neotek to simplify financial management and accounting processes for SMEs continued to evolve into a fully integrated SME financial platform in 2025, and is positioned among the fastest-growing platforms in KSA. Merchant adoption doubled to over 13,000 merchants, supported by deeper open banking integrations, improved cash-flow insights, and the introduction of Qaema Banking to support SMEs with easy access to banking needs. These developments underscored Qaema's role as a growing contributor to the group's broader SME strategy.

### Governance, risk and compliance

In 2025, neotek maintained strong focus on governance and regulatory adherence as a one of its strongest fundamentals. The subsidiary achieved full compliance with the SAMA Cybersecurity Framework (Maturity Level 3) during the reporting period, and secured both ISO/IEC 27001 certification for Information Security Management Systems, and ISO 22301 certification for Business Continuity Management. Participation in SAMA's Open Banking Framework was secured with approval of the use cases, enabling wider regulatory engagement. Internally, the subsidiary enhanced risk registers, strengthened oversight mechanisms, and embedded a consistent governance lens across all new products and partnerships.

### Talent and organisation development

In a competitive fintech labour market, neotek continued to build teams and invest in people during the year in review. Employee engagement

was continuously facilitated and encouraged through monthly engagement-focused activities and on-going feedback collection. Recognition programmes acknowledging employee performances and contributions further improved morale as the subsidiary scaled. Notably, neotek maintained a Saudisation rate exceeding 90%, reflecting its strong commitment to developing and empowering local talent.

A key 2025 milestone was progressing from ad-hoc training to a more structured learning and development ecosystem. Performance management was further refined with clearer goal-setting, structured objectives and key results, supported by frequent check-ins to ensure individual progress is aligned with neotek's growth agenda. Ongoing capability-development is now carried out via targeted training, external certifications, participation in industry events and internal knowledge-sharing sessions. Recruitment efforts were supported by a strong employer value proposition centred around innovation, purpose-driven work under the renowned alrajhi group umbrella, and a modern, product-led culture. Talent scarcity in specialist fields such as open banking engineering, cybersecurity and data science was addressed by building a strong internal talent pipeline through targeted hiring and training, backed by a structured performance and career-development framework.

### Future outlook



Looking ahead, neotek enters 2026 positioned for revenue growth and broader market scale. Priorities include deepening the Data Hub through advanced analytics tools and new data-source integrations, launching PIS and embedded payment solutions aligned with SAMA's roadmap, scaling BaaS and embedded-finance capabilities for fintechs and enterprises, and enhancing Qaema into a unified SME financial hub with richer services and bank integrations. Sustained focus on resilience, regulatory compliance, secure infrastructure and strategic partnerships will remain core to neotek's ability to navigate emerging risks and capture growing market opportunities in 2026 and beyond.





[community development:  
Driving impact]

[customer engagement and  
responsible banking]

[sustainable financing  
at alrajhi bank]

[corporate  
governance]

[financial  
statements]

[supplementary]

drahim



During the preceding financial year, alrajhi bank made a landmark move by acquiring 65% stake in the Drahim application, a leading financial management and automated investment platform. The transaction was unprecedented in the region, with a Saudi bank securing majority stake in a local fintech start-up. The acquisition resulted in significant expansions and strategic developments for Drahim in 2025 as it focused on diversifying its portfolio, launching new core products, business lines, and the first-of-its-kind automated business platform for the corporate sector in Saudi Arabia.

### A strong performance in a fluctuating environment

Drahim lays claim to one of the best categorisation and transaction enrichment engines in operation within the Saudi fintech market; the multi-layered engine has enabled the classification of financial transactions into predefined categories, with the data enrichment process enhancing transactional data into actionable insights, resulting in improved customer satisfaction. In 2025, the engine's categorisation accuracy increased by 66%, processing more than 9.5 billion transactions, recording a significant increase of 380% YoY.

The Drahim app maintained its position as one of the Kingdom's best personal finance management (PFM) and investment platforms in 2025 in a highly volatile market. Despite the market downturn, Drahim's most popular Active Investment Portfolio with 100% exposure to the Saudi market demonstrated resilience, and outperformed the benchmark index during the reporting period. The fintech also took the opportunity to engage with app users to raise awareness on market volatility, improving financial literacy and fostering greater client confidence.

In 2025, Drahim also expanded its investment portfolio, shifting from traditional risk profiles to use-case profiles by introducing several innovative offerings, such as the Rent Portfolio and Dividend Portfolio. This user-centric diversification has successfully appealed to a broader audience by aligning investments with tangible financial goals. Drahim's overall efforts saw its userbase double during the reporting period, with the app surpassing  $\text{SAR} 1.5 \text{ Bn.}$  in investments through its robo-advisory at the close of 2025, a notable achievement.

## subsidiaries

### drahim

### Launching a list of market-firsts

In September 2025, the fintech launched Drahim Business, a new platform dedicated to providing financial and investment solutions for the corporate sector. The platform eliminates lengthy procedures and paperwork by leveraging innovative investment tools, thereby offering companies the ability to invest automatically in just three minutes.

Drahim Business offers companies a high-yield savings portfolio with a competitive daily return, coupled with an instant withdrawal feature, and also introduces an automated investor service that allows companies to build and customise portfolios across more than 30 local and global investment funds. Beyond investing options, the Drahim Business platform also offers advanced market research tools that can be utilised by decision makers to gain deeper insights, simplify investment decisions, and maximise the value of corporate funds. Companies can also link their bank accounts to the Drahim Business account, and monitor cash flows in real time.

### Leveraging group synergies

Drahim also leveraged alrajhi group synergies in 2025 to announce several innovative products; key among them is the new Drahim Investment Card. A collaboration between alrajhi bank as card issuer and neoleap as processor, the card is designed to seamlessly integrate spending with automated, high-yield investments from Al Rajhi Capital, providing users with a daily return on their balance.

The brand association with alrajhi bank continued to assist Drahim in expanding its market presence during the year in review. The subsidiary successfully leveraged the bank's credibility and financial stability to grow consumer trust, and mitigate risk concerns associated with fintech start-ups. While Drahim adheres to strict data security and privacy standards, operating under SAMA and CMA licenses, alrajhi's acquisition ensured users of a secure and compliant operation backed by robust data governance practices of alrajhi bank. Drahim also gained access to alrajhi bank's resources, in particular its existing customer base and marketing channels, leading to high-value cross-selling of the Drahim app, and lowering user acquisition costs.

### Future outlook



Drahim is well positioned in 2026 to further expand its offering, specifically in the newly launched Drahim Business, leveraging its capabilities and infrastructure built in the previous years to deliver enhanced business suites and better service businesses. Drahim will broaden investment options and launch its Enterprise Financial Management (EFM) and Open Banking powered data platform, providing businesses with new insights in an unprecedented way.





## international network alrajhi bank – Malaysia



In 2025, Malaysia's economy grew 4.7% despite global uncertainties such as trade tensions, tariff shifts, regional conflicts, and changing consumer sentiment. Growth was supported by strong domestic demand and investments in high-growth sectors.

Malaysia's banking sector navigated a dynamic landscape with rising corporate credit demand driven by investments, while retail financing experienced a slowdown, a reversal from previous years. Cost of deposits surged amid competition from digital banks and local fintechs, prompting banks to reassess funding strategies.

Digital adoption accelerated in 2025, and demand for ethical, Shariah-compliant solutions remained robust. Regulatory expectations intensified in cybersecurity and sustainability, while consumers sought greater convenience, transparency, and personalisation. These trends shaped alrajhi bank Malaysia's (ARBM) strategic priorities for the reporting period.

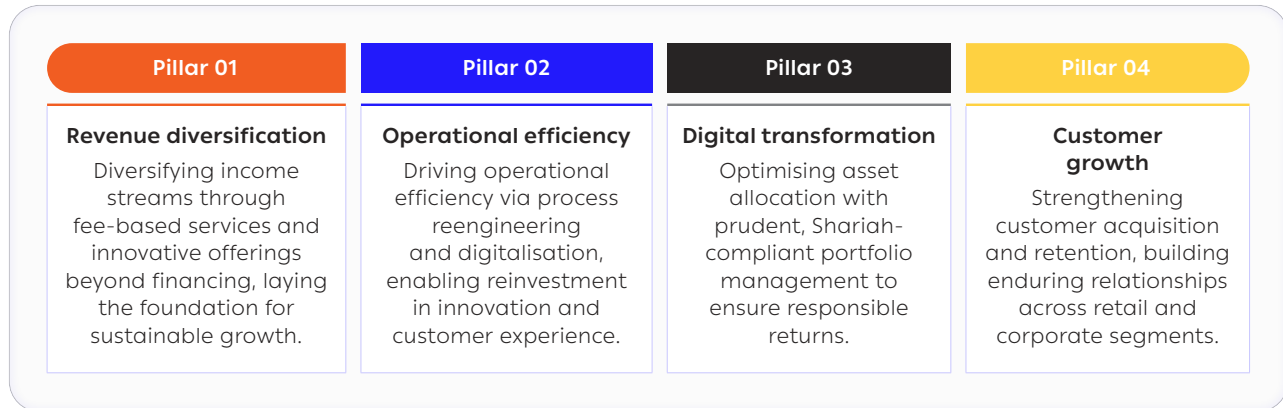
## international network

alrajhi bank – Malaysia

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### A strong performance against a solid growth strategy

ARBM delivered a strong performance in 2025, supported by focused execution across its four key strategic pillars:



Revenue diversification was primarily driven by Treasury operations. ARBM realigned its sukuk portfolio to capitalise on rate movements and optimise foreign currency investments. By exiting unrated sukuk and reinvesting in high-yield structured products, ARBM strengthened returns and overall profitability. New offerings such as motorcycle financing, digital gold-i investments, and insurance solutions reflected ARBM's shift towards a diversified, values-driven product ecosystem.

Disciplined execution of strategic priorities lifted Profit Before Tax (PBT) by 17.0% YoY supported by higher net yields, steady non-yield income growth, and lower impairments. Total Assets grew by 4.5% YoY to MYR 19.8 Bn., driven mainly by Treasury Investments of MYR 6.1 Bn., a 26% YoY increase. Growth was supported by strong momentum in the Retail segment, which expanded by 44% this year. Treasury's USD/MYR swap book increased from USD 382 Mn. to USD 575 Mn., signalling market confidence.

Operational efficiencies under Pillar 02 improved through process reengineering, restructuring, and system cost optimisation, reducing CIR further to 56.6% from 58.5% in FY24, and 70.9% in FY23. ARBM anticipates an income growth of 7.6% against a 4.1% increase in expenses.

ARBM's overall performance resulted in the improvement of Return on Equity (ROE) from 9.5% in FY24 to 10.16% at the close of the year, supported by increased profitability and efficient capital deployment.

### Future-ready digital transformation

To achieve Pillar 03 objectives, ARBM launched a 3-phase IT System Consolidation Roadmap to strengthen infrastructure, enhance security, and build a future-ready foundation for digital transformation. Phase 1 was completed in 2025 with the launch of the MY alrajhi app, a unified platform consolidating RIZE and *alrajhi@24seven* into a mobile-first ecosystem.

The app delivers a seamless experience across savings, financing, and lifestyle services, improving transaction stability and customer engagement. Features include biometric login, bill payments, and term deposit placements, while savings tools were extended to all retail customers. A customer referral campaign supported adoption, with 400-700 new users monthly since the app's launch in June 2025. At the close of the year, the app served over 70,000 customers (71% of retail base) and contributed 37% of deposit growth, with individual deposits surpassing MYR 1.5 Bn.

With Phases 2 and 3 scheduled for 2026-2027, ARBM focused on improving the operational resilience of the bank's IT infrastructure in 2025. The overseas branch introduced a virtualisation platform for hybrid IT (cloud/on-premise), next-gen backup and recovery, and upgraded core network and firewalls to strengthen cybersecurity. Scalability was ensured through application consolidation, cloud-native architecture, and enterprise API gateway integration. A unified data platform enabled advanced analytics and personalised experiences.



## international network

alrajhi bank – Malaysia

A Generative AI platform was introduced internally to boost overall productivity. ARBM leveraged its synergies across the alrajhi group, particularly through its collaboration with Ejada, the Group's IT consulting arm. Ejada played a critical role in supporting the development of ARBM's digital banking infrastructure, contributing best-in-class consulting and technical capabilities that accelerated the Bank's digital transformation and reinforced infrastructure resilience.

2025 also marked the Phase 1 completion of Project Phoenix, ARBM's Real-Time Retail Payments Platform migration. This enabled real-time payments via Malaysia's national payments channels DuitNow QR and DuitNow Transfer (both interbank and intrabank). Building on doubled transaction volumes in 2024, Phase 2 introduced DuitNow Online Banking/Wallets (OBW), Consent, and Auto Debit services in 2025. Future phases will further expand real-time payment capabilities and transaction growth.

The YoY comparison for Real-Time Retail Payments volume:

Year	Volume
2023	1,354,744
2024	2,457,823
2025	2,475,145

### Growing the customer base

Pillar 04's strategic objective of customer growth was driven by product expansion, service enhancements, and targeted branding initiatives. New and restructured offerings addressed evolving needs, while loyalty programmes strengthened engagement. ARBM overcame its limited physical footprint by pivoting to digital channels, strategic partnerships, and alternative touchpoints, ensuring convenience for Malaysia's digitally connected demographic.

Brand visibility remained a priority as ARBM deepened market presence in a saturated environment. ARBM's leadership maintained an active role in industry dialogues with peers and Bank Negara Malaysia, reinforcing credibility as a collaborator shaping Malaysia's banking future.

ARBM launched impactful marketing campaigns, including social media collaborations with lifestyle brands, referral programmes, and personalised outreach. Roadshows at universities, malls, and public events complemented digital efforts. Social media engagement surged, with shared content achieving nearly two million views across all social media channels, while website sessions doubled, reflecting stronger resonance with a digitally active audience.

### Promoting sustainable banking practices

ARBM advanced its commitment to sustainable banking as an active member of Malaysia's Value-Based Intermediation (VBI) Community of Practitioners of Malaysia, promoting positive and sustainable impact on the economy, community and the environment, aligned with shariah objectives.

Under the VBI principle of Community Environment, ARBM targeted SME growth through new CASA acquisitions, each averaging MYR 50,000 in deposits. The branch nearly doubled its customers to 236 at the close of the year, contributing to an increase in deposit balance of MYR 62 Mn. This growth builds on a strong foundation, representing a 15% increase from the previous year's MYR 400 Mn. base, and underscores the segment's potential for long-term value creation.

To strengthen ESG risk management, ARBM applied BNM's Climate Change and Principle-based Taxonomy (CCPT) across its corporate book, supported by an ESG Assessment Checklist and the bank's ESG Risk Management Policy (Corporate Credit Policy and Sustainability Policy). Moody's scorecard tool was introduced alongside CCPT scoring to enhance climate risk evaluation and credit assessment.

ARBM continued supporting BNM's 'My First Home' scheme via the SJKP programme in 2025, improving access for B40 (bottom 40% of households) and M40 (middle 40% of households) first-time buyers, including those with irregular incomes. Partnerships with property developers and real estate agents opened a new market for shariah-compliant home financing, creating a foundation for growth in the first-time buyer segment. ARBM aims to scale this segment, targeting MYR 100 Mn via SJKP in 2026.

## international network

### alrajhi bank – Malaysia

To promote financial inclusion, ARBM enhanced mobile banking and simplified account opening for underserved segments. Targeted campaigns incentivised savings habits among lower-income customers through cashback rewards, reinforcing ARBM's commitment to inclusive and sustainable banking.

### Reinforcing data security measures

Between 2022 and 2025, Malaysia recorded over 173,000 mule accounts amid rising online fraud. In response, ARBM strengthened its fraud prevention framework with advanced detection tools and real-time transaction monitoring, implemented ahead of BNM deadlines. ARBM also reviewed fees and contract terms to ensure fair treatment, introduced safeguards for high financing amounts, and enhanced data protection in line with updated PDPA requirements. Anti-bribery measures were reinforced through risk assessments, supported by the appointment of an Integrity Officer responsible for driving ethical standards across the organisation.

ARBM further enhanced AML and sanctions screening, adopted risk-based monitoring, and aligned governance with evolving regulations. In preparation for BNM's Responsibility Mapping policy effective January 2026, ARBM updated its Corporate Governance Policy and introduced a statement of responsibility for senior managers, reinforcing accountability and ethical standards.

### Investing in human capital

ARBM strengthened its employee value proposition in 2025 through initiatives that doubled training volume via a new in-house centre and completed its inaugural Leadership Development Programme. The 18-month Management Trainee Programme attracted 4,828 applicants, with 15 graduates onboarded for structured rotations and certifications, building a future leadership pipeline. Strategic appointments, including a Chief Shariah Officer, reinforced governance, accelerated digital transformation, and enhanced retail banking capabilities.

To foster a high-performance culture, ARBM conducted KPI alignment workshops and improved healthcare coverage with new medical plans, health screenings, and mental health programmes. ARBM also earned the Change Maker Award in the Data Leaders Category at the Darwinbox Unboxed Awards Singapore for leveraging data and analytics through enhancements to its Darwinbox-based Human Capital Management platform.

### Future outlook



ARBM remains focused on building a resilient, future-ready branch in Malaysia's evolving economic and financial landscape. Retail banking will continue as a key growth driver, anchored by the MY alrajhi app, while corporate banking serves as a stabilising pillar through structured financing, working capital optimisation, and risk-adjusted returns. ARBM aims to deepen relationships in priority sectors such as infrastructure, halal economy, ESG-linked industries, and SMEs, leveraging Shariah-compliant expertise to capture emerging opportunities. Treasury will sustain revenue diversification and balance sheet resilience through active portfolio management, FX optimisation, and structured investments.

ARBM's long-term vision is to integrate financial services with lifestyle and business solutions via its Banking-as-a-Platform (BaaP) strategy, positioning Islamic banking as synonymous with innovation, inclusivity, and excellence.





## alrajhi bank – Jordan



Jordan maintained economic stability and resilience despite regional tensions and global economic uncertainty in 2025, achieving an expected growth rate of 2.7% and a low inflation rate of 1.8%. Prudent monetary policies have supported both the national economy and the local banking sector, which remained strong, stable and profitable during the reporting period.

Against this promising backdrop, alrajhi bank – Jordan (ARBJ) recorded steady growth of its core business reinforcing its competitive market position in the Hashemite Kingdom. Customer deposits increased by 6.4% during the year, demonstrating an improving liquidity position, and strong, growing customer confidence in ARBJ.

### Innovation through digital transformation

Following the successful implementation of ARBJ's new digital Core Banking System (CBS) in 2024, and its subsequent deployment of retail and corporate digital banking platforms, significant progress was achieved in digital transformation in 2025 across products and customer services. The overseas branch launched several innovative solutions aimed at enhancing banking services by leveraging its new digital infrastructure and capabilities; Having introduced an extensive list of digital payment options including Apple Pay, DOB and Jordan's own instant pay system CliQ through the alrajhi Mobile JO app earlier, ARBJ became the first bank in Jordan to launch Google Pay during the year in review, marking a milestone in digital payment solutions in the Hashemite Kingdom. The service was further expanded into instant cross-border payments via a new, enhanced CliQ service during the year. ARBJ also enabled cardless deposits through ATMs to enhance convenience and accessibility. Time deposits and credit card management was digitised to simplify account opening, renewal and approval processes.

## international network

### alrajhi bank – Jordan

In 2025, the bank recorded the opening of **over 7,000** new digital accounts, with total deposits amounting to JOD **5 Mn.**, a **75% YoY increase** in account openings and a significant **250% increase** in deposit volumes. At the close of the year in review, over 35,000 ARBJ customers were registered on its mobile app and internet banking platforms. ARBJ's Merchant Acquiring Service also continued to provide in-store and online payment acceptance solutions to local merchants during the reporting period, with its POS network expanding to cover over 1,000 merchants.

The implementation of the CBS at the Jordan branch also saw corresponding back-end technological upgrades and advancements to ensure benchmark levels of data protection and security. This experience and deep insight saw ARBJ participating in the Cybersecurity Awareness Competition in 2025 organised by CBJ, with the overseas branch ranked third among the top financial institutions in the Hashemite Kingdom.

Overall, the many digital transformations and technological advancements carried out during the reporting period improved operational efficiencies, accelerated processes, reduced dependency on paper-based transactions, and collectively reinforced alrajhi bank's position as a leading innovator in Jordan's banking sector.

### Understanding and meeting customer needs

During the reporting period, ARBJ collaborated with alrajhi group's IT subsidiary, Ejada, to upgrade its Customer Relationship Management (CRM) and Customer Experience (CX) measurement systems. The upgraded platform has been successfully launched, enabling the branch to enhance customer data analysis and service quality. Additional capabilities including Host-to-Host integration are planned to be rolled out over the coming months to further centralise data and optimise customer interactions based on performance indicators.

In 2025, the Jordan branch introduced a range of new products and services, adapting to evolving customer needs and further enriching their banking experience. Key launches included:

#### Savings Account



Designed to encourage customers to save while maintaining flexibility in deposits and withdrawals.

#### Signature Card



A premium card offering exclusive privileges and high credit limits, providing customers with exceptional banking experiences.

#### Infinite Card



A luxury card tailored for elite clients, granting them additional benefits and personalised financial services.

#### Refinancing Programme for Individual Clients



Introduced through Palm Oil Murabaha financing and the Infinite credit card, offering greater financial flexibility and enhanced financing options.

A decline in customer borrowing appetite during the year was swiftly addressed by ARBJ with the launch of targeted campaigns, aimed to address specific gaps and emerging needs in the market. This comprised a personal financing campaign to attract new customers with a suite of personal financing solutions including personal loans, goods financing and loan buyouts, as well as a successful housing financing campaign to support homeownership and residential investment in Jordan. ARBJ also continued to interact with customers across multiple social and digital channels through several initiatives throughout the year, including a Ramadan competition titled 'From You and For You', with winners selected and announced across social media platforms.



## international network

alrajhi bank – Jordan

### Leveraging group synergies

Following the organisational restructuring and the unification of international branches under a single management, greater collaboration has been achieved in reflecting the bank's identity across the Jordan branch, be it strategically, across all products, as well as in other operational aspects. This integration has enabled the overseas branch to benefit from group synergies and best practices, applying them where needed, which has positively impacted overall performance. Unified external branch management also allowed each international branch greater flexibility in credit decision making.

By leveraging group synergies, ARBJ also sustained growth in its FX business, generating JOD 836,521 in FX income in 2025, while advancing cross-border initiatives, including CliQ cross-border payments and group clearing activities, to support international business growth.

### Attracting, retaining and developing top talent

ARBJ continued to facilitate comprehensive training programmes for its employees, delivering courses across diverse fields and through multiple channels, in order to equip its growing workforce with essential technical, behavioural, and regulatory skills. Structures and job descriptions were further revised during the year to ensure alignment with evolving business needs. Employee engagement continued to be a priority for the overseas branch, with a number of internal initiatives and activities launched to encourage participation and interaction among employees, and foster a deeper connection to the workplace. Efforts also continued to automate HR operations, enhancing efficiency and employee experience. A semi-annual performance review process was introduced to improve assessment and feedback mechanisms. During the year in review, communication and alignment with the Human Resources Department at the head office was increased, enabling the exchange of expertise and best practices to strengthen HR's role across the group.

The reporting period also saw a number of new leadership hires at ARBJ, key among them were appointments for the positions of Head of Information Technology and Head of Support Services, collectively enhancing the quality of services delivered to ARBJ customers. A new Executive Director of Shariah Compliance was also appointed at the overseas branch to ensure stronger adherence to Islamic principles and regulatory requirements. A new Head of Retail Banking and Branches Group joined ARBJ's leadership ranks at the close of 2025, with the addition expected to positively influence the overseas branch's performance in the coming year, driving increased sales and profitability.

The Jordan branch continues to build a strong pipeline of future talent, providing graduates with hands-on experience and eventual full-time roles within the bank. During the year in review, ARBJ also focused on internal staffing efforts, providing employees with broader opportunities for career progression, and optimising the existing human resources.

### Future outlook



Having successfully completed its 2023-2026 strategy, alrajhi bank Jordan will implement a new strategy cycle next year, focusing on leveraging its new digital core banking system and technology infrastructure to enhance its product and service offering. ARBJ will remain aligned with the overarching group strategy of alrajhi bank, and will continue to harmonize Jordan-based offerings with those provided globally by the group. The overseas branch will also continue to expand from its current network of 13 to reach 15 branches across Jordan. Overall, ARBJ will continue to concentrate on growth across all segments, developing digital channels and mitigating economic risks.



## alrajhi bank – Kuwait



Having experienced economic contractions in 2023 and 2024 primarily due to OPEC+ oil production cuts, Kuwait's economy steadily recovered in 2025, driven by rising oil output and growth across the non-oil sector. Inflation also increased alongside this economic expansion by specific consumer goods segments, with the government's targeted subsidies and fiscal support alleviating inflationary pressures and preserving economic stability.

Kuwait's banking industry recorded a strong performance in 2025, marked by overall growth in total assets, profitability, strong capital and liquidity levels, and high asset quality. While the banking sector remained in this strong and stable position, the Central Bank of Kuwait (CBK) lowered its discount rate by 50 basis points to 3.50% towards the end of the reporting period, with the aim of encouraging credit expansion and stimulating further economic activity.

Against this dynamic economic backdrop shaped by both domestic and global developments, alrajhi bank Kuwait (ARBK) demonstrated resilience and agility, recording a solid performance and a strong 8% YoY growth in operating income, driven by a notable 24% YoY increase in yield income. As the sole foreign Islamic bank operating in Kuwait, ARBK also maintained its strong hold in the local market with a significant 37% YoY increase in total assets at the close of the year. The overseas branch

strengthened its internal legal framework, enhanced governance standards and reinforced its focus on Kuwaitisation targets in alignment with national development priorities. These initiatives underscore ARBK's dedication to sustainable growth, operational excellence, and its growing contribution to Kuwait's economic vision.

### Leveraging group synergies

In 2025, ARBK made significant efforts to enhance its financing and investment portfolio in order to manage and mitigate the pressure of growing funding costs, and remain competitive in the highly contested local banking environment. In collaboration with the alrajhi bank head office in KSA, the overseas branch continued to successfully participate in major syndication deals, sukuk offerings and trade finance products during the reporting period. ARBK encouraged corporate clients to leverage the alrajhi bank network for direct business transfers in order to benefit from competitive exchange rates, while at the same time adding foreign currency to the local market to increase domestic liquidity. As an extension to this service, cross-border cash transfers were also facilitated between alrajhi bank KSA customers and beneficiaries in Kuwait, regardless of their banking status with ARBK. At the close of 2025, ARBK saw an increase in corporate customers operating through its exchange house, reflecting growing confidence in the bank's foreign exchange capabilities.



## international network

alrajhi bank – Kuwait

As part of the bank's broader 'harmonize the group' strategy, ARBK's card management is being moved under the group to the larger, centralised system of alrajhi bank KSA, in order to leverage its existing scale and technology for a seamless digital banking experience. The Direct investment process is also being centralised, with a secure WhatsApp communication channel being introduced for renewal reminders.

### New products and innovative banking solutions

Having successfully obtained regulatory approval from the Central Bank of Kuwait (CBK) to deal with structured products in 2024, ARBK introduced capped and floor structured products towards the end of the previous financial year, allowing ARBK to tailor investments for a wide range of clients during the reporting period.

Following the full revamp of ARBK's mobile app in 2024, the overseas branch continued to enhance the app's usability and features during 2025 to further improve user experience. Key among the new features was the **'Easy Pay Service'**, allowing ARBK customers accessibility to the national instant payment service through the mobile app. This feature allows users to send and receive money to and from local banks through KNET, Kuwait's national payment network. Telecom payment services were also introduced via mobile app. Push notifications were enabled to notify users on a range of actions, from transaction and security alerts to payment reminders and promotional offers from the bank.

Several digital updates have been in development at ARBK during the year in review with the aim of providing customers with a superior digital banking experience. The overseas branch focused efforts on enhancing customer experiences through personalisation by integrating the Customer Relationship Management (CRM) system with a customer 360-degree view. This would enable ARBK to consolidate all customer data into a central, accessible location, gain actionable insights, make data-driven decisions, while allowing for highly targeted and relevant marketing campaigns with potential to increase sales. The branch also initiated the development of a digital onboarding process as well as KYC online updates feature for improved security and convenience, both functions in the final stages of development at the close of the year. Several mobile payment solutions including Apple Pay and virtual cards were also initiated in 2025, and will be developed over the next few months. The bank is also looking to unify a global design of its mobile application in the near future.

### Strengthening local community and industry standing

The overseas branch continued to strengthen its standing in Kuwait as a sought-after employer, backed by a strong financial performance, competitive employee benefits, commitment to digital innovation, and alrajhi bank's reputation as a top talent acquisition employer globally. ARBK's HR department remained committed to the professional growth of its employees, facilitating skill enhancement and leadership development through in-person training sessions, while continuing to sponsor employees pursuing relevant external certifications. An employee survey was conducted towards the end of the reporting period to gain deeper insight into employee sentiment, with ARBK aiming to leverage survey findings to improve employee engagement, retention, and overall performance. ARBK's HR Policy underwent several significant amendments during the year in review to reflect new labour regulations and workplace practices introduced by the Kuwait government.

With plans to open a third branch within the Ahmadi Governorate, ARBK remained strongly committed to Kuwaitisation targets in 2025, achieving an overall ratio of 70.3%. The overseas branch also maintained regulatory requirements to achieve the Kuwaitisation ratio across the upper/middle and lower management.

In 2025, ARBK sponsored the AAOIFI Conference, with participation from its Shariah and Audit teams, to strengthen its credibility in Islamic banking. The sponsorship enhanced brand visibility among industry leaders, and reinforced its commitment to shariah-compliant standards. This sponsorship positioned ARBK as an active contributor in key Islamic finance discussions in Kuwait.

### Future outlook



ARBK will continue to grow its retail customer base through highly targeted marketing campaigns and effective sales channels, and focus on enriching the digital banking experience by introducing advanced features and products by leveraging group synergies. The overseas branch will also focus on more syndication deals with local and international corporate clients. ARBK will continue to grow its corporate financing portfolio in the future, focusing on large and mid-corporates, the trading sector, real estate sector and government infrastructure projects.

# shared services group

In 2025, the Shared Services Group of alrajhi bank continued to leverage technology, infrastructure and expertise accrued over the years to power the transition of the bank and its subsidiaries into a digital ecosystem, in line with the bank's 'harmonize the group' strategy.

## Information Technology

In 2025, the IT Department continued to advance the transformation of the group's IT infrastructure, strengthening capabilities in Digital, Data, Cloud, and AI to enhance group-wide synergies, to create seamless customer experiences, and ensure the group's technology landscape remains agile, secure, and future ready.

The IT Department worked towards achieving several strategic objectives, that when executed accordingly, will support alrajhi group's transformation into an ecosystem of financial solutions, thereby realising the overarching vision of 'harmonize the group'. These objectives include:

- **Increasing centralisation and standardisation:** Optimising and increasing the maturity level of IT infrastructure across the alrajhi group; leading to improved response time, minimised complexity and reduced cost.

- **Achieving agile delivery through automation and efficiency:** Improving operational efficiencies and providing faster turnaround time (TAT) to enhance customer satisfaction.
- **Creating Group-wide customer journeys and leveraging scale:** Improving group-wide synergies to provide a seamless digital customer journey through multiple product and service portfolios across the group; accelerating speed-to-market and growing the bank's customer base.
- **Enhancing and maintaining regulatory compliance:** Expand the coverage of fraud, AML, Security, and maintain a compliance-by-design approach to ensure an 'always-compliant' state to protect both bank and customers.
- **Operational resilience and continuity:** Strengthening the bank's ability to anticipate, withstand, and recover from disruptions through resilient systems and proactive risk management.
- **Developing third-party income:** Enhancing technology capabilities and enabling digital services that generate new revenue streams across the group's ecosystem.

In order to achieve these objectives, the IT Department launched focused strategic initiatives in 2024, which continued their progress during the 2025 reporting year. These initiatives include:



## shared services group

### Strategic initiative 01: Establishing the ARB Centers of Excellence

The IT Department established a dedicated Centre of Excellence (CoE), integrating collective IT capabilities from across the alrajhi group to leverage accrued expertise more effectively. This strategic consolidation continued to yield significant benefits in 2025, substantially enhancing operational efficiency, accelerating process optimisation, and driving higher levels of automation throughout the group's operations, to collectively result in significant economies of scale.

2025 saw continued progress in strengthening group-wide service delivery, standardisation, and operational efficiency. The CoE extended its support model across a wider set of subsidiaries, achieving 100% service desk coverage for alrajhi bank, Al Rajhi Capital, neoleap, tawtheeq, atmaal, and Al Rajhi Takaful. This expansion has reinforced consistent service quality and enhanced response times across the group, ensuring all teams benefit from unified support processes.

A group Testing Centre of Excellence (TCoE) was launched in collaboration with alrajhi's technology arm Ejada, achieving 80% adoption across key subsidiaries including Al Rajhi Capital, Emkan, alrajhi bank, neoleap, and tawtheeq. This progress reflects the broader shift across the group toward aligned testing standards, helping accelerate release cycles while maintaining robust assurance practices. Strengthening interoperability across the group, expanding advanced testing capabilities, and further integrating CoE services have greatly contributed to ongoing efforts to enhance scalability, consistency, and operational resilience across the alrajhi group.

Automation accelerated across key processes, with credit card processing reaching 85% automation and SLA performance of 85%. These enhancements delivered efficiency gains equivalent to 200 FTEs against the budget plan.

### Strategic initiative 02: Advancing the Cloud Journey

The bank continued to accelerate its cloud transformation agenda in 2025, alongside strong national directives encouraging cloud adoption. The IT Department advanced several key modernisation initiatives, ensuring that critical applications are equipped to benefit from cloud-driven performance, scalability, and enhanced reliability. Throughout the transition, rigorous testing and security measures were enforced to safeguard data integrity and maintain control over the migration process.

During the year, significant milestones were achieved, including the completion of the cloud modernisation and automation projects, as well as security enforcement for eight applications on Oracle Cloud Infrastructure (OCI). The team also finalised Disaster Recovery runbooks, completed a full assessment of migration and replication tools, and successfully built the bank's first Graphics Processing Unit (GPU) **computing environment**, enabling advanced computing capabilities to support the group's growing AI-driven workloads.

Looking ahead, the bank will continue to deepen its cloud adoption by finalising assessments for remaining cloud-ready applications. The IT Department will also look into implementing migration and replication tooling for cloud instances, while pursuing its strategic ambition to adopt hyperscaler technologies to further expand the bank's ability to leverage cutting-edge cloud capabilities across its digital ecosystem.

## shared services group

### Strategic initiative 03: Implementing Centralised Platform for IT service management

In 2025, the bank continued to build on the strong foundation established with the centralised IT Service Management (ITSM) model. The transition to a unified platform has enabled the IT Department to streamline processes, reduce redundancies, and strengthen cost efficiencies across the group's technology operations. By standardising service management practices and embedding automation across workflows, the bank has further enhanced operational agility, service quality, and overall stakeholder experience.

During the reporting period, the full ServiceNow project implementation was successfully completed, with core modules now live in production. These include Incident Management with SLA monitoring, Change Management, the Service Catalogue and Service Request modules, the Knowledge Base, and the Configuration Management Database (CMDB). Together, these capabilities have improved visibility, traceability, and governance across IT services, building a mature and integrated ITSM environment.

The year also saw the successful launch of a **mobile application** for the IT service platform extending the platform's functionality to mobile devices and enabling employees to access services, submit requests, and manage incidents seamlessly, from anywhere, anytime.

### Strategic initiative 04: Building a world-class data platform

In line with the bank's ambition to build a modern, scalable, and intelligence-driven technology ecosystem, the IT Department continued advancing its world-class data platform in 2025. Designed to power enterprise-wide analytics and enable AI-driven decision-making, the platform brings together comprehensive capabilities in data transformation, visualisation, processing and storage, to governance and orchestration of data, ensuring the bank complies with the laws, regulations and standards required to safeguard the data of the bank as well as its customers.

During the reporting period, significant progress was achieved across the bank's data modernisation agenda. The on-premise technology refresh of the Teradata Enterprise Data

Warehouse (EDW) was successfully completed, upgrading the environment to an industry-leading massively parallel processing platform, capable of supporting growing analytical workloads with greater speed and efficiency. The bank also advanced its AI utilisation, with AI model outputs integrated across data and customer communication channels for Next Best Offer (NBO) campaigns, enabling more personalised and context-aware engagement.

The IT team also continued advancing the Big Data consolidation programme, which remains on track for delivery. This initiative will unify disparate data ecosystems, enhance data consistency and accessibility, and further accelerate the group's ability to harness advanced analytics and emerging technologies at scale.

### Strategic initiative 05: Creating a Command Centre for Proactive Incident Management

In 2025, the bank completed the establishment of its Modern Command Centre, including tooling, physical space, and onboarding of teams across all major business and IT functions. With real-time monitoring, intelligent dashboards, and consolidated visibility across critical systems, the Command Centre now provides a unified operational view that enables faster, proactive decision-making, early detection and prevention of incidents, and overall improved service reliability.

The IT Department also initiated a comprehensive Automation Project during the reporting period to further enhance incident management. The project will introduce auto-detection, auto-assignment, auto-escalation, and auto-closure capabilities, reducing manual intervention and ensuring consistent, rapid response to emerging incidents.

### Strategic initiative 06: Expanding the group-wide digital ecosystem

In 2025, the bank continued to modernise its core systems, enhance interoperability, and strengthen customer-centric digital services across the Group. These initiatives support seamless integration with third-party platforms, increasing operational agility, thereby enabling the delivery of superior digital experiences.



## shared services group

During the reporting period, the bank published over 300 group-wide digital APIs, further accelerating the development of integrated, data-driven customer journeys. Interoperability was enabled for 53 products, resulting in smoother cross-platform interactions. Additionally, the bank completed 59 Open Banking customer information services, with payment-related services progressing in line with SAMA's implementation roadmap.

The IT Department advanced the DigiCore initiative in 2025, completing the full transformation of Personal Finance while bringing Auto-Lease, Cards, and all five Mortgage products into production. At the close of the year, more than 2.5 million contracts were active on the new technology stack, and 1.36 million Personal Finance contracts were successfully migrated from the previous legacy system. The mobile marketplace migration to the new, group-ready Marketplace was also successfully completed at the close of the year.

Collectively, these strategic initiatives driven by the IT Department in 2025 continued to yield notable operational enhancements, underscoring the bank's commitment to operational excellence and customer-focused service. Key performance outputs achieved as a result during the reporting period include:

- **Increased transaction volume**  
Successfully processing an average of more than **1.2 Bn. transactions** per month
- **High mobile login activity**  
Recording over **440 Mn.** mobile logins per month
- **Growth in instant payments**  
Achieving **22.6 Mn.** instant payment transactions per month.

These achievements highlight the IT Department's role in enabling alrajhi bank to respond effectively to the increasing demands of a digital-first environment, transforming the bank into a digitally-driven financial ecosystem, supporting long-term growth, resilience, and customer-centric ambition.

### Stringent adherence to regulatory compliance

Operating within a rapidly evolving multi-regulatory environment, the IT Department remains highly vigilant in maintaining regulatory compliance and strong governance across the Group's technology landscape. The Department adheres to national data management and protection regulations and relevant regulatory frameworks at the Group level. During the reporting period, significant progress was achieved in implementing key data protection and governance requirements, further strengthening the bank's data compliance management practices. The bank also successfully completed regulatory technology governance assessments during the year, demonstrating a strong level of compliance and maturity in its IT governance and control framework. These achievements reflect the bank's continued commitment to maintaining robust governance, risk management, and regulatory alignment across its technology operations.

Security and fraud prevention remained a top priority during the reporting period. A full suite of security solutions such as endpoint protection, privileged access management, threat intelligence, email phishing prevention, database monitoring, and cloud security, have been deployed group-wide. The IT Department was also instrumental in setting up anti-fraud initiatives across the group; fraud management system and enhancements in anti-fraud measures reduced fraudulent cases significantly. Additional integrations, including the eBusiness portal with SAS Fraud and the first phase of ARB Global Limit for critical transactions, further strengthened customer protection.

### Talent and capability development

The Shared Services Group planned a comprehensive suite of learning and capability-building programmes in 2025, tailored for IT Operations, IT Solutions, the Command Centre, and Shared Services Control teams, ensuring alignment with the latest tools, technologies, and industry practices.

Training modules covered Core Banking and Production Operations; Cloud, Infrastructure and Integration Technologies; Data, AI and Advanced Analytics; DevOps, Automation and Quality Engineering; and Enterprise Architecture and

## shared services group

Project Delivery. Additional courses on compliance, regulatory requirements and risk management strengthened teams' awareness of the evolving banking and regulatory landscape. Specialised, role-specific training was also delivered for critical positions.

ensuring that the framework remained effective, relevant, and aligned with evolving risks, while ongoing initiatives continue to advance maturity toward higher levels of operational resilience.

### Future outlook



In the year ahead, the IT Department will continue advancing its six strategic initiatives to support the realisation of the overarching objectives of the 'harmonize the group' strategy. A key priority will be reinforcing operations resilience and further empowering the Unified Command Centre in alignment with SAMA requirements and Group objectives. The Department will continue expanding the API platform to deepen the Bank's digital ecosystem, progressing cloud migration, establishing high-availability architectures, and advancing the strategic adoption of hyperscale technologies, thereby collectively strengthening the Bank's scalability, resilience, and ability to deliver seamless, future-ready digital services.

### Enhancing resilience through automation

Automation of the BCM function continued to transform the bank's approach to preparedness in 2025. The Business Impact Analysis (BIA) and Threat Risk Assessment (TRA) were fully digitised within the AutoBCM platform, allowing complete data capture, end-to-end approval tracking, and dynamic reporting for senior management. Business Continuity Plans (BCPs) can now be auto-generated from BIAs, ensuring response and recovery strategies are consistently aligned with real-time changes across the Bank. These enhancements have strengthened governance, reporting accuracy, traceability, and overall operational control, further advancing compliance with regulatory and international resilience standards. A dedicated Project Management Office (PMO) continues to oversee the implementation of active-active projects supporting operational resilience and ensure timely delivery of key initiatives. Delays arising from the absence of established operational resilience frameworks, guidelines, and internal expertise were mitigated by engaging experienced third-party specialists to support the development and implementation of the bank's operational resilience projects.

### Business continuity and crisis management

As alrajhi bank and its subsidiaries continue to evolve into a larger and more interconnected ecosystem through the execution of its 'harmonize the group' strategy, ensuring resilience against expected challenges and adaptability to unexpected disruptions remains a critical priority. Since the approval of the first Business Continuity Policy in 2009, the bank's approach to Business Continuity and Crisis Management (BCM) has been one of continuous improvement. Drawing on years of preparedness, robust plans, well-defined processes, and skilled personnel, alrajhi bank has consistently leveraged intelligent tools and technologies to remain agile and responsive in the face of unprecedented change.

### Crisis management and response

The Crisis Communications Team continues to enhance readiness through dedicated communication channels for rapid coordination and a personal hotline that is currently being established as a fall-back for critical communications in the event of formal communication systems failing during a crisis situation.

In 2025, the BCM function focused on further strengthening organisational resilience across the Group. The Business Continuity Management Policy was maintained under the rigorous oversight of internal audit and SAMA recommendations,



## shared services group

Several major tests and drills were conducted during the reporting period to validate the bank's resilience capabilities. These included a 12-day full-week live IT Disaster Recovery test for alrajhi bank, which was completed successfully, and a 14-day SAMA surprise test, also concluded with successful results. In addition, comprehensive fire drills were carried out across key operational locations, further reinforcing the bank's readiness and adherence to safety and continuity protocols. Supplier continuity was also assessed, and contingency plans developed for critical third-party partners, ensuring resilience across the supply chain.

### Training, awareness, and organisational preparedness

Organisational readiness was strengthened through extensive training and awareness programmes during the reporting period. Employees across the Group completed mandatory e-learning modules, designated BC Champions participated in role-based workshops, and selected staff members obtained internationally recognised certification through specialised external courses delivered by the Professional Evaluation and Certification Board (PECB). The Crisis Management Team carried out a table-top exercise to ensure that the bank's crisis activation and response capabilities remain effective, coordinated and aligned with the expectations of the BCM, Crisis Management and ARB's Overall resilience objectives.

### Future outlook



Looking ahead, the BCM function will advance its digital transformation by automating remaining modules, including Crisis Management, Governance, Exercising, and Training and Awareness. A live dashboard for real-time incident monitoring is expected to be up and running in 2026. The Operational Resilience Programme is expected to be completed, leveraging automation and AI to strengthen business continuity and resilience practices. Guided by global, regional, and local trends, the BCM function will shift from a reactive continuity model to a proactive resilience approach, focusing largely on regulatory compliance, technology and cyber resilience, data-driven crisis management, and robust third-party and supply chain continuity. These initiatives will contribute to the Bank's long-term goal of achieving higher BCM maturity levels under SAMA guidelines, further safeguarding stakeholders and reinforcing confidence in the Bank's operations.

### Supply chain management

In 2025, alrajhi bank's Procurement Department continued to strengthen the bank's competitive position by ensuring the acquisition of high-quality goods and services through its fully automated procurement process. The department continued to foster strategic and mutually beneficial partnerships with key vendors and expanded its supplier base in line with emerging business needs.

The Procurement Department received 12,355 requests that were validated, challenged, negotiated, and processed to achieve a significant increase of 75% YoY in cost savings in 2025:

- 75% increase YoY in cost savings
- 480 bids/tenders – 217% increase YoY
- 2,161 purchase orders issued – 18% increase YoY
- 18,119 Blanket Purchase Agreements (BPAs) released
- 560 contracts issued – 130% increase YoY

## shared services group

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Following the successful completion of Phase 1 of the Procurement Transformation Project in 2024, a high service level delivery performance was effectively maintained at the close of the year.

### Enhancing the procurement process

The Online Procurement Portal was upgraded in 2025 to support registrations from both local and international vendors, fostering a more competitive global vendor base and improving sourcing flexibility. Vendor alignment was strengthened through regulatory awareness sessions, Counter-Fraud training, and the introduction of the Monsha'at Jadeer Certificate as a mandatory onboarding requirement. The Jadeer Certificate is issued to verify that an SME meets national standards for capability, compliance and readiness to work with large organisations, and is expected to drive fair competition while enhancing the credibility of suppliers. Other communication channels such as email, telephone as well as

physical visits were also consistently made available throughout the year, to ensure a smooth, reliable and well aligned procurement operation.

### Strengthening the local supplier network

The Procurement Department participated in BIBAN Global 2025, Saudi Arabia's flagship SME forum organised by Monsha'at, reinforcing the bank's commitment to supporting the local SME ecosystem, strengthening supplier diversity, and advancing local content in line with Vision 2030 objectives. The event offered direct engagement with emerging local suppliers, enhancing the Department's strategic sourcing capabilities. A comprehensive Terms of Business that fully integrates all regulatory requirements needed to elevate internal governance standards, while establishing essential rules of engagement for all external parties was implemented in 2025, setting a benchmark for supply chain best practices across the banking sector.

At the close of the year, alrajhi bank's Online Procurement Portal registered 132 new vendors in 2025, taking the total active vendors on the Portal to 1,545.

	2025	2024	2023	2022
Number of active suppliers	1,545	1,199	937	703

	2025	2024	2023	2022	2021
Total number of suppliers engaged	332	328	301	340	384
Total number of local suppliers engaged	259	234	205	263	285
Percentage of spending on local suppliers (%)	96	94	90	95	92



## shared services group

By ensuring that procurement decisions are driven by total cost of ownership as well as non-cost-related factors such as fitness for purpose, quality, delivery time, service and support, the Procurement Department was able to decrease procurement spend and deliver greater value for money during the reporting period. The percentage of spending on local suppliers increased from 94% in 2024 to 96% in 2025, reflecting the bank's commitment to prioritise locally established businesses.

### Reinforcing strong regulatory compliance

Over the past several years, the Procurement Department has successfully unified sourcing requirements across alrajhi group by aligning procurement policy, procedures and systems, thereby ensuring consistent governance and operational standards across alrajhi bank and its subsidiaries. Given the rapidly evolving regulatory environment of Saudi Arabia, the Procurement Department effectively aligned with all regulatory and compliance requirements issued by SAMA, the Saudi Data and AI Authority (SDAIA), and alrajhi bank's internal stakeholders by automating and embedding all mandated controls across every procurement engagement. These controls covered a wide range of areas including Third-Party Risk, Counter Fraud, IT Governance Framework, Business Continuity, Anti-Money Laundering, Cybersecurity, Compliance and Governance, ensuring alignment with both external mandates and internal governance needs.

During the reporting period, a dedicated team was assigned to address all internal and external audit requirements and document requests by alrajhi bank and its subsidiaries. Additionally, establishing centralised document repository in the system to ensure timely access to all required records.

### The procurement policy of alrajhi bank

The bank's Procurement Policy aligns with industry standards, and remains compliant with all internal regulatory requirements. It aims to minimise procurement-related risks and ensure that the process is conducted in a transparent and efficient manner, respecting ethical and fairness principles with zero discrimination. The Policy safeguards alrajhi from challenges that may arise from last-minute contract changes, vendor negotiations, and late sourcing requests. Every team member involved in the procurement process on behalf of the bank is required to be familiar with this Policy and abide by it through internal awareness sessions. The procurement team has been further equipped with knowledge on the bank's Business Continuity and Crisis Management (BCM) function and Counter Fraud measures through awareness sessions held during the reporting period.

During 2025, the department updated its Procurement Committee Charter and related procedures to align with evolving strategic objectives and participated in reviewing charters for overseas branches in Kuwait and Jordan.

#### Future outlook



The Procurement Department will remain aligned with alrajhi bank's overarching vision and strategic objectives, and continue to revamp Procurement to be a Centre of Excellence for the group, while continuing to strengthen its regulatory and compliance framework to enhance its supply chain's resilience and stability.

# shariah group

Islamic banking continues to strengthen its position as a cornerstone of the global financial system, driven by innovation, resilience, and a steadfast commitment to Shariah-compliant financial solutions. Characterised by robust and sustainable growth alongside institutional maturity, the industry continues to adapt to evolving market dynamics while safeguarding stakeholder interests. In 2025, Islamic banking is entering a transformative phase, shaped by rapid advances in digitalisation, the rise of artificial intelligence, and a heightened focus on environmental sustainability and green finance.

Throughout its long-standing history spanning over 60 years, alrajhi bank has upheld its leadership as the world's largest Islamic bank by remaining firmly committed to the principles and provisions of Islamic Shariah across all its business activities. This commitment is institutionalised through alrajhi bank's Shariah Group, operating under the authority of the Shariah Board and serving as a cornerstone of the Bank's governance framework.

The Shariah Board Secretariat Department plays a central role in studying and analysing all contracts, agreements and banking products, preparing detailed reports for the Shariah Board's deliberation and approval. Following the issuance of resolutions, the Secretariat then communicates the Shariah Board's decisions across the bank's departments and divisions, in addition to providing related guidance to guarantee consistent and accurate implementation.

Complementing this function is the Shariah Audit Department, which oversees the bank's transactions to ensure full compliance with the Shariah Board's resolutions and directives. In addition, the department is responsible for conducting Shariah-compliance audits on the bank's activities through automated systems, programmes and field visits. The Audit Department also continuously reviews, develops and refines auditing standards issued by the Shariah Board, reinforcing a proactive compliance environment.

alrajhi bank was among the first financial institutions to formalise Shariah governance through the General Assembly's adoption of the "Shariah Board Regulations" in 1999, and its subsequent updates that have strengthened the bank's governance structure over time. This practice is reinforced by the "Shariah Governance Framework for Local Banks" issued by the Saudi Central Bank, which further strengthens regulatory alignment, and contributes to maintaining the integrity and credibility of Islamic banking practices within the bank.

As part of Shariah Group's efforts to enhance awareness about Islamic Banking among community members, employees, customers and stakeholders, a series of supervisory, advisory and educational initiatives and events were organised in 2025, including:

- Holding 37 meetings, during which more than 330 formal resolutions and directives were issued to the bank and its subsidiaries.
- Conducting supervisory and awareness visits to 80 bank locations and 6 subsidiaries to assess on-ground compliance.
- Delivering 20 training courses and awareness workshops for employees.
- Disseminating 12 awareness messages on Shariah principles and policies to employees.
- Responding to more than 345 inquiries via phone and email
- Arranging meetings with customers to explain banking products and services, as requested by regional managers.
- Holding a workshop with local banks to share experiences regarding the application of "Shariah governance framework" issued by the Central Bank.

## Future outlook



Islamic banking continues to demonstrate resilient growth and increasing global relevant, supported by regulatory frameworks, advancing digital capabilities, and rising demand for ethical, Shariah-compliant financial solutions. The integration of digital transformation, artificial intelligence, and sustainability considerations is reshaping customer expectations and opening vast new horizons for the future of the Islamic banking industry at local, regional, and global levels.

Shariah Group will continue its vital role in developing alrajhi bank's products and services by providing regulatory and advisory support in line with the Saudi Central Bank's Shariah governance framework, thereby further strengthening alrajhi bank's leadership position at the forefront of Islamic banks globally.



## shariah group

## Members of the Council of Shariah at alrajhi bank

**His Excellence Sheikh  
Abdulaziz Bin Hameen  
Al Hamain**

Chairman – Independent

**Current Positions**

- Member of the Council of Shariah, Emkan Finance Company

**Previous Positions**

- Judge at the Public Court, Al-Ula Province
- President of the Public Court, Al-Rass Province
- Advisor at the Royal Court
- President General, Committee for the Promotion of Virtue and the Prevention of Vice

**Qualifications**

- Bachelor's Degree in Shariah from the College of Shariah, Imam Mohammad Ibn Saud Islamic University

**Experience**

- Three and a half decades of experience in Islamic Jurisprudence in scholarly and advisory capacities

**His Eminence Sheikh  
Dr. Saleh bin Abdullah  
AlIheidan**

Vice Chairman – Non-Independent

**Current Positions**

- Member of the Council of Shariah at Al Rajhi Cooperative Insurance Company (alrajhi Takaful)
- Member of the Council of Shariah at Emkan Finance Company

**Previous Positions**

- Teaching Assistant, then Lecturer at the College of Shariah, Imam Mohammad Ibn Saud Islamic University
- Assistant Professor, Associate Professor, and Professor of Comparative Jurisprudence at the Higher Institute of Judiciary
- Vice Dean of the Higher Institute of Judiciary
- General Manager of the Shariah Group at alrajhi Bank

**Qualifications**

- Bachelor's Degree in Shariah and Fundamentals of Religion from the College of Shariah and Fundamentals of Religion, Imam Mohammad Ibn Saud Islamic University, Qassim Branch
- Master's Degree in Comparative Islamic Jurisprudence from the Higher Institute of Judiciary, Imam Mohammad Ibn Saud Islamic University
- PhD in Comparative Islamic Jurisprudence from the Higher Institute of Judiciary, Imam Mohammad Ibn Saud Islamic University

**Experience**

- A well-established, nearly four-decade long career as a scholar, educator, executive, and subsequently as an advisor of Islamic Jurisprudence

**His Excellence Sheikh  
Sulaiman bin Abdullah  
Al-Majed**

Member – Independent

**Current Positions**

- Member of the Council of Shariah, Emkan Finance Company

**Previous Positions**

- Judge at the Presidency of the Courts, Al-Ahsa Province
- Judge at the Public Court, Riyadh
- Member of the Shura Council
- Member of the Arbitration Committee for the Judicial Decisions Registry

**Qualifications**

- Bachelor's Degree in Shariah from the College of Shariah, Imam Mohammad Ibn Saud Islamic University

**Experience**

- Draws from a career spanning nearly four decades in Islamic Jurisprudence in scholarly and advisory capacities

## shariah group

**His Excellence Sheikh  
Dr. Saad bin Turki  
Al-Khathlan**

Member – Independent

**Current Positions**

- Teacher at the Grand Mosque and the Prophet's Mosque
- Member of the Council of Shariah, Al Rajhi Capital
- Shariah Advisor at the Saudi Food and Drug Authority
- Member of the Council of Shariah, Emkan Finance Company

**Previous Positions**

- Member of the Council of Senior Scholars
- Chairman of the Board of Directors, Saudi Jurisprudence Association

**Qualifications**

- Bachelor's Degree in Shariah from the College of Shariah, Imam Mohammad Ibn Saud Islamic University
- Master's Degree in Islamic Jurisprudence from the College of Shariah, Imam Mohammad Ibn Saud Islamic University
- PhD in Islamic Jurisprudence from the College of Shariah, Imam Mohammad Ibn Saud Islamic University

**Experience**

- Over 3 decades of experience in scholarly and advisory capacities in Islamic Jurisprudence

**His Excellence Sheikh  
Dr. Abdullah bin Nasser  
Al Salmi**

Member – Independent

**Current Positions**

- Professor of Comparative Islamic Jurisprudence at the Higher Institute of the Judiciary
- Member of the Council of Shariah, Emkan Finance Company

**Previous Positions**

- Associate Professor Islamic Jurisprudence at the Higher Institute of the Judiciary

**Qualifications**

- Bachelor's Degree in Shariah and Fundamentals of Religion from the College of Shariah and Fundamentals of Religion, Imam Mohammad Ibn Saud Islamic University, Qassim Branch
- Master's Degree in Comparative Islamic Jurisprudence from the Higher Institute of the Judiciary, Imam Mohammad Ibn Saud Islamic University
- PhD in Comparative Islamic Jurisprudence from the Higher Institute of the Judiciary, Imam Mohammad Ibn Saud Islamic University

**Experience**

- Nearly thirty years of experience in Islamic Jurisprudence in scholarly and advisory capacities





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# sustainable development

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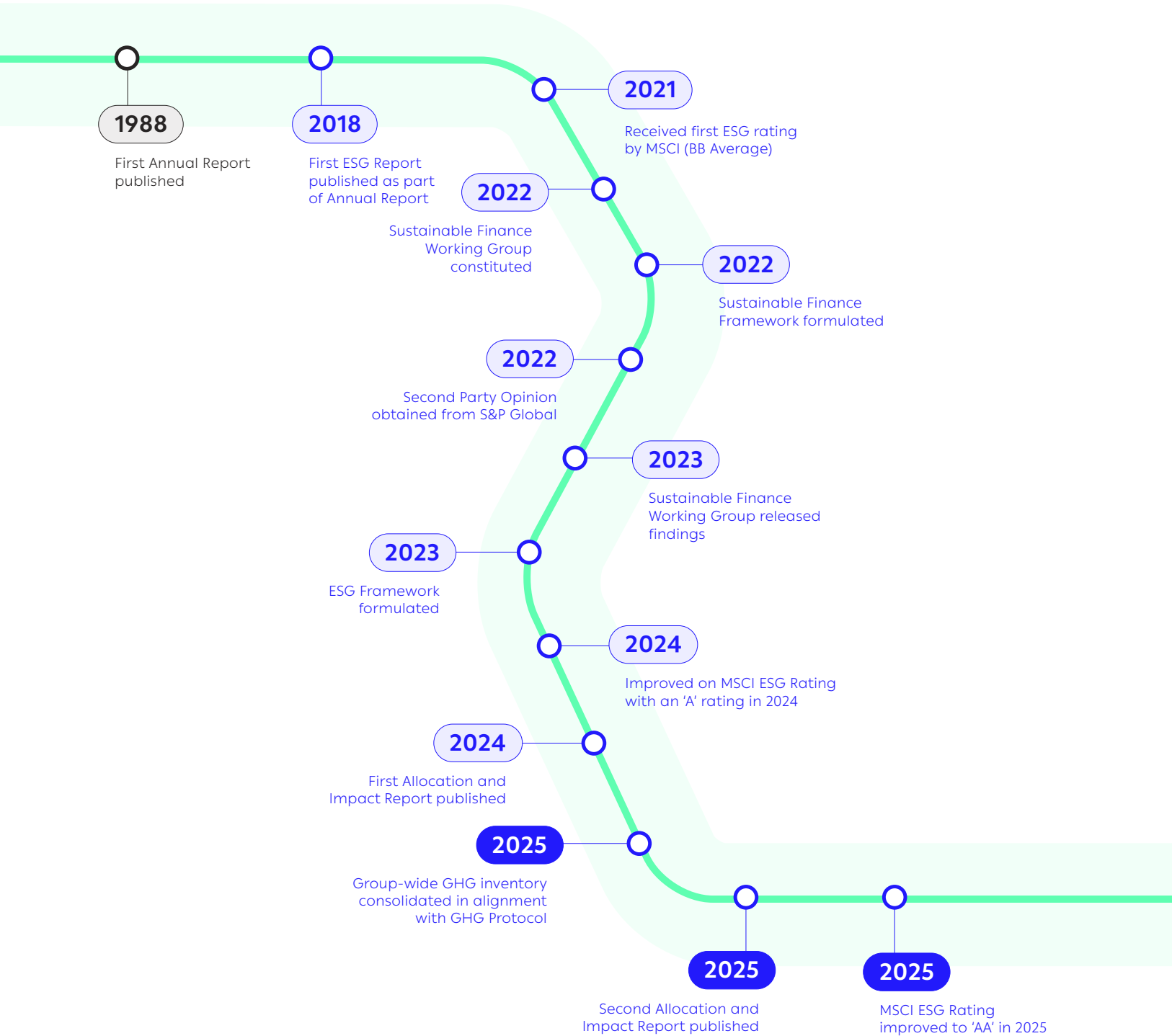


alrajhi bank views sustainable development as integral to its purpose and long-term value creation. Environmental, social, and governance (ESG) considerations are embedded across the bank's strategy, operations, products and services, guiding responsible decision-making and ethical growth. Through shariah-compliant solutions, the bank supports Saudi Vision 2030 objectives by fostering inclusive economic growth, expanding financial inclusion, strengthening digital transformation, and promoting environmental stewardship and social practices that contribute to a resilient, diverse, and sustainable economy.

## ESG highlights for 2025

Financial and Resource Sustainability	Environmental	Social	Governance
0% financing exposure in Tobacco, Alcohol and Gambling	5.27 MTCO <sub>2</sub> e GHG emissions intensity (GJ/employee)	9,714 New hires	4 out of 11 Independent Board Directors
ﷲ 24.8 Bn. Net Profit after Zakat	4% GHG emissions reduced (Scope 1 & 2)	ﷲ 2.8 Bn. Zakat	ISO 22301:2019 Business Continuity Management System
ﷲ 1,043 Bn. Total Assets	Started using solar energy system in 61 branches to reduce utilities consumption	98.68% Saudisation rate (bank level)	ISO/DIS 37301:2020 Compliance
25,083 Employees at the group level	Around ﷲ 3 Bn. of financing renewable energy projects	65.25 hours Average training hours per employee	0 instances of corruption
332 Suppliers/Partners	96:4 Digital to Manual Ratio	36% Gender Diversity at the Group level	0 data privacy and cybersecurity incidents
	USD 2 Bn. Sustainable Senior unsecured sukus	33+ Nationalities	
	USD 2.5 Bn. Sustainable Tier 1 sukus	15 Volunteer programmes covering 1,000+ volunteers	
		272+ Catheterisation Procedures Performed	
		ﷲ 59 Bn. in financing for SMEs	

# alrajhi bank's sustainability journey



# alrajhi bank's approach to ESG

alrajhi bank's sustainability strategy serves as the foundation of its vision of sustainable development and guides the integration of ESG principles across all business functions and decision-making processes of the bank.

Supporting	Creating	Conducting	Fostering
<b>Vision 2030 &amp; KSA Net Zero</b>	<b>A Digital Future</b>	<b>Responsible Business with Good Governance</b>	<b>Ties with Communities</b>
<b>Private Sector Contribution to GDP</b> Corporate Loans Market Share	<b>Financial Inclusion through Digital</b> New Account Opening Online	<b>Shariah-Compliant</b> Number of Shariah Resolutions	<b>Employer of Choice</b> Employee Engagement
<b>Saudi Home Ownership</b> Mortgage Market Share	<b>Digital Leader for Customer Insight</b> Active Digital Customers	<b>Board Independence</b> Number of Independent Board Members	<b>Employee Learning</b> Total Employee Learning Hours
<b>MSME Contribution to GDP</b> MSME as % of Corporate Portfolio	<b>Digital Execution and Offering</b> End-to-End Digital Personal Financing	<b>Customer Experience</b> Net Promoter Score	<b>Employment Opportunities</b> Female Employee Ratio
<b>KSA Net Zero by 2060</b> Green Financing and Funding	<b>Digital Care Banking Platform</b> Digital to Manual Ratio	<b>Corporate Governance</b> Number of Policy and Procedures reviewed	<b>Support Local Content</b> Spending on Local Suppliers
<b>Move to Cashless Society</b> POS Terminal Market Share	<b>Modernise our Technology</b> % of Applications Modernised	<b>Regulatory Compliance</b> Fine % of Total Operating Income	<b>Donation and Social Initiatives</b> Total Spending on Social Activities

alrajhi bank's sustainability priorities are structured around four strategic pillars: **Supporting Vision 2030 and KSA Net Zero**, **Creating a Digital Future**, **Conducting Responsible Business with Good Governance**, and **Fostering Ties with Communities**. Together, these pillars translate national aspirations and stakeholder expectations into clear focus areas and measurable indicators that guide the bank's long-term value creation.

## alrajhi bank's approach to ESG

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### Pillar 01: Supporting Vision 2030 and KSA net zero

Under this pillar, the bank aims to accelerate Saudi Arabia's economic diversification and climate ambitions by expanding its corporate loan and mortgage market share to support economic growth, Saudi home ownership, and the contribution of SMEs to the national economy. The bank also continues to steadily scale its green financing activities to help the Kingdom achieve net zero by 2060, while accelerating the transition to a cashless society by enabling digital transactions and through growth in POS terminal market share. Please read about the bank's business portfolio [here](#) and green financing efforts [here](#).

KSA Vision 2030 Goal	Key metric	Highlights in 2025
Private Sector Contribution to GDP	Corporate loans market share	<b>14.5%</b> #3 in the market
Saudi Home Ownership	Mortgage loans market share	<b>37.7%</b> #1 in the market
MSME Contribution to GDP	MSME as a % of total Corporate Portfolio	8%
KSA Net Zero 2030	Total sustainable financing	<b>USD 6.9 Bn.</b> Green syndicated loan
Move to Cashless Society	POS Terminal Market Share	<b>43.5%</b> #1 in POS (terminals)

### Pillar 02: Creating a digital future

The bank seeks to drive financial inclusion through customer-centric digital innovation. By leveraging data-driven insights to better understand customer needs, the bank delivers hyper-personalised banking solutions across digital channels. Fully digital customer journeys backed by a digital care banking platform enhances accessibility, service quality, and customer experience. The bank continues to modernise its technology landscape, strengthening operational efficiencies, resilience, and scalability, while enabling a seamless transition to a digitally enabled, customer-centric banking model. Please read all about the bank's digitalisation and automation initiatives on page 187.

Key metrics	Highlights in 2025
New Account Opening Online, Retail	97%
New Account Opening Online, SME	78%
Active Digital Customers	14.9 million
End-To-End Digital Consumer Financing	97%
Digital to Manual Ratio	96:4
% of Applications Modernised	62%



## alrajhi bank's approach to ESG

### Pillar 03: Conducting responsible business with good governance

alrajhi bank upholds the highest standards of responsible banking through strong governance, ethical conduct, and rigorous Shariah compliance. Effective oversight by a board with a strong independent representation, together with robust policies, controls, and regulatory adherence, underpins the bank's long-term stability and trust. Customer experience remains a core focus, while ongoing reviews of corporate governance frameworks, risk management practices, and compliance processes ensure transparency, accountability, and alignment with regulatory expectations across all operations. Please refer to page 179 for more information on customer experience and page 214 for more information on the bank's corporate governance measures.

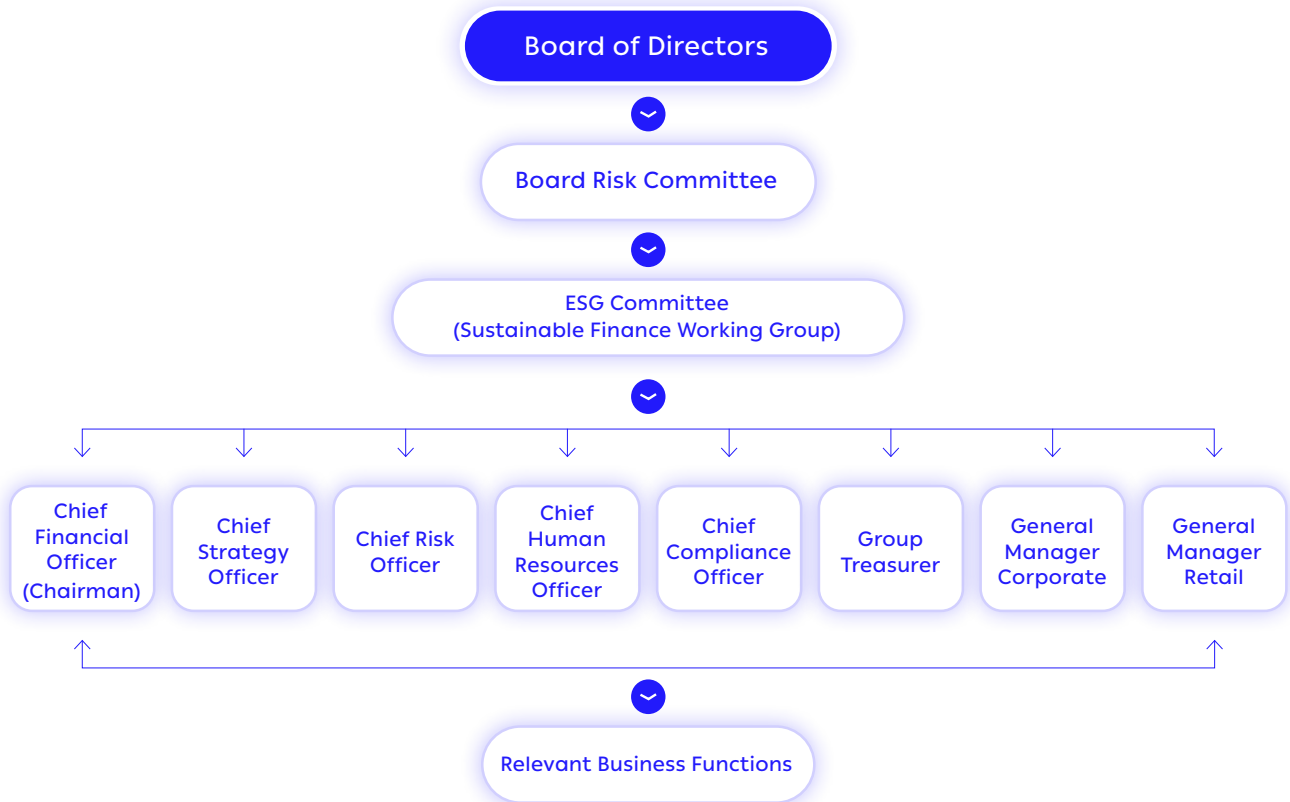
Key metrics	Highlights in 2025
Number of Shariah Resolutions	Achieved 100% of Business Requirement
Number of Independent Board Members	36.36%
Net Promoter Score	82
Policy and Procedures	Achieved 100% of Business Requirement
Fines as a % of Total Operating Income	28 bps

### Pillar 04: Fostering ties with communities

The bank positions itself as an employer of choice by focusing on employee engagement, learning and development, and a diverse and inclusive workplace with equal employment opportunities and long-term career growth. It also strengthens its contribution to society by supporting local content through responsible procurement of local suppliers. The bank advances its social impact through donations and community initiatives that address priority social needs, reflecting its commitment to inclusive growth and its role as a responsible corporate citizen.

Key metrics	Highlights in 2025
Total employee learning hours	650,000+
Female Employee Ratio (at the Group level)	36%
Spending on Local Suppliers	96%

# ESG governance at alrajhi bank



The bank's ESG Committee (Sustainable Finance Working Group) leads its sustainability efforts. The ESG Committee is chaired by the Chief Financial Officer (CFO), and comprises the Chief Strategy Officer (CSO), Chief Risk Officer (CRO), Chief Human Resources Officer (CHRO), Chief Compliance Officer (CCO), General Managers of both B2B and B2C business verticals, and the Group Treasurer. The Committee's oversight lies with the Board Risk Management Committee, which is updated

of its activities twice a year. The Board Risk Committee reports to the Board of Directors, who are responsible for the committee's direction, in order to guarantee that ESG-related goals are integrated into the bank's governance system, business model, and decision-making procedures. To learn more about the ESG Committee's mandate, please refer to Page 206 of the Sustainable Financing chapter.



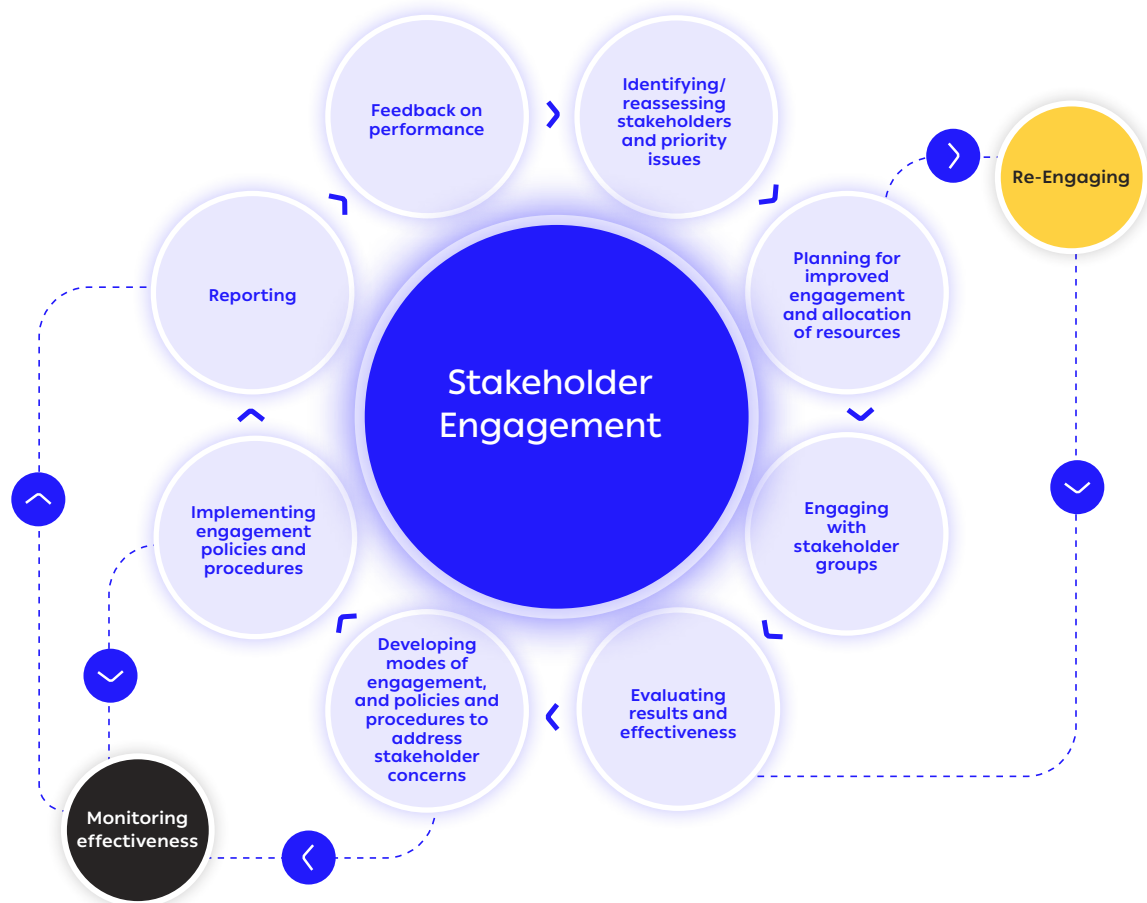
# stakeholder engagement

Stakeholder engagement is a cornerstone of alrajhi bank's approach to sustainable development. The bank recognises that maintaining open, transparent, and continuous dialogue with its stakeholders is essential to building trust, anticipating emerging expectations, and aligning business strategy with stakeholder expectations. By actively engaging with diverse stakeholder groups including customers, employees, regulators, investors, and communities, the bank ensures that its decisions are informed, inclusive, and responsive to the dynamic environment in which it operates. This ongoing collaboration enables alrajhi bank to create shared value, strengthen relationships, and drive long-term resilience across its operations and the wider financial ecosystem.

## alrajhi bank's stakeholders



- Investors
- Customers
- Business partners
- Employees
- Society and environment
- Government authorities and regulators

Throughout the reporting period, alrajhi bank maintained proactive engagement with its stakeholders to gain a deeper insight into their evolving needs and expectations. To remain effectively engaged with its stakeholder groups, the bank has established a comprehensive stakeholder engagement process that enables continuous improvement through timely communication, responsiveness, and transparency.





# stakeholder engagement

## Mode and frequency of engagement



Stakeholder group	Topics of engagement	Modes of engagement	Frequency of engagement				
			ANN	QUA	MON	AR	CON
<b>Investors</b> 	<ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Strategy</li> <li>• Governance</li> <li>• Shareholder Returns</li> <li>• Business Expansion Plans</li> <li>• Risk Management</li> <li>• Sustainable Growth</li> <li>• ESG Considerations</li> </ul>	<ul style="list-style-type: none"> <li>• General Assembly Meeting</li> <li>• Extraordinary General Meetings</li> <li>• Integrated Annual Report with ESG Disclosure</li> <li>• Interim Financial Statements</li> <li>• Investor Earnings Call</li> <li>• Investor Roadshows and Presentations</li> <li>• Investor Disclosures/Presentations</li> <li>• Press Conferences and Press Releases</li> <li>• Announcements made on the Saudi Stock Exchange</li> <li>• Dedicated Page on Corporate Website</li> <li>• One-on-One Discussions</li> <li>• Feedback Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Banking Hours</li> <li>• Customer Data Security and Privacy</li> <li>• Service Quality</li> <li>• Financial Inclusion</li> <li>• Affordability of Services and Convenience</li> <li>• Digital Accessibility (to accommodate various impairments and disabilities)</li> <li>• Grievance Handling Mechanism</li> <li>• Financial Education and Literacy</li> <li>• Personalised Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Branches</li> <li>• Service Centres</li> <li>• ATM Network (with accessibility features)</li> <li>• Online Banking</li> <li>• Mobile App (with accessibility features)</li> <li>• Corporate Website</li> <li>• Digital Media and Conventional Media</li> <li>• Customer Satisfaction Surveys</li> <li>• Customer Visits</li> <li>• Customer Queries and Complaints</li> <li>• Net Promoter Score (NPS)</li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>



## stakeholder engagement

Stakeholder group	Topics of engagement	Modes of engagement	Frequency of engagement				
			ANN	QUA	MON	AR	CON
<b>Business Partners</b> 	<ul style="list-style-type: none"> <li>• Contractual Performance</li> <li>• Future Business Opportunities</li> <li>• Maintaining Healthy Relationships</li> <li>• Timely Settlement of Dues</li> <li>• Ease of Working</li> <li>• Growth Potential</li> <li>• Fintech and Other Collaborations</li> </ul>	Supplier Relationship Management On-site Visits and Meetings				<ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul>	
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Performance Standards</li> <li>• Career Planning</li> <li>• Training and Development</li> <li>• Corporate Values</li> <li>• Corporate Strategies and Plans</li> <li>• Trends in Banking</li> <li>• Saudisation</li> <li>• Remuneration and Benefits</li> <li>• Employee Loyalty and Recognition</li> <li>• Social and Environmental Advocacy</li> </ul>	Induction and Training Programmes Key Performance Indicators (KPIs) alrajhi Academy Career Development Guidance Internal Communications Staff Societies Volunteerism HR Management Systems Employee Self-Service App SAHL Employee Engagement Surveys		<ul style="list-style-type: none"> <li>•</li> </ul>		<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>	

# stakeholder engagement

Stakeholder group	Topics of engagement	Modes of engagement	Frequency of engagement				
			ANN	QUA	MON	AR	CON
<b>Government Authorities and Regulators</b> 	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Strategy</li> <li>Governance</li> <li>Business Expansion Plans and Sustainable Growth</li> <li>Risk Management</li> <li>Saudisation</li> <li>Employment Opportunities</li> <li>Contribution to Economic Development and Diversification</li> </ul>	<ul style="list-style-type: none"> <li>Consultations</li> <li>Relationship Building Meeting</li> <li>Informal Briefings and Communications</li> <li>General Assembly Meeting</li> <li>Extraordinary General Meetings</li> <li>Integrated Annual Report with ESG disclosure</li> <li>Interim Financial Statements</li> <li>Announcements made on the Saudi Stock Exchange</li> </ul>				<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	
<b>Communities and Environment</b> 	<ul style="list-style-type: none"> <li>Financial Inclusion</li> <li>Affordable Financing for Disadvantaged Segments</li> <li>Community Empowerment</li> <li>Assistance to Disadvantaged and Vulnerable Groups</li> <li>Saudisation</li> <li>Employment Opportunities</li> <li>Microfinancing and MSME Support</li> <li>Environmental Performance</li> <li>Corporate Social Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Multi-Channel Delivery</li> <li>Integrated Annual Report with ESG Disclosure</li> <li>Press Releases and Media Briefings</li> <li>Informal Briefings and Communications</li> <li>Public Events</li> <li>Corporate Website</li> <li>Educational Projects</li> <li>Youth Development and Employment Projects</li> <li>Microfinancing for Women</li> <li>Programmes for MSMEs</li> <li>Assistance to the Needy and Vulnerable through CSR Projects</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> </ul>			<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>

ANN – Annual | QUA – Quarterly | MON – Monthly | AR – As Required | CON – Continuous



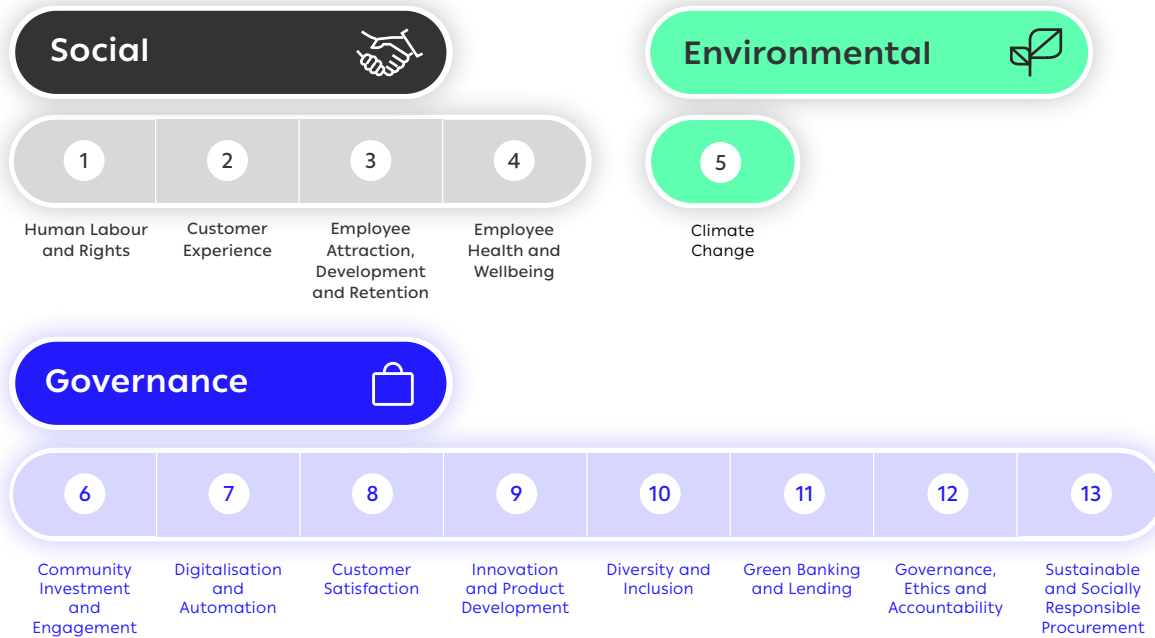
# materiality

alrajhi bank has conducted a comprehensive materiality assessment to identify the key ESG risks and opportunities most relevant to its stakeholders, operations, and long-term strategic priorities. Materiality topics are reviewed annually to ensure continued alignment with evolving stakeholder expectations, regulatory

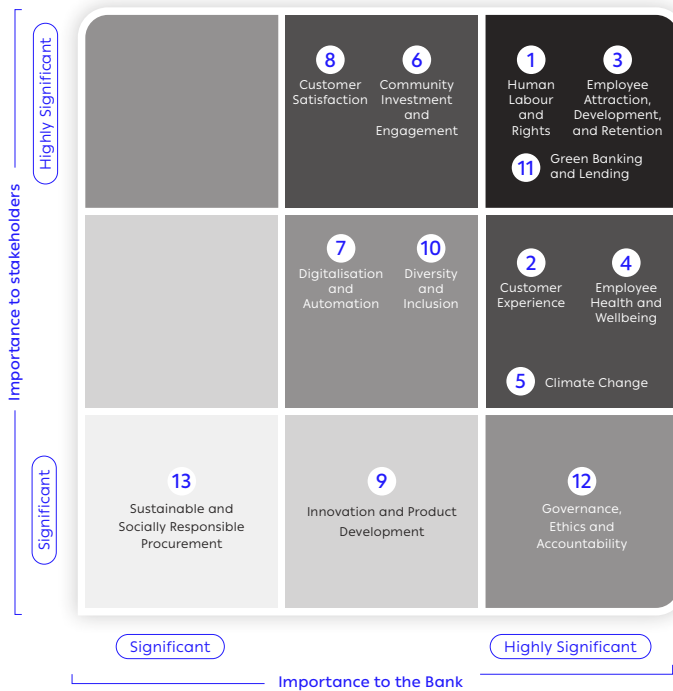
developments, and global sustainability trends. At present, the bank has identified 13 ESG-related material topics, which serve as the foundation of its ESG Framework and are relevant to its 'harmonize the group' strategy. The material issues most significant to external stakeholders are presented in the table below:

Climate Change	Investors	Customers		
Human Labour and Rights	Government Authorities and Regulators	Investors		
Customer Experience	Customers			
Community Investment and Engagement	Communities	Investors		
Digitalisation and Automation	Investors	Customers		
Customer Satisfaction	Investors	Customers		
Innovation and Product Development	Investors	Customers		
Diversity and Inclusion	Investors			
Green Banking and Lending	Investors	Customers		
Governance, Ethics, and Accountability	Government Authorities and Regulators			
Sustainable and Socially Responsible Procurement	Investors	Customers	Communities	Business Partners

# materiality



## alrajhi bank's materiality matrix



The materiality matrix showcases how alrajhi bank has prioritised its material topics, which form the basis of the bank's Sustainability Strategy as well as its CSR initiatives. The outcomes for external stakeholders are reflected through the bank's Value Creation Model, as well as the UN SDG Mapping Table (page 129), which capture performance, key initiatives, and impacts under each material topic. By embedding materiality into its governance, strategy, and operations, alrajhi bank continues to enhance stakeholder value, strengthen its sustainability performance, and align with the Kingdom's Vision 2030 objectives. Moreover, these material topics form the foundation of the bank's ESG disclosures in line with the Saudi Exchange ESG Disclosure Guidelines, reinforcing transparency and strategic alignment. Through this ongoing process, alrajhi bank upholds its position as a leader in sustainable Islamic banking, driving positive environmental and social change across the financial ecosystem.



# aligning with the United Nations Sustainable Development Goals (UNSDGs)

**Material Topics**

- Customer Experience

**Alignment (%)**



Target 1.4    Target 1.5

**Key initiatives**

alrajhi bank's ground-breaking wearable payment bracelet built specifically for children, representing Saudi Arabia's first comprehensive

**UN SDGs**



youth banking ecosystem. Connected to a dedicated children's account, SWAR empowers young users to make secure digital payments through NFC, access ATMs, set savings goals, and participate in real-world financial activity, while parents maintain full oversight through spending controls, real-time notifications, and multi-child management.

alrajhi bank has started an initiative to promote financial inclusion for women through ladies branches. At present, 176 branches have a dedicated ladies branch.

Through our offerings, alrajhi bank promotes financial inclusion amongst SMEs and lower income groups. Please read more details about our products and service offerings on Page 45.

**Material Topics**

- Community Investment and Engagement

**Alignment (%)**



Target 3.8

**Key initiatives**

CSR Strategy was formulated, with the Social Responsibility Policy as its foundation.

Various CSR initiatives were implemented across the pillars of the CSR Strategy. More information may be found on Page 166 onwards.

**UN SDGs**



**Material Topics**

- Community Investment and Engagement

**Alignment (%)**



Target 4.3

**Key initiatives**

alrajhi bank Academy serves as the bank's central learning hub, with a School of Leadership

**UN SDGs**



that develops future leaders across early-career, mid-management, and senior leadership levels, and a School of Banking that delivers technical and functional training on banking, regulation, risk, digital banking, cybersecurity, and customer experience.

Through the TALEEM learning platform, employees access exclusive digital modules and specialist courses, while the bank uses data-driven dashboards to monitor participation and completion; in 2025, 9,487 users completed 116,392.62 e-learning hours on TALEEM.

The METAKKED gamified learning application uses AI-powered, interactive challenges to strengthen employees' behavioural and functional skills, engaging 4,102 employees in 2025.

# aligning with the United Nations Sustainable Development Goals (UNSDGs)

**Material Topics**

- Diversity and Inclusion

**Alignment (%)**



Target 5.b

**UN SDGs**




**Key initiatives**

alrajhi bank fosters an inclusive workplace for employees with disabilities through reasonable accommodation, accessible facilities, flexible work options, and targeted recruitment and mentorship.

**Material Topics**


- Climate Change

**Alignment (%)**



Target 7.a

**UN SDGs**



**Key initiatives**

Enhanced cooling efficiency and reduced energy consumption associated with chilled-water systems.

Supported consistent energy savings by reducing unnecessary lighting runtime.


Achieved significant efficiency gains, extended lighting system life, and reduced electricity demand.

Lowered cooling demand and improved overall building energy performance.

**Material Topics**

- Digitalisation and Automation
- Customer Satisfaction
- Innovation and Product Development

**Alignment (%)**




Target 9.4   Target 9.3   Target 9.b

**Key initiatives**

**Digitalisation and Automation**

The bank processed over 1.2 billion transactions per month, recorded 440+ million mobile logins monthly, and achieved 22.6 million instant payments per month, with digital adoption reaching 96%.

**UN SDGs**



Cloud-based applications increased to 92%, automated processes reached 62%, and over 400 group-wide APIs were published, enabling 53 interoperable products and 59 Open Banking services.

DigiCore transformation activated 2.5+ million contracts on the new technology stack, including 1.36 million Personal Finance migrations, accelerating full digital core modernisation.

Credit card processing reached 85% automation, delivering efficiency gains equivalent to 200 FTEs, while the IT Governance Framework assessment achieved high level of compliance under SAMA.

**Innovation and Product Development**

alrajhi bank strengthened the Kingdom's FinTech ecosystem through subsidiaries Neoleap, Neotek and Drahim.

The bank accelerated SME innovation, with SME financing growing 50% in 2025, reinforcing support for private-sector and digital entrepreneurship.




## aligning with the United Nations Sustainable Development Goals (UNSDGs)

**Material Topics**

- Human and Labour Rights
- Employee Health and Wellbeing

**Alignment (%)**



Target 8.7   Target 8.8   Target 8.5


Target 8.6   Target 8.10

**Key initiatives**

The bank's internal mobility platform **Nomu** enables employees to explore and apply for opportunities across alrajhi group, supporting cross-functional moves and career progression. By directing recruitment inwards, it helps retain talent and expand employees' skill sets through new roles and development paths.

The bank's digital learning ecosystem combines e-learning, virtual and self-paced content to provide flexible, accessible development opportunities for employees across the Group.

**UN SDGs**



The Saudisation programme also supports SDG 8 – Decent Work and Economic Growth, by advancing inclusive, sustainable economic growth and productive employment for Saudi nationals.

The Knowledge Hub portal provides frontline sales employees with on-demand product knowledge, helping them understand all retail offerings, respond accurately to customer queries and achieve strategic cross-sell targets, thereby supporting SDG 8 – Decent Work and Economic Growth by enhancing workforce skills, productivity and quality of service.

Employees can utilise paid exam leave and flexible study arrangements (where business needs permit). Furthermore, a clear approval process is in place post-probation for those wishing to pursue role-relevant certifications or academic programmes.

The bank offers a wide range of non-monetary benefits across life stages, including paid annual leave and public holidays, Hajj leave, marriage and bereavement leave, Iddah and child-companionship leave, relocation and study/exam leave, as well as volunteer leave for employees supporting charitable or community initiatives.

**Material Topics**

- Innovation and Product Development

**Alignment (%)**



Target 11.1

**UN SDGs**



**Key initiatives**


alrajhi bank has financed several projects around renewable energy, wastewater treatment and water conservation. More details may be found in the 'Sustainable Financing' chapter on Page 201.

# aligning with the United Nations Sustainable Development Goals (UNSDGs)

**Material Topics**

- Sustainable and Socially Responsible Procurement

**Alignment (%)**




Target 12.7

**Key initiatives**

The bank's Supply Chain Management function continues to operate under a strengthened Procurement Policy aligned with national

**UN SDGs**



Regulatory requirements, ensuring a transparent, efficient and ethical sourcing process. In 2025, 96% of total procurement spending was directed toward local suppliers.


The Online Procurement Portal was enhanced to support both local and international vendor registrations, further increasing transparency and operational efficiency. The total number of active vendors on the portal rose to 1,545 at the close of the year.

Regulatory controls covering third-party risk, counter-fraud, business continuity, AML and cybersecurity were embedded across all procurement engagements, reinforcing governance, compliance and supply chain resilience.

**Material Topics**

- Climate Change
- Green Banking and Lending

**Alignment (%)**




Target 13.1

**Key initiatives**

alrajhi bank has implemented water-efficiency initiatives across its facilities. The bank integrated ultrasonic water flow meters into its BMS, allowing for more precise monitoring and control of water usage. Additionally, the Reverse Osmosis (RO) plant at alrajhi tower was upgraded to enable the reuse of treated wastewater for irrigation purposes.

USD 8.9 Bn. was allocated to sustainable financing in alignment with Sustainable Finance Framework.

**UN SDGs**




## aligning with the United Nations Sustainable Development Goals (UNSDGs)

### Material Topics

- Governance, Ethics and Accountability

### Alignment (%)



Target 16.5

### Key initiatives

alrajhi bank maintains a robust governance framework grounded in transparency and accountability, supported by strong Board oversight with 36% independent representation and specialised Board and management committees.

### UN SDGs



The bank applies CMA and SAMA governance requirements, reinforced by formal disclosure and related party controls, with no CMA fines recorded in 2025.

A Whistleblower and Anti-Bribery & Corruption framework enables confidential reporting across the group, with 100% of employees trained on anti-corruption policies in 2025 and zero tolerance for retaliation.

Stringent AML, CTF and sanctions controls are implemented through risk-based due diligence, enhanced PEP monitoring and automated transaction surveillance systems.

An integrated internal control and risk management framework confirmed the adequacy of internal controls in 2025, with no material findings, supported by active Board and committee oversight.

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# environmental stewardship and climate action

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carbon footprint  
and reduction  
strategy

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climate risk and  
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environmental  
performance





GRI 3-3

alrajhi bank is strengthening its environmental stewardship by advancing comprehensive measures to reduce its operational footprint, enhance resource efficiency, and support the Kingdom's broader sustainability ambitions. In 2025, the bank continued embedding sustainability into its operations through targeted energy efficiency upgrades, expanded renewable energy integration, and systematic monitoring of greenhouse gas emissions in line with global standards. Complementing these efforts, the bank advanced responsible water management, waste-handling practices, and digital solutions that reduce material consumption. Through these initiatives, alrajhi bank reinforced its commitment to Saudi Vision 2030 and the Saudi Green Initiative, contributing to a more resilient and low-carbon economy.

Material Topics

- Climate Change

UN SDGs



Key highlights in 2025

**130,178 MTCO<sub>2</sub>e**

of total GHG emissions in 2025

**1,218,683.4 kWh**

total electricity savings

**4.5%**

improvement of energy savings compared to previous year

**5.27 MTCO<sub>2</sub>e**

per employee

# energy efficiency initiatives and performance highlights

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## Energy efficiency initiatives in 2025

The bank conducted a detailed review of building systems across its headquarters and key facilities to identify opportunities for operational efficiency without compromising occupant comfort or system reliability. Throughout 2025, alrajhi bank advanced a broad programme of operational efficiency initiatives aimed at reducing energy consumption and improving building performance. These measures were implemented across the Head Office, Operations Building, and multiple branches, delivering tangible improvements in resource use. This assessment revealed that HVAC operations and continuous lighting were the primary contributors to elevated energy consumption. In response, the Bank implemented a targeted optimisation strategy focusing on these systems, and delivering measurable improvements in overall resource efficiency.

Initiatives	Key actions implemented in 2025	Benefits
<b>Building Systems Efficiency Review</b>	<p>Applied 10,800 m<sup>2</sup> of thermal insulation at the HQ, Operations Building and 23 branches.</p> <p>Conducted a detailed review of building systems across headquarters and key facilities to identify operational efficiency opportunities without compromising occupant comfort or system reliability.</p>	<p>Through a combination of lighting efficiency measures and HVAC optimisation efforts, the Bank achieved total energy savings of 1,218,683.4 kWh in 2025, representing a 4.5% improvement compared to the previous year.</p>
<b>Lighting Efficiency Enhancements</b>	<p>Installed 278 programmable timer switches to automate lighting schedules; lighting schedules refined based on updated occupancy insights. 578 timers installed by 2025.</p> <p>Motion detection sensors were installed in corridors, restrooms, storerooms and low traffic zones. Lights automatically turn off after a specified period of inactive time.</p> <p>The delay before the lights switch off was adjusted to ensure sufficient illumination for occupants who remain passively seated at their workstations.</p>	
<b>HVAC Optimisation</b>	<p>Adjusted cooling tower and chiller operating schedules to align with actual occupancy patterns; shifted start-up and shutdown times based on real load profiles; optimised pump speeds and sequencing using Variable Frequency Drives (VFDs) to modulate flow based on real-time demand instead of fixed-speed operation.</p>	



## energy efficiency initiatives and performance highlights

In line with GRI 302 (Energy), alrajhi bank tracks energy consumption across fuel, grid electricity, and renewable sources to monitor efficiency and support informed decision-making. In 2025, total energy consumption amounted to **868,871 GJ**, of which **567 GJ** was attributed to petrol and diesel use, **844,169 GJ** to non-renewable electricity purchased from the grid, and **24,136 GJ** to renewable energy sources. Based on workforce levels, the Bank's **energy intensity** stood at **34.6 GJ per employee**, providing a consistent baseline against which future energy-efficiency improvements and reductions in operational energy use can be measured.

Energy consumption (Sources)	Unit	2025		2024	
		Energy	Total energy	Energy	Total energy
Energy Consumption from Petrol and Diesel	GJ	567 <sup>#</sup>		397 <sup>#</sup>	
Energy Consumption from Non-renewable electricity purchased from grid	GJ	844,169		876,053 <sup>*</sup>	
Energy Consumption from Renewable sources	GJ	24,136	868,871	23,815 <sup>*</sup>	900,265 <sup>*</sup>
Energy Intensity per employee (GJ/Employee)	GJ/ Employee	34.6		38.5 <sup>*</sup>	

\* The energy consumption data for the year ending 31 December 2024, have been restated due to an improvement in data availability and methodology. The CY24 energy intensity number has been revised accordingly.

# For calculating energy consumption from petrol and diesel, Net Calorific Value (NCV) of 45 GJ/ton and 43 GJ/ton have been considered, respectively.

### Advancing GCC climate ambitions in line with national visions

The GCC continues to accelerate its transition toward diversified, low-carbon economies. The United Arab Emirates is advancing its Energy Strategy 2050, with planned investments of AED 150–200 Bn. in clean energy by 2030. Similarly, Saudi Arabia has set ambitious targets under Vision 2030, aiming for net-zero emissions by 2060, and for half of its power mix to come from renewable sources by 2030. These bold national commitments are driving a surge in green investment throughout the region. Qatar has also pledged to reduce greenhouse gas emissions by 25% by 2030 relative to a business-as-usual scenario.

Recognising how crucial financial institutions are to the low-carbon transition, alrajhi bank has continued to integrate ESG risk considerations into its credit approval processes. The bank works with external consultants to assess the environmental and social impacts of eligible projects and, while the bank is not a formal signatory, it aligns its practices with international standards such as the Equator Principles and Green Loan Principles.

Through this approach, alrajhi bank has reinforced its position as a leading financier of sustainable and energy-transition projects in Saudi Arabia. Its portfolio supports the Kingdom's future energy mix by financing high-impact clean-energy developments, including green hydrogen and green ammonia facilities, designed to reduce greenhouse gas emissions and contribute to national climate targets under Vision 2030 and the Saudi Green Initiative. alrajhi bank has financed multiple large-scale renewable energy projects across Saudi Arabia, including participation in the Red Sea Utilities project, which supports the Red Sea Development through renewable-powered utilities infrastructure such as a 340 MW photovoltaic solar power facility with co-located battery energy storage, a biodiesel-fuelled power plant, desalination and wastewater treatment facilities, and district cooling systems, all designed to operate on renewable energy and reduce the environmental footprint of large-scale tourism development.



# carbon footprint and reduction strategy

alrajhi bank continued improving its performance in its carbon footprint and reduction strategy by formally compiling and calculating its greenhouse gas (GHG) emissions. This effort has given the bank a clearer understanding of its emissions profile and supports more effective management and oversight of its environmental impact. The bank's greenhouse gas inventory has been prepared in accordance with the GHG Corporate Accounting and Reporting Standard (GHG Protocol). The operational boundary covers all owned and leased assets across the bank's footprint in Saudi Arabia, Malaysia, Kuwait, and Jordan, including branches,

offices and ATM networks. This boundary reflects the locations where alrajhi bank has operational control and therefore the ability to measure and manage emissions across its activities.

In 2025, alrajhi bank's total GHG emissions reached 130,178 MTCO<sub>2</sub>e, with an emissions intensity of 5.27 MTCO<sub>2</sub>e per employee.

Scope 1 emissions mainly came from refrigerant use, fire suppression systems, diesel used in backup generators, and fuel for company-owned vehicles. Scope 2 emissions were primarily due to electricity consumption across the bank's various facilities.

Below is a detailed breakdown of alrajhi bank's 2025 GHG emissions by scope and category.

Emissions	Unit	2025				2024			
		Malaysia	Jordan	Kuwait	Saudi Arabia	Malaysia	Jordan	Kuwait	Saudi Arabia
Scope 1	MTCO <sub>2</sub> e	730.23	12.35	22.68	0	1,460.33	21.29	4.46	0.00
Stationary	MTCO <sub>2</sub> e	0.85	1.02	0	0	0.33	2.50	1.83	0.00
Mobile	MTCO <sub>2</sub> e	4.2	10.77	22.68	0	2.72	18.51	2.59	0.00
Fugitive	MTCO <sub>2</sub> e	725.18	0.56	0	0	1,457.28	0.28	0.05	0.00
Scope 2	MTCO <sub>2</sub> e	1,715.18	1,018.81	231.12	126,447.42	2,030.44	917.43	315.19	130,922.31*
<b>Total emissions (Scope 1 + Scope 2)</b>	<b>MTCO<sub>2</sub>e</b>	<b>2,446.01</b>	<b>1,031.16</b>	<b>253.8</b>	<b>126,447.42</b>	<b>3,490.77</b>	<b>938.72</b>	<b>319.65</b>	<b>130,922.31*</b>
Emissions intensity (Total emissions/ employee)	MTCO <sub>2</sub> e/ employee	5.27				5.8*			

\* The Scope 2 emissions data for the year ending 31 December 2024, has been revised due to an improvement in data availability and methodology for the CY24 energy consumption data. The CY24 emission intensity number has been revised accordingly.

# climate risk and opportunities

alrajhi bank recognises the importance of identifying, assessing and mitigating climate-related risks, and in the foreseen future is looking into undertaking a comprehensive climate risk assessment to ensure that its strategy, operations and decision-making processes remain resilient and aligned with global sustainability expectations. As part of this outlook, the bank will engage closely with key stakeholders,

including customers, employees, investors and regulators to ensure transparency and to incorporate their priorities and insights into the assessment. Demonstrating its ambition to lead by example, alrajhi bank remains dedicated to supporting sustainable economic growth across the region, fully aligned with the objectives of Saudi Vision 2030.



# environmental performance

Beyond energy use and greenhouse gas emissions, alrajhi bank's environmental performance in 2025 focused on responsible water management, waste handling, land use, biodiversity protection, and resource efficiency. The bank also continued to accelerate digital implementation across its operations, significantly reducing paper use and supporting more resource-efficient processes. These actions reflect the bank's commitment to environmental stewardship and its alignment with national sustainability priorities.

## Responsible waste handling and pollution prevention

alrajhi bank ensures full compliance with all applicable waste-management laws and regulations in the countries where it operates, covering the reuse, recycling, storage and treatment of waste. Across its KSA branch network, the bank partners with a third-party vendor registered with the Riyadh Municipality to manage waste disposal and recycling in line with local regulatory standards, ensuring sustainable and efficient waste-handling practices. In addition to responsible disposal, the bank regularly donates unused electronic equipment such as laptops, printers, and full PC setups to extend product life and reduce electronic waste. Plans are also underway to formalise an annual electronic device donation programme.

## Optimising water consumption

Recognising the acute challenge of water scarcity in the GCC, alrajhi bank has implemented water-efficiency initiatives across its facilities. The bank integrated ultrasonic water flow meters into its BMS, allowing for more precise monitoring and control of water usage. Additionally, the Reverse Osmosis (RO) plant at alrajhi tower was upgraded to enable the reuse of treated wastewater for irrigation purposes. Together, these measures contributed to improved conservation performance, with total water consumption reaching **758** megalitres in 2025, demonstrating meaningful progress in responsible water management.

## Land use and biodiversity

The bank continued to carefully assess and address any potential impacts on biodiversity when developing new sites or refurbishing existing branches. These assessments ensure that the land is used responsibly, ecological disruption is minimised, and all projects are aligned with national development standards.

## Reducing environmental impact through digital banking

As one of the region's largest financial institutions, alrajhi bank has continued to push forward with its digital-first operating model, aiming to cut down on paper use while boosting operational efficiency. Over the reporting period, the bank handled 1.2 billion transactions per month, with a majority of them taking place through digital channels. 97% of new retail customers onboarded online in 2025, while 44% of all retail financing were initiated.



[ community development:  
driving impact ]

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# cultivating a future forward workforce

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practices



GRI 3-3

Powering the continued success and sustainable growth of alrajhi bank is its dedicated team of 25,000+ professionals, whose agility and depth of expertise enable them to navigate an increasingly dynamic operating environment, and evolving industry requirements. Their ability to adapt seamlessly to technological advancements, regulatory expectations, and evolving customer needs ensures the bank consistently delivers long-term value to customers and shareholders alike, reinforcing its people as its most valuable asset.

This strong culture of commitment and accountability continues to foster customer trust, while strengthening the bank's standing as an employer of choice within the Kingdom and beyond. Through continued focus on innovation and talent development aligned with Vision 2030 objectives, the bank's employees remain at the forefront of setting and delivering standards of excellence.

Material Topics

- Employee Attraction, Development and Retention
- Employee Health and Wellbeing
- Diversity and Inclusion
- Human Labour and Rights

UN SDGs



Key highlights in 2025

**25,083** 

employees in the workforce at the group level

**98.68%** 

Saudisation rate of the bank

**100%** 

of employees receiving performance and career reviews

**650,000+** 

training hours



# talent attraction, development and retention

In 2025, alrajhi bank advanced its Human Resources (HR) strategy with a strong focus on talent attraction and retention to build a resilient, future-ready workforce capable of supporting the ongoing implementation of alrajhi bank's 'harmonize the group' strategy. This approach reflects the Kingdom's emphasis on creating an environment that attracts and retains both Saudi and global talent.

As the bank further expanded its digital and customer centric operating model, demand increased for specialised capabilities across areas such as digital banking, cybersecurity, data governance and fintech that require specialised talent, hence increasing the importance of attracting talent. In parallel, heightened expectations for leadership development, career mobility, and continuous upskilling alongside responsible business practices including growing ESG and regulatory requirements continued to shape workforce priorities. Against this backdrop, and with sustained emphasis on Saudisation and gender inclusion, alrajhi bank has adopted a holistic approach for talent attraction and retention designed to strengthen organisational capability and elevate overall employee experience.

## Driving talent excellence in 2025

During the year of 2025, alrajhi bank structured its efforts around three main pillars that reflect the needs of the bank and the broader Saudi labour market.

### ① Implementing a talent mobility framework

- Ensures that the existing talent is utilised across the group through workforce planning
- Strengthens agility by enabling employees to transition roles across business units based on evolving needs
- Allows for career promotion opportunities within the group, which improves retention and employee satisfaction

### ② Mapping business growth with talent development

- Prioritises attracting talent for emerging capability gaps such as digital banking, AI, cybersecurity, risk, data governance and sustainability finance.
- Provides learning workshops and training to upskill employees and their leadership skills to meet the strategic growth demands in the market.
- Promotes a culture of continuous learning supported by digital learning platforms.
- Expands employee training coverage in 2025 and participation rates have exceeded to align with the best global practices.
- Total training hours delivered reached 650,213, an increase of 18.5% from 2024.

#### Total training hours

Male

**563,915 Hours**

Female

**86,298 Hours**

#### Employees trained

**81.7%**

Male

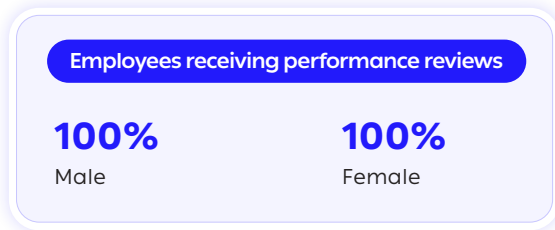
**18.2%**

Female

### ③ Improving employee experience and retention

- Maps a progressive career journey for employees by developing transparent progression criteria and improving performance management
- Offers competitive compensation and benefits aligned with market benchmarks and employee needs
- Leverages digital capabilities to provide seamless HR experience to its employees
- Strengthens employee wellbeing programmes.

# talent attraction, development and retention



During the reporting period, alrajhi bank continued to focus on effective talent acquisition to meet the bank's ambitious growth plans. The potential skill gaps due to emerging and non-conventional domains resulted in a two-pronged approach by the HR Group:

- 1 Implementing digitised tools for talent acquisition to streamline the acquisition of young talent
- 2 Facilitating knowledge transfer sessions to multi-skill/upskill the bank's employees.

alrajhi bank continued to strengthen its established reputation as an employer of choice by showcasing its unique Employee Value Proposition (EVP) at career fairs and through many talent attraction initiatives. These initiatives increased the interest of jobseekers, with the bank's career website exceeding **15,698,509** visits during the reporting period. alrajhi bank continued to attract and retain top talent in 2025 through a range of initiatives including financial and non-financial benefits, comprehensive training workshops, and an HR policy designed to create a positive company culture across all operations in alrajhi bank.

## Talent attraction and retention initiatives

alrajhi Bank utilised a set of focus areas to drive its talent lifecycle framework. This approach was essential for meeting the needs of the changing labour market, bolstering digital and financial service capabilities, and supporting the objectives of Saudi Vision 2030.

**Focus Area**

**Competency-based Talent Acquisition**  
Using competency-based screening, digitised sourcing platforms and targeted employer brand campaigns.

**Key Highlights in 2025**

**9,714** 

New hires

**Focus Area**

**Strengthening Capacity Building and Career Progression**  
Developing structured learning pathways to support career progression, including digital learning modules and multi-disciplinary certification programmes.

**Key Highlights in 2025**

**650,000+** 

Total training hours delivered

---

**9,963** 

Employees trained

---

**9** 

Leadership programmes delivered



## talent attraction, development and retention

**Focus Area****Strengthening EVP and Brand Positioning**

Enhancing Employer Value Proposition (EVP) with the aim of providing employees with competitive benefits and a positive work environment.

**Key Highlights in 2025****15,698,509**

Career website visits

**547**

Job postings

**Focus Area****Elevating Employee Loyalty**

The HR Group focused on strengthening employee loyalty and satisfaction through a set of initiatives addressing wellbeing, inclusion and the work environment, followed by an employee engagement survey to capture employee feedback.

**Key Highlights in 2025****28**

Wellbeing and engagement initiatives delivered

**Focus Area****Driving a performance-based culture**

Refining the bank's performance evaluation to include transparent performance criteria and robust reward mechanisms that strengthen employee motivation and performance.

**Key Highlights in 2025****100%**

Employees receiving performance reviews

**4**

Performance linked initiatives

**Focus Area****Encouraging a digital mindset and culture at alrajhi group**

Instilling a digital mindset and culture in the group, to lead innovation led initiatives and collaborative work models for efficiency across all operations.

**Key Highlights in 2025****116,392.62**

e-learning hours delivered



alrajhi bank continues to **enhance all stages of the employee lifecycle**, including talent onboarding. The bank delivers a **positive and engaging first experience** for new hires. Upon joining, employees receive a **Welcome Kit**, an exclusive **Staff Banking Account** (accessible via the alrajhi app), **digital hospitality** through the urpay wallet, and personalised support via the **Buddy Programme**.

During 2025, the bank standalone has hired 1,564 new employees and **decreased High-Potential employee (HiPo) turnover rate from 9.51% in 2024 to 5.42% at the close of 2025.**

## talent attraction, development and retention

### Talent management

The group Human Resource (HR) policy encompasses a comprehensive talent management framework to strengthen the bank's talent and leadership pipeline and ensure long-term business continuity across all its subsidiaries. The talent management plan focuses on identifying, developing, and retaining specialised skills aligned with evolving labour market **demands**, with special emphasis on talent identification, succession planning and leadership development. Some of the notable initiatives undertaken are as follows:

#### 1 Critical roles assessment

identifying critical roles that impact business continuity or pose a risk to the organisation if not filled. All Senior Management roles were assessed to identify if they are critical from a business and regulatory perspective.

Progress made in 2025:

- 251 total roles that were assessed
- 77 critical roles were identified

#### 2 Succession planning

To ensure **business continuity and minimise interruptions**, alrajhi group conducts regular succession planning exercises. This strategy is essential for maintaining a **continuous supply of required talent**. alrajhi bank maintains a structured Succession Planning Policy to ensure continuous readiness for leadership and other critical roles.

Annually, HR Business Partners lead **comprehensive talent reviews** (with supplementary updates for top-priority roles as required). These reviews focus on three key objectives: **identifying critical positions, assessing successor readiness, and building both 'ready-now' and developmental talent pipelines**. Each potential successor is provided with a personalised **Individual Development Plan (IDP)** to facilitate their growth into their next role. The Nomination and Remuneration Committee, along with specialised bodies such as the BRMC (for risk-related roles), provides **oversight** to ensure the entire process remains on track.

Progress made in 2025:

- 208 successors identified for critical roles and development opportunities in the past reporting year
- Future leaders participating in targeted development journeys: 80

#### 3 Talent assessment

A talent assessment exercise is conducted to assess head office employees to identify the percentage of employees with the capability to grow in the organisation.

Progress made in 2025:

- 30% of the assessed employees identified have the potential to grow in the organisation

#### 4 Opportunities through internal mobility

The bank's internal mobility platform 'Nomu', was launched to enable employees to explore career opportunities within alrajhi group and to expand their skill sets.

Progress made in 2025:

- 41,345 visits on the Nomu platform
- 525 job opportunities listed
- 370 employees' internally mobilised

#### Case Study

##### Internal Mobility Platform - Nomu

Launched in 2023, alrajhi bank's internal mobility platform, Nomu, has made it easier than ever for employees to explore new career opportunities within the bank and its subsidiaries. Acting as a digital job board, Nomu provides clear information about the skills and experience required for each role, streamlining the application process and letting employees track their progress every step of the way. The platform also features an integrated referral option, so colleagues can recommend candidates for open positions, helping to boost internal talent movement and create even more opportunities for growth across the group.



## talent attraction, development and retention

### 5 Competency-based development

Targeted programmes for emerging leaders, mid-level leaders, and executive successors are in place to ensure a consistent leadership philosophy and measurable behavioural impact.

Progress made in 2025:

- 9 development programmes facilitated
- 74 senior management coached

### 6 Transition management programmes

The Leadership Transition Development Programme consists of a blended approach of learning with assessments to build a talent pipeline for leadership roles.

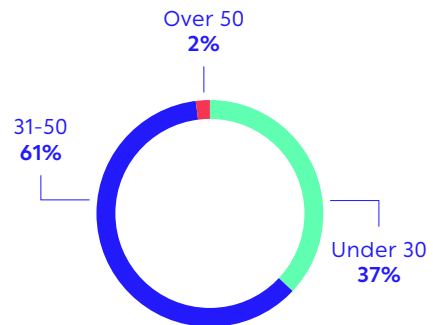
Progress made in 2025:

- 40 future alrajhi leaders were equipped to take on higher roles

### Age and employee category distribution

The age profile is largely concentrated, with 37% of employees in the under 30 age group, 61% of employees in the 31-50 age group, and 2% over 50.

### Total workforce by age group in 2025 – Group level



### Our workforce at a glance

alrajhi bank's human capital remains a key driver of value creation, comprising a workforce of 25,083 employees during the reporting period. Of this total, 78.3% represent full time employees and 21.6% represent outsourced, demonstrating the bank's ability to attract and retain talent in a highly contested labour market, while remaining adaptable to evolving business needs and shifting role requirements.

The total workforce increased from 23,406 employees in 2024 to 25,083 in 2025. This growth was underpinned by sustained recruitment activity: the bank hired 8,871 employees in 2024, rising to 9,714 hires in 2025, an increase of around 9-10% in annual hiring volume.

The combination of higher hiring and net headcount growth indicates that the bank is not only replacing normal attrition but is also investing in new roles and capabilities to support business expansion and transformation.

## talent attraction, development and retention

## Total new hires by age group and gender for 2025

Age group	Gender	2025	2024
Ages 18-30 years	Male	2,869	2,476
	Female	3,303	3,542
	<b>Total</b>	<b>6,172</b>	<b>6,018</b>
Ages 31 years – 50	Male	2,234	1,559
	Female	1,232	1,263
	<b>Total</b>	<b>3,466</b>	<b>2,822</b>
Ages 51+	Male	64	24
	Female	12	7
	<b>Total</b>	<b>76</b>	<b>31</b>

## Employee turnover for 2025

Age group	Gender	2025	2024
Ages 18-30 years	Male	1,189	1,201
	Female	1,456	1,806
	<b>Total</b>	<b>2,645</b>	<b>3,007</b>
Ages 31 years – 50	Male	1,448	1,241
	Female	779	771
	<b>Total</b>	<b>2,227</b>	<b>2,012</b>
Ages 51+	Male	101	59
	Female	23	15
	<b>Total</b>	<b>124</b>	<b>74</b>

# diversity and inclusion

alrajhi group is an equal opportunity employer, and aligns with Saudi Vision 2030 objectives to advance gender diversity and female participation in the workforce. This commitment is reflected in the group's HR policy and Code of Conduct.

Furthermore, Alrajhi Bank remains committed to promoting gender pay equity and ensuring that all employees are compensated fairly for their skills, experience, and contributions, regardless of gender.

operations and IT, as well as an all-female Cybersecurity Graduate Development Programme. These initiatives recruit via campus drives and university partnerships, and are designed to evaluate readiness for permanent roles. Programme outcomes such as inclusion efforts are tracked through HR dashboards and reported to senior management to ensure alignment with the bank's talent pipeline. As a result of these collective efforts, female workforce representation at alrajhi bank increased from **33.56%** last year to **35.59%** in 2025.

**8,926**

women in the workforce



**33+**

nationalities in the workforce



**35.59%**

gender diversity in the workforce



### KPIs tracked by alrajhi bank

- Number of women in the workforce
- Employee turnover rate
- New hires
- Saudisation rate

### Progress in 2025

**29.72%**

Saudi women in the workforce

**46.81%**

of female hires in 2025

The group HR policy provides a comprehensive range of benefits to female employees, including ten-weeks of fully paid maternity leave with the option to extend for an extra month of unpaid leave. Post-maternity leave, female employees are granted one hour during working hours to feed their child. Furthermore, a monthly nursery allowance is provided for children aged six and below. These efforts underscore alrajhi bank's strong commitment to fostering an inclusive work environment. The bank continues to expand this commitment by creating female-only job opportunities, evidenced by the predominantly female Contact Centre in Qassim.

The bank launched the IT Development Programme in 2023 with the primary objective of increasing female representation in the workforce. In 2025, these efforts were expanded by launching graduate and trainee programmes for university students and recent graduates across core functions including retail, corporate,

In 2025, alrajhi bank increased its senior level diversity by introducing leadership development and training for female employees, and inclusive hiring practices for diverse candidate shortlists. Senior leaders also completed inclusive leadership training and promotion procedures. HR dashboards are created to monitor progress, and the results are reported to the Nomination and Remuneration Committee for accountability. Female employees access both general training programmes and leadership programmes. Diversity and inclusion principles are embedded in mandatory training monitored through LMS and reported to senior management to ensure compliance.

# diversity and inclusion

The group's Code of Conduct strictly mandates the maintenance of dignity and respect among all employees in the workplace. To uphold this standard, the bank provides a formal grievance policy and channel for reporting any instances of discrimination or harassment. In 2025, we are pleased to report that there were no recorded incidents of discrimination.

## Disability inclusion

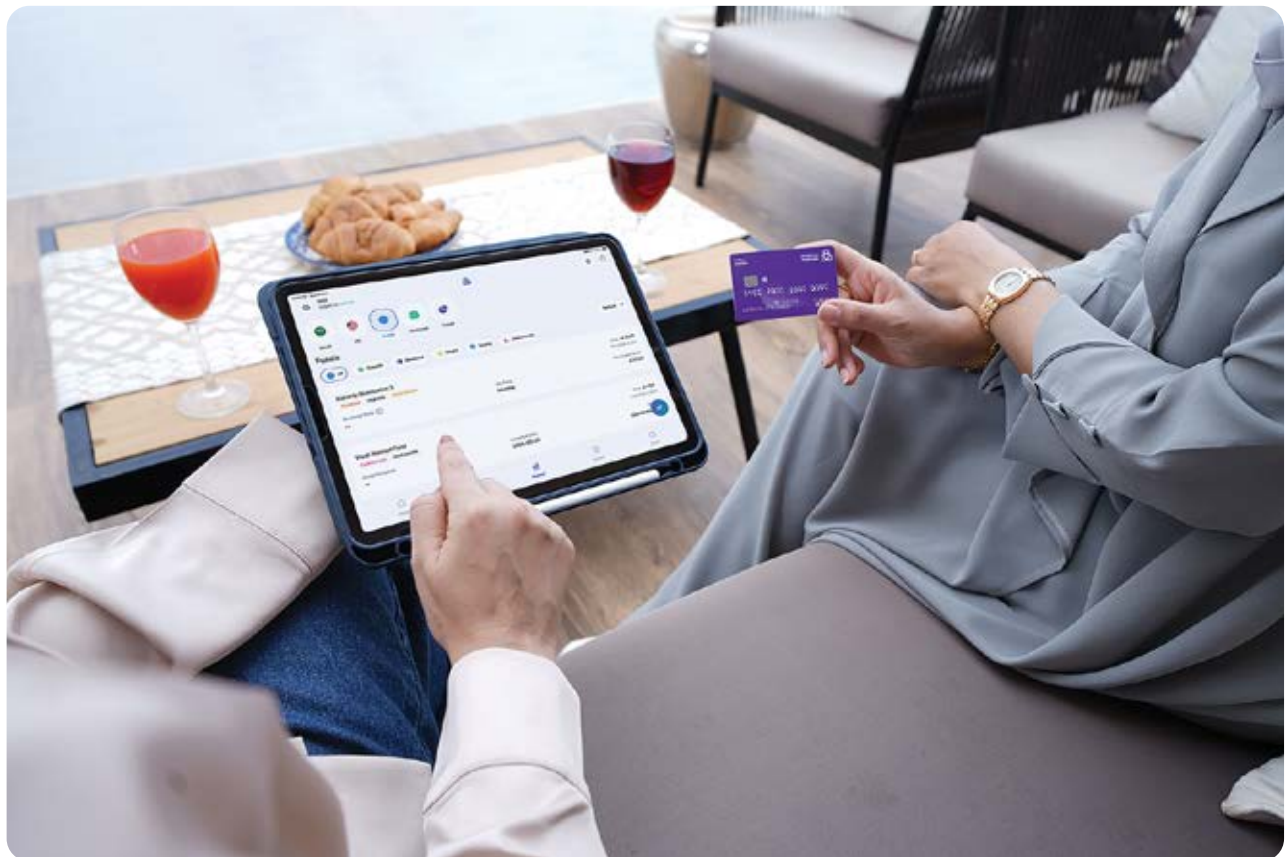
The bank strives to create an inclusive environment that supports employees with disabilities through reasonable accommodation, accessible facilities, flexible working options and managerial support, alongside targeted recruitment and internal mentorship. The HR Group has made sure that inclusion initiatives and requirements are embedded across HR policies and procedures.

## Saudisation

In alignment with the Nitaqat policy and the Saudi National Vision 2030, alrajhi bank continued to attract and retain Saudi talent in 2025, successfully maintained its Saudisation rate at 98.68%.

The HR Policy for Talent Attraction and Retention prioritises the recruitment of Saudi nationals for all open positions. Exceptions are considered only when a suitable Saudi candidate cannot be sourced for said vacancy.

This shows alrajhi bank's unwavering commitment towards Vision 2030 under the Thriving Economy pillar, directly contributing to key labour market objectives. Saudisation also aligns with the UN Sustainable Development Goal 08: 'To promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all'.



# learning and development

alrajhi bank continued to invest significantly in its Learning and Development (L&D) initiatives in 2025. These efforts are focused on proactively building the future skills required by employees to drive the bank's transformation under the 'harmonize the group' strategy.

The bank aims to cultivate a high-performing workforce and a learning ecosystem aligned with national ambitions. In 2025, alrajhi bank maintained a blended learning approach encompassing classroom programmes, virtual training, eLearning modules, hands on job learning, professional certifications, and AI enabled learning tools, reinforcing a culture of continuous learning and upskilling.

## Alrajhi Bank (ARB) Academy: The bank's learning hub

The ARB Academy continued to serve as the bank's central development learning platform, providing learning opportunities through its two specialised schools:

### 1 School of Leadership

Focuses on developing the next generation of leaders, by offering building programmes across early career, mid management, and senior leadership levels.

### 2 School of Banking

Delivers technical and functional learning across banking fields, regulatory requirements, risk, digital banking, cybersecurity and customer experience.

## Digital learning platforms

alrajhi bank provides e-learning courses and digital learning platforms to enable accessible, flexible learning for employees. The bank expanded its digital learning ecosystem with:

### 1 TALEEM Learning Platform

This learning platform provides easy access to exclusive digital modules, and specialist courses. It enables data driven monitoring of the participation of the employees and their completion progress.

- TALEEM Users in 2025: **9,487**
- E-learning hours completed in TALEEM: **116,392.62**

### 2 METAKKED Gamified Learning

This is an AI powered gamification application offering interactive knowledge challenges linked to behavioural and functional skills.

- Employees engaged in METAKKED: **4,102**

### 3 Knowledge Hub Portal

A platform for the bank's frontline sales employees to gain the necessary knowledge and understanding on all retail products, better equipping them to accommodate queries raised by customers, while also achieving strategic cross-sell targets.

The Academy also continued to partner with best in-class vendors to conduct tailored development initiatives in line with the L&D agenda for the year. As part of the strategic goal to 'Build Successful Careers Across Al Rajhi Group,' the HR Group introduced new learning tools, platforms, and blended learning experiences to support future-ready talent development at every career stage, while meeting important training KPIs that track progress on workforce development goals.

To guide training priorities, the bank carried out its annual Learning Needs Analysis (LNA) in 2025 to identify capability gaps and development needs throughout the organisation. With quarterly updates for rapidly evolving areas such as digital, technology and risk, the LNA shaped a multi-phase development plan:

#### Short-term

- Ensure that 80% of the employees identified in the LNA get training focused on their development needs.

#### Medium-term

- Offer ongoing learning opportunities that cover current and upcoming business skills like cross-selling, digital skills, and technology use.

#### Long-term

- Create sustainable career pathways by providing personalised learning journeys that foster long-term capability development.

Each year, the ARB Academy formulates the general framework for the bank's developmental needs in line with the LNA, and provides a set of strategic training initiatives in line with the business strategy of the bank. Throughout 2025, the Academy

## learning and development

strengthened its training initiatives, prioritising the achievement of key strategic goals and addressing identified skill and capacity gaps across the bank's various business divisions. Training primarily covers four focus areas:

### 1 Regulatory

As one of the largest retail banks in the Kingdom, alrajhi bank focuses on regulatory training, ensuring employees are certified, accredited, and ready to give compliant financial advice. The bank reinforced mandatory training on regulatory updates, customer protection, AML, cybersecurity, and data privacy. Compliance is measured by successful completion, not hours. Completion rates and assessment outcomes are stored in the Learning Management System (LMS) and reviewed monthly by senior HR. This approach supports Saudi Central Bank's (SAMA) requirements for workforce compliance and risk reduction.

- Number of employees completing regulatory certifications: **9,587**
- Completion rate of mandatory regulatory modules: **95.56%**

### 2 Strategy aligned training

To support the bank's targeted growth plans, the ARB Academy worked on building skills in cross-selling, customer experience, digital operations, and integrated product knowledge. Training pathways matched the priorities of the business units to ensure that talent development directly supports revenue and transformation goals.

### 3 Competency development

In 2025, new competency-based programmes were introduced to fill skill gaps found in the Learning Needs Analysis (LNA). These programmes helped with career growth, role changes, and building skills in leadership, managing uncertainty, communication, problem-solving, and decision-making.

### 4 Domain specific training

Specialised development programmes were curated to meet the technical and functional needs of specialised business areas. These included banking certifications, digital and data skills, cybersecurity, risk and compliance, fintech, and role-specific regulatory requirements. New domain-specific tracks were introduced based on emerging business demands identified in the 2025 LNA.

In 2025, alrajhi bank made notable strides in enhancing its compliance training programme. The bank introduced five compulsory training courses that addressed key areas such as cybersecurity awareness, counter-fraud education, anti-corruption and anti-bribery measures, and data protection. All of these initiatives were carefully designed to meet the regulatory standards set by SAMA.

Throughout the year, the average training hours per employee rose to **65.26**, up from 45.5 hours in the previous year, a significant **43%** increase over twelve months. This improvement underscores alrajhi bank's ongoing dedication to providing staff with personalised development opportunities, guided by insights gathered from the annual Learning Needs Analysis (LNA).

## Employee training by category

Type	2025						2024					
	Number of employees			Number of person-hours of training			Number of employees			Number of person-hours of training		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Management	15	0	15	676	0	676	48	1	49	880	2	882
Middle Management	755	76	831	36,782	4,059	40,841	511	33	544	6,004	203	6,207
Non-Management	7,371	1,746	9,117	526,457	82,239	608,696	9,337	2,112	11,449	392,240	149,215	541,455
<b>Total training hours</b>	<b>8,141</b>	<b>1,822</b>	<b>9,963</b>	<b>563,915</b>	<b>86,298</b>	<b>650,213</b>	<b>9,896</b>	<b>2,146</b>	<b>12,042</b>	<b>399,124</b>	<b>149,420</b>	<b>548,544</b>



## learning and development

### Average training hours

Type	Average training hours per employee category 2025			Average training hours per employee category 2024		
	Male	Female	Total	Male	Female	Total
Senior Management	45.0	0.0	45.0	18.3	2.0	18.0
Middle Management	48.7	53.4	49.2	11.8	6.2	11.4
Non Management	71.4	47.1	66.8	42.0	70.7	47.3

### SAMA certification statistics of alrajhi employees for 2025

Certification	Number of Employees eligible for Certification	Certified	Percentage (%)
Retail Banking Foundations Professional Exam	5,359	5,119	95.46
Credit Advisor Professional Exam	2,912	2,705	92.89
Tahweel Professional Exam	779	756	97.05
Insurance Foundation Certification Exam	2,488	1,007	40.47

The bank focuses on creating a sustainable talent supply chain to ensure succession readiness and organisational resilience in the long-term. By creating personalised, experiential learning paths, L&D initiatives prioritise building leadership capacity across all levels of the organisation, and fostering future-focused competencies. Through these initiatives, the bank proactively transfers institutional knowledge, effectively future-proofing the organisation.

#### 1 Strengthening leadership capabilities across all levels

alrajhi bank continued taking meaningful steps to accelerate its leadership development efforts. The bank rolled out carefully designed programmes for emerging managers, experienced mid-level leaders, and those being prepared for executive roles. Beyond skill development, these programmes also fostered a shared leadership mindset and focused on real, observable changes in behaviour. Leaders at every level benefited from hands on coaching, supportive mentorship, and personalised leadership assessments, all

aimed at preparing them for the next stage in their careers. Through these targeted initiatives, the bank made sure its leadership pipeline remained strong, adaptable, and ready for the future.

#### 2 Elevating graduate and early careers programmes to build future talent

alrajhi bank continued to prioritise its Graduate Development Programmes (GDPs), internships, and early-career pathways, enhancing their effectiveness in preparing young professionals for the workplace. The bank refined these programmes to better match business needs, introducing technical rotations, hands-on mentoring, behavioural skills workshops, and job-specific training.

By strengthening these early-career initiatives, alrajhi bank is ensuring a strong pipeline of future talent and supporting thoughtful succession planning for its most vital roles.

#### Highlights

- In 2025, alrajhi bank launched four new Graduate Programmes, aiming to welcome **156** fresh graduates into the organisation.

## learning and development

- The flagship GDP got underway right at the start of the year, kicking off on 1 January.
- Three additional programmes the IT Development Programme (ITDP), Information Security Development Programme (ISDP), and Business Excellence Programme (BE) were launched during the first quarter of 2025.
- In 2025, the bank expanded its efforts by launching graduate and trainee programmes for university students and recent graduates across core functions (e.g., retail, corporate, operations and IT) including the 2025 all-female Cybersecurity Graduate Development Programme.
- In 2025, alrajhi bank held focus groups with its newest graduates to understand their future hopes and expectations. The insights gained from these discussions **were instrumental** in shaping a new and enhanced 42-month graduate journey, which now features a **clear career growth trajectory, performance-based rewards, and a stronger sense of belonging** for young professionals.
- The total number of professionals recruited through the GDP since 2015 surpassed **890**.

### 3 Enhancing workforce productivity through role-based learning paths

alrajhi bank adopted a role-based training approach for key functions including Branches, Operations, Corporate Banking, Risk, Compliance, Treasury, and Technology. These targeted pathways provide employees with relevant, role-specific learning that accelerates competency, enhances productivity, and ensures workforce capabilities remain closely aligned with the bank's strategic business priorities.

### 4 Strengthening succession pipelines through high-potential development

alrajhi bank strengthened its leadership pipeline by expanding high-potential (HiPo) development programmes designed to accelerate the growth of future leaders.

Employees showing greater promise are selected to participate in tailored assessments, unique leadership tracks, sponsorships for further development, and one-on-one mentorship. Progress and leadership readiness are actively monitored through detailed dashboards, with regular updates provided to the Nominations and Remuneration Committee to ensure sustained oversight and alignment with succession objectives.

Every year, alrajhi bank allocates a dedicated budget for learning and development to support employees growth and capability building. This budget is carefully managed by HR and governed through established approval processes to ensure transparency, accountability, and alignment with identified learning needs. Expenditure is prioritised based on the LNA, while budget utilisation and training deliver is closely monitored through monthly HR dashboards, and regularly shared with senior management.

At alrajhi bank, environmental and social values are built into the culture, mandatory training is provided, and it is also embedded through the Code of Conduct. Employees learn about responsible banking, supporting the community, protecting the environment, working with ethical suppliers, and always acting with integrity.

All mandatory learning is tracked in the LMS, and these records are reviewed during both mid-year and annual performance appraisals. This information feeds directly into each employee's Individual Development Plan and helps guide conversations about career growth and promotions. While the bank takes a well-rounded approach to appraisals, showing real competence and keeping up with required training are key factors when it comes to making decisions about advancement and rewards.

alrajhi bank supports professional growth and advanced studies by offering paid exam leave and flexible study options following probation, supported by a structured approval process in place to keep things fair and organised. Participation and outcomes are monitored through HR dashboards, with regular updates shared with senior management. Consequently, this strategy supports equal development opportunities for all and ensures the benefits are disseminated throughout the organisation.





# employee engagement and wellbeing

High levels of employee engagement and robust wellbeing support naturally translate into increased **workplace motivation and inspiration**. At alrajhi bank, the focus is on creating a positive and engaging environment where employees have every opportunity to thrive and reach their full potential. The bank makes employee wellbeing a top priority, offering support for both physical and mental health. Through the HR Group, each employee has access to a wide range of financial and non-financial benefits, reinforcing a strong employee value proposition.

## Employee compensation and benefits

alrajhi bank is committed to strong pay-equity governance by maintaining clear and transparent salary structures that are based on job grading, market benchmarks, and approved salary scales. Every year, salaries and bonuses are reviewed and calculated by HR and the Nomination and Remuneration Committee, who also carry out regular checks to make sure pay is fair across the board. If any discrepancies show up, they're addressed quickly, all while keeping payroll information confidential. This careful approach helps ensure everyone is rewarded fairly for their work.

alrajhi bank has a holistic incentive system designed to recognise and reward employees for their contributions. Eligible team members can earn variable performance bonuses and short-term incentives that reflect their personal achievements based upon job grade and mutually agreed KPIs with their line manager, in line with the 'SMART' criteria: Specific, Measurable, Attainable, Realistic and Time-bound. Exceptional contributions are celebrated with spot bonuses, adding an extra layer of recognition. For senior management, there's an additional long-term incentive through the Employee Share Grant Plan (ESGP), which offers deferred share-based rewards. This not only acknowledges their leadership but also encourages a strong, ongoing commitment to the Bank's long-term goals and strategy. alrajhi bank has a clear Clawback Policy in place, where in case of non-compliance, misconduct, or breach of policy, the bank can recover previously awarded bonuses or withhold deferred payments. This helps ensure accountability and integrity across the organisation.

Beyond the performance bonuses, employees enjoy a variety of fixed and monthly allowances to support their needs. These include housing and transport allowances, job-specific and shift

allowances, a year-end bonus, a special Ramadan bonus, and a nursery allowance for eligible female employees. The bank also provides overtime pay where applicable, along with a range of financial benefits such as leave ticket and education allowances, employee loans, medical insurance, and access to the employee indemnity fund. All of these benefits are designed to offer meaningful support and security to employees and their families.

The bank provides generous severance packages upon retirement, including extended medical insurance coverage. alrajhi bank supports parents in the workplace. Mothers receive a 10 week of paid maternity leave, along with a nursery allowance and a daily paid nursing hour, while fathers are offered paid parental leave as well. To celebrate this important life event, every new parent also receives a special new-born gift. The bank carefully tracks return-to-work rates, retention, and how many employees make use of these parental benefits through HR dashboards, with regular updates shared with senior management to help ensure employee wellbeing and long-term talent retention.

Employees can utilise **paid exam leave** and **flexible study arrangements** (where business needs permit). Furthermore, a clear approval process is in place post-probation for those wishing to pursue **role-relevant certifications or academic programmes**.

alrajhi bank continues to make its EVP more compelling by offering a wide range of wellbeing and recognition benefits. There are dedicated programmes in place to support both physical and mental health, helping employees handle the stresses of work and daily life. Employees have the option to receive **upgraded medical insurance** to enhance their health coverage.

The Bank also formally celebrates personal milestones, such as **marriage, childbirth, Hajj pilgrimage, and academic achievements**. In 2025 alone, nearly **4,798 employees** were recognised for these special moments.

The MD and CEO personally acknowledge important family events and extend support to employees undergoing medical treatment. This hands-on, high-level approach supports a **caring, connected workplace** where individuals feel valued and supported throughout their lives.

alrajhi bank offers employees beneficial ways to plan for their financial future, including structured savings and investment programmes. The bank



## employee engagement and wellbeing

continued the Alwalla Fund, a private investment opportunity created exclusively for employees, giving them access to attractive investment options not available to the public.

Beyond financial benefits, the bank provides a wide range of non-monetary benefits to support employees across different life stages. These include paid annual leave, public holidays, up to five days of Hajj leave for those eligible,

leave for marriage, bereavement, Iddah, child companionship, relocation, English study, exams for continuing education, and even volunteer leave to encourage giving back to the community (for employees volunteering for charitable/community initiatives).

Collectively, these benefits reflects the bank's commitment to support its people, both at work and in their personal lives.

### Salaries and benefits in 2025

# '000	2025			2024		
	Fixed Compensation	Variable Compensation		Fixed Compensation	Variable Compensation	
		Cash	Shares		Cash	Shares
Executives	62,222	47,276	101,692	62,740	31,723	82,025
Employees engaged in risk taking activities	798,659	352,966	68,706	618,299	221,631	44,100
Employees engaged in control functions	308,217	56,846	34,988	237,875	50,857	37,966
Other employees	1,860,879	497,394	54,364	2,075,259	471,550	62,539
<b>Total</b>	<b>3,029,977</b>	<b>954,482</b>	<b>259,750</b>	<b>2,994,173</b>	<b>775,761</b>	<b>226,630</b>
Accrued variable compensation	423,386	-	-	262,280	-	-
Other employees costs	572,208	-	-	467,356	-	-
<b>Gross Total</b>	<b>4,025,571</b>	<b>954,482</b>	<b>259,750</b>	<b>3,723,809</b>	<b>775,761</b>	<b>226,630</b>

### Number of celebratory payments made in 2025

Type	Marriage	New Born	Insurance Upgrade	Back to School	Hajj	Total
Number of Employees	252	990	-	3,428	128	4,798

### CEO customised gifts handed out in 2025

Type	Marriage	New Born	Medical Care/Treatment
Number of Employees	274	952	128

## employee engagement and wellbeing

### Parental leave

Parameter	2025	2024	2023
Number of female employees that took parental leave	139	101	102
Number of female employees who returned to work after parental leave ended (return to work)	124	84	101
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	124	84	100
Return to work rate (%)	89	83	99
Retention rate (%)	89	83	98

### Employee engagement events

alrajhi bank places strong emphasis on employee engagement, fostering an open and inclusive culture through a mix of interactive events and open communication platforms. Employees are encouraged to connect with leadership through multiple forums including the Annual Roadshow, strategic off-sites, CEO Recognition Awards, Coffee Chats with the CEO, or during regular branch visits from senior leaders. Each of these initiatives is designed to build stronger connections, boost transparency, and lift morale throughout the organisation. Employee engagement is systematically monitored through annual employee engagement surveys to capture feedback and measure progress.

In 2025 alone, the bank rolled out **28** major engagement events and initiatives, contributing to increased participation and driving even stronger engagement across the board.

As part of the 'harmonize the group' strategy, maintaining alrajhi bank as a 'Great Place to Work,' remains a core objective, with engagement outcomes serving as a key measure of success.

### Embracing and fast adopting HR tech

Group HR continued to leverage internal digital, data, technology, and automation capabilities to modernise HR services and enrich the overall employee experience. Innovative, user-friendly platforms like Nomu which is the bank's internal mobility tool, and the upgraded Recruitment and Onboarding System have made processes like hiring and internal transfers smoother and more efficient. The bank has also improved its Talent Acquisition framework by introducing smarter digital workflows and data-driven tools to help pick the right candidates.



## employee engagement and wellbeing

### Case Study

#### SAHL app

alrajhi bank's custom-built employee self-service app, SAHL, has become the go-to hub for staff communication and HR services. With SAHL, employees can access HR resources quickly and easily, and many routine administrative tasks are now simpler thanks to digital workflows that also help keep everything compliant. The app's geo-fencing feature lets District Managers record attendance during branch visits with just a tap, making operations more accurate and efficient. SAHL also includes a loyalty and benefits module where employees can unlock exclusive offers and rewards. Collectively, SAHL has significantly reduces the administrative burden on group HR, and empowers employees to manage their own data and routine tasks independently.

#### Key highlights for 2025

**53%**

Digitised HR Services as a percentage of transactions through SAHL Mobile App (target is 40%)

**98%**

Staff using the SAHL app as a percentage of total staff (target 96%)

**94%**

Total available/eligible txns features in SAHL as a percentage of total ORACLE txn features (target 90%)

policy and channel to record any instances of discrimination or harassment. The objectives are as follows:

- ① To create a healthy and fair work environment for all employees across the bank
- ② To ensure the protection of all employees' rights, hearing their grievances and providing fair solutions
- ③ To ensure all employees are aware of the procedure and policy that shall be followed to resolve any grievances

All formal grievances are handled through the bank's employee relations framework, where each case is reviewed confidentially and resolved in line with policy and legal requirements. The grievance mechanism ensures a fair and transparent work environment by safeguarding employees' rights and outlining clear procedures for raising and addressing concerns across all bank operations. Employees and other stakeholders are encouraged to report any human rights concerns.

The bank provides employees with several avenues to report their concerns, including an annual employee engagement survey, employee emails, HR hotline, townhalls and the SAHL app.

The HR Group oversees the full process by investigating cases, summoning relevant parties, making or amending decisions, and applying corrective measures such as coaching, refresher training, or disciplinary action when necessary. It also manages cases of improper submissions and ensures proper procedures are followed. All grievances are documented, monitored, and reported to the appropriate governance committees to maintain accountability. Serious findings are shared with senior management and the Board so that the entire organisation can learn from them and make improvements. All records in relation to the grievances are filed and maintained in line with SAMA requirements and bank policies.

#### Key highlights for 2025

**1,086**

number of grievances resolved in 2025

**11**

number of pending grievances in 2025

### Grievance management

The group's Code of Conduct mentions that all dignity and respect will be used in the workplace among employees. The bank has grievance

# occupational health and safety

alrajhi bank is committed to safeguarding its people, assets and operations through a comprehensive Health, Safety, and Security Policy that aligns with both SAMA guidelines and national regulations. Oversight is provided by the dedicated Health, Safety and Security Department, which ensures consistent implementation across the bank through mandatory safety training, clear protocols, and close coordination with business units.

The Health, Safety and Security Department plays an active role in maintaining safe working environments by overseeing site safety measures, developing and testing emergency response plans, and conducting regular and ad hoc risk assessments to identify and mitigate potential hazards. Inspections, both scheduled and unannounced, are carried out across daily operations to major maintenance projects and special initiatives, to ensure compliance and continuous improvement.

A structured Occupational Health and Safety Management System (OHSMS) applies to all employees and contractors, supporting consistent risk management and alignment with both legal and internationally recognised safety requirements. The Central Monitoring Station (CMS) monitors security and safety systems, working closely with the Health, Safety and Security Department to ensure system readiness and rapid incident response. Collectively, these measures support a high level of safety, resilience, and operational preparedness across the bank.

alrajhi bank provides employees and contractors with access to quality healthcare through the bank's approved providers, ensuring availability of medical consultations, treatment, and emergency care. Contractors also receive healthcare support, either from the bank or through their respective employers. The bank remains committed to maintaining high occupational health and safety (OHS) standards through regular training on safety procedures, equipment, and evolving requirements for both employees and contractors.

Oversight of OHS implementation is supported by appointed Worker Safety Representatives, who monitor the effectiveness of OHSMS, and report back on its performance. alrajhi bank values feedback, so periodic surveys are carried out to hear directly from workers, and updates about OHS initiatives are shared through newsletters and emails. Employees are also encouraged to explore a series of health, safety, and security modules on the ARB Academy's online platform, allowing them to learn about the bank's OHS efforts at their own pace. This comprehensive approach helps create a safer, healthier and well-informed workplace for everyone.

**Key highlights for 2025**

**100%**

Contractors audited externally



## occupational health and safety

GRI 403-8

Workers covered by an occupational health and safety management system			Year		
S. No.	Parameters	Unit	2025	2024	2023
1	Employees covered by a OH&S management system	Nos.	9,512	9,056	8,685
2	Workers who are not employees covered by an OH&S management system	Nos.	2,075	1,789	1,226
3	Percentage of employees who have been covered by an OH&S management system	%	100%	100	100
4	Percentage of workers who have been covered by an OH&S management system	%	100%	100	100
5	Employees covered by a OH&S management system that has been internally audited	Nos.	9,512	9,056	8,685
6	Workers who are not employees covered by an OH&S management system that has been internally audited	Nos.	2,075	1,789	1,226
7	Percentage of employees who have been covered by an OH&S management system that has been internally audited	%	100%	100	100
8	Percentage of workers who have been covered by an OH&S management system that has been internally audited	%	100%	100	100

Regular OHS risk assessments take place throughout the year, using both routine procedures and special checks as needed.

### Routine processes:

- Scheduled inspections are carried out regularly to spot hazards in the workplace and confirm that preventive measures are in place.

### Non-routine processes:

- Incident investigations are performed whenever something unexpected occurs, helping to uncover risks that were previously unrecognised and to strengthen preventive actions.
- Special risk assessments are conducted for major maintenance work or special projects, making sure non-routine activities are just as safe as daily operations.

- Eliminate hazards from the workplace entirely whenever possible.
- If elimination isn't feasible, hazardous materials or processes are substituted with safer alternatives.
- System or process changes are put in place to reduce exposure to risks.
- As the last line of defence, employees are provided with Personal Protective Equipment (PPE).
- Feedback from incident reviews, audits, and risk assessments is used to refine safety policies and procedures.
- Health and safety KPIs are tracked to measure how well the system is performing, identify trends, and guide ongoing improvements.

# human rights and fair labour practices

alrajhi bank fully complies with all applicable labour laws and regulations in the Kingdom of Saudi Arabia. The bank maintains structured mechanisms that enable employees to communicate openly with management on matters relating to their terms of employment, workplace concerns, and overall working conditions. By making sure everyone's voice can be heard, the Bank helps foster an inclusive environment that supports constructive employee-employer relations, and where respect and fairness are at the heart of the culture.

The bank's Code of Conduct reinforces fair treatment, dignity, and professionalism across all interactions, and prohibits discrimination, harassment and all forms of bullying. All employees are regularly required to acquaint themselves with the provisions of the Code of Conduct, and provide an annual affirmation of the same. In 2025, **100%** employees affirmed their commitment to alrajhi bank's values, reflecting the bank's dedication to fostering a safe and inclusive workplace. The bank's comprehensive behaviour and ethical framework give clear guidance to all employees, helping them maintain professionalism in everything they do.

All employees complete onboarding and annual refresher courses to reinforce key workplace principles. Managers receive enhanced training to effectively handle complaints and uphold a respectful workplace environment. Employees in areas like procurement, facilities, and frontline roles get specialised training focused on supplier and labour standards, while HR and Compliance teams receive advanced instructions on investigations and remediation processes. The bank closely tracks training completion and outcomes through its LMS dashboards, with regular updates shared with senior management to ensure oversight and accountability.

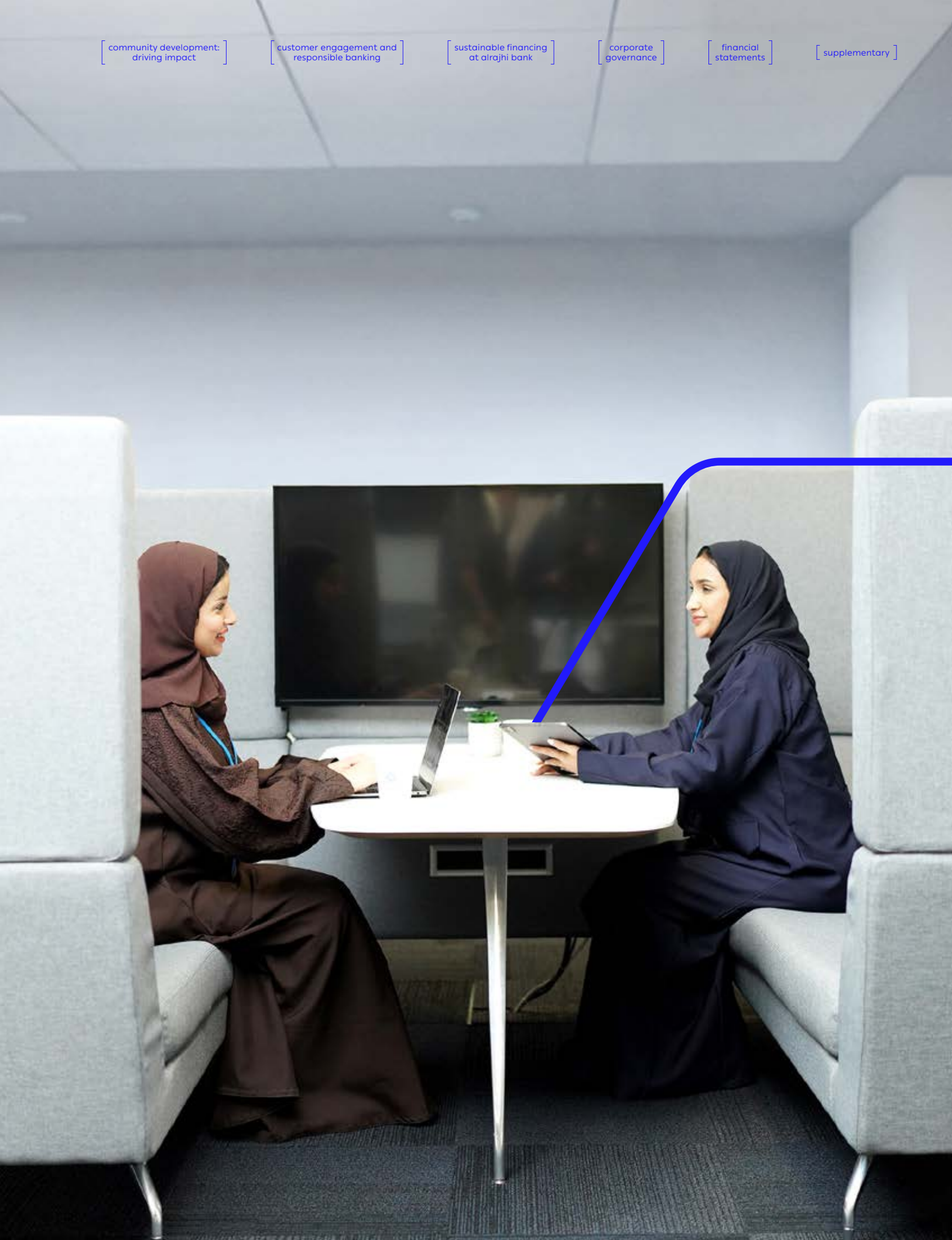
At alrajhi bank, fair labour practices are embedded across all operations. Recruitment and employment decisions are always based on merit, skills and role requirements, in full compliance with applicable national labour laws. The bank provides transparent terms of employment, fair remuneration, and equitable working opportunities, maintaining a firm commitment to non-discrimination.

Most importantly, the bank has a zero-tolerance policy for forced labour, child labour, or any unfair employment practices, ensuring a safe, respectful and compliant workplace for all employees.

The annual employee engagement survey serves as a key mechanism for capturing workforce feedback on workplace conduct, discrimination, equal treatment, working hours, health and safety, and awareness of grievance and reporting channels. HR and Compliance teams carefully review the results to identify trends and potential risks, with particular attention to groups that may be more vulnerable, including women and employees with disabilities. Insights from the survey inform targeted actions to make sure everyone feels safe, respected, and supported at work.

Alongside its regular processes, alrajhi bank offers confidential whistleblowing and formal grievance mechanisms that enable employees to report discrimination, harassment, or any other workplace misconduct. These systems reinforce the Code of Conduct and ensure employees have accessible, secure avenues to raise concerns, supporting a culture of fairness, respect and equal opportunity.





# community development: driving impact

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key social  
responsibility  
initiatives





GRI 3-3

alrajhi bank remains committed to enhancing the quality and standard of living by empowering communities through strategic social development initiatives that align with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Vision 2030. In 2025, the bank continued to support impactful programmes ranging from economic empowerment to community wellbeing through its newly launched Social Responsibility Strategy, reinforcing its role as a socially responsible corporate citizen.

During the year, alrajhi bank contributed millions towards specialised healthcare centres and initiatives, improving access to critical services for thousands of individuals. The bank partnered with national employment programmes to support the hiring and training of beneficiaries, and expanded its longstanding Educational Orphan Care Programme with enhanced academic guidance and skills development for students. The bank also amplified its charitable impact through digital and customer-led donation platforms, enabling broad participation in national fundraising and support campaigns. These efforts, driven by long-standing partnerships and a values-based approach, reflect alrajhi bank's enduring commitment to sustainable community development, inclusive growth, and advancing social welfare across the Kingdom.

Material Topics

- Community Investment and Engagement



UN SDGs



Key highlights in 2025

**5** Major ongoing national-scale community development programmes

**13** Housing units delivered

**200+** Scholarships to orphan students to join universities

**90K+** Medical Centre Beneficiaries

**3.5K** Entrepreneurship Empowerment

**ﷲ 2,822 Mn.** Zakat

# community development: focus areas

## CSR journey

### 2000-2010

#### Foundation Phase:

alrajhi bank begins its CSR journey

### 2020-2021

#### Policy Development:

Corporate Social Responsibility Policy is implemented

### 2024-2025

#### Strategic Alignment:

Social Responsibility Strategy is implemented

Since 2000, alrajhi bank has carefully monitored its social responsibility initiatives and projects, investing in major community development and environmental sustainability efforts. The bank remains committed to expanding financial accessibility while supporting progress across key social pillars, including healthcare, education, housing, and charitable initiatives. Through these efforts, the bank strives to help individuals lead secure, independent, and fulfilling lives, and to enable communities to grow and prosper sustainably. In advancing its social development agenda, the bank focuses on holistic programmes that enhance both individual wellbeing and community resilience, with an emphasis on long-term, meaningful impact.

In 2025, the bank formalised its commitment through the development and implementation of a Social Responsibility Strategy, aimed at establishing alrajhi bank as a leader in sustainable social development. The approach leverages the bank's core values, strategic partnerships, and resources to achieve long-term, measurable impact across multiple areas of community wellbeing.

## alrajhi bank's Social Responsibility Strategy

alrajhi bank's Social Responsibility Strategy envisions the bank as a leading institution distinguished by its steadfast commitment to sustainable social responsibility. Its mission is to leverage the bank's expertise, resources, and partnerships to deliver sustainable programmes that foster social solidarity, empower communities, and generate a lasting positive impact.

At the heart of this strategy are the people it serves: the community, employees and their families, shareholders, and direct beneficiaries. By engaging with these groups through its community development initiatives, the bank ensures its programmes remain meaningful, inclusive, and impactful, building a strong foundation for long-term success.

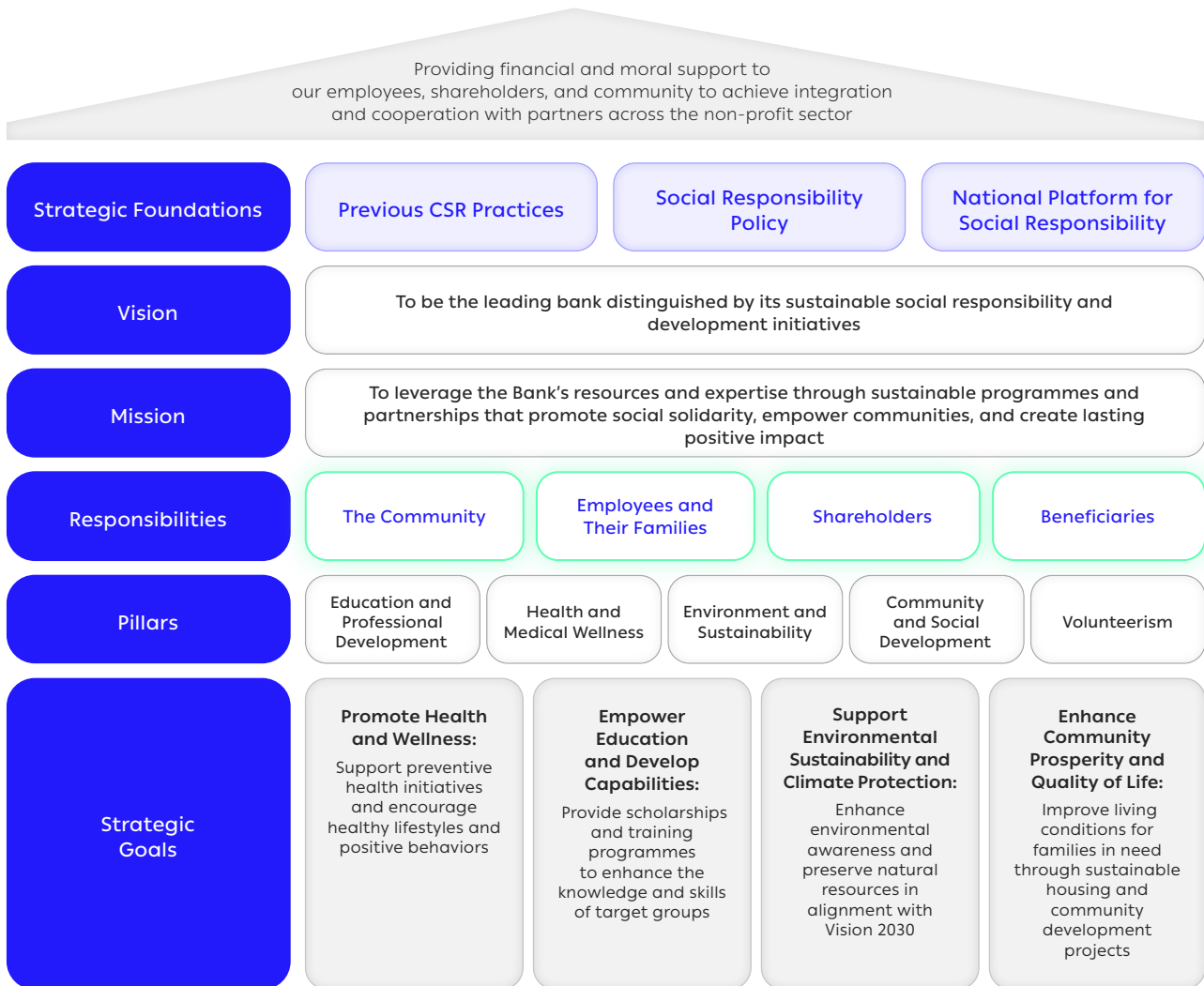
The strategy is structured around five key pillars:

- ① Education and professional development
- ② Health and medical wellness
- ③ Environment and sustainability
- ④ Community and social development
- ⑤ Volunteerism

To ensure alignment with both institutional values and national priorities, the Social Responsibility Strategy is guided by the bank's Social Responsibility Policy and the National Platform for Social Responsibility and established CSR practices, which brings together government, private sector, and non-profit actors to create sustainable community impact in line with the UNSDGs and the Saudi Vision 2030.



## community development: focus areas



### alrajhi bank's Social Responsibility Policy

The bank's Social Responsibility Policy explicitly follows the governance principles under SAMA's guidance and focuses on broad social priorities spread across four core focus areas:

#### 1 Responsibility towards internal environment

alrajhi bank is committed to fostering a healthy and supportive work environment for all employees. The bank prioritises the security and safety of both staff and customers by fully meeting all applicable

building safety and security requirements. Strict hygiene standards are maintained to promote good health and wellbeing, while an environment of cleanliness and orderliness is maintained to enhance productivity. Additionally, alrajhi bank actively works to strengthen social ties and relationships among its staff, fostering a cohesive and positive workplace culture that supports employee wellbeing and engagement.

## community development: focus areas

### 2 Responsibility towards employees

The bank is dedicated to supporting employee wellbeing and stability by strengthening the social and human dimensions of its workforce. These efforts contribute to business growth and success while fostering strong relationships across the organisation. In collaboration with the Human Resources Group, the bank also enhances employee loyalty and actively attracts, develops, and retains top talent and competencies.

To promote environmental sustainability, the bank utilises smart applications to manage electricity and water consumption, minimise paper use, recycle wastepaper, and enhance both internal and external electronic communication in coordination with the Administration Department.

### 3 Responsibilities towards the bank's shareholders and customers

In fulfilling its responsibilities toward shareholders, the bank is committed to transparent disclosure of information in line with the guidance issued by SAMA and the bank's internal disclosure policy. It ensures the authenticity of its Shariah-compliant services and financial dealings and continuously seeks creative ways to leverage technology to enhance customer service. To save customers' time and effort, the bank uses modern branch designs, advanced ATMs, and comprehensive digital services, with a strong focus on the continuous improvement of these offerings. In addition, the Social Responsibility Unit collaborates with the Retail and Corporate Branch Network Department to deliver high-quality banking services, develop new products, and ensure that all offerings meet the requirements of Islamic Shariah and the applicable regulatory standards.

The bank is also dedicated to empowering youth by providing opportunities for professional development and employment. Through initiatives such as summer training programmes offered by the Training Department, it helps young individuals prepare for the job market and build successful careers.

Social responsibility initiatives are implemented under a well-defined procedure, ensuring that assistance is provided exclusively to official and registered non-profit organisations that possess valid legal documents and financial reports verifying their activities.

### 4 Responsibilities towards the community

The bank ensures that all its products comply with Shariah principles, in adherence to the resolutions monitored by the Shariah Authority and audited by the Shariah Audit Department. These practices are governed by the Shariah Group Policy in accordance with Resolution No. (317) and guided by the Shariah Policy and Procedures Manual, which outlines key aspects such as introduction, quality, and the significance of audit.

Funding is allocated to programmes and projects that demonstrate clear objectives, defined timelines, detailed implementation mechanisms, sound financial plans, and effective follow-up procedures. Priority is given to fundamental development initiatives, awareness campaigns, and creativity development programmes that offer sustainable, long-term impact. The bank also promotes gender-inclusive programmes that align with its core principles, values, and the cultural and societal context of each region. All initiatives are authorised by the CEO, endorsed by the Board of Directors, and approved by the General Assembly. Donation disbursements are supported by formal agreements detailing operational expenses, and all programme-related documentation is maintained for subsequent review and verification.



# key social responsibility initiatives

In line with the Strategic Goals of the bank's Social Responsibility Strategy, several community development initiatives have been implemented:

Pillar	Initiative	Impact
<b>Health and Medical Wellness</b>	<p><b>Breast Cancer Awareness with Zahra</b> alrajhi bank actively participated in the 'Zahra Walk' initiative held in October, 2025, at King Abdulaziz City for Science and Technology (KACST)</p> <p>This initiative falls within alrajhi bank's broader commitment to supporting national programmes that raise awareness about breast cancer and promote early detection. By encouraging participation in physical activities and wellness campaigns, the bank continues to advocate for a culture of healthy living among its employees and the wider community.</p>	<ul style="list-style-type: none"> <li>• 105+ participating employees</li> <li>• 100+ bank customers</li> <li>• 200K donations via Quick Donation to Zahra through the alrajhi bank app</li> </ul>
	<p><b>Blood donation camp</b> As part of the 'Giving and Following the Example' initiative, alrajhi bank organised a blood donation campaign in collaboration with the Blood Bank and King Faisal Specialist Hospital. The initiative encouraged employees to actively contribute to saving lives. Through this campaign, the bank demonstrated its commitment to promoting a culture of compassion, volunteerism, and community well-being, aligning with its broader social responsibility objectives.</p>	<ul style="list-style-type: none"> <li>• More than 8,000 donors contributed to the Blood Bank through mobile donation units</li> </ul>
	<p><b>alrajhi bank Cardiac Catheterisation Centre</b> The bank continued supporting flagship medical projects, most notably the alrajhi bank Cardiac Catheterisation Centre in Al Rass, fully equipped with advanced medical technologies.</p>	<ul style="list-style-type: none"> <li>• Total number of cases - 239</li> <li>• Total number of PCI - 77 procedures</li> </ul>
	<p>The bank continued to support key national health initiatives through its involvement in vital medical projects. This included contributions to the upcoming Diabetes Treatment Centre in Qassim, the recently completed Autism Centre of Excellence in Riyadh, and the Physical Therapy, Rehabilitation, and Anti-Smoking Center in Turaif General Hospital. These projects aim to enhance healthcare access, improve quality of life, and promote public health awareness across the Kingdom.</p>	<ul style="list-style-type: none"> <li>• 40,800+ cases received by the Physical Therapy, Rehabilitation, and Anti-Smoking Centre as of September 2025</li> <li>• 5,261 beneficiaries served by the Anti-Smoking Centre</li> <li>• Recognised by the Autism Centre of Excellence in 2025 for 44 Mn. contribution over a five-year period</li> </ul>

## key social responsibility initiatives

Pillar	Initiative	Impact
<b>Education and Professional Development</b>	<p><b>alrajhi GDP programme</b></p> <p>The alrajhi GDP Programme, established over a decade ago, is a flagship talent development initiative aimed at nurturing and empowering young Saudi professionals. The programme provides specialised training tracks aligned with evolving market demands, including Cybersecurity, Business Management, and Governance.</p> <p>Through structured learning, mentorship, and on-the-job experience, the programme equips participants with the technical and leadership skills needed to excel in the banking sector and contribute to the Kingdom's growing knowledge economy.</p>	<ul style="list-style-type: none"> <li>• 890+ trainees</li> </ul>
	<p><b>Shawreena/Shawrna initiative</b></p> <p>This initiative promoted savings habits among university students, having already completed activations in three Riyadh universities with a goal to expand to eight universities by 2026.</p>	<ul style="list-style-type: none"> <li>• 3 universities</li> <li>• 5 locations</li> <li>• 10,000 beneficiaries</li> </ul>
	<p><b>Inspire and Enrich programme</b></p> <p>To build internal capacity, the Inspire and Enrich programme prepared 15 employees to deliver free financial literacy workshops. At present, three programmes have been conducted in collaboration with the Saudi Central Bank.</p>	<ul style="list-style-type: none"> <li>• 3 workshops in partnership with Saudi Central Bank</li> </ul>
	<p><b>Riyal and Generations Tour</b></p> <p>Through the Riyal and Generations Tour, the bank hosted high school and university groups across the Kingdom, providing students with interactive sessions on career development and financial literacy. The initiative aimed to inspire young people to build financial awareness and prepare for future career opportunities.</p>	<ul style="list-style-type: none"> <li>• 16 tours</li> <li>• 5 schools</li> <li>• 5 universities</li> </ul>
	<p><b>Social inclusion through employment</b></p> <p>The bank strengthened employment and inclusion efforts by facilitating the hiring of individuals from social security beneficiaries, orphans, and rehabilitated ex-inmates, in collaboration with the Ministry of Human Resources and Social Development.</p>	<ul style="list-style-type: none"> <li>• Facilitating employment of 668 individuals</li> </ul>

## key social responsibility initiatives

Pillar	Initiative	Impact
<b>Environment and Sustainability</b>	<p><b>Riyadh Volunteers Programme</b></p> <p>alrajhi bank took part in the "Riyadh Volunteers" campaign, mobilising its employees to demonstrate its dedication to volunteerism, community involvement, and improving Riyadh's urban environment and quality of life. This effort is integrated into the bank's "Al-Hayy Yuhayyek" programme, which promotes structured institutional volunteering.</p> <p>Activities included hands-on volunteer work in five Riyadh neighborhoods, including planting seedlings, painting, and cleaning streets and public spaces, led by employee volunteer teams. These actions sought to beautify the areas, promote urban environmental stewardship, and cultivate organised volunteer culture.</p>	<ul style="list-style-type: none"> <li>• 200+ volunteers from the bank</li> </ul>
<b>Community and Social Development</b>	<p><b>Dar Shahn</b></p> <p>alrajhi bank signed a cooperation agreement with the Martyrs, Injured, Prisoners, and Missing Persons Fund, to launch a housing initiative that aims to build residential homes across Riyadh, Makkah, Asir, and Jazan, helping families of national heroes achieve greater social and economic stability making it the first initiative of its kind in the Kingdom.</p>	<ul style="list-style-type: none"> <li>• 50 Units – First phase delivered 13 housing units</li> </ul>
	<p><b>Supporting Vision 2030's Housing Programme</b></p> <p>The bank continues to play an instrumental role in boosting home-ownership for Saudi citizens in partnership with the Housing Development Foundation, and through multiple platforms and initiatives including Jood Easkan crowd funding platform and the Good Housing Campaign.</p>	<ul style="list-style-type: none"> <li>• Constructing 222 housing units in partnership with the Housing Development Foundation at the close of 2025</li> <li>• Collectively donating ﷲ 172 Mn. to the Good Housing campaign together with customers during alrajhi bank Night 2025</li> </ul>
	<p><b>Khallak Nabeh awareness campaign</b></p> <p>The Khallak Nabeh awareness campaign focused on fraud prevention by educating the community about deceptive financial practices. The campaign utilised digital platforms to raise awareness and promote safe banking behaviours among customers and the wider public.</p>	<ul style="list-style-type: none"> <li>• 50 published posts that achieved 3,000 engagements and 80,000 impressions</li> </ul>

## key social responsibility initiatives

Pillar	Initiative	Impact
	<p><b>Supporting Saudi SMEs</b></p> <p>As part of its commitment to fostering entrepreneurship and supporting national economic growth, alrajhi bank provided complimentary retail spaces for Saudi SMEs and entrepreneurs to showcase and sell their products. This initiative aimed to empower local businesses by increasing their market visibility, enhancing access to customers, and encouraging innovation within the Kingdom's entrepreneurial ecosystem. By creating opportunities for emerging enterprises to thrive, the Bank contributed to the development of a more vibrant and diversified Saudi economy in line with Vision 2030 objectives.</p>	<ul style="list-style-type: none"> <li>• Number of supported stores: 34 stores</li> <li>• Total days provided: 869 working days</li> <li>• Number of sales transactions: 3,563 transactions</li> <li>• Total sales: <b>ﷲ 2,067,935</b></li> </ul>
<b>Volunteerism</b>	<p><b>Expanding employee volunteerism</b></p> <p>Employee volunteering forms a cornerstone of the bank's commitment to community development and national wellbeing. All employees actively participate in a range of volunteering initiatives that address pressing social, health, and cultural priorities.</p> <p>Through structured volunteering programmes and partnerships with local NGOs, employees contributed their time and expertise to health awareness drives, blood donation camps, and wellness initiatives that promote preventive healthcare and community resilience.</p>	<ul style="list-style-type: none"> <li>• 15 volunteer programmes</li> <li>• 1,000+ volunteers</li> </ul>

## key social responsibility initiatives

### Case Study

#### Al Rajhi Bank Awarded Gold for CSR Leadership by the Ministry of Human Resources and Social Development



alrajhi bank was awarded the Gold Category Certificate in the Corporate Social Responsibility Award by the Ministry of Human Resources and Social Development for the second consecutive year. The renewed recognition confirms the bank's continued commitment to national sustainability goals and community impact through innovative social programmes.

The award recognises private-sector institutions that advance sustainable development through measurable social, economic, and environmental programmes, with winners assessed on governance, transparency, sustainability, and community development. This award is testament to the landmark CSR initiatives the Bank has undertaken which include a housing programme with the Martyrs, Injured, Prisoners of War Fund, the Orphan Education Programme and the hiring of social security beneficiaries, orphans, and rehabilitated ex-inmates, in collaboration with the Ministry and charitable organisations. These ongoing efforts highlight the Bank's commitment towards contributing to the ambitions laid out in the Saudi Vision 2030.

### Case Study

#### alrajhi bank Champions Charitable Giving on Social Responsibility Day



alrajhi bank marked Social Responsibility Day 2025 with the launch of the "Our Numbers Have a Footprint in Charity" campaign, a follow-up to its Ramadan initiative, "Your Footprint Has an Impact." This campaign highlights the Bank's ongoing efforts to promote charitable giving and support those facing hardship, making a real difference in communities across Saudi Arabia.

To make donating easier, the bank introduced the 'Quick Donation' feature on its mobile app, allowing users to contribute with just one click to more than 1,700 registered charities, 12 endowment funds, and key national platforms. This initiative is part of the bank's broader Ramadan activities, helping to boost charitable impact and support major campaigns like the Good Housing Platform, Ihsan, Tabar'a, and Farajat.

**Donations exceeded ₪ 600 Mn. with more than 200,000 customers donating over 300 million mokafaa points.**

## key social responsibility initiatives

### Case Study

#### Empowering Orphaned Students Through Education and Opportunity



In alignment with alrajhi bank's strong commitment to social responsibility and the principle of social solidarity, the alrajhi bank Educational Orphan Care Programme supports the educational aspirations of orphaned students across the Kingdom. The programme reflects the bank's belief

that education is a cornerstone for personal empowerment and national progress and provides full scholarships, covering tuition and related academic expenses. Beyond financial support, it helps students develop essential life and professional skills, empowering them to achieve their ambitions and contribute meaningfully to society.

Now in its fourth year, the programme has benefitted over 200 male and female students, who are currently pursuing academic degrees at private universities across Saudi Arabia. Each student has successfully completed preparatory university programmes and undergone professional aptitude assessments.

### Social initiatives across alrajhi group

alrajhi bank places strong emphasis on Iftar initiatives during the holy month of Ramadan, carrying out several Iftar contributions during the reporting period that reflect broader social values embedded in Islamic banking. This values-driven approach extended across the bank's international branches in 2025, with the Jordan branch sponsoring a Ramadan Iftar in partnership with the Samir Shamma Association for the Elderly, and the Kuwait branch distributing Iftar meals to disadvantaged, underserved communities during the holy month.

The overseas branch in Malaysia continued to focus on high-impact social contributions to empower vulnerable segments of society, particularly those experiencing acute poverty and economic hardships. The branch focused on entrepreneurial development and improving financial literacy, while also encouraging employees to actively participate in charitable giving through Zakat and Waqf programmes.

alrajhi subsidiaries also contributed to community and social initiatives throughout the year; Ejada, the bank's IT subsidiary, supported a series of CSR activities that saw the participation of 1,500 employees, and included a significant donation of over 345kg of clothing to vulnerable local communities.

These initiatives demonstrate the alignment between alrajhi bank and its ecosystem of international branches and subsidiaries, reinforcing the alrajhi group's unified commitment to community engagement and culturally grounded social responsibility.



# customer engagement and responsible banking

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GRI 3-3

Material Topics

- Customer Experience
- Customer Satisfaction
- Digitalisation and Automation
- Innovation and Product Development



Key highlights in 2025

No. 1 in Banking Net promoter score (NPS)

**82**

(Conventional banking)



**20+ Mn.**

Customers served



- Best Loyalty Programme KSA Banking Sector – Gazet international
- Best Customer Loyalty and Rewards Programme – Tab Mena Finance Awards

- Recognised by Brand Finance as the **Strongest Banking Brand** in the Middle East for the fourth consecutive year, achieving a Brand Strength Index score of 87.8 and maintaining its prestigious AAA rating.
- Named the **Most Valuable Saudi Brand** by Kantar BrandZ, with a brand valuation of USD 16.8 Bn.

**No. 1**

in Digital banking in 2025



# customer experience

In an increasingly digital and interconnected banking landscape, delivering consistent, seamless, and responsible customer experiences has become a key driver of trust and long-term value. alrajhi bank continues to strengthen its customer engagement strategy by segmenting customers based on their financial needs and integrating data-driven insights, advanced technologies, and responsible banking principles to create personalised, intuitive, and responsible banking journeys for its customers. Every interaction, whether online or in person, is intentionally designed to offer a cohesive, secure and customer centred experience. The bank continued to balance customer needs with ethical practices, financial inclusion, and transparency, to build enduring relationships, enhance customer satisfaction, and support.

## Customer-centric strategic approach

alrajhi bank continued to place customer experience at the heart of its customer-centric strategy, establishing a long-standing commitment to delivering exceptional value at every interaction. Through a structured, insight-driven approach, the bank actively captures and analyses customer feedback across channels, enabling it to anticipate evolving needs and embed customer-centricity into product development, digital transformation and operational enhancements. This philosophy has remained a key differentiator and continues to strengthen the bank's position as one of the Kingdom's most customer-focused financial institutions.

With the launch of the Bank's 'harmonize the group' strategy at the beginning of last year, the Marketing and Customer Experience Group was established as a central enabler of the strategy, tasked with communicating the strategy's purpose and customer value proposition. Throughout the year, the bank adopted a **digitally led, integrated marketing approach** to communicate the concept of Group Harmony, reinforcing the aligned identity and unified service proposition across all group entities.

To sustain a deep, insight-driven understanding of customer expectations, the group conducts continuous surveys and sentiment assessments across branches, digital channels, and key product journeys. These insights directly shape improvements in product design, digital usability, operational performance, and service standards, forming the analytical backbone of the bank's customer experience model. Oversight is reinforced through a **Customer Experience Committee**, comprising senior leaders who meet regularly to address emerging issues, eliminate friction points, and guide long-term journey enhancements.

Across the year, multiple targeted initiatives were introduced to streamline processes, reduce customer effort, and elevate service quality across all interaction channels. These actions, supported by stronger insight capabilities, and coordinated experience management, demonstrate the bank's strong commitment to delivering **seamless, intuitive, and consistently high-quality experiences** at every customer touchpoint. This integrated approach has further deepened alrajhi bank's customer relationships and solidified its standing as one of the Kingdom's most trusted, customer-centric financial institutions.

## Insight-led segmentation and personalised engagement

Central to the bank's customer-experience approach is the use of customer insights and advanced analytics. By examining demographic shifts, behavioural data and transaction patterns, the bank modifies propositions across both Retail and Corporate businesses for diverse customer groups, including youth, expatriates, families, entrepreneurs, multinationals and SMEs.

## customer experience

This segmentation strategy led to several successful initiatives during the year. The **Gamer proposition**, supported by a youth-centric digital campaign, continues to achieve significant increase in card issuance and spending, demonstrating the effectiveness of targeted engagement for younger customers. Similarly, the bank expanded its presence among expatriates through alrajhi global, an expat-focused financial hub offering competitive exchange rates and preferential international transfer benefits. These propositions reflect the bank's ability to build strong, relevant relationships with diverse segments through personalised offerings.

### Saudi Arabia's Pioneering Youth Financial Inclusion Platform

#### POWR Card – Youth and Creator-Led Engagement

As part of its insight-led youth segmentation strategy, alrajhi bank launched the **POWR Card**, a co-created card proposition developed in partnership with a leading content-creation community. The POWR Card is designed for gamers and creators, combining everyday banking functionality with identity-driven personalisation and lifestyle relevance.

The proposition strengthens emotional connection and engagement by offering customisable card designs, exclusive benefits, and targeted offers aligned with youth interests. Through this initiative, alrajhi bank expanded its reach within the creator and gaming ecosystem, driving acquisition and card usage while reinforcing its position as a culturally relevant and customer-centric financial institution.

#### SWAR

alrajhi bank's ground-breaking wearable payment bracelet built specifically for children, representing Saudi Arabia's first comprehensive youth banking ecosystem. Connected to a dedicated children's account, SWAR empowers young users to make secure digital payments through NFC, access ATMs, set savings goals, and participate in real-world financial activity, while parents maintain full oversight through spending controls, real-time notifications, and multi-child management. SWAR combines safety, independence, and education in one seamless financial inclusion solution.

Launched as a fully commercial product, SWAR addresses a major gap in the Saudi financial landscape, where children lacked structured access to banking and digital payment tools. Traditional financial products largely excluded minors, limiting families' ability to introduce financial responsibility in a safe and structured manner. SWAR bridges this gap by providing age-appropriate banking functionality, secure digital payment technology, and built-in financial learning, all with comprehensive parental oversight.

#### SWAR's customer-centric value proposition

- **Youth Financial Inclusion:** Children gain their first banking experience through a dedicated account, NFC bracelet, real-time payments, and ATM access, transforming them from passive observers into active digital participants.
- **Parental Oversight:** Parents benefit from full monitoring and control through adjustable spending limits, instant alerts, card freeze/unfreeze, and multi-child management.
- **Financial Education:** Integrated tools such as savings goals, task-reward systems, and real transaction experiences hence develop budgeting skills and financial awareness in an engaging and practical way.
- **SWAR is distinct from any competitor:** Instead of offering repurposed prepaid cards, it delivers a purpose-built youth banking ecosystem designed holistically around children and families.

SWAR has achieved exceptional adoption with 20,000+ active young users (average age: 9) and a balanced gender distribution (46% female, 54% male). Strong parental engagement demonstrates clear market validation, with families actively opening children's accounts to access SWAR. Daily usage patterns show meaningful behaviour change as children learn to manage money in real-world settings.

#### Why SWAR stands out

- **First-of-its-kind in Saudi Arabia:** The nation's first wearable payment solution built exclusively for children, pioneering youth financial inclusion at scale.
- **Outstanding Market Performance:** More than 20,000 active young users and strong parental adoption confirm exceptional product-market fit.



## customer experience

- **Comprehensive Ecosystem:** A holistic financial inclusion model combining payments, oversight, safety, and financial education, far beyond any card-based competitor.

### Driving group synergy and ecosystem communication

To strengthen the impact of these personalised strategies, the bank introduced a dedicated **Synergy Taskforce** to align communication and marketing initiatives across the group. This taskforce plays a crucial role in ensuring that the achievements of individual subsidiaries, ranging from remittance services to SME solutions, open banking and digital innovations, are positioned as integral components of the wider ecosystem.

Through this collaborative structure, the bank launched agile, high-impact marketing campaigns that elevated both business-specific achievements and overall group performance. This synergy-driven approach improved resource utilisation, ensured consistency in messaging and enhanced the bank's ability to execute integrated go-to-market strategies. Ultimately, it strengthened the bank's brand presence, creating a cohesive experience for customers engaging with any part of the group.

### Brand strength and market positioning

The success of alrajhi bank's marketing strategy was reflected in its ranking as the **Most Valuable Saudi Brand of 2025** by Kantar BrandZ, with a brand value of **USD 16,784 Mn**. This recognition highlights the bank's strong financial performance and consumer resonance, underpinned by unified customer engagement, strong digital capabilities and the bank's ability to consistently meet the diverse needs of individuals and businesses across the Kingdom. It also reaffirms the bank's growing influence and leadership in the financial sector.

The bank further amplified its visibility through comprehensive public relations and media outreach. The bank became the number one social media brand in the Kingdom, with over 7.8 million followers across its social channels, and 1.5+ billion impressions, reflecting strong growth in reach and engagement. This enhanced visibility supported both customer acquisition and retention by reinforcing trust and familiarity with the brand.

### Marketing transformation and brand evolution

The bank launched multiple large-scale campaigns to strengthen its evolving identity during 2025, showcasing the breadth of the bank's services and encouraged customers to adopt digital channels by highlighting the efficiency and convenience of modern user journeys.

alrajhi bank strengthened its brand presence through distinctive campaigns that highlight personalisation and customer relevance. One notable initiative, the **'Long-lasting relationship'** campaign in 2025, celebrated the bank's human-centric approach, reinforcing trust and emotional connection with audiences across multimedia platforms. Beyond product and service campaigns, alrajhi bank extended its brand purpose into social impact, supporting community giving through the **'Your Impact Matters'** initiative during Ramadan 2025, which enabled customers to contribute to charitable causes directly through the bank's digital app, symbolising giving and amplifying social value during a key season of generosity. Other campaigns such as the Corporate Banking Excellence campaign and Digital App Excellence campaign were also carried out successfully during the reporting period.

During 2024–2025, the bank also undertook strategic rebranding and expansion of its service ecosystem, including refreshed identities for key propositions and the launch of new digital-first brands such as Neotek (open-banking solutions provider) and Qaema (accounting solutions), supporting a broader, more integrated financial services narrative for customers.

### Targeted marketing to drive segment growth

In 2025, marketing efforts were directed toward deepening penetration across priority customer segments through customised propositions and targeted experiences. Engagement with youth and fresh graduates was strengthened at universities and youth-focused venues, building early brand connection, increasing financial awareness, and supporting onboarding into first-time banking products. For digitally savvy customers and gaming communities, customisable card designs, gaming partnerships, tournaments, and exclusive offers enhanced relevance and encouraged product adoption.

## customer experience

Female customer engagement was expanded through integrated online and offline initiatives, including Women's Day campaigns, recurring offers in preferred categories, supported by a 50% increase in female-focused social media communications. Growth within the expatriate segment was driven by performance-led campaigns promoting key retail products such as personal finance, auto leasing, credit cards, and affluent propositions tailored to expatriate needs.

The bank continued to engage SMEs and business customers by promoting its comprehensive business packages, offering a suite of services, from financing and cards to cash management, designed to simplify operations and drive business growth. At the same time, large-scale sports activations, including a football fan zone welcoming over 3,000 visitors, reinforced the Bank's presence and connection with the wider community.

### Service and experience-led initiatives

To further enhance customer experience by introducing innovative service-led initiatives designed to simplify banking, increase engagement, and provide personalised solutions. The following programmes introduced in 2025 focus on rewarding loyalty, streamlining service interactions, and empowering customers with greater control over their banking journey.

- **Cards Streak:** A first-of-its-kind gamified credit card programme in the banking industry that rewards customers for maintaining or increasing monthly spending levels through a "streak" mechanism, driving sustained engagement, higher card usage, and increased loyalty.
- **One and Done:** Empowered contact centre agents to resolve customer needs during the initial interaction rather than creating service requests, improving First Call Resolution (FCR) and ensuring a seamless customer journey.

- **Segmentation Priority:** Requests and complaints from Private, Diamond, and Diamond Affluent customers are automatically prioritised within the CRM, ensuring faster response times and a differentiated service experience.
- **Personalisation:** Customisable items launched such as digital card skins, that can be redeemed using mokafaa points or purchased with cash, enriching personalisation and customer rewards.

### Access points and network expansion

To strengthen accessibility and ensure convenient service availability for customers across both urban and underserved regions, alrajhi bank continued to expand and optimise its nationwide physical service network. By the end of the reporting period, the bank operated **687 retail access points**, including **511 full-service branches**, **14 sales showrooms**, **27 Silah service-only centres**, and **135 Tahweel remittance centres**, ensuring broad coverage for individuals and businesses across the Kingdom. This also includes one dedicated Ladies Branch, and 176 branches have a ladies section.

Complementing this presence, the bank maintained one of the largest self-service banking infrastructures in Saudi Arabia, with **4,300+ ATMs**, **more than 350 small-denomination ATMs**, **41 ITMs**, **1,700+ deposit-enabled machines**, and **more than 600 kiosks**. In addition, the bank's kiosk network has collectively printed **over 7 million cards**, supporting rapid, hassle-free card issuance for customers. During the year, ATM channels served **over 540 million customer interactions**, including **5.4 million GCC customer transactions**, and processed cash withdrawals exceeding **ﷲ 183 Bn**. This extensive and continuously enhanced physical and digital footprint underscore the bank's commitment to service availability, financial inclusion, and customer convenience across the Kingdom.



# customer satisfaction

Customer satisfaction is a foundational element of alrajhi bank commitment to responsible and ethical banking. Guided by SAMA's Customer Protection Principles and the bank's internal governance frameworks, the bank ensures that every interaction is transparent, fair and respectful of customer rights. This approach goes beyond service delivery, embedding robust safeguards, clear communication standards and strong complaint-handling mechanisms to protect customers and strengthen trust. By prioritising integrity, responsiveness and informed decision-making, the bank builds a secure and customer-centric environment that supports long-term satisfaction and loyalty.

## Customer care and protection

The bank places customer care and protection at the heart of its service strategy, upholding a strong governance framework designed to ensure transparency, fairness, and trust across all customer interactions. The bank's Customer Care and Customer Protection policies, approved by the Board of Directors, provide clear principles, rules, and operating standards that guide every stage of customer engagement, from onboarding to issue resolution. These policies are fully aligned with the Saudi Central Bank's (SAMA) regulations, including the Principles and Rules for Protection of Customers of Financial Institutions.

## Commitment to customer protection

alrajhi bank's **Customer Protection Policy** establishes a comprehensive framework that ensures customers receive financial services transparently, securely, and fairly. This policy guides all employees in adhering to SAMA's expectations, including:



## Customer segments and channels

The bank ensures all customers have convenient and accessible ways to communicate, seek assistance or submit complaints through a wide network of channels. The bank serves a diverse customer base, including retail clients, private banking customers, corporate and MSME clients, as well as third-party consumers under approved arrangements. Support is provided across the full range of products and services, including current accounts, financing and loan products, credit cards, Tahweel services, digital channels and specialised corporate and MSME solutions.

Customers can reach the bank through multiple approved communication channels, such as branches, the website, the mobile application, the Contact Centre/IVR, email, fax, social media platforms and the SAMA CARE portal. These channels ensure comprehensive coverage, allowing customers to interact with the bank in the way that best suits their needs and preferences.

## customer satisfaction

In 2025, the bank successfully delivered Blue Week, its annual flagship card campaign offering exclusive, time-bound discounts and rewards to alrajhi card customers across its network of merchant partners. The campaign this year achieved outstanding customer satisfaction, strong card spending results, and greater partner engagement, with participation expanding to 204 partners compared to 172 in 2024, supported by substantial co-marketing investment from key retail partners.

### Complaint handling and service quality

The bank maintains a rigorous and transparent complaint management framework in line with SAMA's Customer Protection principles, with oversight from the Board. All complaints are assigned a unique reference number and communicated to customers via SMS, enabling seamless tracking throughout the resolution cycle. Customers are kept informed at every stage, and all cases are resolved within the regulated SLA timelines, with exceptions only for international claims. The bank provides detailed responses, supporting documents, and clear escalation options through documented channels to ensure fairness and clarity. Quarterly reports on complaint volumes, resolution performance, and key KPIs are submitted to senior management, while regular root-cause analysis is conducted to prevent recurring issues and strengthen process performance. Customers can escalate unresolved concerns both internally and directly to SAMA through dedicated mechanisms. To support accessibility, the bank offers a toll-free helpline (8001248880) for domestic callers and dedicated numbers for international customers, alongside extensive educational materials covering fraud prevention, financial risks, product features, and responsible borrowing to enhance customer awareness and protection.

### Customer education and awareness

Aligned with SAMA's directives, the bank maintains ongoing programmes to educate customers on financial products, risks, fraud prevention, and channels for obtaining accurate information. These initiatives strengthen customer confidence, improve financial decision-making, and support national financial literacy objectives.

To maintain high service standards, the bank ensures annual training for all Customer Care employees, continuous development in complaint handling, customer interaction, and compliance and alignment with SAMA's customer protection principles and internal Code of Conduct.

### Elevating customer loyalty through mokafaa

The mokafaa programme continued to evolve in 2025 with a strong focus on enhancing customer experience. Key improvements included refining the Customer Value Propositions (CVPs), expanding engagement by broadening the range of services within the bank's partner network, and extending banking product offerings for valued members. The digital experience was significantly upgraded with a wider selection of exclusive mokafaa offers from various offer partners. A new, streamlined points financial summary was introduced for easier tracking, complemented by improved navigation to enhance overall User Experience (UX). Additionally, promotional and partner banners were strategically placed to capture members' attention, alongside a dedicated mokafaa notification tracker.

Notably, the external earn portfolio saw substantial growth, allowing members to accrue points through more than 40+ partners (and counting). mokafaa now links customers with fast-moving consumer brands, comprising leading grocery chains, delivery platforms, and top lifestyle and travel partners, driving high-frequency, recency-based interactions, that elevate engagement and experience across a diverse range of industries. The year closes with over 310 partners across Saudi Arabia, making mokafaa the largest loyalty portfolio in the financial services sector in the Kingdom. The partner network now covers over 20 diverse categories, including retail, dining, travel, luxury brands, pharmacies, delivery services, groceries, and furniture, among others. mokafaa also expanded its reach to the POS merchant network, enabling Neoleap merchants to facilitate points redemptions through POS terminals.

Over 60 mokafaa promotional campaigns were executed using various marketing channels. Members also had the opportunity to avail more than 115 exclusive mokafaa discount offers with partners from the alrajhi app, and the dedicated X (formerly Twitter) account for mokafaa standing at over 110K followers. These efforts collectively



## customer satisfaction

contributed to achieving the highest Net Promoter Score (NPS), Customer Satisfaction Score (SAT), and Customer Effort Score (CES) to date. Having the most preferred loyalty programme in the country further solidified the bank's position within the competitive banking landscape, driving attracting customer acquisition and fostering stronger partnerships through its growing brand loyalty.

mokafaa programme			
Parameters	2025	2024	% change
Net promoter score	83	78	5
Customer Satisfaction score (CSAT)	4.77	4.62	3
Total members	18.1 million	16.9 million	7
Partner networks	310+	252	27

### Protecting customer rights across digital and physical channels

The bank continuously monitors its electronic platforms, ATMs, and POS systems to safeguard customer assets and maintain uninterrupted service. Customers receive free SMS notifications for every account transaction, and clear limits are set and reviewed annually on transfers, withdrawals, and online activities to enhance protection and transparency. In alignment with SAMA's Customer Protection principles, alrajhi bank also maintains a firm commitment to fairness and non-discrimination, ensuring that all customers are treated equitably regardless of gender, age, race, disability, or social status. This commitment reinforces the bank's customer-centric values and supports a safe, inclusive, and trustworthy banking experience for all.

Customer Satisfaction and Complaints Management



Monitoring and Measuring Customer Satisfaction



### Customer privacy

The bank upholds strict standards for customer protection and ethical communication across all marketing activities, ensuring full compliance with SAMA regulations and internal governance requirements. The bank enforces rigorous customer-data privacy controls, prohibiting the use of clickable links in SMS or email marketing to reduce fraud risks, and requiring explicit customer consent before any marketing messages are sent. Communication preferences are carefully recorded and always respected. The bank also safeguards vulnerable customer groups by prohibiting the distribution of credit-related marketing materials to individuals under 18 years of age, ensuring responsible promotion of financial products. In alignment with SAMA's Counter-Fraud Framework, any suspicious activity detected within marketing channels is promptly escalated to the bank's Anti-Fraud and Digital Crime units. Furthermore, every marketing campaign incorporates financial-security awareness messages, including guidance on safeguarding ATM and credit cards, PINs, and cheque books, as well as clear instructions for reporting loss, theft, or fraud, strengthening customer resilience and supporting responsible financial behaviour.

## customer satisfaction

### Fair advertising

As part of alrajhi bank's commitment to responsible banking and sustainable growth, the bank places strong emphasis on transparent customer communication and fair marketing practices, ensuring that customers receive accurate, complete, and ethical information.

By mandating full compliance with SAMA's legal, regulatory and statutory requirements, and aligning with alrajhi bank Shariah principles, the Marketing and Communication department policy provides a clear governance framework for responsible communication. Central to this aim is the bank's commitment to fair advertising, ensuring that all campaigns, promotions and product disclosures are clear, accurate and non-misleading. Through this policy, the bank safeguards customer interests, reinforces trust and supports a fair, ethical and customer-focused marketing environment.

### Responsible advertising and marketing controls

As per the Marketing and CX Group policy, all marketing campaigns, whether delivered through ATL, BTL, or digital channels, must be reviewed by the Compliance Group at least five working days prior to public distribution. This review ensures regulatory alignment, transparency, and adherence to consumer-protection standards.

The bank maintains strict expectations regarding clarity and truthfulness in communication. Marketing content must not contain any false, exaggerated, or misleading claims, and all messages must be presented in a clear, accessible, and easily understandable manner. Financial data such as pricing, rates, fees, and performance indicators must be precise, appropriately explained, and supported by accurate disclosures. The bank also prohibits the use of unauthorised trademarks, imitated branding, and any proprietary marks without prior consent to prevent customer confusion and ensure ethical conduct.

All product-related marketing communications involving fees or financial commitments must prominently include the bank's name, logo, and

contact details, as well as a clear presentation of the Annual Percentage Rate (APR), where applicable, and a full breakdown of all fees and commissions. Promotional offers must include defined validity periods and expiration dates to ensure customers are accurately informed. In instances where foreign-currency pricing is referenced, a clear warning must be displayed to highlight exposure to exchange-rate fluctuations.

In accordance with SAMA directives and national guidelines, the bank observes strict restrictions on sensitive or regulated content. This includes the prohibition of using images of holy sites for promotional purposes, restrictions on publishing maps of the Kingdom without government approval, and the requirement for pre-authorisation from SAMA before using or reproducing images of currency. These measures ensure cultural and religious respect, safeguard national identity, and reinforce the bank's adherence to regulatory expectations.

Through these comprehensive controls, alrajhi bank ensures that all advertising and marketing activities maintain integrity, respect cultural norms, and provide customers with transparent, reliable, and responsible communication aligned with global sustainability standards.

### Gold winner: Long-lasting relationship

Marcom awards for Ramadan Campaign by TTP Creative agency

### Best Customer Loyalty and Rewards Programme

Tab Mena Finance Awards



# digitalisation and automation

alrajhi bank's digital transformation is positioned as a core pillar of its 'Digital and Data' strategy, with 75% of active customers using digital channels and more than one billion transactions processed monthly through these platforms.

## Expanding digital capabilities group-wide

alrajhi bank continued accelerating its digital transformation by expanding capabilities across all business units, subsidiaries, and customer segments. The bank strengthened its enterprise-wide digital foundation by modernising platforms, scaling cloud adoption, deploying API-first architectures, and expanding automation to deliver fast, secure, and seamless services. These upgrades enabled higher agility, improved resilience, and greater consistency across digital channels.

A key focus was building a harmonised digital ecosystem across the group. Shared digital assets, including next-generation core systems, omnichannel experience layers, enterprise data platforms, Open Banking services, digital identity solutions, and workflow automation engines, were enhanced to support end-to-end connected journeys. This integration allowed customers to move seamlessly across the bank and its subsidiaries.

The bank also expanded its financial-services ecosystem through strategic fintech investments. With Saudi Arabia entering a new era of Open Banking, the bank strengthened capabilities through:

- **Neoleap** – digital payments ecosystem
- **Neotek** – data aggregation and Open Banking APIs
- **Drahim** – personal finance management (PFM) app

These platforms enable customers, under strict consent and security protocols, to share data across institutions, access hyper-personalised insights, and manage finances across multiple apps in a unified experience.

The expanding digital capability is measured by the **Digital: Manual ratio**, which improved to **96:4 in 2025**, reflecting a highly digital-first operating

model. The bank also recorded an **88% increase in Group and Open Banking APIs**, growing from 218 APIs in 2024 to **409 APIs** by year-end, a key marker of enterprise readiness for future digital scale.

The bank advanced its digital experience by enhancing platform capabilities and expanding self-service features. The following initiatives introduced in 2025 enabled more efficient, convenient, and fully digital customer interactions.

- **Instant Guiding:** With 24/7 access to customer support via the chat feature, contact centre agents are able to guide customers directly through the mobile app, streamlining support, improving service efficiency, and driving greater digital adoption.
- **Card Statement on Demand:** Customers can generate card statements earlier in the month at a consistent time, providing greater flexibility and control.
- **Digital Signature for Account Opening:** Enabled customers to complete account opening remotely by adding a digital signature from anywhere, eliminating the need for branch visits.
- **Swift Code Visibility:** Customers can now view the bank's SWIFT code directly within the mobile app, reducing dependency on call centre support.
- **Overdue Instalment Payment:** Customers can settle overdue personal finance instalments and close financing requests directly through the mobile app, enabling a fully digital and convenient experience.
- **Financing and Cards:** Users can apply for financing and credit cards entirely online, completing the process quickly and securely without ever needing to visit a branch.
- **Card Design:** Digital cards can be fully personalised, allowing customers to choose their preferred design and style for a more tailored banking experience.
- **Retail Marketplace:** Customers can purchase products directly through the app, enjoying a seamless shopping experience with multiple payment options and flexible instalment plans for added convenience.
- **Dynamic App:** The Dynamic App is designed to anticipate user needs, simplify frequent actions, highlight what's important, and personalise every interaction, acting as an intelligent assistant that delivers exactly what matters, when it matters.

## digitalisation and automation

Through continued investment in enterprise digital foundations, alrajhi bank reinforced its leadership in Saudi Arabia's financial sector and remains well-positioned to meet evolving customer expectations with speed, resilience, and innovation.

Retail banking	Corporate banking
97% new retail customers onboarded online	20% growth in eBusiness Accounts opened online
44% of all retail financing initiated through digital channels	19% of new corporate customers onboarded online
55% increase in Home Finance comparing to the last year	38% growth in SME Accounts opened online
48% increase in Personal Finance comparing to the last year	20% increase in Digital Accounts opened during the year
11% growth in Credit card Finance comparing to the last year	31% increase in average monthly login volume
31% growth in Digital Account liabilities	23% growth in Digital Account liabilities
700% increase in 'Jamyah' (money circles) collective savings customers	4% increase in SADAD transactions, and 20% increase in the value of SADAD payments made via alrajhi

# innovation and product development

alrajhi bank strengthened its innovation agenda and accelerated the development of differentiated digital products by deepening its insights ecosystem, enhancing data-driven decision-making, and advancing real-time engagement capabilities. These enhancements enabled the bank to design solutions that are more personalised, responsive, and relevant to evolving customer needs across retail, corporate, wealth, and SME segments. Innovation efforts were increasingly supported by agile delivery models and advanced analytics, ensuring faster time-to-market and improved value creation across the product portfolio.

## Group-wide insights and real-time marketing

alrajhi bank advanced its data-driven operating model by expanding enterprise analytics platforms, integrating real-time data engines, and enhancing marketing automation capabilities to support personalised engagement at scale. Machine learning and predictive models were further embedded across decision engines, improving accuracy in credit scoring, fraud detection, behavioural insights, and lifecycle management.

A major milestone was the development of **360-degree customer profiles**, consolidating data from the bank, subsidiaries, fintech partners, and Open Banking flows obtained with explicit customer consent. This comprehensive view enabled more precise segmentation, contextual product recommendations, and personalised interactions across channels.

With the deployment of real-time event-processing capabilities through the upgraded digital core banking systems, alrajhi bank can now monitor customer activity across journeys and interpret behavioural signals instantaneously. This enables the bank to respond to customer actions in real time, whether triggered by a transaction, a service request, or an anticipated financial need, and enhance the experience with relevant, data-driven communication or services.

Events such as high-value credit card transactions, declined purchases due to insufficient funds, or upcoming maturity dates on fixed facilities automatically activate tailored responses from a library of hundreds of pre-programmed actions. These may include personalised push or SMS notifications, credit limit increase offers, or targeted merchant rewards delivered at the moment of need.

This real-time engagement capability has significantly enriched customer experience while also creating measurable value for the bank, contributing to the execution of over 6 million contracts which translates to **ﷲ 20 Bn.** in revenue.

2025 saw the introduction of a number of new digital capabilities that further advanced the bank's innovation agenda:

- **Business Financial Manger (BFM+):** Launched to provide businesses with intuitive, data-rich dashboards that visualise sales performance, customer demographics and market insights, enabling more informed and strategic decision-making.
- **eBusiness Marketing engine:** Enables businesses to initiate targeted paid campaigns directly through the alrajhi app, with the ability to define audience criteria such as age and gender and reach both retail and business customers through push notifications or pop-up messages.
- **Digital Card Skin:** The bank enhanced personalisation features by enabling customers to customise and change the design of their digital cards directly within the app.

These initiatives improved the bank's capability to anticipate customer needs, strengthen risk insights, accelerate product development cycles, and increase customer lifetime value.

## innovation and product development

### Awards and recognition:

In 2025, alrajhi bank continued to be recognised by leading global institutions for excellence in digital banking, customer experience and innovative financial solutions. These awards underscore the bank's commitment to enhancing customer engagement through cutting-edge digital products, AI-enabled services, and market-leading mobile experiences, while reinforcing its reputation as a trusted, innovation-driven financial institution.

Key Awards won in 2025:

- **Best Digital Bank for Customer Experience** – The Digital Banker Recognising superior digital customer engagement and service design.
- **Best AI SME Solution** – The Digital Banker Celebrating leadership in AI-enabled solutions for small and medium enterprises.
- **Best Mobile Banking Retail App** – The Global Economics Awarded for outstanding mobile banking experience in Saudi Arabia.
- **Best Mobile Banking Application – alrajhi Mobile app** – Recognising excellence in mobile user experience and functionality.
- **Best Innovation in Islamic Digital Supply Chain Finance** – Highlighting innovative solutions within Islamic finance.
- **Best Bank – Saudi Arabia** – MEED Banking Excellence Awards A leading industry accolade for overall performance and customer service.
- **MENA Consumer Digital Bank of the Year** – Recognised for outstanding digital service delivery across the region.
- **MENA Digital Private Bank of the Year** – Awarded for excellence in digital private banking services.
- **Excellence in AI-Powered Financial Services** – World Business Outlook Recognising the bank's application of AI to improve customer outcomes.
- **Best Use of Artificial Intelligence in Banking** – World Business Outlook Acknowledging strategic and impactful AI deployment across banking services.
- **Most Innovative Banking Service and Best Digital Bank** – Brands Review Magazine Awards 2025 – Highlighting service innovation and digital leadership in Saudi Arabia.

### Commitment to responsible and secure banking

alrajhi bank's internationally recognised certifications demonstrate its ongoing commitment to delivering secure, reliable and high-quality banking experiences. These standards enhance governance, strengthen data protection and privacy, and ensure resilient, well-managed operations across all channels. Together, they reinforce customer trust and highlight the bank's dedication to responsible, compliant and continuously improving service delivery.

- ISO 9001:2015 – Quality Management
- ISO/IEC 27001:2022 – Information Security Management
- ISO/IEC 20000:2018 – IT Service Management
- ISO 31000:2018 – Risk Management
- ISO 22301:2019 – Business Continuity Management
- ISO 30301:2019 – Records Management Systems
- ISO/IEC 27018:2019 – Protection of Personally Identifiable Information in Cloud Services



# promoting financial inclusion

The bank actively promotes access to finance by broadening the availability of financial products and services targeted for individuals and businesses with limited access to traditional banking channels. Its efforts are focused on expanding micro and SME financing and enhancing digital solutions to reach underserved and remote populations. Through these initiatives, the bank contributes to fostering financial inclusion, enabling entrepreneurship, and supporting sustainable economic growth.

## Financial offerings for individuals

alrajhi bank offers a comprehensive product portfolio for individual customers, designed to meet a wide range of personal, housing, and mobility financing needs. The bank provides Shariah-compliant personal finance, home and real estate financing, and auto finance solutions with flexible tenors and competitive profit rates, supported by seamless digital channels for application and servicing. In addition, the bank's portfolio is complemented by everyday banking products such as current and savings accounts, cards enabling individuals to manage their finances conveniently and securely throughout different life stages.

### Financial product offerings

#### Current Accounts

Secure and flexible banking for day-to-day transactions.

#### Savings Accounts

Options for saving with competitive benefits.

#### Personal Financing

Shariah-compliant personal financing solutions.

#### Auto Financing

Provides customers with the flexibility to lease new or pre-owned vehicles under convenient and customisable financing tenors, designed to suit individual mobility and financial needs.

#### Home Financing

A range of financial solutions that enable individuals to access real estate financing for various purposes, including property purchase, equity release, or construction, thereby supporting their home ownership and investment aspirations.

#### Credit cards

A variety of credit card options, offering features like rewards and cashback

#### Remittance

Well accessible remittance network in more than 50 countries

### Social impact of the bank's products

alrajhi bank's financial products contribute significantly to financial inclusion and economic empowerment across the Kingdom. Current and Savings Accounts promote secure money management and savings habits, while Personal, Auto, and Home Financing enable customers to achieve personal goals, improve economic mobility, and attain home ownership. Credit Cards and Remittance services enhance financial connectivity by facilitating digital transactions and supporting families through secure cross-border transfers. Together, these offerings strengthen financial well-being, promote inclusion, and support sustainable economic growth.

## promoting financial inclusion

	2025	2024
Number of personal loans	1,087,092	897,081
Value of personal loans (AED)	85,965,200,862	108,543,606,553

### Case Study

#### Home financing solution for lower income citizens

alrajhi bank introduced a targeted home financing solution to support lower-income citizens earning between AED 3,000 and AED 7,000, helping them access affordable housing with enhanced support from the Real Estate Development Fund (REDF). The product focuses on selected off-plan projects that offer more economical unit prices, ensuring that monthly instalments remain manageable while maintaining suitable housing standards. By combining REDF's higher subsidy with competitively structured Shariah-compliant financing,

the bank enables eligible customers to transition from renting to owning, thereby improving financial security and contributing to national affordable housing and inclusion objectives.

#### Key highlights

**1,271**  
beneficiaries

### Case Study

#### Promoting housing finance for low income groups

alrajhi bank launched a specialised housing finance product in partnership with the Ministry of Housing to support low-income citizens who have traditionally faced barriers to home ownership. The initiative targets customers with lower monthly income starting from AED 3,000, and offers financing at a very preferential rate, making monthly instalments more affordable and predictable. By combining government support with tailored, Shariah-compliant financing, the product enables eligible families to move from renting to owning their homes, directly contributing to national

housing objectives and improving long-term financial stability for vulnerable segments.

#### Key highlights

**AED 9.6 Bn.**  
total value of houses financed

**12,800**  
Beneficiaries



## promoting financial inclusion

### Case Study

#### A glimpse into alrajhi bank's real estate mortgage offerings

##### Product

##### Ready Unit and Second Mortgage

A Murabaha financing that allows the customer to purchase a property, whether from one of the projects of the Ministry of Housing or a ready-made unit from the market, the product is available for REDF customers and alrajhi bank customers.

##### Buyout 1 in 1 (Mortgage only) and Buyout 2 in 1 (Mortgage and PF)

Allows customers supported and not supported by the REDF to transfer their debts from other banks to alrajhi bank while continuing support for the supported customers.

##### Applicant Replacement

Substituting the original mortgage applicant with a new qualified individual after the mortgage file has been opened but before the loan is finalised and funded. The replacement applicant assumes all rights, obligations, and credit responsibilities associated with the mortgage.

##### Off Plan

The real estate developer will build and develop your residential unit in the future, committing to execute it according to the agreed models, specifications, and timeline, within a maximum period of 36 months. The product is available to customers of the REDF.

##### Property Power and Property Power 3rd Party

Mortgage financing is offered through the shariah principle of Murabaha. Property Power is secured financing – alrajhi bank finances the customer's money secured against the home's value, the product is available for REDF customers and bank customers.

##### Rescheduling

The instalment deferment product allows you to defer up to 3 instalments of your personal finance, to be paid after the end of the current contract.

##### Self-construction and Self-Construction (Demolish & Reconstruct)

Self-construction financing is offered through the shariah principle of Murabaha. the customer can build on a land he owns or buy a land and build on it, the product is available for REDF customers and bank customers.

##### Tharwa

Tharwa's Buy-to-Let product empowers property owners and investors to unlock the value of their real estate by converting rental income into long-term financing.

##### Social Impact of the bank's offerings

alrajhi bank's real estate financing solutions can be viewed as bridges connecting individuals and families to home ownership, stability, and financial empowerment. Each product addresses distinct customer needs while collectively advancing social inclusion and economic resilience.

# promoting financial inclusion

## Case Study

### Empowering the underserved through access to finance



Emkan's personal financing products are designed to make formal financial services more accessible to a wider segment of the population, particularly individuals who are underserved or excluded from conventional banking channels. By offering fast, Shariah-compliant, and flexible financing options, these solutions empower customers to meet their personal needs without compromising financial stability.

Emkan's Top-Up Financing, Refinance, and Buyout products enhance borrowing capacity through transparent terms, ensuring long-term financial health. Microfinance and

Advanced Salary solutions provide immediate liquidity for emergency or short-term needs, reducing reliance on informal lending and supporting household resilience. Meanwhile, Retail Finance, U Card, and Auto Lease expand access to essential goods, services, and mobility, especially for individuals with limited credit histories or lower income levels. Collectively, these offerings strengthen financial inclusion by ensuring that more individuals can access, manage, and benefit from formal credit systems.

#### Key highlights for 2025

**1+ million**

Beneficiaries

**ﷲ 86 Bn.**

Personal loans financed



## promoting financial inclusion

### Financial product offerings for MSMEs

The bank defines Micro, small and medium enterprises (MSMEs) according to the definitions of the General Authority for Small and Medium Enterprises (Monsha'at). Additional detail regarding the definition can be found in the MSME chapter on Page 64. The table below indicates the various financial products the bank has in place to promote SME growth.

#### Financial product offerings

##### Discretionary Lending

The bank extends general financing facilities to SME clients to support their operational requirements and capital expenditure needs.

##### Kafalah programme-based lending

Kafalah is a government-backed support programme that provides a financial guarantee on higher-risk client facilities, enabling banks to extend financing with greater confidence and recover dues in the event of client default.

##### Point of Sale (POS)

Financing against POS transaction sales throughputs

##### Construction/contracting product programme

The construction and contracting product programme provides financing to SME clients executing government and semi-government projects.

##### Tharwa product programme

Tharwa is a specialised product programme that provides financing to SME clients either by discounting income-generating real estate they already own or by supporting the acquisition of new income-generating real estate assets.

#### Value of loan portfolio

	2025	2024
MSME Funded (ﷲ '000)	58,651,598	38,984,236
No of MSME clients	49,253	31,755

By enabling business expansion, job creation, and innovation among small and medium enterprises, alrajhi bank's MSME portfolio directly contributes to the goals of Saudi Vision 2030, particularly the ambition to increase the MSME sector's share of GDP and diversify the economy. Through tailored products and advisory support, the bank helps strengthen the resilience and competitiveness of local businesses, reinforcing their role as a key engine of sustainable economic growth.

## promoting financial inclusion

The table below indicates a strong increase in alrajhi bank's on-balance sheet lending to MSMEs from 2024 to 2025, for micro, small enterprises and medium enterprises. As a share of total on-balance sheet loans, MSME exposure also edges up, with micro and small loans rising from 3.8% to 5.2%, medium loans from 1.8% to 2.6%, and overall MSME loans from 5.6% to 7.8%, reflecting a gradual but clear reinforcement of the bank's focus on the MSME segment.

Loans to MSMEs	Micro and Small		Medium		Total	
	2024	2025	2024	2025	2024	2025
On balance sheet (₪ '000)	26,271,556	38,891,875	12,712,680	19,759,723	38,984,236	58,651,598
On balance sheet loans to MSMEs as a % of total on balance sheet loans	3.8	5.2	1.8	2.6	5.6	7.8

In terms of product offerings between 2023 and 2025, trends show an expansion in both the number of relationships and loan volumes across key MSME segments. Relationships with micro and small businesses saw an 116% increase from about 22,336 in 2023 to nearly 48,168 in 2025, alongside an 124% rise in funding from roughly ₪ 17.3 Bn. to about ₪ 38.9 Bn., while medium business relationships and lending also grow over the same period, indicating broad-based deepening of MSME engagement. Women-owned business lending increased massively between 2023 and 2025.

Products offered	Description	# of relationships in 2023	Total loan as of 2023 (₪ Mn.)	# of relationships in 2024	Total loan as of 2024 (₪ Mn.)	# of relationships in 2025	Total loan as of 2025 (₪ Mn.)
Women owned business	Financing (POS, Fleet, BIF, Ecommerce, Eirad)	8	14	27	19	29	125
Micro & Small Businesses (MSB)	Financing (POS, Fleet, BIF, Ecommerce, Eirad)	22,336	17,326	31,011	26,272	48,168	38,892
Medium businesses (SME)	Financing (POS, Fleet, BIF, Ecommerce, Eirad, Kafalah Programme, General Lending)	592	12,860	744	12,713	1,085	19,760

alrajhi bank's loan modification and rescheduling options reflect its commitment to customer well-being and financial resilience. By offering flexible repayment structures for both retail and SME customers, the bank ensures that clients facing temporary financial challenges are supported rather than excluded from the formal financial system. These measures embody the bank's responsible lending approach—prioritising long-term financial stability, inclusion, and sustainability over short-term recovery pressures.



## promoting financial inclusion

Segment	Product	Description	Main features	Social impact of the bank's loan modification options
Retail	Personal Finance Rescheduling	The bank provides an option of rescheduling finances to personal finance customers who would have changes in their circumstances such as salary reduction, occupation status change., and health status to adjust amortisation table to be suitable within new income.	<ul style="list-style-type: none"> <li>• Flexible tenors with financing period of up to 5 years.</li> <li>• Quick instant approvals.</li> </ul>	From a social impact perspective, such flexibility plays a vital role in safeguarding livelihoods, preserving home ownership, and enabling small businesses to remain operational during periods of economic uncertainty or personal hardship.
	Home Finance Rescheduling	The bank provides an option of rescheduling finances to home finance customers who would have changes in their circumstances such as salary reduction, occupation status change., and health status to adjust amortisation table to be suitable within new income.	<ul style="list-style-type: none"> <li>• Flexible tenors with financing period of up to 30 years.</li> <li>• To reschedule customers up to 85 years old.</li> <li>• Quick instant approvals.</li> </ul>	
SME	All products	The bank offers SME clients the option to modify their facilities, typically during the annual renewal process. Clients may request the bank's approval to increase or decrease limits, or to amend the terms and conditions of their existing credit lines, subject to the bank's credit assessment and approval.		

### Building a connected and inclusive financial ecosystem through digitalisation and collaboration

Through continued investment in technology, partnerships, and community engagement, alrajhi bank is strengthening the financial ecosystem to ensure that all customers and SMEs regardless of location, income level, or digital literacy can access essential financial services seamlessly. The bank's initiatives extend beyond traditional banking to include digital banking solutions, financial literacy programmes, outreach through remote and digital branches, and strategic partnerships with key industry players. These efforts collectively promote financial empowerment and support the transition toward a more inclusive and connected financial system across the Kingdom.

① **Digital banking:** The bank has made digital transformation a strategic priority, focusing on expanding group-wide digital capabilities, building customer-centric digital journeys, and leveraging data and real-time insights to improve service quality and efficiency. Its award-winning mobile app and e-business platforms enable the majority of new retail and a growing share of corporate customers to onboard and transact digitally, reflecting alrajhi bank's role as a key driver of innovation, financial inclusion, and Vision 2030's digital economy ambitions in Saudi Arabia.

## promoting financial inclusion

### Case Study

#### alrajhi bank signs agreement with QAWAFEL to expand digital financing for SMEs



alrajhi bank deepened its support for the SME sector through a strategic agreement with Qawafel, a prominent B2B digital marketplace and ecosystem for suppliers and retailers across the Kingdom, to deliver integrated digital financing solutions tailored

to small and medium-sized enterprises in Saudi Arabia. The partnership, brings together the bank's advanced technological infrastructure with Qawafel's digital platform to build an end-to-end financing ecosystem. Through this collaboration, SMEs can seamlessly access smart, user-friendly digital financing options embedded within Qawafel's platform, helping to enhance liquidity, strengthen business continuity, and accelerate growth. The initiative represents a tangible step toward nurturing an innovative financing environment and directly supports Saudi Vision 2030 objectives related to the digital economy, private-sector empowerment, and entrepreneurship.

### Case Study

#### alrajhi bank sponsors Biban 2025



alrajhi bank was the Main Sponsor of Biban 2025, marking a strategic milestone in its role as a key enabler of Saudi Arabia's entrepreneurial ecosystem and a catalyst for financial innovation. The bank's sponsorship of the Kingdom's flagship entrepreneurship forum organised by Monsha'at and convening of over a thousand exhibitors from around the world demonstrates clear

alignment with Saudi Vision 2030, particularly its focus on SME growth, private-sector dynamism, and youth empowerment.

Positioned under its Integrated Banking Strategy, the partnership allowed alrajhi bank to showcase a comprehensive business ecosystem that combines tailored financing, advisory, and digital solutions for start-ups and growing enterprises. During the event, the bank demonstrated a suite of specialised offerings for entrepreneurs and SMEs, including structured financing products, bundled service packages with advisory support, and advanced cash management capabilities such as payroll solutions, B2B payment tools, and virtual account platforms designed to streamline day-to-day financial operations.

## promoting financial inclusion

### Case Study

#### alrajhi bank strengthens global partnerships and drives financial innovation at Money 20/20

alrajhi bank strengthened its regional fintech leadership through its role as a founding partner at Money 20/20, held in Riyadh in September 2025 where the bank and its subsidiaries signed more than 26 agreements and memoranda of understanding with local and international partners. The event, the regional edition of a leading global fintech platform, provided a high-profile forum focused on artificial intelligence, digital payments, financial regulation, and banking innovation, aligning closely with the bank's ambition to act as a complete financial ecosystem rather than a traditional bank.

Anchored in its 'harmonize the group' strategy, alrajhi bank used the platform to integrate its strong retail and corporate franchise with advanced digital solutions, artificial intelligence, and modern payment technologies. Key agreements included a Visa Direct partnership enabling instant international transfers to bank accounts in over 30 countries, a collaboration with Google Pay to expand digital wallet options, enhancements to the Travel Plus card through NIUM, and partnerships with Nana app and Al Majed Oud to deepen everyday customer engagement through rewards and value-added services.

The bank's subsidiaries: Neoleap, Newtech, Daraheem, Emkan Finance, and Al Rajhi Takaful played a central role, showcasing an integrated digital ecosystem. Neoleap announced new partnerships to scale digital financial services and support productive families, while Emkan Finance entered multiple collaborations to roll out AI-driven solutions and accelerate product development. Al Rajhi Takaful signed agreements with healthcare, mobility, cloud, and workforce-enablement partners to deliver innovative, digitally enabled insurance offerings.

Several initiatives directly targeted SMEs and cross-border finance, including the launch of the 'Drahim Business' platform for SME liquidity and expense management, an MoU with AstroLabs to support international companies entering the Saudi market, and an agreement with SingleView for advanced digital treasury solutions. A collaboration with Luzan to offer flexible buy-now-pay-later services further broadened customer financing options.

### Case Study

#### Digital Innovation Supporting Financial Inclusion and SME Growth

Emkan Finance demonstrates a strong commitment to financial inclusion by leveraging digitalisation to expand access to finance for underserved individuals and SMEs. Through a mobile-first, branch-free model supported by seamless digital KYC and end-to-end online onboarding, Emkan enables customers to access financing quickly and conveniently. At the same time, its inclusive digital design, featuring an Arabic-first interface, intuitive navigation, and large icons—ensures accessibility for elderly users, low-income individuals, and those with limited digital literacy. Assisted onboarding via a dedicated call centre and educational resources further ensure that digitally excluded customers are not left behind.

Emkan empowers small and micro enterprises by also addressing common financing barriers such as limited collateral and short credit histories. By using digital transaction data and simplified, Shariah-compliant credit processes, Emkan provides SMEs with tailored products including POS Financing, SME Credit Cards, and BNPL solutions. These offerings support business continuity, entrepreneurship, and job creation, while contributing to economic diversification and sustainable private sector growth. Together, these initiatives highlight how Emkan combines digital innovation with inclusive finance to deliver broad-based economic and social impact.

# promoting financial inclusion

## Case Study

### Visa and alrajhi bank expand partnership for direct international account transfers via Visa Direct



Visa, a global leader in digital payments, entered a new multi-year strategic partnership with alrajhi bank to broaden access to fast and convenient cross-border transfers for customers in Saudi Arabia.

Building on their 2023 collaboration, which enabled near real-time international transfers to Visa cards, the enhanced agreement extends Visa Direct services so that alrajhi bank customers can now send money directly to bank accounts in more than 30 countries. The rollout focuses on major remittance corridors such as India, Pakistan, Egypt, Bangladesh, the Philippines, Indonesia, and Nepal, providing real-time, secure, and user-friendly transfers that help individuals support their families and manage personal financial needs across borders.

## 2 Financial literacy services

### Advancing financial literacy and social wellbeing in KSA

During the reporting period, **alrajhi bank**, through its Corporate Social Responsibility (CSR) team in collaboration with the Marketing function, implemented a series of public service initiatives focused on enhancing **financial literacy and consumer protection** across the Kingdom of Saudi Arabia.

Key initiatives included an **anti-fraud awareness campaign for Hajj pilgrims**, designed to protect vulnerable groups from financial scams during the pilgrimage season, and the **'Wise Banker' financial awareness workshop** conducted for students at **Prince Sultan University**, aimed at strengthening basic banking knowledge and responsible financial decision-making among youth.

The bank's financial literacy programmes specifically target **young individuals, first-time banking customers, and underserved segments**, and are delivered both independently and in partnership with **government bodies and educational institutions**. These initiatives seek to improve financial capability, reduce exposure to fraud, and promote responsible financial behaviours.

Beyond financial literacy, alrajhi bank maintains a comprehensive portfolio of **community-**

**focused programmes** spanning health, housing, education, employee engagement, volunteering, and philanthropy. Collectively, these initiatives contribute to enhanced social wellbeing and improved access to essential services across KSA.

- 3 **Accessibility enhancements: alrajhi bank continues to expand its network of remote branches to improve access to financial services for customers in rural and underserved areas, where traditional banking infrastructure is often limited. These branches extend the bank's geographical reach beyond major urban centres, ensuring that individuals and small businesses in smaller towns and remote communities can open accounts, access financing, and conduct day-to-day transactions without needing to travel long distances.**

**511 branches**



**4,327 ATMs**



Remote branches now account for around 24% of the bank's total branch network.



# sustainable financing at alrajhi bank

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alrajhi bank's  
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finance portfolio



GRI 3-3

Islamic banking has long been intrinsically aligned with the principles of sustainable finance and ESG. With more than five decades of shariah-compliant operations, alrajhi bank has woven ethical conduct, social responsibility and long-term value creation into its core business model and strategic direction, ensuring that its operations support both financial and societal objectives.

Guided by shariah principles, the bank's approach to sustainable finance promotes responsible growth, while inherently excluding activities that present elevated environmental, social and governance risks. Through this values-based framework, alrajhi bank continues to deliver future-ready banking solutions that support financial resilience, social development, and the Kingdom's broader sustainability ambitions.

Material Topics

- Green Banking and Lending

UN SDGs



Key highlights in 2025

**USD 8.9 Mn.** 

Total allocated sustainable financing

**13** 

eligible projects

**217,136 CO<sub>2</sub>e** 

total attributable annual avoided emissions



# sustainable financing at alrajhi bank: a timeline

alrajhi bank's approach to sustainable finance is grounded in Shariah principles, with social responsibility, ethical conduct, and long-term value creation at its core. The bank's lending strategy is rooted in the belief that advancing the Kingdom's journey toward a sustainable future is not merely a responsibility but also a significant opportunity for growth, and that financial institutions are key enablers in making this transition a reality. The bank finances several diverse environmental and social initiatives as well as mega and giga projects, supporting the realisation Saudi Vision 2030 objectives.

2022

1st transaction completed under the Sustainable Finance Framework

alrajhi bank successfully conducted a USD 1.165 Bn. 3-year dual tranche Sustainable Commodity Murabaha facility

2023

Successfully closed 1st USD Sustainable Sukuk issuance in international debt markets

alrajhi bank issued a USD 1 Bn. 5-year USD-denominated Sustainable Sukuk

The orderbook for the Sukuk peaked over USD 3.75 Bn.

Successfully concluded 2nd successive shariah-compliant syndication

alrajhi bank closed a USD 1.43 Bn. Senior Secured Syndicated loan facility

2024

1st issuance of USD denominated AT1 Sukuk

alrajhi bank succeeded in offering the first sustainable additional capital (AT1) USD-denominated sukuk of USD 1 Bn. and a profit rate of 6.375% annually.

2nd issuance of Sustainable Sukuk in the USD

USD 1 Bn. 5-year 3rd successive shariah-compliant syndication

alrajhi bank conducted a USD 1.92 Bn. Sustainable Senior Secured Syndicated loan facility

2025

Issued Sustainable AT1 Sukuk of USD 1.5 Bn. under the Bank's Sustainable Finance Framework, the largest AT1 issuance by a MENA bank to date. Strong international investor demand resulted in subscriptions exceeding 200%.

The bank issued its first Tier 2 Sukuk in international debt markets in 2025. This USD 1 Bn. Shariah-compliant social sukuk was issued with the lowest profit rate for a Tier 2 instrument in the Saudi market, as well as one of the lowest globally.

# alrajhi bank's sustainable finance framework

Established in 2022, alrajhi bank's Sustainable Finance Framework serves as the cornerstone for issuing sustainable sukuk, syndicated loans, and other debt capital market instruments, collectively referred to as sustainable financing instruments.

The Sustainable Financing Instruments will fund Eligible Sustainable Projects that conform to the sustainable finance principles listed below:

- The International Capital Market Association (ICMA) Green Bond Principles (GBPs) 2021, Social Bond Principles (SBPs) 2021 and Sustainability Bond Guidelines (SBGs) 2021; and/or
- The Loan Market Association (LMA) Green Loan Principles (GLPs) 2021 and Social Loan Principles (SLPs) 2021.

In 2023, the bank received third party verification of its Sustainable Finance Framework from [S&P Global Ratings](#).

The bank's Sustainable Finance Framework has four core focus areas:

- 1 **Use of proceeds:** alrajhi bank is committed to allocating funds at least equivalent to the net proceeds from its Sustainable Financing Instruments to support eligible sustainable projects in accordance with the Framework's criteria. For refinanced projects, a maximum three-year look-back period applies, with full allocation targeted within two years of issuance date.
- 2 **Project evaluation and selection process:** The methodology for evaluating and selecting projects guarantees that the funds from any Sustainable Financing Instrument are utilised to finance or refinance eligible sustainable projects.

- 3 **Management of proceeds:** Funds raised from alrajhi bank's Sustainable Financing Instruments are held in the bank's general funding accounts, earmarked for eligible projects, and tracked via the bank's Sustainable Finance Register. Any unallocated funds will be invested according to the bank's standard liquidity policy in cash or cash equivalents.

- 4 **Reporting:** Each year, alrajhi bank provides both allocation and impact reports on its eligible projects. These reports are updated annually until all net proceeds from any Sustainable Financing Instrument are fully allocated or until the instrument is no longer active.

Furthermore, to align with industry best practices, the bank intends to hire an external reviewer to assess annually how well the allocation of funds corresponds to the Framework's established criteria.

To measure the social and environmental impact of its projects, the bank also sought the Carbon Trust's assistance in conducting an impact assessment on the eligible sustainable finance projects under its Sustainable Finance Framework. The details of the impact assessment and the independent verification report is available on alrajhi bank's Investor Relations website.



# eligible sustainable project categories

The bank considers the following eligible categories under its Sustainable Finance Framework:

## Eligible Green Categories



- 1 Renewable Energy
- 2 Energy Efficiency
- 3 Sustainable Water Management
- 4 Pollution Prevention and Control
- 5 Environmentally Sustainable Management of Living Natural Resources and Land Use
- 6 Clean Transportation
- 7 Sustainable Buildings

## Exclusion List



The proceeds of any Sustainable Financing Instruments will not be allocated to projects where the majority of revenues are derived from fossil fuels, nuclear power generation, conflict minerals, weapons, gambling, vaping, tobacco, alcohol, mining, and/or oil and gas.

## Eligible Social Categories



- 1 Employment Generation and programmes Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises
- 2 Affordable Housing
- 3 Access to Essential Services

# oversight of the sustainable finance framework

alrajhi bank's Sustainable Finance Working Group (SFWG) is responsible for governing and implementing the initiatives set out in the Sustainable Finance Framework. The SFWG comprises of several members of the bank's senior leadership; It is chaired by the Chief Financial Officer (CFO), and comprises the Chief Risk Officer (CRO), the General Managers of both B2B and B2C business verticals, and the Group Treasurer. The SFWG's responsibilities entail the following:


- Meet at least twice each year, with meetings distributed evenly throughout the year
- Ensure that the approval of eligible sustainable projects will follow the bank's existing loan approval processes
- Ratify eligible sustainable projects that have been proposed by the constituent group members
- Ensure that all eligible sustainable projects have been assessed from an environmental and social risk management perspective, in line with alrajhi bank's existing risk management framework

- Undertake regular monitoring of all projects to ensure the eligibility of sustainable projects with the criteria set out below, whilst replacing any ineligible sustainable projects with new eligible sustainable projects
- Facilitate regular reporting on any sustainable issuance in alignment with the bank's reporting commitments
- Review and update the Framework regularly

The SFWG met twice during the reporting period. Topics discussed during the meetings included the success and impact of ongoing projects, potential future projects, as well as the progress of Asset Allocation Report 2026 and the green and social assets of the bank.

alrajhi bank will allocate an amount equal to or greater than the net proceeds from the Sustainable Financing Instruments issued under this Framework to finance or re-finance, either fully or partially, sustainable projects that meet the eligibility criteria of the following categories of Eligible Sustainable Projects, as defined below.

## Eligible Green Categories


Green projects category	Eligibility criteria	Impact reporting metrics
 <b>Renewable Energy</b>	<p>Projects related to the production, transmission and storage of energy from the following renewable sources:</p> <ul style="list-style-type: none"> <li>• Solar (PV and Concentrated Solar Power with a minimum 85% of power generation derived from solar sources)</li> <li>• Wind energy</li> <li>• Green hydrogen and green ammonia (from electrolysis powered by 100% renewable energy including wind and solar)</li> <li>• Biofuels produced from waste sources, such as used cooking oil</li> <li>• Biomass from sustainable feedstock only<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Capacity of renewable energy plant(s) constructed or rehabilitated in MW</li> <li>• Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)</li> <li>• Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent (where possible)</li> </ul>

<sup>1</sup> Feedstock is from sustainable sources of local raw material that is sourced from agricultural residues or forestry residue and does not deplete existing terrestrial carbon pools or compete with food production

## oversight of the sustainable finance framework

Green projects category	Eligibility criteria	Impact reporting metrics
<p><b>Energy efficiency</b></p> 	<p>Projects that reduce energy consumption by at least 20% compared to the average of national energy consumption of an equivalent project or technology, such as:</p> <ul style="list-style-type: none"> <li>• District cooling systems</li> <li>• Upgrade in grid infrastructure to improve electricity transmission efficiency and reduce transmission losses</li> <li>• Investment in smart energy grids, energy meters, management systems and battery storage facilities</li> <li>• Upgrading older generation (3G/4G) telecommunications infrastructure and networks to 5G</li> </ul> <p><i>For the avoidance of doubt, improvement activities that result in the lock-in of fossil fuel technologies will be excluded</i></p>	<ul style="list-style-type: none"> <li>• Annual energy savings in MWh (electricity) and GJ/TJ (other energy savings)</li> </ul>
<p><b>Sustainable Water and Wastewater Management</b></p> 	<p>Projects related to construction, upgrades, renovations or improvements for transportation and treatment of wastewater, including:</p> <ul style="list-style-type: none"> <li>• Water and wastewater treatment plants (WWTP) including reuse of WWTP effluents</li> <li>• Sewer systems and pumping stations</li> <li>• Projects that increase water-use efficiency, such as water recycling and reuse projects, water saving systems, technologies and water metering</li> <li>• Water desalination projects running on reverse osmosis technology with a carbon intensity of less than 100gCO<sub>2</sub>e/kWh over the residual asset life. (The asset may be partially powered by renewables)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reduction in water use as a %</li> <li>• Annual amount of wastewater treated, reused or avoided before and after the project in m<sup>3</sup>/a</li> </ul>
<p><b>Pollution Prevention and Control</b></p> 	<p>Projects related to construction, upgrades and renovation of facilities for collection, sorting, processing and conversion and treatment of waste, including:</p> <ul style="list-style-type: none"> <li>• Waste collection and storage</li> <li>• Waste sorting, separation and material recovery</li> <li>• Recycling and reuse</li> <li>• Biological treatment facilities (including anaerobic digestion and composting facilities)</li> <li>• Waste to energy plants, where recyclables are sorted and there is bottom ash recovery</li> </ul>	<ul style="list-style-type: none"> <li>• Waste reduced/avoided (tonnes)</li> <li>• Annual GHG emissions reduced/avoided (tonnes of CO<sub>2</sub> equivalent)</li> </ul>


# oversight of the sustainable finance framework

Green projects category	Eligibility criteria	Impact reporting metrics
<p><b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b></p> 	<p>Projects related to sustainable forestry practices certified in accordance with the Forestry Stewardship Council (FSC) or Programme for the Endorsement of Forest Certified (PEFC)</p>	<ul style="list-style-type: none"> <li>• Amount or % of water consumption reduced</li> <li>• Increase in production efficiency</li> <li>• Maintenance/ safeguarding/increase of natural landscape area (including forest) in km<sup>2</sup> and in % for increase</li> <li>• Increase of area under certified land management in km<sup>2</sup> or m<sup>2</sup> and in % (in buffer zones of protected areas)</li> <li>• Annual GHG emissions reduced in tCO<sub>2</sub>e p.a.</li> </ul>
<p><b>Clean Transportation</b></p> 	<p>Projects related to low carbon vehicles and associated infrastructure for public, passenger and freight transportation meeting the following criteria:</p> <ul style="list-style-type: none"> <li>• passenger cars and public rail transportation (under 75gCO<sub>2</sub>/km up to 2020, and 50gCO<sub>2</sub>/km thereafter up till 2030);</li> <li>• freight transportation (under 25gCO<sub>2</sub>/t-km up till 2030, 21gCO<sub>2</sub>/tkm from 2030 up to 2050)</li> </ul> <p>Projects supporting the deployment of electric vehicles including charging infrastructure</p>	<ul style="list-style-type: none"> <li>• Number and type of clean transportation infrastructure financed</li> <li>• Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li> </ul>

## oversight of the sustainable finance framework

Green projects category	Eligibility criteria	Impact reporting metrics
<b>Green Buildings</b> 	<p>Projects related to acquisition, development, construction and refurbishment of buildings that belongs to the top 15% in terms of energy efficiency of their local market or have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, including:</p> <ul style="list-style-type: none"> <li>• LEED 'Gold' or above</li> <li>• Mostadam 'Gold' or above</li> <li>• BREEAM 'Excellent' or above</li> <li>• Global Sustainability Assessment System (GSAS) '4 star' or above</li> </ul> <p>Projects related to acquisition, development, construction and refurbishment of data centres with a PUE of under 1.5<sup>2</sup></p>	<ul style="list-style-type: none"> <li>• Type of scheme, certification level</li> <li>• Energy efficiency gains in MWh or % versus baseline/building code</li> </ul>

## Eligible Social Categories




Social projects category	Eligibility criteria	Impact reporting metrics
<b>Employment Generation, and Programmes Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises</b> 	<p>Financing and/or refinancing of loans to Micro, Small and Medium Enterprises (MSME) and microfinance clients, as well as the provision of support measures to these clients such as offering extension of payment periods and exemption of facility fees during natural disasters and pandemics</p> <p><b>Target Populations:</b></p> <ul style="list-style-type: none"> <li>• MSMEs<sup>3</sup></li> <li>• Women-owned and women-focused businesses</li> <li>• MSMEs whose economic activities have been affected by pandemic and natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Number and amount of loans to SMEs</li> <li>• Number and amount of loans to women-owned SMEs</li> <li>• Number and amount of loans to microfinance entities</li> <li>• Number and amount of microfinance loans</li> </ul>

<sup>2</sup> The Uptime Institute performs an annual survey of data centre operators, assessing the average Power Usage Effectiveness (PUE). In the 2021 survey, the average annualised data centre PUE was 1.57, a minor improvement from 1.59 in 2020, with little change on the preceding 3 years. The bank therefore views a PUE of 1.5 as a suitable benchmark below the industry average.

<sup>3</sup> Micro, small and medium enterprises are classified according to the definitions of the General Authority for Small and Medium Enterprises (Monsha'at). Micro businesses are companies with revenues of up to 3 Mn., small-sized companies are those with revenues ranging from 3 Mn. to 40 Mn., and medium-sized companies are those with revenues ranging from 40 Mn. to 200 Mn.

## oversight of the sustainable finance framework

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Social projects category	Eligibility criteria	Impact reporting metrics
<b>Affordable Housing</b> 	<p>Financing and/or refinancing of government-supported or government subsidised mortgages in partnership with mortgage financing programmes for the provision of affordable housing as well as projects related to the development and construction of homes covered under such programmes</p> <p><b>Target Population:</b> Populations eligible for government-supported affordable housing mortgage financing schemes</p>	<ul style="list-style-type: none"> <li>• Number of housing units constructed</li> <li>• Number of individuals and families benefiting from subsidised housing</li> </ul>
<b>Access to Essential Services</b>  	<p>Projects related to the construction or expansion of public hospitals and schools for the provision of not-for-profit, free or subsidised healthcare and education, including government-owned public-private partnerships (PPP) for the:</p> <ul style="list-style-type: none"> <li>• Provision/distribution of healthcare equipment and public services</li> <li>• Infrastructure for the provision of emergency medical response and disease control services</li> <li>• Provision of child, youth or adult education and vocational training services</li> </ul> <p><b>Target Population:</b> General population, including populations that lack quality access to essential goods and services</p>	<ul style="list-style-type: none"> <li>• Number of people benefited (e.g. patients benefited or students supported)</li> <li>• Number of public hospitals, clinics and health care centres financed</li> <li>• Numbers of places and beds</li> <li>• Number of schools and universities financed</li> </ul>

The bank will take measures to disclose to investors the expected share of financing versus refinancing for any Sustainable Financing instrument.

The Sustainable Finance Register, which is used to allocate funds towards Eligible Sustainable Projects, will contain information relating to:

- Sustainable Financing Instrument details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number etc.
- Eligible Sustainable Projects, including the project category, project description, project location, total loan amount and the Banks's loan amount, amount disbursed, settled currency etc.
- Amount of unallocated proceeds



# alrajhi bank's sustainable finance portfolio

As of 31 December 2025, alrajhi bank's current allocation of proceeds emphasises the social dimension, with 94.49% directed toward affordable housing projects. The remaining 5.5% is allocated to environmental initiatives, including renewable energy, energy efficiency, sustainable water management, and clean transportation.

Allocated eligible social asset portfolio by category	Eligible amount (USD Mn.)	% of Allocated eligible portfolio
Affordable Housing	8,408	94.57
<b>Total</b>	<b>8,408</b>	<b>94.57</b>

Allocated eligible environmental asset portfolio by category	Eligible amount (USD Mn.)	% of Allocated eligible portfolio
Renewable Energy	234	2.6
Energy Efficiency	23.6	0.3
Sustainable Water and Wastewater Management	110.2	1.2
Clean Transportation	114.6	1.3
<b>Total</b>	<b>482.4</b>	<b>5.4</b>

## A glimpse of our sustainable financing projects

<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>
Solar PV projects	Battery EV storage project	District cooling projects	Biodiesel powered plant	Sewage treatment plants	Desalination plant projects	Affordable Housing Projects
<b>195,940 CO<sub>2</sub>e</b>	<b>4,844 CO<sub>2</sub>e</b>	<b>344 CO<sub>2</sub>e</b>	<b>196 CO<sub>2</sub>e</b>	<b>14,334,439m<sup>3</sup></b>	<b>15,813 CO<sub>2</sub>e</b>	<b>105,100</b>
Attributed avoidable emissions	Attributed avoidable emissions	Attributed avoidable emissions	Attributed avoidable emissions	Attributed wastewater treated	Attributed avoidable emissions	Beneficiaries

## alrajhi bank's sustainable finance portfolio

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### Evaluating environmental and social impact

As a part of its reporting commitments under the Sustainable Finance Framework, alrajhi bank conducts an annual environmental and social impact assessment where it reports the expected or actual impact of the Eligible Sustainable Projects it finances or co-finances with reference to the ICMA Harmonised Framework for Impact Reporting (2023). The reporting includes social and environmental impacts, such as number of housing units constructed, emissions reduced or avoided. The reporting is based on the net benefit resulting from the asset in a given period of operation, rather than the gross emissions change before or after the life of the asset or project.

#### Key highlights for 2025

**105,902 CO<sub>2</sub>e**

Operational attributable avoided emissions

**13**

Assessed projects

**111,235 CO<sub>2</sub>e**

Under construction estimated avoided emissions

**42,040**

Housing units constructed

#### Case Story

#### Advancing sustainable financing through a Tier 2 Social Sukuk Issuance

alrajhi bank successfully issued a USD 1 Bn. Tier 2 Social Sukuk during Q3 2025, marking its first Tier 2 issuance in international debt markets, a significant milestone in the bank's sustainable finance journey. Issued under the bank's Sustainable Finance Framework, the shariah-compliant sukuk was structured to support capital adequacy, while advancing social objectives aligned with Saudi Vision 2030.



The 10.5-year sukuk, callable after 5.5 years, attracted strong demand from a diverse base of global institutional

investors, reflecting confidence in the bank's credit profile. Listed on the London Stock Exchange's International Securities Market, the transaction enhanced the bank's access to international capital markets while reinforcing its commitment to socially responsible financing.

Through this issuance, alrajhi bank reinforced its capital base while advancing its sustainable financing agenda, demonstrating how shariah-compliant capital instruments can support both financial resilience and positive social outcomes.



## alrajhi bank's sustainable finance portfolio

ESG pillars	UN Sustainable Development Goals	The bank's contributions
Environment 	<ul style="list-style-type: none"> <li>• SDG 7 – Affordable and clean energy</li> <li>• SDG 12 – Responsible Consumption and Production</li> </ul>	<ul style="list-style-type: none"> <li>• The bank has financed 4 solar PV projects, 3 of which are fully operational and 1 that is under construction. The total RE capacity of these projects is 2,457 MW, with an attributed annual RE generation of 331,144 MWh.</li> <li>• The bank has contributed to the financing of 1 biodiesel-fuelled plant project, which is fully operational. The total capacity generated from this biodiesel fuelled powerplant is 109 MW, with 4,300 MWh attributed annual renewable energy generated.</li> <li>• The bank currently finances 2 district cooling projects, both fully operational, with total refrigerant production of 54,750,000 tr, attributed annual energy savings of 1,889 MWh</li> </ul>
Social 	<ul style="list-style-type: none"> <li>• SDG 1 – No poverty</li> <li>• SDG 2 – Zero hunger</li> <li>• SDG 5 – Gender equality</li> <li>• SDG 8 – Decent work and economic growth</li> <li>• SDG 9 – Industry, innovation and infrastructure</li> <li>• SDG 10 – Reduced inequalities</li> <li>• SDG 11 – Sustainable cities and communities</li> </ul>	<ul style="list-style-type: none"> <li>• The bank has worked closely with the Real Estate Development Fund and Ministry of Housing to finance or re-finance government-supported or government-subsidised mortgages, as well as development and construction of homes, that are covered under housing support programmes. The bank's Sustainable Financing Instruments have financed the construction of 42,040 housing units, benefitting 105,100 individuals.</li> <li>• The bank currently finances 2 fully operational wastewater treatment projects, with attributed annual wastewater collected of 15,092,138 m<sup>3</sup> and attributed annual wastewater treated of 14,334,439 m<sup>3</sup>.</li> </ul>

An in-depth report of the 2025 Impact Assessment may be found [here](#).

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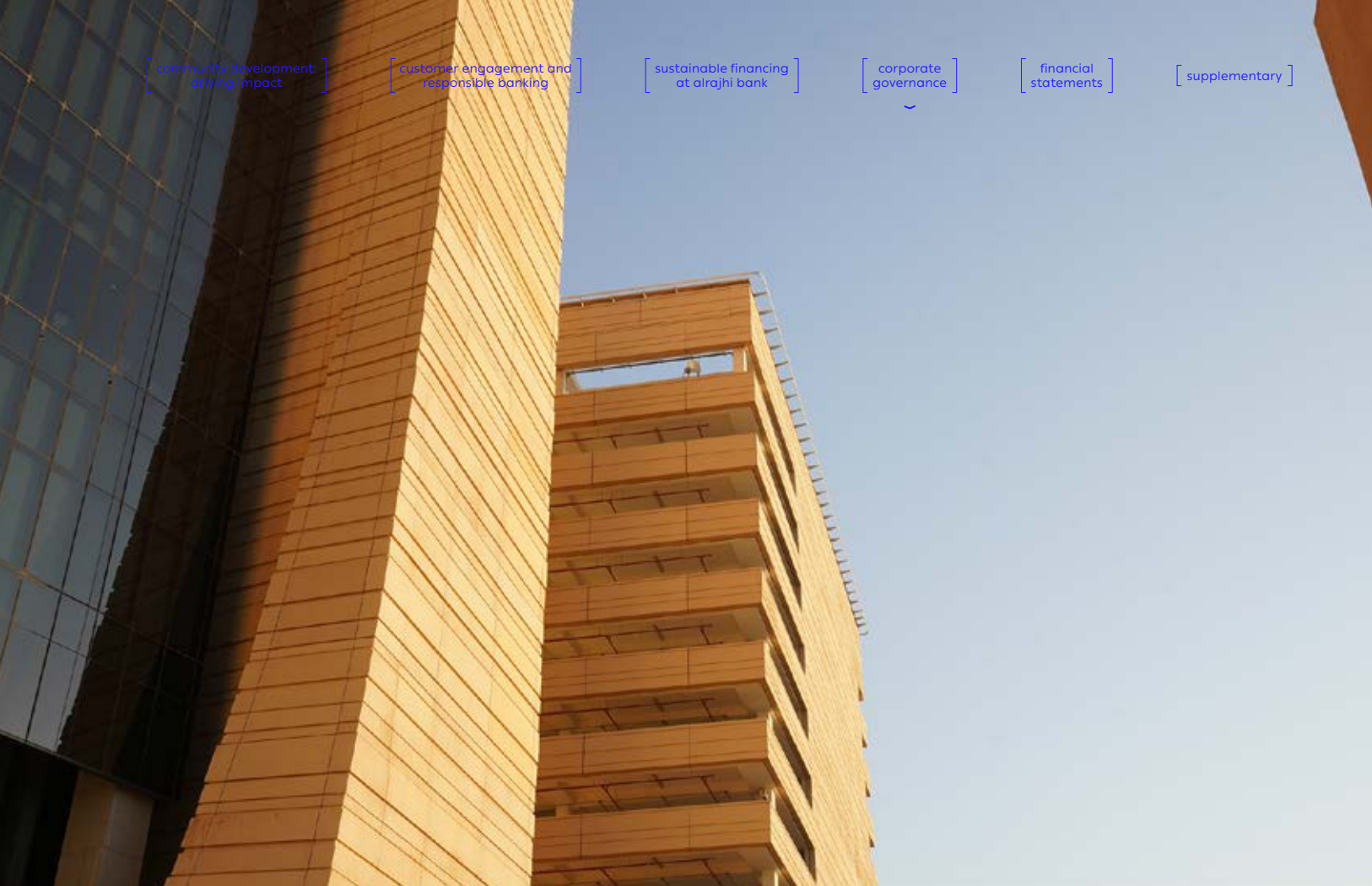
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GRI 3-3

alrajhi bank upholds a rigorous corporate governance framework grounded on transparency, accountability and integrity. Strong Board oversight, comprehensive risk management and firm regulatory compliance guide the bank's operations and decision-making. Through consistent disclosures and proactive engagement with stakeholders, alrajhi bank reinforces trust, ensures responsible governance, and supports sustainable growth and long-term value creation, reaffirming transparency as a core principle across all governance practices.

Material Topics

- Governance, Ethics and Accountability

UN SDGs



Key Highlights in 2025

**36%** 

Board independence

**Zero** 

Cybersecurity and data breaches

**ISO 27001 certified** 

Information Security Management System

# board of directors



**Abdullah bin Sulaiman Al Rajhi**  
Chairman

#### Committee Memberships

- Executive Committee

#### Current Positions

Chairman of the Board of many companies in KSA including:

- Al Rajhi Banking and Investment Corporation (Al Rajhi Bank)
- Al Rajhi Company for Cooperative Insurance (Al Rajhi Takaful)
- Al Rajhi Capital
- Al Rajhi Holding Group
- Alfarbi Petrochemicals Company
- Interior & Exterior Floor Textiles Solutions Holding Co.
- Al Ajyal Holding Company
- ASAQ Company
- ARGC FC Company
- Al Rajhi Medical Hospital Company

#### Previous Positions

Held many positions in Al Rajhi Bank from 1979 to 31 March 2012 including:

- Managing Director and Chief Executive Officer
- Chief Executive Officer
- General Manager
- First Deputy General Manager
- Deputy General Manager of Financial Affairs
- Deputy General Manager of Investment and Foreign Relations

#### Qualifications

- Bachelor of Business Administration – King Abdulaziz University, KSA

#### Experience

- Contributed to the conversion of Al Rajhi Exchange and Trade Company into a public joint stock company and held many strategic leadership positions at Al Rajhi Bank for over 35 years



**Ibrahim bin Mohammed Alromaih**  
Vice Chairman

#### Committee Memberships

- Executive Committee
- Nominations and Remunerations Committee

#### Current Positions

- Vice Chairman of the Board, Chairman of the Nominations and Remunerations – Al Rajhi Bank
- Board Member – Saudi Arabian Investment Company

#### Previous Positions

- CEO – Saudi Arabian Investment Company
- Board Vice Chairman – Capital Market Authority
- Associate Secretary General – Public Investment Fund
- Board Member – National Commercial Bank
- Board Member – ACWA Power

#### Qualifications

- Bachelor of Economics – Portland State University, USA
- Master's in Economics – Central Michigan University, USA
- Finance Course at Chase Manhattan Bank, USA

#### Experience

- Close to 30 years of experience in banking, finance and investment fields

## board of directors

**Abdulaziz bin Khalid Alghufaily**

Board Member

**Committee Memberships**

- Executive Committee
- Nominations and Remunerations Committee

**Current Positions**

- Board Member, and Member of both Executive Committee and Nominations and Remunerations Committee – Al Rajhi Bank
- Board Member – Al Rajhi Capital
- Board Member – Alujain Corp

**Previous Positions**

- General Manager Financial Investments – Hassana Company
- Board Member – Industrialization Energy Services Company (TAQA)
- Board Member – Riyadh Hotels and Entertainment Company
- Board Member – Saudi Industrial Development Company

- Board Member – Tabuk Agricultural Development Company
- Board Member – National Medical Care Company
- Board Member – Herfy Foods Company
- Board Member – Panda Retail Company
- Board Member – Savola Foods Company
- Board Member – Savola Group
- Board Member – National Petrochemical Industries Company (NATPET)

**Qualifications**

- Bachelor of Economics – King Saud University, KSA
- Master's in Economics – Western Illinois University, USA

**Experience**

- Long-established career in the field of investment spanning over three decades

**Badr bin Mohammed Al Rajhi**

Board Member

**Committee Memberships**

- Governance Committee

**Current Positions**

- Board Member and Member of the Governance Committee – Al Rajhi Bank
- Chairman – Berain Company
- Chairman – Saudi Tourism Development Company
- Board Member and Chairman of the Executive Committee – Saudi Iron & Steel Company (Hadeed)
- Chairman – Albadr Alzاهر Co.
- Chairman – Great United Co.
- Managing Director and Vice Chairman – Mohammed Abdulaziz Al Rajhi & Sons Investment Company
- Vice Chairman of the Board of Directors – Aljazirah Home Appliance Co. Ltd.
- Vice Chairman of the Board of Directors – Falcon Plastic Products Company

**Previous Positions**

- Held several leading positions in areas of management, industry and real estate investment, and has served as Board Member of joint-stock companies

**Qualifications**

- High School

**Experience**

- More than 30 years of experience in areas of administrative investment, industrial, tourism, and real estate fields. Serves as a member of the boards of directors for a number of listed companies

## board of directors

**Khalid bin Abdulrahman Al Gwaiz**

Board Member

**Committee Memberships**

- Risk Management Committee

**Current Positions**

- Board Member and Chairman of the Risk Management Committee – Al Rajhi Bank
- Chairman of the Board of Directors, and Member of the Nominations Committee – Riyadh Cables Company
- Chairman of the Board of Directors, Chairman of the Executive Committee, – Saudi Pharmaceutical Industries and Medical Appliances Company (SPIMACO)
- Board Member and Chairman of the Nominations Committee – Bawan Holding Company
- Board Member – Itihad International Construction Company
- Board Member – Eastnets Saudi
- Board Member – Unique Solutions for Chemical Industries Co.
- Board member and NRC Chairman Sedco Capital
- Board member – EMCOR Facilities Services

**Previous Positions**

- Managing Director – ACWA Holding Group
- Board Member and Chairman of the Nominations and Remunerations Committee – Saudi Cooling Company
- Board Member, Member of the Audit Committee, and Chairman of the Nominations and Remuneration Committee – Swicorp
- Board Member – Synergy Management Consulting Company
- Executive Director of Bin Ladin Global Holding Company
- Board Member – National Medical Products Company
- Board Member – Vision of the Nation Investment Company
- Board Member – Roaa Developmental Holding Company

**Qualifications**

- Bachelor of Urban Planning – University of Washington, USA

**Experience**

- Over 30 years of experience in finance, industrial, and banking fields

**Mansour bin Abdulaziz Albosaily**

Board Member

**Committee Memberships**

- Governance Committee
- Nominations and Remunerations Committee

**Current Positions**

- Board Member, Chairman of the Governance Committee and Member of the Nominations and Remunerations Committee – Al Rajhi Bank
- Board Member – Sinad Holding Company
- Board member and Chairman of Audit Committee at AISulaiman Investment Holding Company

**Previous Positions**

- Board Member – Amlak International Real Estate Development Company
- Board Member – Gas Arabian Services Company

- Board Member – Saudi Reinsurance Cooperative Company (Saudi Re)
- Chairman of the Board of Directors – HSBC Saudi Arabia
- Board Member – Jabal Omar Development Company
- Executive General Manager for Legal Affairs and Secretary General – The Saudi British Bank (SABB)
- Board Member – United Electronics Company
- Board Member – Saudi Ground Services Company

**Qualifications**

- Bachelor of Laws – King Saud University, KSA

**Experience**

- Over 25 years of experience in the banking sector

## board of directors

**Motassim bin Abdulaziz Almaashouq**

Board Member

**Committee Memberships**

- Risk Management Committee

**Current Positions**

- Board Member and Member of the Risk Management Committee – Al Rajhi Bank
- Board Member, Chairman of the Audit Committee, and Member of the Executive Committee – Rabigh Refining and Petrochemical Company

**Previous Positions**

- Board Member – Al Borg Diagnostics
- Board Member – Lamprell Energy Company
- Board Member – Johns Hopkins Aramco Medical Center
- Board Member – Dussur Industrial Investments Company
- Board Member – Industrialization Energy Services Company (TAQA)
- Chairman of the Board of Directors – Aramco Development Company
- Chairman of the Board of Directors – Saudi Aramco Base Oils Company (Lubref)

- Board Member – Rabigh Refining and Petrochemical Company (Petro Rabigh)
- Held several positions in Saudi Aramco and its subsidiaries
- Chairman of the Board of Directors, and Member of both the Audit Committee and the Nominations and Remunerations Committee – Northern Trust Company

**Qualifications**

- Bachelor of Arts – University of East Anglia, UK
- Master of Arts – University of London, UK

**Experience**

He has more than 36 years of practical experience in Saudi Aramco, holding several leadership positions including: Vice President for the IPO – Vice President for Corporate Planning – Vice President for New Business Development – President of Treasury – CEO of Petron and Petrolube Company (subsidiaries of Aramco). He also participated in board memberships in several companies affiliated with Saudi Aramco

**Hamza bin Othman Khushaim**

Board Member

**Committee Memberships**

- Executive Committee
- Risk Management Committee

**Current Positions**

- Board Member, and Member of both the Executive Committee and Risk Management Committee – Al Rajhi Bank
- Board Member – Seera Holding Group
- Member of the Advisory Board of the Center for Business and Government of the Kennedy School – Harvard University
- Certified Member of the Financial Analysts Association – USA
- Board Member – Al Mufafer Company
- Board Chairman – khitat alidikhar Company For Information Technology

**Previous Positions**

- Hedge Fund Portfolio Manager – King Abdullah University of Science and Technology Endowment

- Hedge Fund Portfolio Manager – Investment Management – Treasury – Saudi Aramco
- Financial Analyst – Investment Management – Treasury – Saudi Aramco
- Board Member and Member of the Remuneration and Nominations Committee – Dallah Healthcare Holding Company
- Head of Strategy – Hassanah Investment Company

**Qualifications**

- Bachelor of Finance – Michigan State University, USA
- Master's in Business Administration – Michigan State University, USA
- Chartered Financial Analyst – CFA Institute

**Experience**

- 19 years of experience in the investment field

## board of directors

**Raed bin Abdullah Al Tamimi**

Board Member

**Committee Memberships**

- Governance Committee
- Nominations and Remunerations Committee
- Audit Committee

**Current Positions**

- Board Member, and Member of the Governance Committee, Nominations and Remunerations Committee, and Chairman of the Audit Committee – Al Rajhi Bank

**Previous Positions**

- CEO – Tawuniya Insurance
- CEO – National Medical Care Company
- Member of the Board of Directors – Tawuniya Insurance
- Member of the Board of Directors – National Medical Care Company

- Board Member – Waseel HealthTech Company
- Board Member – Najm Insurance Services Company
- Board Member and Member of the Nominations and Remuneration Committee – Saudi Public Transport Company
- Board Member, and Member of both Audit and Risk Committees – National Gas and Industrialization Company

**Qualifications**

- Bachelor of Medical Sciences, University of Wales, United Kingdom

**Experience**

- He has administrative experience for more than 20 years.

**Faisal bin Salah Abaalkhail**

Board Member

**Committee Memberships**

- Executive Committee

**Current Positions**

- Board Member, and Member of both the Executive Committee – Al Rajhi Bank
- Member of the Board of Directors – Reflect Medical Company
- Member of the Board of Directors – Reflect Investment Company
- Member of the Board of Directors – Al Hajeen Al Amthal Company
- Member of the Board of Directors – Masar Al-Ihsan Endowment Company

**Previous Positions**

- Board member – Al Rajhi Capital
- Board member – Infratech Telecommunications and Information Technology Company

**Qualifications**

- BA in Accounting – Prince Sultan University

**Experience**

- He has over 12 years of experience in auditing, investment, and consulting.

## board of directors

**Waleed bin Abdullah Al Mogbel**

Managing Director and Chief Executive Officer

**Current Positions**

- Managing Director and CEO – Al Rajhi Bank
- Board Member – Al Rajhi Company for Cooperative Insurance (Al Rajhi Takaful)
- Chairman of the Board of Directors – Emkan Finance Company
- Chairman of the Board of Directors – International Digital Solutions Company (NeoLeap)
- Chairman of the Board of Directors – Human Resources Management and Development Company (Atmaal)
- Board Member – Al Rajhi Capital
- Chairman of the Board of Directors – Neotek
- Chairman of the Board of Directors – Drahim Holdings

**Previous Positions**

- Executive Vice President – Al Rajhi Bank
- Head of Operations – Al Rajhi Bank
- Head of the Financial Group – Al Rajhi Bank
- Chairman of the Board of Directors – Ejada Systems

**Qualifications**

- PhD in Auditing – Cardiff University, UK
- Master in Finance – University of Southampton, UK
- Bachelor of Accounting – King Saud University, KSA

**Experience**

- Over 28 years of experience in finance, banking, auditing, tax, and administrative financial consulting

# executive management



**1** **Waleed Abdullah Al-Mogbel**  
Managing Director and Chief Executive Officer



**2** **Abdulrahman Abdullah Al-Fadda**  
Chief Financial Officer



**3** **Majed Saleh Al-Rajhi**  
General Manager Retail Banking



**7** **Ahmed Saleh Al-Sudais**  
Chief Human Resources Officer



**8** **Faisal Abdullah Al-Sheref**  
General Manager of the Shariah Group



**9** **Abdullah Ali Al-Furaiji**  
Chief Digital Officer



**13** **Thamer Abdullah Alhumud**  
Chief Governance and Legal Officer



**14** **Salim Hamad Musallam**  
Chief Credit Officer



**15** **Turki Mohammed Al Dhfayan**  
Chief Strategic Projects



## executive management



4

**Hussein Talal Bayari**  
General Manager Corporate  
Banking Group



5

**Abdulrahman Mohammad Al-Ajaji**  
General Manager Treasury  
Group



6

**Abdullah Saleh Al-Omari**  
Chief Operating Officer



10

**Abdullah Saad Aljabr**  
Chief Marketing and  
Customer Experience Officer



11

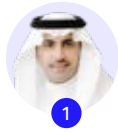
**Dhary Mohali Al-Shammry**  
Chief Internal Auditor



12

**Hamad Ibrahim Al-Washmi**  
Chief Compliance Officer

## executive management



**Waleed Abdullah  
Al-Mogbel**

1

### Current position

Managing Director and  
Chief Executive Officer

### Previous positions

Deputy Chief Executive  
Officer – Al Rajhi Bank

### Qualifications

PhD in Accounting and Auditing

### Experience

28 Years



**Abdulrahman Abdullah  
Al-Fadda**

2

### Current position

Chief Financial Officer and  
Acting Chief Risk Officer

### Previous positions

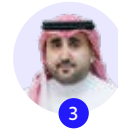
General Manager of Treasury and  
Financial Institutions – Al Rajhi Bank

### Qualifications

Bachelor's degree – Electrical Engineering

### Experience

29 Years



**Majed Saleh Al-Rajhi**

3

### Current position

General Manager Retail Banking

### Previous positions

AGM Private and Affluent  
Banking – Al Rajhi Bank

### Qualifications

MBA – London Business School

### Experience

21 Years



**Ahmed Saleh  
Al-Sudais**

7

### Current position

Chief Human Resources Officer

### Previous positions

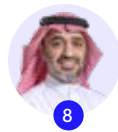
VP Human Capital –  
ACWA Power International, KSA

### Qualifications

Bachelor's degree in Accounting

### Experience

34 Years



**Faisal Abdullah  
Al-Sheref**

8

### Current position

General Manager of the Shariah Group

### Previous positions

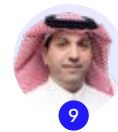
AGM – Shariah Counsel

### Qualifications

Doctorate in Comparative Jurisprudence

### Experience

19 Years



**Abdullah Ali Al-Furajji**

9

### Current position

Chief Digital Officer

### Previous positions

AGM Digital Business – Al Rajhi Bank

### Qualifications

Bachelor Degree in Organisation  
and Management Development,  
Financial Accounting

### Experience

25 Years



**Thamer Abdullah  
Alhumud**

13

### Current position

Chief Governance and Legal Officer

### Previous positions

Chief of Legal, Compliance,  
Risk and Governance –  
Culture Development Fund

### Qualifications

Master's degree in Finance and  
Securities Law

### Experience

21 Years



**Salim Hamad Musallam**

14

### Current position

Chief Credit Officer

### Previous positions

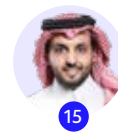
AGM – Head of Corporate Credit

### Qualifications

Master's Degree in Business Administration

### Experience

22 Years



**Turki Mohammed  
Al-Dhfayan**

15

### Current position

Chief Strategic Projects

### Previous positions

Chief Marketing and Customer  
Experience Officer

### Qualifications

Associate Degree in Telecommunications

### Experience

19 Years

## executive management



**Hussein Talal  
Bayari**

4

### Current position

General Manager Corporate  
Banking Group

### Previous positions

EVP Head of Global Corporates at  
the Saudi National Bank

### Qualifications

Master's degree in Business Administration

### Experience

16 Years



**Abdulrahman  
Mohammad Al-Ajaji**

5

### Current position

General Manager Treasury Group

### Previous positions

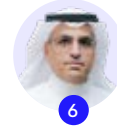
Head of Global Market Sales – (SABB)

### Qualifications

Bachelor of Science – Computer Science

### Experience

22 Years



**Abdullah Saleh  
Alomari**

6

### Current position

Chief Operating Officer

### Previous positions

Chief Information Officer – Al Rajhi Bank

### Qualifications

Bachelor's degree – Electrical Engineering

### Experience

24 Years



**Abdullah Saad Aljabr**

10

### Current position

Chief Marketing and  
Customer Experience Officer

### Previous positions

Chief Marketing and Customer  
Experience Officer – Emkan Finance

### Qualifications

Master's degree in Advertising and  
Marketing Communications

### Experience

13 Years



**Dhary Mohali  
Al-Shammry**

11

### Current position

Chief Internal Auditor

### Previous positions

General Director of Internal  
Audit – Capital Market Authority

### Qualifications

Master's degree of Business  
Administration – Finance

### Experience

24 Years



**Hamad Ibrahim  
Al-Washmi**

12

### Current position

Chief Compliance Officer

### Previous positions

Chief Risk and Compliance  
officer – HSBC Saudi Arabia

### Qualifications

Master of Business Administration

### Experience

26 Years

# chief executive officers of subsidiaries and international network



1 **Mohammad M. Hassoobh**  
Chief Executive Officer -  
Ejada Systems



2 **Naif Hathal Aldahmashi**  
Chief Executive Officer - Atmaal



3 **Hossam Essam Al-Basrawi**  
Chief Executive Officer -  
Al Rajhi Capital



5 **Abdulaziz Ali Al-Jdeed**  
Chief Executive Officer -  
Tawtheeq Company



6 **Abdullah Alibrahim**  
Chief Executive Officer -  
Neoleap



7 **Sultan Alkhayal**  
Chief Executive Officer - Drahim



9 **Eyad Mohammad Jarrar**  
Chief Executive Officer -  
Al Rajhi Bank Jordan



10 **Jassim Ismaeil Al-Awadhi**  
Chief Executive Officer -  
Al Rajhi Bank - Kuwait



11 **Syahrul Ishak**  
Chief Executive Officer -  
Al Rajhi Bank - Malaysia



## chief executive officers of subsidiaries and international network



**4** **Abdullah A. Al-Habdan**  
Chief Executive Officer –  
Emkan Finance Company



**1** **Mohammad M. Hassoobh**

**Current position**  
Chief Executive Officer – Ejada Systems

**Previous positions**  
Chief Executive Officer – Atmaal

**Qualifications**  
Master's Degree in Business Administration – Finance

**Experience**  
21 Years



**2** **Naif Hathal Aldahmashi**

**Current position**  
Chief Executive Officer – Atmaal

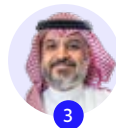
**Previous positions**  
Chief Operating Officer – EMKAN Financing

**Qualifications**  
Bachelor Degree in Business Administration

**Experience**  
25 Years



**8** **Rayan Alguwaei**  
Chief Executive Officer –  
neotek



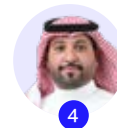
**3** **Hossam Essam Al-Basrawi**

**Current position**  
Chief Executive Officer – Al Rajhi Capital

**Previous positions**  
General Manager Corporate Banking Group – Al Rajhi Bank

**Qualifications**  
Bachelor's Degree in Law

**Experience**  
27 Years



**4** **Abdullah A. Al-Habdan**

**Current position**  
Chief Executive Officer –  
Emkan Finance Company

**Previous positions**  
AGM – Head of Micro & Small Business –  
Al Rajhi Bank

**Qualifications**  
Master's Degree in International Financial Management

**Experience**  
19 Years



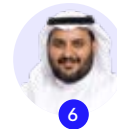
**5** **Abdulaziz Ali Al-Jeed**

**Current position**  
Chief Executive Officer –  
Tawtheeq Company

**Previous positions**  
Executive Manager Retail Credit Review and Quality Assurance

**Qualifications**  
Bachelor in Business Banking

**Experience**  
11 years



**6** **Abdullah Alibrahim**

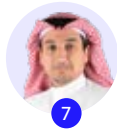
**Current position**  
Chief Executive Officer –  
Neoleap

**Previous positions**  
Chief Digital Officer – Al Rajhi Capital

**Qualifications**  
Master's Degree in Business Banking

**Experience**  
18 Years

# chief executive officers of subsidiaries and international network



**Sultan Alkhayal**

7

**Current position**

Chief Executive Officer – Drahim

**Previous positions**

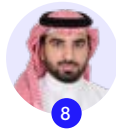
Co-Founder and Board Member – Aqwas

**Qualifications**

Bachelor of Science – Software Engineering with Mini-MBA for SME Growth

**Experience**

10 Years



**Rayan Alguwaae**

8

**Current position**

Chief Executive Officer – neotek

**Previous positions**

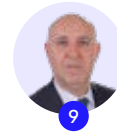
AGM Open Banking, Digital Office – Al Rajhi Bank

**Qualifications**

Master's Degree in Digital Business and Information Management

**Experience**

11 Years



**Eyad Mohammad Jarrar**

9

**Current position**

Chief Executive Officer – Al Rajhi Bank Jordan

**Previous positions**

CEO – AL TAS-HEELAT

**Qualifications**

Bachelors of Economics

**Experience**

31 Years



**Jassim Ismaeil Al-Awadhi**

10

**Current position**

Chief Executive Officer – Al Rajhi Bank – Kuwait

**Previous positions**

Head of Business – Al Rajhi Bank Kuwait

**Qualifications**

Master's Degree in Business Administration

**Experience**

24 Years



**Syahrul Ishak**

11

**Current position**

Chief Executive Officer – Al Rajhi Bank – Malaysia

**Previous positions**

Managing Director and Regional Head, Cash Management, Group Transaction Banking – CIMB Bank

**Qualifications**

Bachelor of Science in Business Administration

**Experience**

20 Years



# corporate governance structure at alrajhi

**11**

Board members



**4**

Independent board members



**3**

Years average Board tenure



**5**

Board Committees



The governance framework at alrajhi bank comprises the General Assembly, the Board of Directors, the Shariah Board, as well as five Board committees and a number of management-level committees of the first and second levels. This governance structure relies on a set of key pillars that ensure clarity and sound governance. These pillars are the bank's values, design of the organisational structure, policies and procedures, the delegation of authority matrix, and effective communication between various internal and external stakeholders.

## Policies related to the Corporate Governance Manual

The bank applies the Key Principals of Governance in Financial Institutions under the Control & Supervision of the Saudi Central Bank (SAMA) as well as the Corporate Governance Regulations issued by the Capital Market Authority (CMA) and any relevant principles and regulations. The bank has developed its Governance Manual and the charters governing the Board Committees and management committees. These documents are subject to periodic review by the Board of Directors and its committees.

The bank adopts a comprehensive set of policies and procedures that strengthen the bank's governance framework. At the forefront of these policies is the Related Party Transactions and Conflict of Interest Policy to better achieve transparency and integrity, while remaining compliant with the regulatory requirements under the Companies Law, its Implementing Regulation, the Key Principals of Governance in Financial Institutions under the Control & Supervision of the Saudi Central Bank (SAMA) and any relevant principles and regulations, the CMA Corporate Governance Regulations.

The bank also relies on written disclosure policies, procedures and regulations that enable shareholders and stakeholders to have access to all material information and developments without discrimination and in a timely manner. This includes information required to be disclosed according to the related laws and regulations, particularly those issued by the Saudi Central Bank (SAMA) and Capital Market Authority (CMA).

The bank pays adequate attention to the training and qualification of members of the Board of Directors and the executive management. The bank has prepared an Induction programme to assist the new Board members and provide them with necessary information on the bank's strategy, financial and operational aspects, and their obligations and duties.

## CMA Corporate Governance Regulations

The bank has given due cognisance to apply all related laws, regulations and instructions, particularly the Corporate Governance Regulations as issued by the CMA in the Kingdom of Saudi Arabia. The following is a report on the bank's corporate governance practices and the extent of its compliance with CMA's regulations.

## corporate governance structure at alrajhi

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### Implemented and not implemented provisions of the Corporate Governance Regulations and reasons for non-implementation

The bank applies all the provisions of the Corporate Governance Regulations issued by the CMA on 13 February 2017 and amended on 18 January 2023, except for the following articles:


Article/Clause No.	Article/Clause	Justifications for non-implementation
Article (39) Clause "E"	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. (Guiding paragraph)	The evaluation is done internally on an annual basis

### Board Structure

GRI 2-9

The Bank is managed by a Board of Directors consisting of eleven (11) members including four (4) independent members, elected by the ordinary general assembly every three (3) years, and the current Board of Directors term began on 14 November 2023.

### Names of the companies inside and outside the Kingdom in which a Board Member is a manager or a member of their current or previous Board



Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
<b>Abdullah bin Sulaiman Al Rajhi</b> 	<ul style="list-style-type: none"> <li>Al Rajhi Company for Cooperative Insurance (Al Rajhi Takaful)</li> <li>Al Rajhi Capital</li> <li>Al Rajhi Holding Group</li> <li>Alfarbi Petrochemicals Company</li> <li>Interior &amp; Exterior Floor Textiles Solutions Holding Co.</li> <li>Al Ajyal Holding Company</li> <li>ASAQ Company</li> <li>ARGC FC company</li> <li>Al Rajhi Medical Hospital Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Listed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>Al Rajhi Bank (CEO)</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Listed joint-stock company</li> </ul>



## corporate governance structure at alrajhi

Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
			<ul style="list-style-type: none"> <li>Listed joint-stock company</li> <li>Closed joint-stock company</li> <li>Closed joint-stock company</li> </ul>			
<b>Ibrahim bin Mohammed Alromaih</b> 	<ul style="list-style-type: none"> <li>Saudi Arabian Investment Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Unlisted joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>The Saudi Arabian Investment Company (CEO)</li> <li>National Commercial Bank</li> <li>ACWA Power</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Unlisted joint-stock company</li> <li>Listed joint-stock company</li> <li>Listed joint-stock company</li> </ul>
<b>Abdulaziz bin Khalid Alghufaily</b> 	<ul style="list-style-type: none"> <li>Al Rajhi Capital</li> <li>Alujain Corp.</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Unlisted joint-stock company</li> <li>Listed joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>Industrialization Energy Services Company (TAQA)</li> <li>Riyadh Hotels and Entertainment Company</li> <li>Saudi Industrial Development Company</li> <li>Tabuk Agriculture Development Company</li> <li>National Medical Care Company</li> <li>Herfy Foods Company</li> <li>Panda Retail Company</li> <li>Savola Group</li> <li>Savola Foods Company</li> <li>National Petrochemical Industries Company (NAPTET)</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Unlisted company</li> <li>Unlisted company</li> <li>Unlisted company</li> <li>Listed joint-stock company</li> <li>Listed joint-stock company</li> <li>Unlisted company</li> <li>Unlisted company</li> <li>Listed joint-stock company</li> <li>Unlisted joint-stock company</li> <li>Unlisted joint-stock company</li> </ul>

## corporate governance structure at alrajhi

Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
<b>Badr bin Mohammed Al Rajhi</b> 	<ul style="list-style-type: none"> <li>• Mohammed Abdul Aziz Al Rajhi and Sons Investment Company</li> <li>• Berain Company</li> <li>• Saudi Tourism Development Company</li> <li>• AlJazirah Home Appliances Company</li> <li>• Falcon Plastic Products Company</li> <li>• Great United Co.</li> <li>• Albadr Alzaher Co.</li> <li>• Saudi Iron and Steel Company (Hadeed)</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Limited liability company</li> <li>• Closed joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>• DAEM Real Estate Investment</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Closed joint-stock company</li> </ul>
<b>Khalid bin Abdulrahman Al Gwaiz</b> 	<ul style="list-style-type: none"> <li>• Riyadh Cables Company</li> <li>• Bawan Holding Company</li> <li>• Saudi Pharmaceutical Industries &amp; Medical Appliances Corporation (SPIMACO)</li> <li>• Sedco Capital</li> <li>• Itihad International Construction Company</li> <li>• Unique Solutions for Chemical Industries (USCI)</li> <li>• Eastnets Saudi</li> <li>• Board member – EMCOR Facilities Services</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> </ul>	<ul style="list-style-type: none"> <li>• ACWA Holding Group</li> <li>• Astra Industrial Group</li> <li>• Samba Financial Group</li> <li>• Arab National Bank</li> <li>• Swicorp Company</li> <li>• Synergy Management Consulting Co.</li> <li>• Bin Ladin International Holding Group (Executive Director)</li> <li>• The National Medical Products Co.</li> <li>• Ro'yat Watan Investment Company</li> <li>• Roaa Development Holding Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Limited liability company</li> <li>• Unlisted joint-stock company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> </ul>


## corporate governance structure at alrajhi

Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
<b>Mansour bin Abdulaziz Albosaily</b> 	<ul style="list-style-type: none"> <li>• Sinad Holding Company</li> <li>• AlSulaiman Investment Holding Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Unlisted joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>• GAS Arabian Services Company</li> <li>• Saudi Reinsurance Company "Saudi Re"</li> <li>• HSBC Saudi Arabia</li> <li>• Jabal Omar Development Company</li> <li>• Saudi British Bank (SABB)</li> <li>• Amlak International Real Estate Development Company</li> <li>• United Electronics Company (Extra)</li> <li>• Saudi Ground Services Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Unlisted joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> </ul>
<b>Motassim bin Abdulaziz Almaashouq</b> 	<ul style="list-style-type: none"> <li>• Rabigh Refining &amp; Petrochemical Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>• Al Borg Diagnostics</li> <li>• Lamprell Energy Company</li> <li>• Johns Hopkins Aramco Medical Centre</li> <li>• Dussur Industrial Investments Company</li> <li>• Industrialization Energy Services Company (TAQA)</li> <li>• Aramco Development Company</li> <li>• Saudi Aramco Base Oil Company - Luberef</li> <li>• Saudi Aramco Entrepreneurship Centre (Wa'ed Ventures)</li> <li>• Saudi Aramco energy projects</li> <li>• Rabigh Refining and Petrochemical Company (Petro Rabigh)</li> <li>• Northern Trust Company - Saudi Arabia</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Unlisted joint-stock company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Unlisted joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Limited liability company</li> <li>• Listed joint-stock company</li> <li>• Limited liability company</li> <li>• Limited liability company</li> <li>• Listed joint-stock company</li> <li>• Closed joint-stock company</li> </ul>

## corporate governance structure at alrajhi

Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
<b>Hamza bin Othman Khushaim</b> 	<ul style="list-style-type: none"> <li>• Seera Holding Group</li> <li>• Al Mufafer Company</li> <li>• khitat alidikhar Company for Information Technology</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> </ul>	<ul style="list-style-type: none"> <li>• Dallah Healthcare Holding Company</li> <li>• Hassana Investment Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Unlisted joint-stock company</li> </ul>
<b>Raeed bin Abdullah Al Tamimi</b> 				<ul style="list-style-type: none"> <li>• Tawuniya Cooperative Insurance Company</li> <li>• National Medical Care Company</li> <li>• Waseel HealthTech Company</li> <li>• Cooperative Real Estate Investment Company</li> <li>• Najm Company for Insurance Services</li> <li>• Saudi Arabia Public Transport Company</li> <li>• National Gas and Industrialization Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Unlisted joint-stock company</li> <li>• Listed joint-stock company</li> <li>• Listed joint-stock company</li> </ul>
<b>Waleed bin Abdullah Al Mogbel</b> 	<ul style="list-style-type: none"> <li>• Al Rajhi Company for Cooperative Insurance (Al Raihi Takaful)</li> <li>• Emkan Finance Company</li> <li>• International Digital Solutions Company (NeoLeap)</li> <li>• Human Resources Management &amp; Development Company (Atmaal)</li> <li>• Al Rajhi Capital</li> <li>• Neotek</li> <li>• Drahim Holdings</li> </ul>	Inside the Kingdom  Outside the Kingdom	<ul style="list-style-type: none"> <li>• Listed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Closed joint-stock company</li> <li>• Limited liability company</li> <li>• Closed joint-stock company</li> <li>• Limited liability company</li> <li>• Holding limited liability company</li> </ul>	<ul style="list-style-type: none"> <li>• Ejada Systems</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>• Closed joint-stock company</li> </ul>

## corporate governance structure at alrajhi

Member name	Names of companies where the Board Member is a member of the current Boards or one of their directors	Inside/ outside the Kingdom	Legal entity	Names of companies where the Board Member is a member of the previous Boards or one of their directors	Inside/ outside the Kingdom	Legal entity
 <b>Faisal bin Salah Abaalkhail</b>	<ul style="list-style-type: none"> <li>Reflect Medical Company,</li> <li>Reflect Investment Company</li> <li>Al Hajeen Al Amthal Company</li> <li>Masar Al-Ihsan Endowment Company</li> <li>Al-Faras Al-Hajeen Investment Company</li> <li>Mawarid Al-Numu Real Estate Development and Investment Company</li> <li>Masar Al-Usul Investment Company</li> <li>Athal Al-Asilah Investment Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Unlisted joint-stock company</li> <li>Unlisted joint-stock company</li> <li>Unlisted joint-stock company</li> <li>Limited liability company</li> <li>Limited liability company</li> <li>Limited liability company</li> <li>Limited liability company</li> </ul>	<ul style="list-style-type: none"> <li>Al Rajhi Capital</li> <li>Infratech Telecommunications and Information Technology Company</li> </ul>	Inside the Kingdom	<ul style="list-style-type: none"> <li>Closed joint-stock company</li> <li>Unlisted joint-stock company</li> </ul>

**Composition of the Board and classification of its members, as: executive members, non-executive members, or independent members**

Member name	Membership classification (executive/ non-executive/independent)
 Abdullah bin Sulaiman Al Rajhi	Non-executive
 Ibrahim bin Mohammed Alromaih	Independent
 Abdulaziz bin Khalid Alghufaily	Non-executive
 Badr bin Mohammad Al Rajhi	Non-executive
 Khalid bin Abdulrahman Al Gwaiz	Non-executive
 Mansour bin Abdulaziz Albosaily	Non-executive
 Motassim bin Abdulaziz Almaashouq	Independent
 Hamza bin Othman Khushaim	Non-executive
 Raeed bin Abdullah Al Tamimi	Independent
 Faisal bin Salah Abaalkhail	Independent
 Waleed bin Abdullah Al Mogbel	Executive

## corporate governance structure at alrajhi

### Committees of the Board of Directors

The functions and responsibilities of the Committees are identified based on internal bylaws and regulatory requirements. The membership term is set at three years, ending with the expiration of the term of the Board. the Board of Directors has the power to appoint, reappoint, or terminate the membership of any member of the Committees. The Committees submit their recommendations and minutes of their meetings to the Board of Directors.

The following is a brief description of the bank's Committees and their work.

#### A Executive Committee:

The main purpose of the Executive Committee (ExCom) is to exercise all powers authorised to it by the Board and to study all matters as requested by the Board to submit recommendations or make the appropriate decisions thereof pursuant to the powers identified and authorised to it by the Board and its approved charter.

The Committee held six (6) meetings during the year 2025 as follows:

Meeting No.	Date	Member name				
		Abdullah bin Sulaiman Al Rajhi Chairman	Ibrahim bin Mohammed Alromaih Member	Abdulaziz bin Khalid Alghufaily Member	Hamza bin Othman Khushaim Member	Faisal bin Salah Abaalkhail Member
①	17 March 2025	✓	✓	✓	✓	✓
②	1 June 2025	✓	✓	✓	✓	✓
③	31 August 2025	✓	✓	✓	✓	✓
④	7 October 2025	✓	✓	✓	✓	✓
⑤	10 December 2025	✓	✓	✓	✓	✓
⑥	24 December 2025	✓	✓	✓	✓	✓

#### B Nominations and Remunerations Committee:

GRI 2-10

The main purpose of the Nominations and Remunerations Committee is to submit recommendations on the nomination of Board Members, committee members, senior executives, and candidates for positions, subject to non-objection of the Saudi Central Bank, to the Board of Directors. The Committee prepares a description of the capabilities and qualifications required for Board of Director's membership, evaluates the effectiveness and efficiency of the Board and senior management performance, and ensures that the Bank remains compliant with the internal remuneration policies, the rules of remuneration practices issued by the Saudi Central Bank, and the principles and criteria for compensation, in a manner that best achieves the interests of depositors, shareholders and the bank's strategic objectives.

## corporate governance structure at alrajhi

The Committee held four (4) meetings during the year 2025 as follows:

Meeting No.	Date	Member name			
		Ibrahim bin Mohammed Alromaih Chairman	Abdulaziz bin Khalid Alghufaily Member	Raeed bin Abdullah Al Tamimi Member	Mansour bin Abdulaziz Albosaily Member
①	27 January 2025	✓	✓	✓	✓
②	15 May 2025	✓	✓	✓	✓
③	26 October 2025	✓	✓	✓	✓
④	18 December 2025	✓	✓	✓	✓

### **C** Governance Committee

The main purpose of the Governance Committee is to support and maintain the highest standards in corporate governance, on behalf of the Board of Directors, by ensuring that sound governance practices are followed in all activities carried out by the bank through conducting a review of the general governance framework and related mechanisms. In addition, the Committee ensures the continuous updating of the register of Related Parties, reviews requests for exemption from the governance requirements applicable at the bank, and coordinates with the bank's subsidiaries to support good and consistent corporate governance standards for all activities of the alrajhi bank group. The Committee also focuses on increasing awareness of the importance of governance and its activities within the bank among all employees. It is also responsible for reviewing and updating the policies related to the bank's governance.

The Committee held four (4) meetings during the year 2025 as follows:

Meeting No.	Date	Member name		
		Mansour bin Abdulaziz Albosaily Chairman	Badr bin Mohammed Al Rajhi Member	Raeed bin Abdullah Al Tamimi Member
①	17 March 2025	✓	✓	✓
②	1 June 2025	✓	✓	✓
③	31 August 2025	✓	✓	✓
④	24 December 2025	✓	✓	✓

## corporate governance structure at alrajhi

### D Audit Committee

The Committee consists of four independent members; one from the Board of Directors and three members from outside the Board, and the main purpose of the Audit Committee is to supervise the financial reporting process, oversee the internal and external auditors, and submit recommendations to the Board of Directors and shareholders to approve, appoint, and determine the remunerations and dismissal of the external auditors. The Committee also reviews and approves the scope of the audit operations and their implementation, receives key audit reports, evaluates and monitors the bank's policy for combating financial fraud, and reviews the objectives and observations of the Shariah audit. Moreover, the Committee ensures that the senior management takes all necessary corrective measures in a timely manner to address any weaknesses in controls or non-compliance with policies, laws, and regulations, or any other issues identified by the auditors.

The Audit Committee held six (6) meetings during the year 2025 as follows:

Meeting No.	Date	Member name			
		Raeed bin Abdullah Al-Tamimi Chairman and Independent member	Khalid bin Saleh Alsubail Independent member	Yusef bin Mohammad Alsuhaibani Independent member	Osamah bin Saleh Alhedathi Independent member
①	28 January 2025	✓	✓	✓	✓
②	22 April 2025	✓	✓	✓	✓
③	29 May 2025	✓	✓	✓	✓
④	20 July 2025	✓	✓	✓	✓
⑤	20 October 2025	✓	✓	✓	✓
⑥	21 December 2025	✓	✓	✓	✓

## corporate governance structure at alrajhi

### Audit and Compliance Committee members (Non-Board members)

Name	Committees memberships in alrajhi bank	Current positions	Previous positions	Qualifications	Experience
<b>Osamah bin Saleh Alhedathi</b>	Audit Committee	<ul style="list-style-type: none"> <li>Member of the Audit Committee - alrajhi Bank</li> <li>Head of the General Department of Internal Audit of the Royal Commission for the City of Riyadh</li> <li>Member of the Audit Committee of Alawwal Investment Company</li> <li>Member of the Real Estate Development Fund Review Committee</li> <li>Member of the SRC Review Committee (PIF)</li> <li>Member of the Al Soudah Development Company Review Committee (PIF)</li> <li>Member of the Review Committee of King Faisal Specialist Hospital and Research Centre</li> <li>Member of the Board of Directors of the Economic Portal</li> <li>Member of the Board of Directors of Miral Dental Group</li> </ul>	<ul style="list-style-type: none"> <li>Head of Internal Audit Salik</li> <li>Chairman of the Audit Committee Salek (Ukraine)</li> <li>Chairman of the Audit Committee, Salik (Australia)</li> <li>Head of Internal Audit, Human Resources Development Fund</li> <li>Head of Cooperative Insurance Internal Audit</li> <li>Head of Internal Audit, Med Gulf</li> <li>Head of Internal Audit, Capital Market Authority</li> <li>Member of the Audit Committee of Awj International Company</li> <li>Member of the Board of Directors of the Internal Auditors Authority</li> <li>Member of the Audit and Risk Committee G3 CANADA</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting, King Khalid University, KSA</li> <li>Master's degree in Computer Science and Information Systems, University of Detroit, USA</li> </ul>	Held many leadership and advisory positions in the financial, administrative, and economic fields. Over 30 years of experience in the field of internal auditing

## corporate governance structure at alrajhi

Name	Committees memberships in alrajhi bank	Current positions	Previous positions	Qualifications	Experience
<b>Khalid bin Saleh Alsubail</b>	Audit Committee	<ul style="list-style-type: none"> <li>Member of the Audit Committee – alrajhi bank</li> <li>Member of the Audit Committee of the National Services Company "NAS"</li> <li>Member of the National Housing Company Audit Committee</li> <li>Member of the Audit Committee of the National Centre for Non-Profit Sector</li> </ul>	<ul style="list-style-type: none"> <li>Head of the Division for Combating Financial Crimes, Money Laundering and Terrorist Financing – Saudi Central Bank</li> <li>Director of the Banking Inspection Department – Saudi Central Bank</li> <li>Director of the Banking Implementation Department – Saudi Central Bank</li> <li>Advisor to the Ministry of Housing</li> <li>Member of the Audit Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company – Med-Gulf</li> <li>Member of the Audit, Compliance and Risk Committee of the Saudi Export-Import Bank</li> <li>Member of the Audit Committee, The Saudi British Bank (SABB)</li> <li>Member of the Audit and Risk Committee of the National Centre for Measuring the Performance of Public Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts, King Saud University, KSA</li> <li>Higher Diploma in advanced banking studies, Institute of Public Administration, Riyadh, KSA</li> <li>Master of Accounting, University of Illinois, USA</li> <li>CPA Certification</li> </ul>	Held many leadership and advisory positions in the financial, administrative, and economic fields. He has more than 30 years of experience in the field of internal auditing
<b>Yousef bin Mohammad Alsuhaibani</b>	Audit Committee	<ul style="list-style-type: none"> <li>Member of the Audit Committee – alrajhi bank</li> <li>Member of the Audit Committee – Najm Insurance Services Company</li> <li>Member of the Al Rumaih Industrial and Commercial Group Review Committee</li> <li>Member of the Audit Committee – Arabian International Healthcare Holding Co. (Tibbiyah)</li> <li>Member of the Audit Committee, National Center for Non-Profit Sector</li> <li>Senior Executive Director of Internal Audit at the National Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>Ernst Young Senior Advisor</li> <li>Operational Risk Manager for the Mediterranean, Gulf and Reinsurance Company</li> <li>Director of Internal Audit, Malath Insurance Company</li> <li>Internal Audit Manager, Pioneer Investments Company/ Integrated Osool</li> <li>Member of the Board of Directors of SABIC Agri Nutrients Company</li> <li>Member of the SABIC Agri Nutrients Company Audit Committee</li> <li>Member of the Investment Committee of SABIC Agri Nutrients Company</li> <li>Member of the Audit Committee of Raza Real Estate Company</li> <li>Member of the Umm Al-Qura Cement Review Committee</li> <li>Member of the Audit Committee, City Cement Company</li> <li>Member of the Board of Directors of Azad Real Estate Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting, King Saud University, KSA</li> <li>Master of Finance, University of Portsmouth, UK</li> </ul>	Held many leadership and advisory positions in the financial, administrative and economic fields with over 13 years of experience in the field of internal and external auditing

## corporate governance structure at alrajhi

### E Risk Management Committee

The primary purpose of the Risk Management Committee is to assist the Board of Directors in maintaining oversight responsibility for activities and decisions related to Risk Management. This includes the management of capital and liquidity strategies, market risk management, operational risk, Cybersecurity risk, Counter Fraud Risks and any other potential risks that the bank may face.

The Committee held seven (7) meetings during the year 2025 as follows:

Meeting No.	Date	Member name			
		Khalid bin Abdulrahman Al Gwaiz Chairman	Motassim bin Abdulaziz Almaashouq Member	Hamza bin Othman Khushaim Member	Nabil Heddied Al Oufi Member
①	20 February 2025	✓	✓	✓	✓
②	22 April 2025	✓	✓	✓	✓
③	31 May 2025	✓	✓	✓	✓
④	1 June 2025	✓	✓	✓	✓
⑤	25 August 2025	✓	✓	✓	✓
⑥	6 October 2025	✓	✓	✓	✓
⑦	23 December 2025	✓	✓	✓	✓

### Members of the Risk Committee (Non-Board members)

Name	Committee membership	Current positions	Previous positions	Qualifications	Experience
<b>Nabil bin hadeed Al-Awfi</b>	Risk committee	<ul style="list-style-type: none"> <li>Deputy Governor for Governance, Risk, and Business Continuity at the Digital Governance Authority - July 2021 - present.</li> </ul>	<ul style="list-style-type: none"> <li>Head of Risk Management and Business Continuity at the Ministry of Finance - July 2019 - June 2021.</li> <li>Head of Risk Management and Compliance, (Depository) Securities Depository Center Company - October 2017 - June 2019.</li> <li>Head of Technical Risk Management at the Saudi Stock Exchange (Tadawul) - January 2016 - September 2017.</li> <li>Executive Director of Business Continuity, Mobily - June 2010 - May 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Harvard University Executive Education - Leadership Development Program (PLD): One of the fast-track alternatives to an MBA from Harvard Business School - July 2018.</li> <li>Master of Business Administration (MBA) Prince Sultan University - 2012.</li> <li>Bachelor's Degree (Electrical Engineering) from King Saud University - 2005.</li> </ul>	Held numerous leadership positions in the field of risk, with over 16 years of experience in cyber and technical risk.

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### Procedures of the Board of Directors to inform its members of shareholders' suggestions and comments on the bank and its performance

The bank documents shareholders' suggestions provided through the General Assembly and notifies the Chairman of the Board of any other suggestions related to the bank to be presented at the next Board meeting. There is also an e-mail address dedicated to the comments and suggestions of the shareholders, which is published on the official website of the bank and on Tadawul website so that the Board can review the suggestions and comments of the shareholders.

### Methods adopted by the Board of Directors in evaluating its performance and that of its committees and members

GRI 2-18

The bank's Nomination and Remuneration Committee evaluates the performance of the Board, its committees, and members through specific surveys filled by the members at three levels: Board evaluation based on the Board of Directors terms of reference specified in the bank's Governance Manual, evaluation of Board's Committees based on their approved Charters, and the self-evaluation of the Board and Committees member.

### Remunerations of Board members, Board Committee members, and Executive Management

GRI 2-19, 2-20

#### A Summary of the most important provisions of the remuneration policy for members of the Board, its Committees and the Executive Management

The remuneration amounts disclosed for 2025 in this report reflect recommendations calculated in accordance with the proposed amended Policy for Remuneration and Compensation of Board, Board Committee and Executive management which will be submitted to the next annual general assembly for approval. These amounts remain subject to the General Assembly's approval of the amended remuneration policy and the General Assembly's approval for remuneration and Compensation disbursement resolution for 2025.

#### 1 Board of Directors remunerations and compensations:

The Chairman of the Board of Directors receives a fixed annual remuneration of (ﷲ 1,600,000) for his membership and chairmanship of the Board of Directors.

A member of the Board of Directors receives a fixed annual remuneration of (ﷲ 800,000) for his membership in the Board of Directors. Each member of the Board of Directors receives an amount of (ﷲ 5,000) for attending each of the Board's sessions, whether the attendance is physical or through any modern technology means of communication.



## corporate governance structure at alrajhi

The bank pays all actual expenses incurred by members of the Board for attending the Board meetings, including travel and accommodation expenses.

### 2 Remunerations and compensations of Board members for their membership in Board Committees:

The Chairman of the Board Committees receives a fixed annual remuneration of (ﷲ 250,000) for his membership and chairmanship of the Board Committee.

A member of the Board Committees receives a fixed annual remuneration of (ﷲ 200,000) for his membership in the Board Committee.

Each member of the Board Committees receives an amount of (ﷲ 5,000) for attending each Committee meeting, whether the attendance is physical or through any modern technology means of communication.

The bank pays all actual expenses incurred by members of the Board for attending the Committee meetings, including travel and accommodation expenses.

### 3 Remunerations and compensations for ARB's non-Board members:

A non-Board Chairman of the Board Committees receives a fixed annual remuneration of (ﷲ 250,000) for his membership and chairmanship of the Board Committee.

A non-Board member of the Board Committees receives a fixed annual remuneration of (ﷲ 200,000) for his membership in the Board Committee.

A non-Board member in Board Committees receives an amount of (ﷲ 5,000) for attending each Committee meeting, whether the attendance is physical or through any remote means of communication.

The bank pays all actual expenses incurred by non-Board members of the Board Committees for attending the Committee meetings, including travel and accommodation expenses.

### 4 Remunerations and compensations for Audit Committee members:

The Chairman of the Audit Committee receives a fixed annual remuneration of (ﷲ 250,000) for his membership and chairmanship of the Committee.

ARB's Audit committee members, either from inside or outside the Board, will receive a fixed annual remuneration of (ﷲ 200,000) for their membership in the Committee.

Each member of the Audit Committee receives an amount of (ﷲ 5,000) for attending each Committee meeting, whether the attendance is physical or through any remote means of communication.

The bank pays all actual expenses incurred by members of the Committee for attending the Committee meetings, including travel and accommodation expenses.

### 5 Granting shares:

The bank does not grant shares as remuneration to any Board member, Board Committee member, or Audit Committee member.

### 6 Allocation and payment mechanisms for remunerations and compensations:

Compensations and remunerations due to Board members and non-Board members are calculated on an annual basis, based on the recommendation of the Nominations and Remunerations Committee and approval of the Board of Directors. Amounts are then presented to the General Assembly for approval at its next meeting

## corporate governance structure at alrajhi

Attendance remunerations are paid annually to beneficiaries based on their attendance records for Board, Board committees, and Audit Committee meetings.

Payments are made through Bank transfers, cheques, or any other methods approved by the bank, and members are informed of details through the relevant department at the bank.

A board member shall be entitled to a remuneration for membership in each board committee, in addition to the remuneration received for board membership, in accordance with the provisions set out in the remuneration and compensation policy for members of the Board of Directors and Committees, and Senior Executives.

Remuneration and Compensations paid to the Board member and a member of board committee(s) from outside the Board should not exceed (ﷲ 2,000,000) annually, payment of any additional due amounts will be stopped.

### 7 Remunerations and compensations of Senior Executives:

The role of the Board of Directors includes, but is not limited to the following:

- The Board of Directors is responsible for approving the overall structure of remunerations and oversight of all aspects of the remuneration system and may not delegate this responsibility to the executive management.
- The Board of Directors reviews and approves the Remuneration Policy and any of its subsequent updates, if appropriate, based on the recommendation of the Nominations and Remunerations Committee, taking into account, inter-alia, Rules on Compensation Practices approved in January 2024 and any future updates or revisions issued by the Saudi Central Bank.

- The Board of Directors reviews and approves, if appropriate, the recommendations of the Nominations and Remunerations Committee regarding the remunerations of senior executives. For this purpose, senior executives include senior managers and all those executives whose appointments are subject to non-objection by the Saudi Central Bank or other regulators.
- The Board of Directors ensures that the management has put in place detailed systems and procedures and an effective oversight mechanism to ensure compliance with the Saudi Central Bank Rules on Compensation Practices and any relevant Laws, regulations, Remuneration and Principles and Standards.

### 8 Structure of remunerations and compensations of Senior Executives:

Remunerations structures are designed for the various levels of employees in a manner that enhances the effectiveness of risk management and achieves remunerations and compensations objectives in accordance with the highest standards of remunerations practices.

Forms of remunerations vary according to the position and role of the employee and may include cash payments, shares, and other forms of rewards and compensations.

The proportion of fixed and variable remuneration components for different business sectors is determined based on the nature and level of the employee's responsibilities, the field of business, and the general philosophy of the Remuneration Policy of alrajhi bank. The bank ensures that the total variable remuneration does not limit its ability to strengthen the capital base.

The remunerations structure for employees working in control functions such as Risk and Compliance, Internal Auditing, etc., is designed with the aim of ensuring the objectivity and independence of these functions. In this regard, performance management and the determination of remunerations and compensations for these employees are not assigned to any person who works or has any relationship with the business sector that these employees monitor or supervise.



## corporate governance structure at alrajhi

When determining remuneration allocations, the overall performance of the bank is taken into consideration, while their distribution to employees is based on the performance of the employees in addition to the performance of the business unit or department in which they operate. However, there is no guaranteed minimum remuneration or similar payment, other than an employee's salary that is not based on performance.

As part of the Remuneration Policy, the bank may postpone a reasonable percentage of the performance bonus for a period of no less than three (3) years. The deferred bonus percentage and the maturity period are determined based on the nature of the business, its risks, and the activities carried out by the employee.

Where the Remuneration Policy provides for the payment of part of the remuneration and compensation in the form of shares, criteria must be set to determine the value of the share allocation. Moreover, the allocation of shares should be subject to an appropriate policy of shares retention.

Joining bonuses are not permitted unless clearly aligned with long-term value creation and prudent risk-taking. Payments should be related to the performance achieved over time and designed in a way that does not reward failure. Joining bonuses should be at least linked to successful completion of the probation period and where possible, they should be deferred according to terms similar to the those of deferred bonuses in the employee's previous employer.

The bank should demand from its employees that they commit themselves not to use personal hedging strategies or remunerations and liability-related insurance to undermine the risk alignment effects embedded in their remuneration and compensation arrangements. The bank confirms that there are no major deviations between granted remunerations and applicable Remunerations Policy.

### **B** Board of Directors remunerations in 2025:

The remuneration amounts disclosed for 2025 below reflects recommendations that was calculated in accordance with the proposed amended Policy for Remuneration and Compensation of Board, Board Committee and Executive management, in which the amounts of the remuneration and compensation as well as the policy will be presented in the annual general assembly for approval. These amounts remain subject to the General Assembly's approval of the amended remuneration policy and the remuneration and Compensation disbursement resolution for 2025. And the remuneration and Compensation shall consist of the following:

## corporate governance structure at alrajhi

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Violation subject*	Fixed remuneration						Total
	Special amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	
<b>First: Independent Directors</b>							
1. Ibraheem Al Romaih	800,000	35,000	50,000	-	-	-	885,000
2. Moatassim Al Maashouq	800,000	35,000	35,000	-	-	-	870,000
3. Raed Al Tamimi	800,000	35,000	70,000	-	-	-	905,000
4. Faisal Abaalkhail*	721,096	35,000	30,000	-	-	-	786,096
<b>Total</b>	<b>3,121,096</b>	<b>140,000</b>	<b>185,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,446,096</b>
<b>Second: Non-Executive Directors</b>							
1. Abdullah Al Rajhi		35,000	30,000	-	-	1,600,000	1,665,000
2. Mansour Al Bosaily	800,000	35,000	40,000	-	-	-	875,000
3. Abdulaziz Al Ghefaily	800,000	35,000	50,000	-	-	-	885,000
4. Khaled Al Gwaiz	800,000	35,000	35,000	-	-	-	870,000
5. Badr Al Rajhi	800,000	35,000	20,000	-	-	-	855,000
6. Hamza Khushaim	800,000	35,000	65,000	-	-	-	900,000
<b>Total</b>	<b>4,000,000</b>	<b>210,000</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	<b>1,600,000</b>	<b>6,050,000</b>
<b>Third: Executive Directors</b>							
1. Waleed Al Mogbel	800,000	35,000	-	-	-	-	835,000
<b>Total</b>	<b>800,000</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>835,000</b>

\* Mr. Faisal Abaalkhail's membership on the Board of Directors began on 6 February 2025.



## corporate governance structure at alrajhi

	Variable remuneration					Total	End-of-service award	Aggregate Amount	Expenses Allowance
	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)				
	-	-	-	-	-	-	-	885,000	-
	-	-	-	-	-	-	-	870,000	-
	-	-	-	-	-	-	-	905,000	-
	-	-	-	-	-	-	-	786,096	-
	-	-	-	-	-	-	-	3,446,096	-
	-	-	-	-	-	-	-	1,665,000	-
	-	-	-	-	-	-	-	875,000	-
	-	-	-	-	-	-	-	885,000	-
	-	-	-	-	-	-	-	870,000	-
	-	-	-	-	-	-	-	855,000	-
	-	-	-	-	-	-	-	900,000	-
	-	-	-	-	-	-	-	6,050,000	-
	-	-	-	-	-	-	-	835,000	-
	-	-	-	-	-	-	-	835,000	-

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**C** Remunerations paid to Committees members:

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
<b>Audit Committee Members</b>			
1. Raed Al Tamimi*	245,068	30,000	275,068
2. Khalid Al Subail	200,000	30,000	230,000
3. Yousef Al Sohibani	200,000	30,000	230,000
4. Osamah Al Hedathi	200,000	30,000	230,000
<b>Total</b>	<b>845,068</b>	<b>120,000</b>	<b>965,068</b>
<b>Nomination and Remuneration Committee Members</b>			
1. Ibraheem Al Romaih	250,000	20,000	270,000
2. Abdulaziz Al Ghefaily	200,000	20,000	220,000
3. Mansour Al Bosaily	200,000	20,000	220,000
4. Raed A. Al-Tamimi	200,000	20,000	220,000
<b>Total</b>	<b>850,000</b>	<b>80,000</b>	<b>930,000</b>
<b>Board Risk Committee Members</b>			
1. Khaled Al Gwaiz	250,000	35,000	285,000
2. Hamza Khushaim	200,000	35,000	235,000
3. Moatassim Al Maashouq	200,000	35,000	235,000
4. Nabil Al Oufi**	186,301	35,000	221,301
<b>Total</b>	<b>836,301</b>	<b>140,000</b>	<b>976,301</b>
<b>Executive Committee Members</b>			
1. Abdullah Al Rajhi	250,000	30,000	280,000
2. Ibraheem Al Romaih	200,000	30,000	230,000
3. Abdulaziz Al Ghefaily	200,000	30,000	230,000
4. Hamza Khushaim	200,000	30,000	230,000
5. Faisal Abaalkhail***	180,274	30,000	210,274
<b>Total</b>	<b>1,030,274</b>	<b>150,000</b>	<b>1,180,274</b>
<b>Governance Committee Members</b>			
1. Mansour Al Bosaily	250,000	20,000	270,000
2. Badr Al Rajhi	200,000	20,000	220,000
3. Raed A. Al-Tamimi	200,000	20,000	220,000
<b>Total</b>	<b>650,000</b>	<b>60,000</b>	<b>710,000</b>

\* Mr. Raed Al Tamimi's membership as Chairman of the Audit Committee began on February 6, 2025.

\*\* Mr. Nabil Al Oufi's membership as a member of the Board Risk Committee began on January 26, 2025.

\*\*\* Mr. Faisal Abaalkhail's membership as a member of the Executive Committee began on February 6, 2025.



## corporate governance structure at alrajhi

### **D** Remunerations and compensations paid to five Senior Executives who received the highest remunerations from the bank, including the CEO and CFO, in 2025.

Elements	2025	2024
Salaries and compensations	12,528,992	11,490,000
Allowances	6,100,418	5,935,115
Periodic and annual rewards	12,690,000	12,130,000
Incentive schemes	28,035,000	24,500,000
Any other in-kind compensations	1,345,967	2,338,053
<b>Total</b>	<b>60,700,377</b>	<b>56,393,168</b>

### Employee benefits and plans

GRI 201-3

The bank offers its employees a number of benefits and bonuses during or at the end of the service period, according to the Saudi Labour Law and the bank's policies. The provision for employees' end-of-service benefits is calculated using the entitlement assessment form in accordance with the Saudi Labour Law and local regulatory requirements. The provision for the end-of-service benefits exceeded one billion Saudi Riyals at the close of 2025, reaching **ﷲ 1,057 Mn.**

The bank also grants deferred shares to its senior employees and to valuable human assets that the Bank needs to retain. This ensures strengthening the bank's long-term relationship with those employees. Granting of shares is subject to the approval of the Board of Directors upon the recommendation of the Nominations and Remunerations Committee.

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### Any penalty, sanction, precautionary measure, or precautionary restriction imposed on the Bank by the CMA or any supervisory, regulatory, or judicial authority

There are no fines imposed by the Capital Market Authority during the reporting period.

### Penalties imposed by Saudi Central Bank

GRI 2-27

Violation subject*	Fiscal year 2025		Fiscal year 2024	
	Number of penalty decisions	Total amount of fines in ٢	Number of penalty decisions	Total amount of fines in ٢
Violating the supervisory instructions of the Saudi Central Bank	36	102,728,350	59	102,638,386
Violating the instructions of Saudi Central Bank related to customer protection	6	3,911,680	5	4,098,840
Violating the instructions of Saudi Central Bank related to cybersecurity's risk	1	1,715,000	1	11,860,000
Violating the instructions of Saudi Central Bank related to due diligence in combating money laundering and terrorism financing	3	2,440,000	2	115,000

\* the bank has creating corrective action plans for each penalty imposed by SAMA.

### Fines imposed by other legal entities

No.	Violation subject	Total amount of fines in ٢	
		Fiscal year 2025	Fiscal year 2024
①	Due to not renewing the licenses and failure to display the QR code on ATMs	525,000	105,169



## corporate governance structure at alrajhi

### Outcomes of the annual review of internal control procedures at the Bank, in addition to the Audit Committee opinion on the adequacy of the Bank's internal control system

The bank's executive management is responsible for designing and maintaining an appropriate internal control system with the Board of Directors' direct supervision. The system has been designed to properly mitigate risks that could impair the realisation of the bank's strategic and operational objectives. The bank's executive management has adopted a suitable integrated internal control system aligned with the regulatory requirements of the Saudi Central Bank. The following are some of the key components of the bank's internal control system:

The bank has completed, approved, and continuously enhances the overall governance framework through which appropriate control tools are prepared and updated at the bank level and the roles and responsibilities of the Bank's various levels are clarified, including the Board of Directors, the Board committees, and other administrative committees.

Monitoring the bank's activities in general and making important decisions through committees formed to ensure that the bank's activities are running properly in order to protect and ensure the quality of the bank's assets.

The Internal Audit Department monitors the adequacy of the bank's supervisory procedures and adheres to them, and prepares a presentation clarifying the focus and development aspects.

The Internal Control Committee (ICC) formed at the bank continuously follows up on the observations and control operations in departments such as Internal Audit, Risks and Compliance, Account Differences, and other departments, and reviews the level of progress in addressing those observations and developing solutions to any obstacles that the bank's departments may face in this regard.

The bank has a set of policies and procedures that govern its various activities. The bank also reviews these policies and procedures periodically to verify their adequacy, efficiency, and suitability for the bank's activities.

Most of the operations of the bank are executed through automated systems, which helps in reducing manual errors and chances of fraud.

The bank has specialised departments for evaluating and monitoring internal control systems, including Internal Audit, Compliance, Fraud Control, and various risk departments.

There is an effective Audit Committee supervising internal and external auditors' activities in order to promote their independence. This Committee receives regular and periodic reports on outcomes of audits carried out on different departments and their activities.

The comments and reports of the Shariah Group are conveyed to the Audit Committee to enhance the independence of the Shariah Group.

Follow up on important transactions, fraud cases, legal cases, tax and Zakat cases, disclosures, and any matters requested by the Board of Directors from the Audit Committee.

Regular reviews on the efficiency and adequacy of the internal control system are carried out by the Internal Auditing Department based on an annual plan approved by the Audit Committee, in addition to regular reviews of some aspects of internal control by external auditors as well as the audit carried out by the Saudi Central Bank.

### Annual review of internal control procedures

During 2025, alrajhi bank made every effort to ensure the adequacy and effectiveness of the internal control system, in line with the requirements issued by the Saudi Central Bank.

In addition, the activities implemented during the year 2025, which included a review of the efficiency of the internal control system through the works of Departments of Internal Audit, Risk, Compliance and Finance, have contributed to providing reasonable assurances of the adequacy of the applied internal controls, in addition to confirming the existence of systems and procedures necessary to identify and evaluate the high risks that the bank may face, the method of dealing with them, as well as the safety of their application. No findings affecting the adequacy of the internal control system were detected. Accordingly, and based on the results of the internal control system evaluation, Al Rajhi Bank has an adequate internal control system that works appropriately and is monitored and strengthened on an ongoing basis, bearing in mind that any internal control system, regardless of the level of its design and effectiveness, cannot provide absolute assurances.

## corporate governance structure at alrajhi

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### General Assembly

The bank adheres to the regulatory requirements in all matters relating to Ordinary and Extraordinary General Assemblies. The bank is also obliged to provide sufficient information to enable shareholders to make their decisions.

The Ordinary General Assembly meeting was held during the year 2025 as follows:

No.	Name	Attendance record
		Ordinary General Assembly 35th Meeting held on 13/04/2025
①	Abdullah bin Sulaiman Al Rajhi	✓
②	Ibrahim bin Mohammed Alromaih	✓
③	Khalid bin Abdulrahman Al Gwaiz	✓
④	Waleed bin Abdullah Al Mogbel	✓
⑤	Abdulaziz bin Khalid Alghufaily	✓
⑥	Badr bin Mohammad Al Rajhi	✓
⑦	Mansour bin Abdulaziz Albosaily	✓
⑧	Hamza bin Othman Khushaim	✓
⑨	Raeed bin Abdullah Al Tamimi	✓
⑩	Faisal bin Salah Aba Alkhail	✓
⑪	Motassim bin Abdulaziz Almaashouq	✓

### Bank's significant plans, decisions, and future expectations

alrajhi bank continues to lead in the retail banking market, and intends to enhance its leadership in this sector by increasing the financing portfolio in general and real estate financing in particular. The bank also intends to strengthen its position in the corporate banking market as well as SMEs sector, while continuing to invest in the latest technologies to ensure the provision of the best banking services and products to customers through connections built within the bank and across its subsidiaries, in addition to expanding the customer base.

### Description of the Bank's dividends policy

- (A) The net annual profits of the bank, which are determined after deducting all overheads and other costs and creating the necessary reserves to face doubtful debts, investment losses, and emergency obligations that the Board of Directors deems necessary in accordance with the provisions of the Banking Control Law and the directives of the Saudi Central Bank, are distributed as follows:
- 1 The amounts required to pay the Zakat prescribed for the shareholders are calculated and the Bank pays these amounts to the competent authorities.



## corporate governance structure at alrajhi

- ② At least 25% of the remainder of the net profits after deducting Zakat is carried over to the statutory reserve until the aforementioned reserve becomes at least equal to the paid-up capital.
- ③ An amount not less than 5% of the paid-up capital, after deducting the statutory reserve and Zakat, is allocated from the remainder of the profits for distribution to the shareholders in accordance with the Board of Directors' proposal and the General Assembly's decision. If the remaining percentage of the profits owed to the shareholders is not sufficient to pay this percentage, then shareholders may not claim its payment in the following year or years, and the General Assembly may not decide to distribute a percentage of the profits exceeding what was proposed by the Board of Directors.
- ④ The remaining amount is used after allocating the amounts mentioned in Paragraphs (1), (2), and (3), as proposed by the Board of Directors and decided by the General Assembly.
- ⓑ Subject to the provisions of Paragraph (A) and the relevant regulations and after obtaining no objection from the Saudi Central Bank, the Company may distribute interim dividends on a semi-annual or quarterly basis

### Description of any interest of the Bank's board members, senior executives and their spouses and minor children in the Bank's securities or any of its subsidiary companies.

#### A Members of the Board of Directors:

No.	Holder of interest, contractual papers, or subscription rights	Number of shares at the beginning of year 2025	Number of shares at the end of year 2025	Net change	Percentage of change %
①	Abdullah bin Sulaiman Al Rajhi	87,229,416	87,229,416	-	0.00
②	Ibrahim bin Mohammed Alromaih	28,342	28,342	-	0.00
③	Abdulaziz bin Khalid Alghufaily	51,691	51,691	-	0.00
④	Badr bin Mohammad Al Rajhi	101	3,686	3,585	3549.50
⑤	Khalid bin Abdulrahman Al Gwaiz	3,000	3,000	-	0.00
⑥	Raeed bin Abdullah Al Tamimi	100	100	-	0.00
⑦	Faisal bin Salah Aba Alkhail	1,065	1,065	-	0.00
⑧	Hamza bin Othman Khushaim	50	50	-	0.00
⑨	Waleed bin Abdullah Al Mogbel	100	100	-	0.00
⑩	Mansour bin Abdulaziz Albosaily	150,315	150,315	-	0.00
⑪	Motassim bin Abdulaziz Almaashouq	-	-	-	0.00

## corporate governance structure at alrajhi

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**B Senior executives:**

No.	Holder of interest, contractual papers, or subscription rights	Number of shares at the beginning of 2025	Number of shares at the end of year 2025	Net change	Percentage of change %
①	Waleed bin Abdullah Al Mogbel	100	100	-	0.00
②	Abdulrahman bin Abdullah Al Fadda	79,505	72,352	(7,153)	-9.00
③	Ahmed bin Saleh Al Sudais	70,000	72,000	2,000	2.86
④	Abdulrahman bin Mohammed Al Ajjaji	-	17,000	17,000	100.00
⑤	Majed bin Saleh Al Rajhi	188,622	230,313	41,691	22.10
⑥	Hussein bin Talal Bayari	-	7,478	7,478	100.00
⑦	Abdullah bin Saleh Al Omari	15,705	-	(15,705)	-100.00
⑧	Turki bin Mohammad Al Dafyan	21,647	27,602	5,955	27.51
⑨	Hamad bin Ibrahim Alwashmi	16,000	-	(16,000)	-100.00
⑩	Dhary bin Mohali Alshammry	14,456	24,078	9,622	66.56
⑪	Thamer bin Abdullah Al Humud	-	3,649	3,649	100.00
⑫	Faisal bin Abdullah Alsheref	5,000	8,000	3,000	60.00
⑬	Abdullah bin Ali Al Furaiji	-	-	-	0.00
⑭	Salim bin Hamad Musallam	18,347	23,882	5,535	30.17
⑮	Abdullah bin Saad Aljabr	-	-	-	0.00

**Board of Directors meetings**

No.	Member name	Meetings						
		First Meeting 17 March 2025	Second Meeting 25 May 2025	Third Meeting 1 June 2025	Fourth Meeting 31 August 2025	Fifth Meeting 7 October 2025	Sixth Meeting 24 December 2025	Seventh Meeting 25 December 2025
①	Abdullah bin Sulaiman Al Rajhi	✓	✓	✓	✓	✓	✓	✓
②	Ibrahim bin Mohammed Alromaih	✓	✓	✓	✓	✓	✓	✓
③	Faisal bin Salah Abaalkhail	✓	✓	✓	✓	✓	✓	✓
④	Abdulaziz bin Khalid Alghufaily	✓	✓	✓	✓	✓	✓	✓
⑤	Badr bin Mohammed Al Rajhi	✓	✓	✓	✓	✓	✓	✓
⑥	Khalid bin Abdulrahman Al Gwaiz	✓	✓	✓	✓	✓	✓	✓
⑦	Hamza bin Othman Khushaim	✓	✓	✓	✓	✓	✓	✓
⑧	Raeed bin Abdullah Al Tamimi	✓	✓	✓	✓	✓	✓	✓
⑨	Waleed bin Abdullah Al Mogbel	✓	✓	✓	✓	✓	✓	✓
⑩	Mansour bin Abdulaziz Albosaily	✓	✓	✓	✓	✓	✓	✓
⑪	Motassim bin Abdulaziz Almaashouq	✓	✓	✓	✓	✓	✓	✓



## corporate governance structure at alrajhi

### Critical concerns

GRI 2-16

The Bank's Board holds at a minimum four meetings a year, in which it reviews all matters reported by the Bank's business and control functions, highlighting each function's ad hoc matters as well as any concerns related to the Bank's business conduct in its operations and its business relationships.

### Bank requests for shareholder register

No.	Request date	Request justifications
①	2 February 2025	Company actions
②	3 March 2025	Company actions
③	6 April 2025	Company actions
④	15 April 2025	Dividend Distribution File
⑤	4 May 2025	Company actions
⑥	2 June 2025	Company actions
⑦	30 June 2025	Company actions
⑧	3 August 2025	Company actions
⑨	31 August 2025	Company actions
⑩	21 September 2025	Dividend Distribution File
⑪	1 October 2025	Company actions
⑫	29 November 2025	Company actions
⑬	2 December 2025	Company actions

### Related party transactions

During its normal business cycle, the bank makes transactions with related parties which are subject to the controls stipulated by the Kingdom's legislative entities. The bank has disclosed related party transactions in Note (36) of its final Financial Statements for the year 2025. The following is a summary of the nature and balances of those transactions for the year ended on 31 December 2025:

### Members of the Board of Directors

	ﷲ '000
Financing	831,514
Current accounts	526,878

### Companies and establishments guaranteed by members of the Board of Directors

	ﷲ '000
Financing	13,914,097
Contingent liabilities	1,157,393

### Associate

	ﷲ '000
Contributions payable	695,824
Receivable against claims	330,224
Bank balances	373,976
Net income from financing and other financial assets	317,702
Employees' salaries and benefits (air tickets)	1,393
Rent and premises related expenses	1,106
Contribution – policies written	6,624,448
Claims incurred and notified during the year	2,423,512
Claims paid	2,547,883
Board of Directors' remunerations	14,668
Short-term benefits	211,191
Provision for employees' end of service benefits	2,782

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Following is information related to businesses and contracts in which the Bank was a party and in which there was an interest for a member of the Board of Directors, a senior executive, or any person related to their professions during the year 2025:

### 1 Commercial contracts and service contracts

No.	Related party	Party associated with related party	Position in ARB	Type of relation with related party	Relation type	Period	Conditions	Transactions amount for the year 2025 (R)
①	Fursan Travel & Tourism Co.	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Owned by Board member	Travel & tourism services contract	Pricing contract for a period of one year automatically renewed for a similar period	Without any preferred conditions or advantages	1,519,479
②	Berain Company	Badr bin Mohammed Al Rajhi	Board Member	Chairman of the Board of the company	Mineral water supply services Indemnity Insurance	Pricing contract for a period of one year automatically renewed for a similar period	Without any preferred conditions or advantages	429,742
③	Saudi Credit Bureau	Majed bin Saleh Al Rajhi	Senior Executive	Board member of the Company	Subscriptions	Pricing contract for a period of one year automatically renewable for similar period	Without any preferred conditions or advantages	158,296,040

### 2 Lease contracts

No.	Related party	Party associated with related party	Position in ARB	Type of relation with related party	Relation type	Period	Conditions	Transactions amount for the year 2025 (R)
①	Mohammed Abdul Aziz Al Rajhi and Sons Investment Company	Badr bin Mohammad Al Rajhi	Board Member	The member holds a director position in the Company	Lease contract of the Southern Regional Management Building	Seven years, automatically renewed for a similar period	Without any preferred conditions or advantages	282,373
②	Mohammed Abdul Aziz Al Rajhi and Sons Investment Company	Badr bin Mohammad Al Rajhi	Board Member	The member holds a director position in the Company	Lease contract for Abha direct sales office	Seven years, automatically renewed for a similar period	Without any preferred conditions or advantages	46,000



## corporate governance structure at alrajhi

No.	Related party	Party associated with related party	Position in ARB	Type of relation with related party	Relation type	Period	Conditions	Transactions amount for the year 2025 (R)
3	Mohammed Abdul Aziz Al Rajhi and Sons Investment Company	Badr bin Mohammad Al Rajhi	Board Member	The member holds a director position in the Company	Lease contract for ATM site	Five years, automatically renewed for a similar period	Without any preferred conditions or advantages	40,250
4	Second Unique Stores Company	Abdullah bin Sulaiman Al Rajhi Abdulaziz bin Khalid Alghufaily Waleed bin Abdullah Almogbel	Chairman of the Board Board Member Managing Director and CEO	Al Rajhi Bank's Board members are members of Al Rajhi Capital's BoD and there is a relation of ownership and influence by Al Rajhi Capital over Al Rajhi REIT Fund and Al-Makhazen Al-Mumayazah Al-Thaniyah Company is a SPV for Al Rajhi REIT Fund	Lease contract for a branch in Riyadh	Five years	Without any preferred conditions or advantages	672,980
5	Dr.Cafe Coffee Holding Company	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Ownership of Mr. Yusif bin Suliman Al Rajhi in Dr.Cafe Coffee Holding Company whom is brother of the ARB Chairman of the Board Mr. Abdullah bin Sulaiman Al Rajhi	Coffee kiosk lease contract in the HQ building of Alrajhi Bank	Two years	Without preferred conditions or advantages	57,500
6	Dr.Cafe Coffee Holding Company	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Ownership of Mr. Yusif bin Suliman Al Rajhi in Dr.Cafe Coffee Holding Company whom is brother of the ARB Chairman of the Board Mr. Abdullah bin Sulaiman Al Rajhi	Coffee kiosk lease contract in the Operation Centre of Alrajhi Bank	Three years	Without preferred conditions or advantages	115,000
7	Half Million Company	Badr bin Mohammed Al Rajhi	Board Member	Mr. Abdullah bin Mohammed Al Rajhi is one of the Senior Executives in Half Million Company whom is brother of the ARB Board Member Mr. Badr bin Mohammed Al Rajhi	Coffee kiosk lease contract in the HQ building of Alrajhi Bank	One year	Without preferred conditions or advantages	57,500

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### 3 Insurance contracts

No.	Related party	Party associated with related party	Position in ARB	Type of relation with related party	Relation type	Period	Conditions	Transactions amount for the year 2025 (K)
①	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Micro and Small Business Motor Insurance	One year	Without any preferred conditions or advantages	46,001,024
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member				
②	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	General Commercial Liability Insurance	One year	Without any preferred conditions or advantages	20,454
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member				
③	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Directors and Officers Insurance	One year	Without any preferred conditions or advantages	1,250,000
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member				
④	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Properties All Risk Policy	One year	Without any preferred conditions or advantages	9,532,955
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member				
⑤	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Fire and Allied Perils - Insurance Agreement	One year	Without any preferred conditions or advantages	69,560
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member				



## corporate governance structure at alrajhi

No.	Related party	Party associated with related party	Position in ARB	Type of relation with related party	Relation type	Period	Conditions	Transactions amount for the year 2025 (R)																																										
6	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Bancassurance Agreement	One year	Without any preferred conditions or advantages	5,485,500,225																																										
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member					7	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Motor Insurance Agreement	One year	without any preferred conditions or advantages	430,904,242	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member	8	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Motor Insurance Agreement	One year	without any preferred conditions or advantages	241,712,521	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member	9	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Marine Cargo Open Cover	One year	Without any preferred conditions or advantages	970,372	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member	10	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Group Credit Policy Agreement
7	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Motor Insurance Agreement	One year	without any preferred conditions or advantages	430,904,242																																										
		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member					8	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Motor Insurance Agreement	One year	without any preferred conditions or advantages	241,712,521	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member	9	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Marine Cargo Open Cover	One year	Without any preferred conditions or advantages	970,372	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Managing Director and CEO is a Board member	10	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Group Credit Policy Agreement	One year	Without any preferred conditions or advantages	408,486,996	Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Board members in the Company						
8	Al-Rajhi Company for Cooperative Insurance	Abdullah bin Sulaiman Al Rajhi	Chairman of the Board	Board members in the Company	Motor Insurance Agreement	One year	without any preferred conditions or advantages	241,712,521																																										
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		Waleed bin Abdullah Al Mogbel	Managing Director and CEO	Board members in the Company																																														

## corporate governance structure at alrajhi

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### Competing Business with the Bank or with any of its activities that any member of the Board is engaging in

Board member's name	Name of the Competing Business	Nature of work of the Competing Business	The relation of the member with the Competing Business
Hamza bin Othman Khushaim	khitat alidikhar Company For Information Technology	Design and development of customised software solutions. Application development. Financial technology (FinTech) solutions. Provision of executive management consulting services.	Member of the Board of Directors
Khalid bin Abdulrahman Al Gwaiz	Sedco Capital	Asset Management	Member of the Board of Directors

### Legal payments

Legal payments due by the bank during the year consist of Zakat owed by shareholders, taxes, amounts paid to the General Organisation for Social Insurance, and costs of issuing visas, passports, etc.

The following table shows details of the legal payments made during the year:

Description	2025		Brief description	Reasons
	Paid	Due for payment by end of fiscal period (unpaid)		
Zakat	2,243,157,758	-	Paid	-
Taxes	283,291,181	-	Paid	-
VAT	1,039,447,776	-	Paid	-
General Organisation for Social Insurance	308,594,868	-	Paid	-
Visa and passport costs	42,000	-	Paid	-
Ministry of Labour fees	912,325	-	Paid	-



## corporate governance structure at alrajhi

### Basis for preparing the bank's consolidated financial statements

The bank prepares its consolidated financial statements in accordance with international accounting standards for financial institutions approved in the Kingdom of Saudi Arabia as well as other standards and publications issued by Saudi Organisation for Chartered and Professional Accountants and the requirements of the Banking Control Law, the Companies Law applicable in the Kingdom of Saudi Arabia, and the bank's Articles of Association.

### Basel 3

The Bank publishes its quantitative and qualitative disclosure data on an annual basis. These disclosures are available on the Bank's website ([www.alrajhibank.com.sa](http://www.alrajhibank.com.sa)).

### Auditors

During the Ordinary General Assembly of the shareholders, Ernst & Young and Deloitte & Touche were appointed as auditors for the bank's accounts for the fiscal year 2025. The next General Assembly will appoint external auditors for the fiscal year 2026 based on the recommendation of the Audit Committee in this regard.

### Board of directors' acknowledgments:

According to the available information, the auditor's report, and current market data, the Board of Directors acknowledges the following:

- Accounting records have been prepared properly
- The internal control system has been prepared based on proper fundamentals and is executed effectively
- There is no doubt about the Bank's ability to continue its business.

### Conclusion

The Board of Directors expresses its pleasure and pride in the positive results achieved by the bank during the year 2025. On this occasion, the Board would like to convey its appreciation to the Custodian of the Two Holy Mosques, HRH the Crown Prince, and our wise Government.

The bank also extends its sincere thanks to the Ministry of Finance, the Ministry of Commerce, the Saudi Central Bank, and the Capital Market Authority for their consistent cooperation and continuous support in developing the financial sector, which had a great impact and role in supporting the growth of the national economy.

The Board also seizes this opportunity to express its thanks and appreciation to the shareholders, the bank's valued customers and its correspondents for their support, confidence and cooperation, which have had a positive impact on the Bank's progress and prosperity. The Board also conveys its sincere thanks and appreciation to all employees of the bank for their sincere efforts and dedication. In addition, the bank extends its appreciation to Shariah Board members for their loyal efforts and effective contributions to the bank's business.

# risk management

## Overview

In 2025, the Risk Group continued to strengthen its role in safeguarding the bank's sustainability, resilience, and profitability by further embedding risk thresholds aligned with the bank's risk appetite. These thresholds support the timely identification, measurement, monitoring, and management of risks and their potential impact on the bank's value creation process, enabling informed decision-making and the delivery of sustainable returns to shareholders.

The Risk Group is headed by the Chief Risk Officer and operates within the bank's enterprise-wide risk policies approved by the Board of Directors. The Group provides comprehensive and independent risk oversight across all of the bank's activities. Its reporting to the Board and relevant committees covers a broad spectrum of risk types, including but not limited to portfolio asset quality, operational risk, liquidity risk, market risk, Counter Fraud risk, as well as technology, and cybersecurity risks.

The Board Risk Management Committee (BRMC) supports the Board of Directors by overseeing the bank's risk profile and monitoring performance against the approved risk appetite. As part of its mandate, the Committee reviews emerging risks, including ESG-related risks, in line with regulatory expectations and evolving external developments. ESG considerations are addressed through existing Board governance and risk oversight structures, while the integration of ESG risks into the Enterprise Risk Management (ERM) framework remains under review, pending further regulatory guidance and internal alignment. ESG-related matters are considered by the BRMC on an ad-hoc basis when relevant developments or risk considerations arise. The BRMC operates under a formal charter in accordance with the bank's Corporate Governance Manual, which incorporates the Principles of Governance for Banks issued by SAMA, the Corporate Governance Regulations issued by the Capital Market Authority, and recognised market best practices.

The bank's risk management policies remain underpinned by the Internal Capital Adequacy Assessment Process (ICAAP), which articulates the bank's risk appetite, risk management approach, stress-testing practices, and key risk controls. The

ICAAP is reviewed by the BRMC, approved by the Board of Directors, and submitted annually to SAMA. The BRMC concurrently reviews the Internal Liquidity Adequacy Assessment Plan (ILAAP) and provides its recommendations to the Board prior to submission to SAMA. In addition, the BRMC reviews and recommends for Board approval all risk-related policies, including but not limited to the Expected Credit Loss Policy, Operational Risk Policy, Counter Fraud Policy, Market and Liquidity Risk Policies, Cybersecurity Policy, and other relevant risk governance documents, ensuring a comprehensive and consistent approach to risk management across the bank. In addition, the Risk Group has designated the Director of Economic and Strategy Research to actively engage with regulatory authorities and national initiatives, including SAMA-led working groups and industry committees, to monitor regulatory developments and support the future alignment of ESG risk management practices with applicable regulatory guidance and disclosure standards.

At management level, the Risk Management Committee (RMC) continues to play a central role within the bank's risk governance structure. The Committee oversees the effectiveness of risk management practices across business lines and support functions, monitors emerging and evolving risks, and provides strategic and tactical guidance to management. The RMC reports to the Board Risk Management Committee (BRMC) on key risk matters, developments, and recommendations, supporting effective oversight and timely escalation.

## Top risks

The bank reviewed the Top 10 risks and Key Emerging Risks for the year 2025. The objective of the review is to ascertain the factors that will influence the bank's Risk Profile and to respond appropriately to lessen the impact of emerging risks. In order to assess the top emerging risks and to rank the order of these risks, the bank would use a scorecard-based approach taking into consideration the financial impact of these emerging risk and their likelihood of occurrence. The top 10 risks thus identified based on the scoring approach as listed below:



## risk management



### Emerging risks

In addition to the top 10 risks identified as part of the risk ranking process, the bank viewed the below 5 risk types as the emerging risks for 2025:

Emerging risk type	Description
<b>ESG Risk</b>	As the energy transition accelerates, banks are required to align accordingly by embedding climate-related risks (both physical and transition risk) across each stage of credit life cycle.
<b>Geopolitical Risk</b>	A shifting geopolitical landscape leading to a significant escalation would disrupt oil production and export capacity, thereby constraining growth opportunities.
<b>Changing Consumer Behaviour risk</b>	Unpredictable or misunderstood shifts in customer demand are caveats that would leave banks at a disadvantage against the customer and competition.
<b>Gap Risk</b>	Risks pertaining to liquidity and repricing gaps may arise as a result of funding requirements to support credit growth as well as expectations around rate levels.
<b>Capital Adequacy Risk</b>	Breaching the minimum CAR would lead to fines, and even SAMA intervention.

## risk management

### Credit risk

To enhance focus, independence, and objectivity in credit decision-making, the bank segregated the Credit Risk function from the broader Risk Management function. The Credit Group is now headed by the Chief Credit Officer and operates within the bank's Board-approved credit risk framework and policies, overseeing credit risk across the entirety of bank's operations.

The Credit Group reports to the Board of Directors and relevant Board committees on the bank's credit risk profile, portfolio performance, and asset quality. The Board Risk Management Committee supports the Board by overseeing credit risk performance against the approved risk appetite. Currently, ESG-related risk considerations are addressed through existing credit and risk governance processes, while dedicated ESG escalation protocols remain under review and are expected to develop as frameworks continue to mature.

The bank operates primarily as a retail-focused institution and credit risk remained the largest risk category during 2025. However, the overall credit risk profile remained comparatively low versus peers, supported by a strong portfolio composition with a significant concentration in public-sector salaried customers with salary assignments and stable employment profiles.

Given the inherent nature of retail portfolios, which comprise a large number of individual borrowers with relatively small exposures but heightened collective default risk, the bank continued to perform detailed reviews of credit applications and comprehensive portfolio monitoring during 2025. These measures supported fair and consistent assessment of borrowers' repayment capacity and early identification of emerging risks.

A strategic shift in the retail portfolio mix, initiated in December 2021 and continued through 2025, resulted in increased exposure to larger-ticket products such as mortgages. While this introduced higher single-obligor concentration, enhanced portfolio monitoring and feedback mechanisms were implemented to support the Retail Business and Credit Group in deploying appropriate mitigants and controls to manage concentration and credit risk.

This evolution in portfolio composition also led to a reassessment of target customer segments. The Credit Group continued to steer origination away from higher-risk segments where default and delinquency levels exceeded the bank's risk appetite and toward lower-risk customer groups, particularly high-income salaried customers employed by stable and approved employers.

Throughout the reporting period, the Business, Credit Risk and Compliance functions worked closely to ensure timely implementation of new and amended regulatory requirements issued during 2025, ensuring continued compliance with applicable laws and supervisory expectations.

The acceleration of digital banking introduced additional credit risk considerations at the customer acquisition stage. These risks were mitigated through a phased implementation approach, ensuring adherence to approved risk acceptance criteria and involving key stakeholders in the design and rollout of digital credit journeys.

Targeted strategies were executed to reduce delinquency inflows into late buckets, address system and logic gaps affecting default identification and strengthen collections effectiveness. A comprehensive retail default-management ecosystem was established, supported by a dedicated task force overseeing legal and recovery actions.

The bank also accelerated growth in non-retail segments and revamped its Wholesale Credit Policy to support expansion into preferred and targeted industries. This included growth in MSME financing and selective expansion of Private Banking lending, aligned with the bank's approved credit risk appetite.

A strengthened portfolio monitoring framework was implemented across non-retail portfolios, including enhancements to internal rating models to automate creditworthiness assessments using tailored quantitative and qualitative factors, particularly for MSMEs. The bank is also automating its Early Warning System to proactively identify emerging weaknesses and enable timely remedial action through relationship teams or the Special Assets Management Unit.



## risk management

As a result of these initiatives, non-performing loans within the non-retail portfolio remained stable during the reporting period despite strong year-on-year portfolio growth.

In 2025, continued automation and enhancements to policies and control frameworks resulted in a significant reduction in processing errors and improved turnaround times across all credit segments. With all credit decisions expected to be executed through the bank's unified credit decision engines, error rates are projected to decline further toward an ambitious zero-error target following full phased implementation by 2026.

### Concentration risk

The bank's geographically diversified presence and broad customer base contribute to portfolio stability and mitigates concentration risk by providing greater stability against the impact of any material external development.

During 2025 the Corporate Banking portfolio remained well diversified across emerging business segments, industries and exposure sizes. Concentration levels were actively monitored by the Credit Group against Board approved risk appetite limits, with regular reporting to senior management and relevant governance committees.

The Retail portfolio also remained diversified across customer segments, products and income profiles. As inflationary pressures posed potential affordability risks for lower income customers, the bank implemented targeted portfolio management and customer support measures, providing multiple options especially across its growing mortgage portfolio.

### Liquidity risk

During the year in review, alrajhi bank continued to strengthen its liquidity risk management framework, ensuring robust controls and monitoring systems are in place. The bank's proactive liquidity management has maintained a solid liquidity position to pay off its obligations when they become due by a diversified funding

mix and strong balance sheet. This has been achieved by exploring and introducing new funding solutions such as certificate of deposits, syndicated Murabaha, senior unsecured sukuk and other funding tools. The bank plans to continue enhancing its liquidity management strategies for balance sheet optimisation and to remain well-positioned to meet future challenges and opportunities.

### Market risk

Alrajhi bank ensures maintaining a robust market risk framework complying with Basel regulatory requirements. The bank has clearly defined policies, procedures and limits to identify, measure, monitor, and control market risks arising from its trading and banking activities. Market risk exposures are actively monitored on an ongoing basis using quantitative metrics and limits with regular reporting enabling timely identification of potential vulnerabilities. Through this disciplined approach, alrajhi bank ensures prudent management of market risks while supporting sustainable business growth.

### Operational risk

alrajhi bank reviews and updates its Operational Risk Management Policy on an annual basis to ensure ongoing alignment with the latest Basel standards and SAMA regulatory requirements, and to effectively govern all material aspects of operational risk management in a structured, consistent, and forward-looking manner.

As part of its continued enhancement of Operational Risk Management practices, the bank accelerated the digital transformation of key operational risk tools and activities. This included the automation and integration of Risk Control and Self-Assessments (RCSA), Key Risk Indicator (KRI) monitoring and reporting, operational loss event logging and Root Cause Analysis (RCA), action plan tracking, new products and services risk assessments, risk register maintenance, and enterprise-level operational risk reporting. These enhancements support improved data quality, timeliness, and management oversight.

## risk management

The bank remains committed to proactively strengthening its control environment and improving operational efficiency through increased reliance on technology and data-driven risk management. This is complemented by ongoing efforts to enhance risk awareness and control ownership across the bank through targeted communication, training programmes, and continuous engagement.

To ensure that all Operational Risks aspects are effectively managed, Operational Risk champions have been designated across all departments and business units. These champions work in close collaboration with the Operational Risk Management Department to support execution, monitoring, and issue escalation. Oversight of material operational risk matters is provided by the Group Operational Risk Committee (GORC). The bank's operational risk profile, including emerging risks and key trends, is regularly reported to Senior Management and the Board Risk Management Committee. This ensures informed decision-making, effective challenge, and a robust operational risk governance structure across all levels of alrajhi bank.

### Fraud risk

Fraud Risk is the likelihood that an individual or organisation will intentionally deceive others for personal or financial gain, potentially causing financial, reputational, or legal harm. alrajhi bank's Counter Fraud strategic approach is to ensure comprehensive coverage of fraud trends both internally and externally, enabling the bank to proactively protect its customers and its business operations.

As part of the rapid growth in fraud trends and fraudster techniques, the Counter Fraud Department has dedicated its full efforts and resources to ensure the following:

- Enabling a culture of awareness of counter fraud risks and fraudulent techniques for both our customers and the bank's business areas;
- Minimising fraud losses by utilising cutting edge technologies, techniques, and conducting deep analysis of transactions to identify unknown or suspected fraud trends and threats;
- Engaging counter fraud professionals to ensure a clear baseline is developed and implemented in order to further enable the Kingdom's 2030 Vision;

- Engaging with law enforcement to ensure criminal activity is apprehended and that both customer and bank losses are recovered.
- Establishing awareness of the international, regional, and local fraud landscape to gain insight on international trends and techniques ahead of time; and
- Further developing alrajhi bank's counter fraud resources by conducting both technical and non-technical training to allow for enhanced fraud detection internally and externally, and clear view of the fraud trends and techniques.

### Cybersecurity risk

In 2025, the continued acceleration of digital transformation, along with the increasing interconnectivity across financial ecosystems, further expanded the cybersecurity threat landscape. In response, alrajhi bank continued to operate a comprehensive and resilient cybersecurity framework that integrates preventive, detective, and incident response capabilities to proactively mitigate, detect, and respond to evolving cyber threats.

As part of its cybersecurity strategy, alrajhi bank has defined a set of forward-looking strategic initiatives aligned with its business and technology ambitions. These initiatives focus on open banking enablement, third-party cybersecurity risk management, cloud computing security, cybersecurity technology optimisation, and the secure adoption of artificial intelligence. Implementation of these initiatives is planned over the next three years and is designed to enhance cybersecurity maturity while maintaining a robust security posture, governance model, and risk tolerance currently in place.

To sustain a strong cybersecurity posture, alrajhi bank continued to apply advanced, multi-layered cybersecurity principles and controls. The bank adheres to the highest cybersecurity standards and regulatory requirements issued by the National Cybersecurity Authority (NCA), SAMA, CMA, and other relevant regulatory bodies. This ensures effective governance and the ongoing protection of the confidentiality, integrity, and availability of customer data, as well as critical business and technology processes.



## risk management

In addition, the bank engages independent internal and external auditors to assess the effectiveness of cybersecurity controls and verify compliance with national and international standards, including PCI DSS, SAMA, SWIFT, SARIE, and NCA requirements. The bank's 24/7 cybersecurity operations centre provides continuous monitoring and rapid response to cyber threats, reinforcing operational resilience and incident readiness. **To date, no cybersecurity-related failures or material operational impacts have been recorded.**

The Bank remains committed to fostering a strong cybersecurity culture through targeted training and awareness programmes for both employees and customers. These initiatives are designed to enhance awareness of evolving cyber threats and promote best practices to reduce cyber risk exposure. Ongoing cybersecurity assessments are conducted across systems, applications, and networks to maintain the resilience, reliability, and security of the Bank's services. Cyber risk oversight operates under a coordinated model, with the Risk Department responsible for governance, risk oversight, and reporting frameworks, while IT Security manages the implementation, monitoring, and day-to-day operation of cybersecurity controls, supported by regular reporting to senior management.

Trust remains central to the bank's relationships with customers and stakeholders. This trust is underpinned by robust safeguards that protect sensitive financial information, preserve customer privacy, and ensure the integrity of financial transactions. In 2025, alrajhi bank continued to strengthen its cybersecurity frameworks, advance strategic initiatives, and comply with evolving regulatory requirements, reaffirming its commitment to maintaining a secure, resilient, and trustworthy operating environment.

### Information Technology (IT) Risk

In 2025, the accelerating pace of digital transformation, combined with increasing geopolitical, regulatory, and technological complexity, has further elevated technology risk as a board-level priority for Saudi and global financial institutions. As reliance on cloud computing, artificial intelligence, open banking ecosystems, advanced data analytics, and third-party digital platforms continues to deepen, financial institutions face a broader and more interconnected risk landscape.

With alrajhi bank and its group entities continuing to modernise core banking platforms, expand digital channels, adopt AI-enabled capabilities, and strengthen ecosystem integrations, the nature and scale of technology risks in 2025 evolved beyond traditional boundaries. These risks now include heightened cyber threats driven by AI-enabled attacks, supply-chain compromises, cloud service disruptions, data privacy and sovereignty challenges, and technology resilience risks linked to complex system interdependencies. At the same time, regulatory expectations have intensified, increasing the potential impact of compliance failures and supervisory findings.

Collectively, these risks carry material implications for business continuity, financial stability, regulatory standing, and customer trust, especially in an environment where service availability, data integrity, and digital trust are critical differentiators.

alrajhi bank's overarching objective in managing IT risks is to proactively maintain a resilient, secure, and trustworthy technology ecosystem that supports sustainable growth. This is achieved through a holistic IT risk management strategy that balances resilience, agility, regulatory

## risk management

compliance, and business enablement, while remaining aligned with the bank's strategic priorities. This approach increasingly emphasises proactive risk identification, forward-looking risk assessments, scenario-based resilience testing, and continuous monitoring of emerging technology risks. By positioning technology as a strategic enabler rather than solely an operational function, the bank strengthens operational efficiency, supports innovation, and enhances competitiveness in a rapidly evolving financial landscape.

A culture of continuous improvement remains central, ensuring that lessons learned from incidents, audits, regulatory feedback, and industry events are systematically embedded into the IT risk framework, strengthening the bank's preparedness for future challenges.

### Credit rating

alrajhi bank has solidified its reputation among international rating agencies by consistently achieving stable to positive credit ratings for the current year:

Rating agency	Rating (Long term)	Short-term	Outlook
S&P	A	A-1	STABLE
Moody's	Aa3	P-1	STABLE
Fitch	A	F1	STABLE

It's worth to highlight Fitch Ratings has upgraded alrajhi bank's Long-Term Issuer Default Ratings (IDRs) to 'A' from 'A-' with a Stable Outlook. Fitch has also upgraded the Short-Term IDR to 'F1' from 'F2' and affirmed the bank's Viability Rating (VR) at 'a-'.

The upgrade reflects Fitch's view of alrajhi bank's higher systemic importance than domestic peers, resulting in an upgrade of the bank's Government Support Rating (GSR) to 'a' from 'a-'.

Fitch has also upgraded alrajhi bank's senior unsecured sukuk and Tier 2 sukuk following the upgrade of the IDRs.

Furthermore, Fitch assigned a Long-Term IDR (xgs) of 'A-' and Short-Term IDR (xgs) of 'F2' as alrajhi bank's IDRs would be lower if assumptions of government support were excluded.

The bank's National Rating reflects its creditworthiness relative to other Saudi Arabian issuers, such as:

- ① Favourable operating environment
- ② Strong franchise; retail market leader
- ③ Moderating financing growth
- ④ Strong Asset quality
- ⑤ Healthy profitability
- ⑥ Adequate capitalisation
- ⑦ Strong funding profile

### Future outlook



In 2025, alrajhi bank continued to strengthen its risk management framework by further enhancing its capabilities to measure, monitor, and report on all material risk types. These efforts were aimed at maintaining alignment with evolving regulatory requirements and reinforcing a robust risk governance framework across the bank.

Looking ahead to 2026, the bank remains focused on advancing its risk management practices, with an emphasis on preserving balance-sheet resilience, maintaining a prudent risk appetite, and safeguarding financial stability. This disciplined approach is expected to support sustainable growth while underpinning the bank's strong credit profile.

# data privacy and information management

alrajhi bank regards data as a core enterprise asset that drives operational excellence, informed decision-making, and superior customer experiences. To protect this asset, the bank applies rigorous data governance, privacy, and security standards, ensuring that all regulatory and industry expectations are met. Responsibility for data privacy lies with the Chief Digital Officer, while the Chief Risk Officer oversees cybersecurity activities. Oversight is further strengthened by the Cyber and Information Security Committee, which guides implementation, governance and continuous monitoring of all related programmes.

The bank's Data Governance Policy, established in 2022, provides an end-to-end framework across 14 essential domains, ranging from data quality, architecture, metadata and analytics to data sharing, open data, and personal data protection. This policy supports consistent data management practices, promotes regulatory alignment, and reinforces a unified governance model across the organisation.

Following the introduction of Saudi Arabia's first Personal Data Protection Law (PDPL) in 2023, the bank collaborated with the National Data Management Office (NDMO) and adhered to SAMA guidelines to embed robust personal data controls. Throughout the reporting year, the bank catalogued all personal data processing activities, assessed their potential impact on individuals, and built a centralised repository for documenting data processing operations. alrajhi bank also completed a compliance assessment of data subject rights to ensure alignment with all data protection requirements.

In 2024, the bank implemented its updated Privacy Policy and introduced a detailed Privacy Notice that complies with PDPL and NDMO standards. This Notice explains the types of data collected, the purpose of data usage, and how data is managed throughout its lifecycle. It also outlines customer rights, including the ability to revoke consent for personal data processing at any stage.

The bank maintains a formal Data Breach Management procedure, aligned with Article 20 of the PDPL Law and Article 24 of its regulations. These require reporting any confirmed breach to SAMA within four hours and to SDAIA within seventy-two hours, as well as notifying impacted individuals without delay. The process includes breach detection through monitoring controls, investigation, impact evaluation, remediation and restoration activities, and timely reporting.

Both internal and external privacy policies have been updated and embedded across the institution to reflect PDPL and alrajhi bank standards. While a formal AI governance framework is still under development, the bank has carried out privacy assessments to identify sensitive data risks and strengthen controls accordingly. Compliance is continuously evaluated against PDPL and NDMO requirements across all jurisdictions where alrajhi bank operates.

The Data Privacy Policy applies to all internal and external parties, including employees, contractors, vendor personnel, and subsidiary staff, who handle personal data on behalf of the bank, whether through manual processes or automated systems. The policy is fully aligned with PDPL and NDMO standards.

Cybersecurity remains a foundational pillar of alrajhi bank's operational resilience and governance framework. As cyber threats continue to evolve globally, the bank maintains a comprehensive and structured cybersecurity risk management approach to safeguard its information assets, systems, and business processes. Cybersecurity at alrajhi bank is built on three core principles:

- Confidentiality – ensuring information is accessible only to authorised individuals
- Integrity – maintaining accuracy and reliability of data
- Availability – ensuring information and systems remain accessible when required

alrajhi bank's Cybersecurity Policy complies with regulatory requirements from governing bodies like SAMA Cybersecurity strategy and framework, SARIE, NCA (National Cybersecurity Authority), In addition to, standard best practices like ISO 27001, Payment card industry- data security standard (PCI-DSS). All employees must comply with the bank's Cybersecurity Policy and related frameworks, standards, processes, and guidelines. The Information Security Department (ISD) oversees periodic reviews of the Policy to ensure ongoing compliance with legal, regulatory, and contractual requirements. Adherence is mandatory, and violations are subject to disciplinary measures. Exception or waiver requests must be formally submitted with justification, reviewed for risk and compliance implications, and approved through defined governance channels. Requests concerning SAMA Cybersecurity Framework requirements follow the established SAMA waiver procedure.

## data privacy and information management

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Continuous cybersecurity risk assessments are conducted across internal environments and third-party engagements to identify, evaluate, and prioritise risks based on severity. Risk treatment plans are fully aligned with the bank's enterprise risk management framework, ensuring informed decision. Governance is overseen by the Board of Directors, supported by the Cybersecurity Committee, which includes senior executives, the MD & CEO, and functional leaders. This Committee provides strategic guidance, monitors cybersecurity programmes, reviews key risk and performance indicators, and ensures that cybersecurity initiatives align with the bank's risk appetite. The bank continues to invest in strengthening its cybersecurity function through a clearly defined organisational structure and ongoing workforce capability assessments, ensuring the availability of qualified cybersecurity professionals across all business units and subsidiaries.

### Cybersecurity controls and monitoring

To enhance threat detection and response capabilities, alrajhi bank has implemented advanced security monitoring tools integrated across its technology landscape. All security events and potential breaches are logged and managed through a dedicated case management system and handled according to the bank's predefined incident response playbooks. Incidents are classified using the bank's data classification matrix, which determines escalation thresholds. High and critical incidents result in activation of the Crisis Management Team for coordinated containment and recovery. Each incident undergoes root-cause analysis, eradication, and a formal lessons-learned review to strengthen future preparedness.

### Cybersecurity culture and awareness

Building a cyber-aware workforce is integral to the bank's cybersecurity strategy. It is mandatory for all new employees to complete mandatory cybersecurity onboarding modules developed in partnership with alrajhi Academy. An annual cybersecurity awareness training plan is delivered to all staff, complemented by periodic awareness campaigns to reinforce secure behaviour and cultivate a resilient cybersecurity culture throughout the organisation.

### Technical assessments and testing

The bank conducts regular vulnerability assessments (VA) and penetration testing (PT) on its systems and applications, supplemented by ad-hoc assessments based on emerging threats. All findings are communicated to relevant owners and tracked until closure, with oversight from senior management to ensure timely and effective remediation.

### Vendor and third-party cybersecurity compliance

Given the increasing reliance on third-party service providers, alrajhi bank enforces stringent cybersecurity requirements within its procurement and vendor management processes. Contracts include comprehensive clauses covering data confidentiality, integrity, availability, incident response responsibilities, and breach notification procedures. Vendors must demonstrate robust security controls, maintain relevant certifications such as ISO standards, and allow the bank to conduct security assessments to validate compliance.

### Identity and access management

The bank employs Identity and Access Management (IAM) processes to ensure secure and authenticated access across the bank's environment. IAM systems are integrated with Active Directory and LDAP for centralised user authentication and access governance. In the event of a data breach, the cybersecurity and data privacy teams coordinate to assess the impact, implement corrective measures, and complete all regulatory and customer notifications as required.

### Commitment to customer trust and institutional resilience

Cybersecurity is essential to maintaining customer trust, protecting sensitive information, and upholding compliance, reputation, and shareholder confidence. The Board and Executive Management remain strongly committed to supporting the bank's cybersecurity strategy, policies, and objectives. Through its comprehensive controls, governance mechanisms, and continuous investments in people and technology, alrajhi bank ensures strong cybersecurity compliance and resilience, securing its digital assets and enabling safe, uninterrupted banking services for all customers.



# internal audit

The Internal Audit team at alrajhi bank safeguards the integrity, effectiveness, and reliability of the bank's internal control environment. Its scope covers all aspects of the bank's operations, including corporate governance, business activities, IT systems, cybersecurity, personnel, subsidiaries, and international branches. ESG-related areas are also reviewed across various audit engagements as part of the approved annual Internal Audit Plan.

The team conducts regular evaluations of the adequacy and effectiveness of the internal control system in accordance with the annual plan approved by the Audit Committee. These reviews are complemented by independent assessments performed by external auditors and periodic audits conducted by the Saudi Central Bank (SAMA). The internal audit team also performs an annual review of the HR department to verify staff compliance with the Code of Conduct and reports completion status and categories of violations to the Board Audit Committee.

All identified audit findings are reported, monitored, and tracked through established processes to ensure corrective actions are taken promptly by management. These measures contribute to strengthening the control environment and mitigating associated risks. Based on ongoing evaluations, alrajhi bank confirms that it maintains an effective and adequate internal control system that operates appropriately and is continuously monitored and enhanced. Nevertheless, the bank acknowledges that no internal control framework can provide absolute assurance against all risks.

During 2025, the combined efforts of the Internal Audit, Risk, and Compliance functions contributed to further strengthening the bank's internal controls. Their reviews provided reasonable assurance regarding the adequacy of applied controls, the effectiveness of systems and

procedures for identifying and evaluating high-risk areas, and the soundness of the bank's responses to emerging risks. Internal Audit also performs periodic verification of documentation, records, and completion status of mandatory ethics and anti-corruption trainings. Any issues identified in this area are addressed by management in a timely manner.

alrajhi bank remains firmly committed to the highest ethical and professional standards and has implemented a comprehensive Whistleblower Policy to prevent, detect, and respond to any act of bribery or corruption. The bank encourages employees across all branches and subsidiaries, both locally and internationally, to report violations or concerns, including misconduct, manipulation, vandalism, bribery, corruption, breaches of policies, or aiding and abetting. Multiple reporting channels are available, including a dedicated hotline and email. The Whistleblowing and ABC Department owns and oversees the Policy, while the Legal Department within the Human Resources Group investigates and takes necessary action against employees involved in misconduct or corruption.

Internal Audit performs periodic audits of the Whistleblowing and ABC Department in line with the approved Internal Audit Plan to ensure proper governance, compliance, and policy effectiveness. Through continuous oversight, risk-focused reviews, and collaboration with other control functions, the Internal Audit Group plays a key role in reinforcing transparency, accountability, and strong governance across alrajhi bank.

# tax transparency and financial reporting

GRI 207-1, 207-2

For the year 2025, alrajhi bank continued to comply with globally recognised requirements for tax transparency and financial disclosure. The bank published its interim condensed and consolidated financial statements on a quarterly and annual basis, prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the Saudi Organisation for Chartered and Professional Accountants (SOCPA), the Banking Control Law, the Companies in the Kingdom of Saudi Arabia, and the bank's by-laws. All standards and regulations are applied consistently under the supervisory monitoring of the Saudi Central Bank (SAMA), ensuring high levels of disclosure quality and financial reporting integrity.

The bank's financial reporting is also subject to regulation by the Capital Market Authority (CMA), supporting transparency and timely disclosure to investors, including through investor information sessions. In line with regulatory best practices, alrajhi bank appoints two external auditors, approved by the shareholders' general assembly, and selected from the leading global audit firms operating in the Kingdom.

alrajhi bank maintains a robust investor reporting framework validated by data processing engines, strict compliance controls, and quality assurance procedures. Multiple internal governance committees and monitoring departments work together to ensure accuracy, transparency, and completeness of financial disclosures in-line with the SAMA requirements. Financial reports and related disclosures are made publicly available through the bank's dedicated online Investor Relations webpage as well as mobile app, which provides direct access to stock information, dividend history, investment tools and latest market announcements, curating an enriched investor experience.

Revenue recognition policies remain fully aligned with applicable IFRS requirements, with income and fees recognised based on effective profit yield or upon delivery of services, as appropriate. The bank also fulfils its Zakat and tax obligations to the Zakat, Tax and Customs Authority (ZATCA) of Saudi Arabia. Compliance is supported by qualified internal and external experts, to ensure adherence to all applicable Zakat and tax regulations. Zakat paid for the year 2025 Increased by 25% YoY.

## Equity ownership structure

alrajhi bank follows the Capital Market Authority (CMA) regulations of one vote per share and disclosure of 5% or more ownership.



# business ethics

Business ethics at alrajhi bank are embedded in its overall governance and day to day decision making, with integrity, transparency and Shariah-compliance forming the basis for how the bank conducts its business and manages stakeholder relationships. Ethical expectations are communicated through formal policies and oversight structures, but are also reinforced through culture, training and regular employee affirmations of the Code of Conduct.

The bank maintains a comprehensive compliance and ethics framework that aligns with regulatory requirements, including SAMA's Compliance Principles, and applies to all employees, international branches, subsidiaries and relevant third parties. This framework covers areas such as anti money laundering and counter terrorist financing, anti bribery and corruption, conflicts of interest, fair treatment of customers, and protection of confidential information, with a dedicated Compliance Group, who is directly responsible for six core business units, namely:

Responsibility for compliance control (control, relationship with the central bank, consultations)

Responsibility for compliance with AML/CTF and preventing the proliferation of arms

Responsibility for combatting financial fraud

Responsibility for combating corruption

Responsibility for self-supervision unit

Responsibility for handling reports of violations

The Compliance Group assists senior management in managing non-compliance risks, by examining policy breaches, assessing remediation plans, and confirming that internal controls remain robust and effective.

The bank's commitment to high ethical, moral and statutory standards cascades from the Board of Directors and Senior Management to employees across all levels, with all staff expected to uphold these standards in their interactions with customers, colleagues and other stakeholders. Compliance is treated as an integral part of operations, and employees act as the front line in identifying and escalating potential compliance risks or violations, supported by regular training on relevant principles and responsibilities.

This approach is accompanied by a clear code of conduct, whistleblowing channels, and a stated non-retaliation stance that together foster an open communication culture and support early identification and remediation of issues. Collectively, these measures help the bank protect its reputation, strengthen stakeholder trust and promote sustainable, responsible growth in line with its Shariah values and governance commitments.

## Grievance management

Grievances or complaints relating to money laundering can be lodged through alrajhi bank's official customer complaint channels. These channels are available to all customers and external parties and are handled in accordance with the bank's governance and compliance framework. Complaints may be submitted through: Customer Care Hotline.

- Customer Complaints Email: [CCC@alrajhibank.com.sa](mailto:CCC@alrajhibank.com.sa)
- Online Complaints Portal: Available on the bank's official website under "Customer Care/Complaints".

All grievance cases are logged, reviewed, and escalated to the relevant compliance functions as required.

The Whistleblowing as well as Anti-Bribery and Corruption functions are responsible for managing the investigation process and have unrestricted access to any information required for this purpose, including confidential data. Corrective actions are determined based on the nature of each incident and may relate to one or more of the following dimensions: people, process and technology. Where appropriate, disciplinary action is taken against responsible employees in line with

## business ethics

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ARB's Code of Conduct, and/or relevant processes or technologies are adjusted to prevent recurrence, in accordance with SAMA Whistleblowing Regulations. All such cases are recorded in systems and shared drives with restricted access and are reported periodically to the Board of Directors and the Audit Committee.

The toll-free number for fraud and complaints  
800-124-4455

### Compliance with laws and regulations

S. No.	Indicator	Unit	2025	2024	2023
①	Total number of significant instances of non-compliance with laws and regulations for which fines were incurred	Nos.	41	56	68
②	Total number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	Nos.	5	1	4
③	Total number of significant instances of non-compliance with laws and regulations	Nos.	46	57	72



# policies related to the corporate governance manual

GRI 2-23, 2-24

alrajhi bank adopts a comprehensive set of governance policies and procedures in line with applicable SAMA and CMA regulations and the Board-approved Delegation of Authority (DoA) matrix. These policies strengthen transparency, disclosure, conflict management, and Board oversight, ensuring effective governance practices across the Bank's operations.

## Risk management policy

Risk Management Policies are built on the principle that effective identification and management of risk are essential to sound Corporate Governance across the Group. The CRO reports to the Board through the Risk Committee and administratively to the CEO, with any removal or resignation requiring Board approval and notification to Saudi Central Bank (SAMA). The bank's credit risk framework ensures clear segregation of duties and comprehensive policies to mitigate borrower default risk; its market risk approach protects against unforeseen losses by independently assessing risks related to rates of return, equity prices, foreign exchange and commodities; its liquidity risk policy ensures adequate liquid assets and compliance with SAMA directives; and its operational risk policy addresses fraud, employment issues, system failures, business process errors and physical damage, supported by a structured framework for risk governance, identification and integrated reporting.

## Whistleblower Policy

To prevent and address acts of bribery, corruption, or other misconduct, the bank has established a comprehensive Whistleblower Policy. Employees across all local and international branches, subsidiaries, and affiliates are encouraged to report any violations, including misconduct, fraud, policy breaches, or attempts to aid and abet wrongdoing.

Multiple reporting channels are provided, including a dedicated hotline and email. The bank ensures the confidentiality and, where requested, the anonymity of whistleblowers. The Whistleblowing and Anti-Bribery & Corruption (ABC) Department is responsible for investigating all reported cases. alrajhi bank maintains a strict zero-tolerance approach to retaliation, and any retaliatory actions are treated as serious disciplinary matters.

## Remuneration Policy

This Policy is designed to attract, retain, and motivate talent with the necessary skills, knowledge, and expertise. Employee remuneration considers both current and potential risks and is tailored to the role and responsibilities of each individual. The policy encompasses a mix of financial and non-financial incentives, including cash, equity, and other forms of reward. Control functions and Human Resources are actively involved in designing and implementing remuneration frameworks to ensure alignment with performance objectives while mitigating risks of misconduct.

## Insider Information Policy

The Insider Information Policy provides clear guidelines to prevent the misuse of sensitive or confidential information for personal gain. It aims to ensure that employees comply with applicable laws and regulations, promoting ethical conduct and preventing both intentional and unintentional insider trading or misuse of insider knowledge.

## Policy for dealing with Politically Exposed Persons (PEPs)

Politically Exposed Persons (PEPs) are considered high-risk customers under Saudi Central Bank (SAMA) regulations and other relevant regulatory frameworks (as outlined in the AML & CTF Manual). In line with regulatory requirements, the bank applies enhanced KYC (Know Your Customer) and EDD (Enhanced Due Diligence) procedures to assess the potential risks associated with PEPs, including their immediate family members and close associates, when establishing a relationship with such customers.

## Anti-bribery and corruption policy

The bank enforces a strict zero-tolerance policy toward bribery, corruption, and facilitation payments. Any employee found in violation is subject to disciplinary action, including potential legal consequences. This policy applies to all employees across local and international branches, subsidiaries, and third-party partners. All employees are required to abide by the policy and report suspected breaches through formal reporting channels.

## policies related to the corporate governance manual

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The Whistleblowing and Anti-Bribery and Corruption functions oversee all investigations and have full access to information required for this purpose, including confidential material. Corrective actions are determined based on whether the issue relates to people, processes, or technology. Measures may include disciplinary actions or improvements to controls, in line with Saudi Central Bank (SAMA) whistleblowing regulations. All cases are securely stored with restricted access and are periodically reported to the Board of Directors and the Audit Committee.

### Anti-money laundering policy

alrajhi bank complies with international standards for AML, WMD, CTF, and ABC. To manage compliance risks, the bank applies risk assessments, classifying customers by risk level and reviewing products and regions annually. A risk-based CDD process is used, with enhanced due diligence for higher-risk customers. Sanctions

screening is conducted against global and local lists, while transactions are monitored through AML systems that flag unusual activity. Suspicious cases are reported to SAFIU.

The bank also follows a three-lines-of-defence risk management model, maintains a certified Business Continuity framework, and applies strict KYC and EDD requirements for politically exposed persons.

The AML Policy undergoes regular scheduled reviews to ensure it remains current. The Compliance and Governance functions oversee updates to reflect regulatory developments, new risks, and internal directives, with final approval provided by the bank's governance committees.

A formal review process is in place whereby the AML Policy is periodically evaluated by the Compliance and AML teams to ensure it aligns with regulatory expectations, evolving risks, and industry best practices, with any revisions endorsed through the bank's governance framework.

#### Communication and training about anti-corruption policies and procedures (Employees)

##### Parameters

	Unit	2025			
		Senior Management	Middle Management	Junior Management	Non Management
Total number of employees	No.s	15	194	637	9,117
Total number of employees that the organisation's anti-corruption policies and procedures have been communicated to	No.s	15	194	637	9,117
Total number of employees that have received training on anticorruption	No.s	15	194	637	9,117
Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	%	100	100	100	100



## policies related to the corporate governance manual

### HR Policy

alrajhi bank is committed to attracting, developing, and retaining talented and engaged employees, recognising their essential role in strong corporate governance and organisational success. The bank's HR policies provide clear and comprehensive guidance on recruitment, development, performance management, compensation, and employee rights and obligations. These policies ensure a fair, transparent, and well-structured work environment that enhances productivity and strengthens employees' sense of belonging.

### Code of conduct

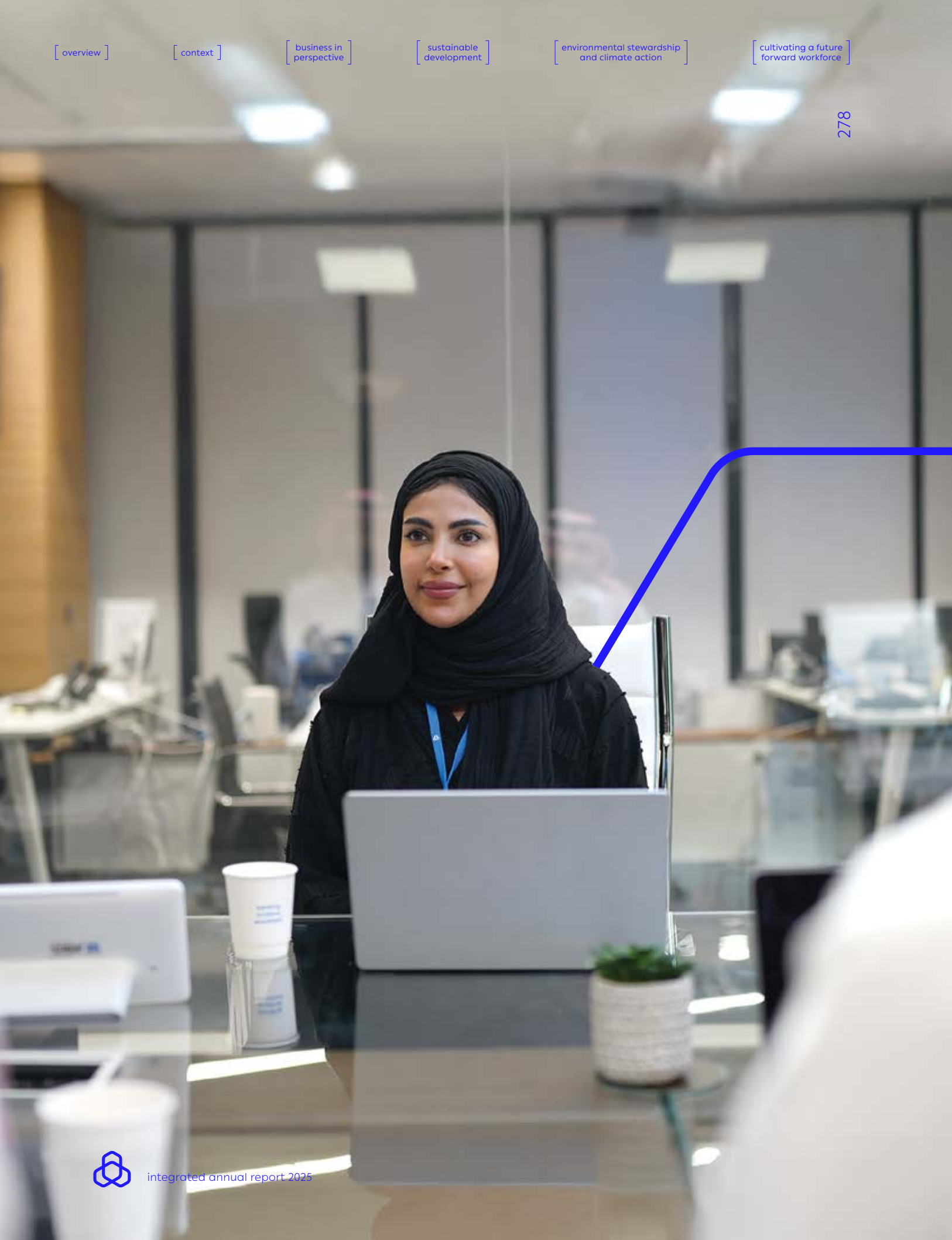
The bank places strong emphasis on ethical conduct, recognising its critical role in protecting the bank's reputation and supporting long-term success. A unified Code of Conduct applies across the bank and all its subsidiaries, setting expectations for integrity, professionalism, compliance with laws, regulations, and Shariah principles, and the proper handling of confidential information. All employees are required to review and acknowledge the Code annually, with the Board Governance Committee overseeing the mechanisms to ensure full adherence.

### Conflict of interest

This policy defines common conflict scenarios, and the required actions employees must take to avoid compromising the bank's integrity. A continuously maintained Conflict of Interest Registry, maintained by the Chief Governance and Legal Officer and overseen by the Governance Committee, is reviewed and signed annually by Board members.

Board members are subject to specific requirements:

- They must promptly declare any official or professional positions held during their Board tenure.
- They must ensure no external relationships influence their duties to the bank.
- Any potential conflict related to Board decisions must be immediately disclosed to the Chairman, and the concerned member must refrain from participating in related discussions or voting.
- Board members are prohibited from accepting any direct or indirect advantage linked to their role at the bank.



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## To the Shareholders of Al Rajhi Banking and Investment Corporation (A Saudi Joint Stock Company)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Al Rajhi Banking and Investment Corporation (the "Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia ("the Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our auditors' opinion thereon, and we do not provide a separate opinion on these matters.



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## Key audit matter

## How our audit addressed the key audit matter

## Expected credit loss allowance against financing

As at 31 December 2025, the Group's gross financing amounted to ₪ 761,442.74 million (2024: ₪ 701,915.04 million), against which an expected credit loss ("ECL") allowance of ₪ 8,682.89 million (2024: ₪ 8,505.32 million) was recorded.

In accordance with the requirements of IFRS 9, the Group measures ECL based on the credit losses expected to arise over the next twelve months ("12-month ECL"), except for financing which have undergone a significant increase in credit risk ("SICR") since origination, or those which are in default or those that are classified as Purchased or Originated Credit Impaired "POCI" assets, in which case, the allowance is based on the ECL expected to arise over the life of the financing ("Lifetime ECL").

Additional judgements are applied by the Group when identifying and assessing exposures meeting SICR criteria.

We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgment, and this has a material impact on the consolidated financial statements of the Group. The key areas of judgment include:

1. Categorisation of financing into Stages 1, 2 and 3 based on the identification of:
  - (a) exposures that have a significant increase in credit risk ("SICR") since their origination; and
  - (b) individually impaired / defaulted exposures.

- We obtained an understanding of management's assessment of the determination of the ECL allowance in respect of financing, including the Group's internal risk rating models, accounting policy and methodology, as well as any key changes made during the year.
- We assessed the Group's accounting policy and methodology for ECL allowance against the requirements of IFRS 9: 'Financial Instruments'.
- We assessed the design and implementation, and tested the operating effectiveness, of the key controls (including relevant IT general and application controls) in relation to:
  - the ECL model (including governance over the model, its validation and any model updates performed during the year);
  - the classification of financing into Stages 1, 2 and 3, timely identification of SICR, and the determination of default / individually impaired exposures;
  - the IT systems and applications supporting the ECL model; and
  - the integrity of data inputs into the ECL model.
- We assessed the governance process implemented by management in relation to customer specific provision post ECL model output including the appropriateness of qualitative factors considered in management's assessment.

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## Key audit matter

2. Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), including, but not limited to, assessment of the financial condition of the counterparties, expected future cash flows, and developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios.

The application of these judgments continues to result in heightened estimation uncertainty around ECL calculations, and therefore affected the associated audit risk thereon as at 31 December 2025.

*Refer to the summary of material accounting policies note 3(c)(5) for the impairment of financial assets; note 2(f)(1) which contains the disclosure of critical accounting judgments, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Group; note 8(e) which contains the disclosure of impairment against financing; and note 31(1)(a) for details of credit quality analysis and key assumptions and factors considered in determination of ECL.*

## How our audit addressed the key audit matter

- For a sample of customers, we tested the internal risk ratings determined by management based on the Group's internal models. We also compared whether these were consistent with the ratings used as inputs in the ECL model.
- For a selected sample of customers, we tested management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any.
- We assessed the Group's criteria for the determination of definition of default and SICR, and the identification of individually impaired exposures. Furthermore, for a sample of exposures, we tested the corresponding staging classification of financing facilities to determine if it was appropriate.
- We assessed the underlying assumptions used by the Group in the ECL models, including forward looking assumptions.
- We tested the completeness and accuracy of input data supporting the ECL calculations as at 31 December 2025.
- Where required, we involved our specialists to assist us in reviewing the ECL models' calculations, evaluating interrelated inputs (including EAD, PDs and LGDs) and assessing the reasonableness of assumptions used in the ECL models, particularly around macroeconomic variables and forecasted macroeconomic scenarios.
- We evaluated the adequacy of the disclosures in the consolidated financial statements against the requirements of IFRS.



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### Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by other joint auditor who expressed an unmodified opinion on those statements on 6 February 2025 (corresponding to 7 Sha'ban 1446H).

### Other Information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information in the Group's annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRSs that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulation for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By-Laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Audit Committee is responsible for overseeing the Group's financial reporting process.

## independent auditors' report

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### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## independent auditors' report

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- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable requirements of the Regulation for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By-Laws in so far as they affect the preparation and presentation of the consolidated financial statements for the year ended 31 December 2025.

### Deloitte and Touche & Co. Chartered Accountants

**Mazen A. Al-Omari**  
Certified Public Accountant  
License no. 480



### Ernst & Young Professional Services

**Hesham A. Alatiqi**  
Certified Public Accountant  
License no. 523



16 Sha'ban 1447 H  
(04 February 2026)

# consolidated statement of financial position

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As at 31 December	Notes	2025 (€ '000)	2024 (€ '000)
<b>Assets</b>			
Cash and balances with central banks	4	54,004,876	53,244,710
Due from banks and other financial institutions, net	5	26,940,586	19,529,727
Investments, net	6	174,304,596	175,033,587
Positive fair value of derivatives	7	2,066,981	1,905,903
Financing, net	8	752,759,851	693,409,723
Other assets, net	9	13,390,634	10,650,605
Investment in associates	10	1,157,245	1,034,262
Investment properties, net	11	1,350,021	1,358,638
Property, equipment, right of use and software, net	12	15,740,178	15,274,749
Disposal group classified as held for sale	13	1,553,329	1,002,450
<b>Total assets</b>		<b>1,043,268,297</b>	<b>972,444,354</b>



## consolidated statement of financial position

As at 31 December	Notes	2025 (# '000)	2024 (# '000)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks, Saudi Central Bank and other financial institutions	14	117,283,797	117,677,378
Customers' deposits	15	667,287,500	654,988,501
Negative fair value of derivatives	7	2,276,665	1,679,043
Debt securities and term financing	16	79,866,625	37,457,972
Other liabilities	17	32,628,115	36,655,853
Liabilities of disposal group classified as held for sale	13	1,013,250	846,376
<b>Total liabilities</b>		<b>900,355,952</b>	<b>849,305,123</b>
<b>Equity</b>			
Share capital	18	40,000,000	40,000,000
Statutory reserve	19	40,000,000	38,373,547
Other reserves	19	581,422	(311,814)
Retained earnings		34,272,747	21,417,282
<b>Equity attributable to the Bank's shareholders</b>		<b>114,854,169</b>	<b>99,479,015</b>
Equity sukuk	20	27,907,879	23,553,815
<b>Equity attributable to the Bank's equity holders</b>		<b>142,762,048</b>	<b>123,032,830</b>
<b>Non-controlling interests</b>		<b>150,297</b>	<b>106,401</b>
<b>Total equity</b>		<b>142,912,345</b>	<b>123,139,231</b>
<b>Total liabilities and equity</b>		<b>1,043,268,297</b>	<b>972,444,354</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

# consolidated statement of income

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For the year ended 31 December	Notes	2025 (# '000)	2024 (# '000)
<b>Income</b>			
Gross financing and investment income	22	55,849,516	47,018,123
Gross financing and investment return	22	(26,003,845)	(22,175,077)
<b>Net financing and investment income</b>	22	<b>29,845,671</b>	<b>24,843,046</b>
Fee from banking services, income	23	12,686,142	10,768,382
Fee from banking services, expenses	23	(6,816,935)	(6,075,655)
<b>Fee from banking services, net</b>	23	<b>5,869,207</b>	<b>4,692,727</b>
Exchange income, net		1,558,950	1,292,866
Other operating income, net	24	1,820,137	1,226,664
<b>Total operating income</b>		<b>39,093,965</b>	<b>32,055,303</b>
<b>Expenses</b>			
Salaries and employees' related benefits	25	4,025,571	3,723,809
Depreciation and amortization	11,12	2,369,057	1,981,914
Other general and administrative expenses	26	2,732,360	2,264,941
<b>Total operating expenses before credit impairment charge</b>		<b>9,126,988</b>	<b>7,970,664</b>
Impairment charge for financing and other financial assets, net	8	2,320,481	2,116,744
<b>Total operating expenses</b>		<b>11,447,469</b>	<b>10,087,408</b>
<b>Net income for the year before Zakat</b>		<b>27,646,496</b>	<b>21,967,895</b>
Zakat Expense	27	(2,821,986)	(2,236,709)
<b>Net income for the year</b>		<b>24,824,510</b>	<b>19,731,186</b>
<b>Net income for the year attributable to:</b>			
Bank's shareholders		24,791,754	19,722,206
Non-controlling interests		32,756	8,980
<b>Net income for the year</b>		<b>24,824,510</b>	<b>19,731,186</b>
<b>Basic and diluted earnings per share (#)</b>	28	<b>5.85</b>	<b>4.67</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer



# consolidated statement of comprehensive income

For the year ended 31 December	Notes	2025 (# '000)	2024 (# '000)
<b>Net income for the year</b>		<b>24,824,510</b>	<b>19,731,186</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to the consolidated statement of income in subsequent periods:</b>			
- Net change in fair value of FVOCI equity investment	19	<b>761,546</b>	(46,180)
- Actuarial gain on re-measurement of employees' end of service benefits liabilities "EOSB"	19,29	<b>56,990</b>	56,421
- Share in OCI from associate	19	<b>5,050</b>	1,360
<b>Items that may be reclassified to the consolidated statement of income in subsequent periods:</b>			
- FVOCI instrument:			
- Net change in fair value of FVOCI Sukuk and Structured products investments	19	<b>152,824</b>	(278,101)
- Net amounts transferred to the consolidated statement of income		<b>(163,388)</b>	30,323
- Exchange difference on translating foreign operations	19	<b>128,809</b>	55,984
- Cash flow hedge effective portion of change in the fair value		<b>(49,506)</b>	2,465
- Employee share plan reserve		-	(37,110)
<b>Total other comprehensive income/(loss) for the year recognized in equity</b>		<b>892,325</b>	(214,838)
<b>Total comprehensive income for the year</b>		<b>25,716,835</b>	<b>19,516,348</b>
<b>Total comprehensive income for the year Attributable to:</b>			
Bank's shareholders		<b>25,684,990</b>	19,506,998
Non-controlling interests		<b>31,845</b>	9,350
<b>Total comprehensive income for the year</b>		<b>25,716,835</b>	<b>19,516,348</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

# consolidated statement of changes in equity


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For the year ended 31 December 2025	Notes	Share capital	Statutory reserve
		(฿ '000)	(฿ '000)
Balance at 31 December 2024		40,000,000	38,373,547
Net income for the year		-	-
Net change in fair value of FVOCI Equity investments	19	-	-
Actuarial gain on re-measurement of employees' end of service benefits liabilities "EOSB"	19	-	-
Share in OCI from associates	19	-	-
Net change in fair value of FVOCI Sukuk and Structured products investments	19	-	-
Net amounts transferred to the consolidated statement of income	19	-	-
Exchange difference on translation of foreign operations	19	-	-
Cash flow hedge effective portion of change in the fair value	19	-	-
Employee share plan reserve	19	-	-
Total other comprehensive loss recognized in equity		-	-
<b>Total comprehensive income for the year</b>		-	-
Equity Sukuk issued, net	20	-	-
Equity Sukuk costs		-	-
Transfer to statutory reserve	19	-	1,626,453
Interim dividend for the first half of 2025	32	-	-
Dividend for annual year 2024		-	-
Disposal of FVOCI equity instruments	32	-	-
Other consolidation adjustments		-	-
<b>Balance at 31 December 2025</b>		<b>40,000,000</b>	<b>40,000,000</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer



## consolidated statement of changes in equity

	Other reserves (R '000)	Retained earnings (R '000)	Total equity attributable to the Bank's shareholders (R '000)	Equity sukuk (R '000)	Total equity attributable to the Bank's equity holders (R '000)	Non-controlling interests (R '000)	Total equity (R '000)
	(311,814)	21,417,282	99,479,015	23,553,815	123,032,830	106,401	123,139,231
	-	24,791,754	24,791,754	-	24,791,754	32,756	24,824,510
	761,546	-	761,546	-	761,546	-	761,546
	55,816	-	55,816	-	55,816	1,174	56,990
	5,050	-	5,050	-	5,050	-	5,050
	152,824	-	152,824	-	152,824	-	152,824
	(163,388)	-	(163,388)	-	(163,388)	-	(163,388)
	130,894	-	130,894	-	130,894	(2,085)	128,809
	(49,506)	-	(49,506)	-	(49,506)	-	(49,506)
	-	-	-	-	-	-	-
	893,236	-	893,236	-	893,236	(911)	892,325
	893,236	24,791,754	25,684,990	-	25,684,990	31,845	25,716,835
	-	-	-	4,354,064	4,354,064	-	4,354,064
	-	(1,376,946)	(1,376,946)	-	(1,376,946)	-	(1,376,946)
	-	(1,626,453)	-	-	-	-	-
	-	(3,000,000)	(3,000,000)	-	(3,000,000)	-	(3,000,000)
	-	(5,840,000)	(5,840,000)	-	(5,840,000)	-	(5,840,000)
	-	(92,890)	(92,890)	-	(92,890)	-	(92,890)
	-	-	-	-	-	12,051	12,051
	581,422	34,272,747	114,854,169	27,907,879	142,762,048	150,297	142,912,345

## consolidated statement of changes in equity

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For the year ended 31 December 2024	Notes	Share capital	Statutory reserve
		(฿ '000)	(฿ '000)
Balance at 31 December 2023		40,000,000	33,442,996
Net income for the year		-	-
Net change in fair value of FVOCI Equity investments	19	-	-
Actuarial gain on re-measurement of employees' "EOSB"	19	-	-
Share in OCI from associate	19	-	-
Net change in fair value of FVOCI Sukuk investments and Structured products investments	19	-	-
Net amounts transferred to the consolidated statement of income	19	-	-
Exchange difference on translation of foreign operations	19	-	-
Cash flow hedge effective portion of change in the fair value	19	-	-
Employee share plan reserve	19	-	-
Total other comprehensive income recognized in equity		-	-
<b>Total comprehensive income for the year</b>		-	-
Equity Sukuk issued	20	-	-
Equity Sukuk costs		-	-
Transfer to statutory reserve	19	-	4,930,551
Dividend for annual year 2023	32	-	-
Interim dividend for the first half of 2024		-	-
Other consolidation adjustments		-	-
<b>Balance at 31 December 2024</b>		40,000,000	38,373,547

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer



## consolidated statement of changes in equity

	Other reserves	Retained earnings	Total equity attributable to the Bank's shareholders	Equity Sukuk	Total equity attributable to the Bank's equity holders	Non-controlling interests	Total equity
	(฿ '000)	(฿ '000)	(฿ '000)	(฿ '000)	(฿ '000)	(฿ '000)	(฿ '000)
	(96,606)	16,913,041	90,259,431	16,500,000	106,759,431	-	106,759,431
	-	19,722,206	19,722,206	-	19,722,206	8,980	19,731,186
	(46,180)	-	(46,180)	-	(46,180)	-	(46,180)
	57,481	-	57,481	-	57,481	(1,060)	56,421
	1,360	-	1,360	-	1,360	-	1,360
	(278,101)	-	(278,101)	-	(278,101)	-	(278,101)
	30,323	-	30,323	-	30,323	-	30,323
	54,554	-	54,554	-	54,554	1,430	55,984
	2,465	-	2,465	-	2,465	-	2,465
	(37,110)	-	(37,110)	-	(37,110)	-	(37,110)
	(215,208)	-	(215,208)	-	(215,208)	370	(214,838)
	(215,208)	19,722,206	19,506,998	-	19,506,998	9,350	19,516,348
	-	-	-	7,053,815	7,053,815	-	7,053,815
	-	(1,035,867)	(1,035,867)	-	(1,035,867)	-	(1,035,867)
	-	(4,930,551)	-	-	-	-	-
	-	(4,600,000)	(4,600,000)	-	(4,600,000)	-	(4,600,000)
	-	(5,000,000)	(5,000,000)	-	(5,000,000)	-	(5,000,000)
	-	348,453	348,453	-	348,453	97,051	445,504
	(311,814)	21,417,282	99,479,015	23,553,815	123,032,830	106,401	123,139,231

# consolidated statement of cash flows

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For the year ended 31 December		2025 (S'000)	2024 (S'000)
	Notes		
<b>Cash Flows from operating activities</b>			
Net Income before Zakat		27,646,496	21,967,895
<b>Adjustments to reconcile net income before zakat to net cash from operating activities:</b>			
Gain on investments held at fair value through statement of income (FVIS)	24	118,723	(66,803)
Depreciation on property, equipment, right of use and software, net	12	2,348,144	1,961,180
Depreciation on investment properties	11	20,913	20,734
Gain on sale of property and equipment, net	24	(8,866)	(5,217)
Impairment charge for financing and other financial assets, net	8	2,320,481	2,116,744
Share in profit of associates	24	(117,933)	(137,344)
Dividend income	24	(226,866)	(303,162)
Accretion/amortisation relating to Sukuk investments, net		163,316	(160,360)
Profit charge against lease obligations		22,024	22,904
Fair value adjustment for derivatives		436,544	(142,725)
Rental income from investment properties	24	(106,175)	(98,543)
Employee share plan reserve	19	-	(37,110)
<b>(Increase)/decrease in operating assets</b>			
Statutory deposit with SAMA and other central banks		754,672	(5,250,216)
Due from banks and other financial institutions		3,439,112	(4,585,138)
Financing, net		(61,670,609)	(101,321,661)
FVIS investments, net		328,307	(2,860,673)
Other assets, net		(2,611,220)	1,063,304
Disposal group classified as held for sale		(550,879)	-
<b>Increase/(decrease) in operating liabilities</b>			
Due to banks, Saudi Central Bank and other financial institutions		(393,581)	62,308,769
Customers' deposits		12,298,999	50,079,426
Other liabilities		(4,486,367)	11,827,515
Liabilities associated with disposal group classified as held for sale		166,874	-
Profit payment against lease obligations		(22,024)	(22,904)
<b>Net cash (used in)/generated from operating activities before Zakat</b>		<b>(20,129,915)</b>	<b>36,376,615</b>
Zakat paid	27	(2,243,157)	(2,725,225)
<b>Net cash (used in)/generated from operating activities</b>		<b>(22,373,072)</b>	<b>33,651,390</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer



## consolidated statement of cash flows

For the year ended 31 December	Notes	2025 (# '000)	2024 (# '000)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	12	(3,523,379)	(3,557,124)
Proceeds from disposal of property and equipment		1,153,556	340,971
Purchase of FVOCI investments		(2,846,001)	(11,809,617)
Proceeds from disposal of FVOCI investments		4,220,084	-
Proceeds from maturities of held at amortized cost investments		26,969,314	6,850,808
Purchase of investments held at amortised cost		(27,858,783)	(33,952,745)
Purchase of Investment properties		(12,299)	(16,714)
Dividend income received	24	226,866	303,162
Rental income from investment properties	24	106,175	98,543
<b>Net cash used in investing activities</b>		<b>(1,564,467)</b>	<b>(41,742,716)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	32	(8,840,000)	(9,600,000)
Equity Sukuk costs		(1,376,946)	(1,035,867)
Equity Sukuk issued/called	20	4,354,064	7,053,815
Payments against lease obligation		(243,422)	(260,896)
Debt securities and term financing	16	42,408,653	23,599,043
<b>Net cash generated from financing activities</b>		<b>36,302,349</b>	<b>19,756,095</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,364,810</b>	<b>11,664,769</b>
Cash and cash equivalents at the beginning of the year		24,100,411	12,435,642
<b>Cash and cash equivalents at end of the year</b>	33	<b>36,465,221</b>	<b>24,100,411</b>
<b>Financing and investment income received during the year</b>		<b>53,477,774</b>	<b>45,188,022</b>
<b>Financing and investment return paid during the year</b>		<b>25,158,828</b>	<b>21,890,213</b>
<b>Supplemental Non-cash transactions:</b>			
ROU assets		152,125	89,069
Lease Liability		30,945	111,217
Net change in fair value of FVOCI investments		914,370	(324,281)
Remeasurement gain on EOSB		55,816	57,481
Disposal group classified as held for sale		-	1,002,450
<b>Non-current liabilities associated with disposal group classified as held for sale</b>		<b>-</b>	<b>846,376</b>

The accompanying Notes from 1 to 44 form an integral part of these consolidated financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

# notes to the consolidated financial statements

## 1 General

### (a) Incorporation and operation

Al Rajhi Banking and Investment Corporation, a Saudi Joint Stock Company, (the "Bank"), was formed and licensed pursuant to Royal Decree No. M/59 dated 3 Dhul Qadah 1407H (corresponding to 29 June 1987) and in accordance with Article 6 of the Council of Ministers' Resolution No. 245, dated 26 Shawal 1407H (corresponding to 23 June 1987).

The Bank operates under Commercial Registration No. 1010000096, Unified National No. 7000102744 and its Head Office is located at the following address:

Al Rajhi Bank  
8467 King Fahd Road – Al Muruj Dist.  
Unit No 1  
Riyadh 12263 – 2743  
Kingdom of Saudi Arabia

The objectives of the Bank are to carry out banking and investment activities in accordance with its Articles of Association and By-laws, the Banking Control Law and the Council of Ministers Resolution referred to above. Bank is engaged in banking and investment activities inside and outside the Kingdom of Saudi Arabia through 545 branches (2024: 550) including the branches outside the Kingdom and 24,712 employees (2024: 23,437 employees). The Bank has established certain subsidiary companies (together with the Bank hereinafter referred to as the "Group") in which it owns all of their shares as set out below [Also see Note 2 (b)]:

Name of subsidiary	Functional Currency	Shareholding		Description
		2025 %	2024 %	
Al Rajhi Capital Company – KSA	ﷲ	100	100	A Saudi Closed Joint Stock Company authorized by the Capital Market Authority to carry on securities business in the activities of Dealing/brokerage, Managing assets, Advising, Arranging, and Custody.
Management and Development for Human Resources Company – KSA	ﷲ	100	100	A limited liability company registered in Kingdom of Saudi Arabia to provide recruitment services.
Al Rajhi Bank – Kuwait	KWD	100	100	A foreign branch registered with the Central Bank of Kuwait.
Al Rajhi Bank – Jordan	JOD	100	100	A foreign branch operating in Hashemite Kingdom of Jordan, providing all financial, banking, and investments services and importing and trading in precious metals and stones in accordance with Islamic Shari'a' rules and under the applicable banking law.

## notes to the consolidated financial statements

Name of subsidiary	Functional Currency	Shareholding		Description
		2025 %	2024 %	
Tuder Real Estate Company – KSA	ﷲ	100	100	A limited liability company registered in Kingdom of Saudi Arabia to support the mortgage programs of the Bank through transferring and holding the title deeds of real estate properties under its name on behalf of the Bank, collection of revenue of certain properties sold by the Bank, provide real estate and engineering consulting services, provide documentation service to register the real estate properties and overseeing the evaluation of real estate properties.
Al Rajhi Corporation Limited – Malaysia	MYR	100	100	A licensed Islamic Bank under the Islamic Financial Services Act 2013, incorporated and domiciled in Malaysia.
Emkan Finance Company – KSA	ﷲ	100	100	A closed joint stock company registered in the Kingdom of Saudi Arabia providing micro consumer financing, finance lease and small and medium business financing.
Tawtheeq Company – KSA	ﷲ	100	100	A closed joint stock company registered in Kingdom of Saudi Arabia providing financial leasing contracts registration to organise contracts data and streamline litigation processes.
Al Rajhi Financial Markets Ltd –Cyman Islands	USD	100	100	A Limited Liability Company registered in the Cayman Islands with the objective of managing certain treasury related transactions on behalf of the Bank.
International Digital Solutions Co. (Neoleap) – KSA	ﷲ	100	100	A closed joint stock company owned by the Bank for the purpose of practicing technical work in financial services, digital payment systems, financial settlements and related services.
Ejada Systems Company Limited – KSA	ﷲ	90	90	A Saudi Closed Joint Stock Company owned by the Bank for the purpose of providing professional, scientific, technological activities, information communication services, and system analysis and senior management consultation services.
New Technology Company for Software Solutions (Neotek) – KSA	ﷲ	100	100	A limited company authorized by the Saudi Central Bank to operate in financial technology solutions and open banking services.
Drahim Holdings – Cayman Islands	USD	65	65	A holding company with the objective of offering Open Banking, investment, and financial technology services.

## notes to the consolidated financial statements

During June 2024, the Group acquired 65% shareholding in "Drahim Holdings". The subsidiary is based in Cayman Island with the objective of offering open banking, investment and financial technology services. The Group has completed the Purchase Price Allocation exercise and consolidated the subsidiary in these Consolidated Financial statements. The Group completed the process and legal formalities of the acquisition of the shares in Drahim Holding Company for a cash consideration of 83.4 million. As part of the acquisition, the Group has received Drahim Treasury Shares presenting 3.1% shareholding. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the 'Standard')."

### (b) Shari'a Authority

As a commitment from the Bank for its activities to be in compliance with Islamic Shari'a legislations, since its inception, the Bank has established a Shari'a Authority to ascertain that the Bank's activities are subject to its approval and control. The Shari'a Authority has reviewed the Bank's activities and issued the required decisions thereon.

The Bank is regulated by the Saudi Central Bank (SAMA).

## 2 Basis of preparation

### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared

- In accordance with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and
- In compliance with the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2023) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19 2023). The management has amended its Articles of Association/By-Laws in its recent annual General Assembly meeting.

### (b) Basis of measurement and preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the following items in the consolidated statement of financial position:

- Derivatives are measured at fair value;
- Financial instruments designated as Fair Value through Profit or Loss ("FVIS") are measured at fair value;
- Investments designated as Fair Value through Other Comprehensive Income ("FVOCI") are measured at fair value;
- Employee defined benefit obligations are recognized at the present value of future obligations using the Projected Unit Credit Method, and
- Financial assets or liabilities that are hedged through a fair value hedging relationship, are adjusted to record changes in fair value attributable to the risks that are being hedged.

The Group presents its consolidated statement of financial position in order of liquidity.

### (c) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.



## notes to the consolidated financial statements

### (d) Basis of consolidation

These 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 financial statements from the date on which control commences until the date that control ceases.

The control indicators set out below are subject to management's judgements that can have a significant effect in the case of the Group's interests in securitisation vehicles and investments funds.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

When the Group has less than majority of the voting or similar rights substantive of an investee entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights granted by equity instruments such as shares.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated statement of income; and
- Reclassifies the parent's share of components previously recognised in OCI to the consolidated statement of income or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

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.

## notes to the consolidated financial statements

### (e) Functional and presentation currency

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

### (f) Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards as endorsed in KSA and other standards and pronouncements issued by SOCPA, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Such estimates, assumptions and judgments 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, fair value measurement, and the assessment of the recoverable amount of non-financial assets.

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 judgments is as follows:

#### 1. Expected Credit Losses on financial assets

The measurement of impairment losses 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 Group'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 such as Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default rate ("LGD"), that are considered accounting judgements and estimates include selection of an estimation technique or modelling that are considered accounting Judgements as follows:

- The Group's internal credit grading model, which assigns Probability of Default ('PDs') to the individual grades,
- The Group'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,
- The segmentation of financial assets when their ECL is assessed on a collective basis,
- Development of ECL models, including the various formulas and the choice of inputs,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.



## notes to the consolidated financial statements

### 2. Judgement of equity vs liability for Tier I Sukuk

The determination of equity classification of Tier I Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Group classifies as part of equity the Tier I Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit upon the occurrence of a non-payment event or non-payment election by the Bank subject to certain terms and conditions that are under the control of the Group. The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity under retained earnings.

### 3. Determination of control and significant influence over investees

The control indicators are subject to management's judgements, and are set out in (notes 3.c and 6). Investment funds management:

The Group acts as Fund Manager to a number of investment funds. Determining whether the Group controls such investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried profits and expected management fees) and the investor's rights to remove the Fund Manager the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

### 4. Employees' end of service benefits liabilities

The Group operates an End of Service Benefit scheme for its employees based on the prevailing Saudi Labor laws. The liability is being accrued based on projected unit credit method in accordance with the periodic actuarial valuation. For details of assumptions and estimate refer to (note 30).

### 5. Other significant areas where management has used estimates, assumptions or exercised judgments are referred as follows:

- Fair value Measurement (note 35)
- Credit Risk Management (note 31.1.a)
- Credit Risk Measurement (note 31.1.a)
- Classification of Investments at Amortized Cost (note 3.d.1)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 21)
- Judgement of equity vs liability for Tier I Sukuk (note 2.2)
- Determination of control and significant influence over investees (note 2.h)

### 3 Material accounting policies

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

#### (a) Changes in accounting policies due to adoption of new standards, interpretations and amendments adopted by the Group

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, 2025. 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.

## notes to the consolidated financial statements

### New standards, interpretations and amendments adopted by the Group

Following standard, interpretation or amendment are effective from the annual reporting period beginning on 1 January 2025 and are adopted by the Group, however, they do not have any significant impact on the consolidated financial statements of the year unless otherwise stated below:

Standard, interpretation and 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.	1 January 2025

### (b) Forthcoming new standards not yet effective

Standard, interpretation and 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.	1 January 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.	1 January 2026



## notes to the consolidated financial statements

Standard, interpretation and amendments	Description	Effective date
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.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss 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.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS 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.	1 January 2027

## notes to the consolidated financial statements

### (c) Government grants

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 fair value of the deposit determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20 – Accounting for Government grant. The government grant is recognized in the statement of income on a systematic basis over the period in which the Group recognizes as expenses for which the grant is intended to compensate. The grant income is only recognized when the ultimate beneficiary is the Group. Where the customer is the ultimate beneficiary, the Group only records the respective receivable and payable amounts.

### (d) Financial assets and financial liabilities

#### 1. Classification of financial assets

On initial recognition, a financial asset is classified and measured at: Amortized Cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Statement of Income ("FVIS"). This classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

#### Financial Asset at amortised cost:

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

- 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.

#### Financial Asset at FVOCI:

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

- 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.

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

#### Financial Asset at FVIS:

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVIS.

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



## notes to the consolidated financial statements

### Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group 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;
- the performance of the portfolio is evaluated and reported to the Group'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;
- the compensation made to the managers of the business – 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 Group'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 Group's original expectations, the Group 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.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVIF 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 (SPPP)

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 risk 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 Group 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 Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group'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.

## notes to the consolidated financial statements

**Designation at fair value through statement of income:** At initial recognition, the Bank has designated certain financial assets at FVIS.

The Group deploys profit based products including Mutajara, installment sales and Murabaha to its customers in compliance with Shari'a rules. The Group classifies its Principal financing and Investment as follows:

**Financing:** These financings represent facilities granted to customers. These financings mainly constitute four broad categories i.e. Mutajara, Installment sales, Murabaha and credit cards. The Group classifies these financings at amortised cost as they are held to collect contractual cash flow and pass SPPP test.

**Due from banks and other financial institutions:** These consists of placements with financial Institutions (FIs). The Group classifies these balances due from banks and other financial institutions at amortised cost as they are held to collect contractual cash flows and pass SPPP criterion.

**Investments (Murabaha with SAMA):** These investments consists of placements with the Saudi Central Bank (SAMA). The Group classifies these investments at amortised cost as they are held to collect contractual cash flows and pass SPPP criterion.

**Investments (Sukuk):** These investments consists of Investment in various Sukuk. The Group classifies these investments at amortised cost and FVOCI except for those Sukuk which fails SPPP criterion, which are classified at FVIS.

**Equity Investments:** These are the strategic equity investments which the Group does not expect to sell, for which Group has made an irrevocable election on the date of initial recognition to present the fair value changes in other comprehensive income.

**Investments (Mutual Funds):** The investments consist of Investments in various Mutual Funds. The Group classifies these investment at FVIS as these investments fail SPPP criterion.

**Investments (Structured Products):** These investments consists of Investment in various structured products. Structured products are sukuks with an additional embedded feature which could be Range accrual, Credit linked and Floaters. The Group classifies these investments at amortised cost and FVOCI except for those structured products which fails SPPP criterion, which are classified at FVIS.

### 2. Classification of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and financing commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Profit Rate "EPR".

All amounts Due to banks, Saudi Central Bank and other financial institutions and customer deposits are initially recognized at fair value less transaction costs. Subsequently, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss.

### 3. Derecognition

#### Derecognition of financial assets

The Group 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 Group 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 (debt instrument), 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



## notes to the consolidated financial statements

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 Group retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Group 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 Group 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.

Any cumulative gain/loss recognized in OCI, among other reserve, in respect of equity investment securities designated as at FVOCI is not recognized in consolidated statement of income on derecognition of such securities. Cumulative gains and losses recognized in OCI in respect of such equity investment securities are transferred to retained earnings on disposal. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability.

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.

### Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

## 4. Modifications of financial assets and financial liabilities

### Modified financial assets

If the terms of a financial asset are modified, the Group evaluates whether the contractual cash flows of the modified asset are substantially different. If the contractual cash flows are substantially different than it was originated, 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 profit or loss as part of the gain or loss on derecognition.

If the contractual cash flows of the modified asset carried at amortized cost are not substantially different than it was originated, then the modification does not result in derecognition of the financial asset. In this case, the Group 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 the consolidated statement of income. For floating-rate financial assets, the original effective profit rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs of fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset

### Modified financial liabilities

The Group derecognizes a financial liability when its terms are modified and the contractual cash flows of the modified liability are substantially different. In this case, a new

## notes to the consolidated financial statements

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.

### 5. Impairment of financial assets

The loss allowance is based on the Expected Credit Losses ("ECLs") associated with the Probability of Default ("PD") in the next twelve months unless there has been a Significant Increase in Credit Risk ("SICR") since origination. If the financial asset meets the definition of Purchased or Originated Credit Impaired ("POCI"), the allowance is based on the change in the ECLs over the life of the asset. POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and financing income is subsequently recognised based on a credit-adjusted ("EPR"). ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

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

- Due from banks and other financial institutions;
- financial assets that are debt instruments;
- lease receivables;
- Financial guarantee contracts issued; and
- Financing commitments issued.

No impairment loss is recognized on equity at FVOCI investments.

The Group 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 Group considers Sukuk to have low credit risk when their credit risk rating is equivalent to the globally understood definition of "investment grade".

**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 assets, for which 12-month ECLs are recognized, are referred to as "Stage1" 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 financial assets". Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not yet credit-impaired.

Financial assets for which the lifetime ECLs are recognized and that are credit-impaired are referred to as "Stage 3 financial assets".



## notes to the consolidated financial statements

### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. It is 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 Group in accordance with the contract and the cash flows that the Group 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 Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than POCL financial assets and lease receivables: the original effective profit rate or an approximation thereof;
- POCL assets: a credit-adjusted effective profit rate;
- Lease receivables: the discount rate used in measuring lease receivables;
- Undrawn financing commitments: the effective profit rate, or an approximation thereof, that will be applied to the financial asset resulting from the financing commitment; and
- financial Guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

The key inputs into the measurement of ECL are the term structure of the following variables;

- Probability of default ("PD"),
- Loss given default ("LGD"), and
- Exposure at default ("EAD").

The above parameters are generally derived from internally developed statistical models and historical data which are adjusted for forward looking information. The Group categorizes its financial assets into the following three stages in accordance with IFRS 9 methodology:

- Stage 1: Performing assets;
- Stage 2: Underperforming assets; and
- Stage 3: Credit-impaired assets.

The three stage categories of financial assets are more elaborated in (note 32-1-a.v)

To evaluate a range of possible outcomes, the Group formulates various scenarios. For each scenario, the Group derives an ECL and applies a probability weighted approach to determine the impairment allowance in accordance with the accounting standards requirements.

For how financial assets and ECLs are allocated among the three credit stages, refer to (note 5) for due from banks and financial institutions, (note 6) for investments, (note 7) for financing facilities, and (note 18) Commitments and contingencies.

### 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 customer, then an assessment is made of whether the financial asset should be derecognized and then ECLs are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, 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

## notes to the consolidated financial statements

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 Group assesses whether financial assets carried at amortized cost 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 customer or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing facility by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Financing facility that has been renegotiated due to deterioration in the customer'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 Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.

- The probability of financing being restructured, resulting in holders suffering losses through voluntary or mandatory financing forgiveness.
- The international support mechanisms in place to provide the necessary support as "lender of last resort" to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intents, whether there is the capacity to fulfil the required criteria.

### POCI financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective profit rate on initial recognition. Consequently, POCI assets do not carry impairment allowance on initial recognition. The amount recognized as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

### Credit cards and other revolving facilities

The Bank's products offering include a variety of corporate and retail overdraft and credit cards facilities, in which the Bank has the right to cancel and/or reduce the facilities with one day's notice. The Bank does not limit its exposure expectations of customer behaviour, the likelihood of default and its future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Bank's expectations, the period over which the Bank calculates ECL for these products, is five years for corporate and seven years for retail products. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage.



## notes to the consolidated financial statements

The profit rate used to discount the ECL for credit cards is based on the average effective profit rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently not charged profit. The calculation of ECL, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for corporate and on a collective basis for retail products.

The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

### Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECLs 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;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the financing commitment component separately from those on the drawn component: the Group 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; and
- financing commitments and financial guarantee contracts: generally, as a provision;
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

### Write-off

Financing and debts securities are written off (either partially or fully) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual assets level.

Recoveries of amounts previously written off are recognised when the cash is received and are included in "Impairment charge for expected credit losses, net" in the consolidated statement of income.

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.

### Collateral valuation

To mitigate its credit risks on financial assets, the Group 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 Group's statement of financial position. However, the fair value of collateral affects the calculation of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or market securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. 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.

## notes to the consolidated financial statements

### Collateral repossessed

The Group'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, if any, are transferred to their relevant asset category at the fair value, if material. 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 in the consolidated Statement of financial position.

### 6. Financial guarantees and financing commitments, letters of credit

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.

The premium received is recognized in the consolidated statement of income in net fees and yield income on a straight line basis over the life of the guarantee.

Financing commitments and letter of credits' are firm commitments under which, over the duration of the commitments, the Bank is required to provide credit under pre-specified terms and conditions similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and financing commitments, where the financing agreed to be provided is on market terms, are not recorded in the consolidated statement of financial position. The nominal values of these instruments together with the corresponding ECL is recorded.

Financial guarantees issued or financing commitments to provide financing at a below market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the ECL 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 issued no financing commitments that are measured at FVIS.
- Liabilities arising from financial guarantees and financing commitments are included within provisions.

### (e) Derivative financial instruments and hedge accounting

Derivative financial instruments include foreign exchange forward contracts, profit rate swaps and FX swaps. These derivatives financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into. These instruments 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 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 in Gain/(Loss) on FVIS Financial Instruments, net. Derivatives held for trading also include those derivatives, which do not qualify for hedge accounting.



## notes to the consolidated financial statements

### (ii) Hedge Accounting

As indicated in the accounting policies below, the Group elected to account for hedge accounting under IFRS 9 except for the macro fair value hedges for which the Group has elected to apply the IAS 39 hedge accounting as permitted by IFRS 9.

The Group 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. In order to manage particular risk, the Group 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 recognized asset or liability, (or assets or liabilities in case of portfolio hedging), or an unrecognized 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 recognized asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

In order 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 Group 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 Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the 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 recognized 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 recognized directly in other comprehensive income and the ineffective portion, if any, is recognized in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognized 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 Group 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.

## notes to the consolidated financial statements

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 recognized 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 Group 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 recognized in other comprehensive income is transferred from equity to consolidated statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affects the consolidated statement of income, the net cumulative gain or loss recognised in "other comprehensive income" is transferred immediately to the consolidated statement of income for the period.

### 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 the consolidated statement of income, any gain or loss from re-measuring the hedging instruments to fair value is recognized immediately in the consolidated statement of income. The related portion of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the consolidated statement of income. For hedged items measured at amortised cost, where the fair value hedge of a special 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 amortized over the remaining term of the original hedge using the effective yield basis. If the hedged item is derecognized, the unamortised fair value adjustment is recognized immediately in the consolidated statement of income.

A fair value hedge relationship is a 'Non-Macro hedge' when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged that are used for profit rate risk we designed to (pay fix/receive floating rate swaps). If the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, or the Bank decides to voluntarily discontinue the hedging relationship, the hedge relationship is discontinued prospectively. If the relationship does not meet the hedge effectiveness criteria, the Bank discontinues hedge accounting from the last date on which compliance with hedge effectiveness was demonstrated. If the hedge accounting relationship is terminated for an item recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item is amortised over the remaining term of the original hedge by recalculating the EPR. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement. For fair value hedge relationships where the hedged item is not measured at amortised cost, such as debt instruments at FVOCI, changes in fair value that were recorded in the income statement whilst hedge accounting was in place are amortised in a similar way to amortised cost instruments using the EPR method. However, as these instruments are measured at their fair values in the statement of financial position, the fair value hedge adjustments are transferred from the income statement to OCI. There were no such instances in either the current year or in the comparative year.



## notes to the consolidated financial statements

### (iii) Derivatives 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 on a periodic basis 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, cash flows and profit rate risks. This is generally achieved by hedging specific transactions as well as strategic hedging against overall consolidated 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.

#### Portfolio (macro) fair value hedges

The Bank applies macro fair value hedging to its fixed rate financing. The Bank determines hedged items by identifying portfolios of homogenous loans based on their contractual profit rates, maturity and other risk characteristics. Loans within the Identified portfolios are allocated to repricing

time buckets based on expected, rather than contractual, repricing dates. The hedging instruments (pay fix/receive floating rate profit swaps) are designated appropriately to those repricing time buckets. Hedge effectiveness is measured on a periodic basis, by comparing fair value movements of the designated proportion of the bucketed loans due to the hedged risk, against the fair value movements of the derivatives, to ensure that they are within an 80% to 125% range. The aggregated fair value changes in the hedged loans are recognised as an asset on the Statement of financial position. Should hedge effectiveness testing highlight that movements for a particular bucket fall outside the 80-125% range (i.e., the hedge relationship was ineffective for the period), no fair value hedge accounting adjustment is recorded for that month for that particular bucket. Regardless of the results of the retrospective hedge effectiveness testing, at the end of every month, in order to minimise the ineffectiveness from early repayments and accommodate new exposures, the Bank voluntarily de-designates the hedge relationships and re-designates them as new hedges. At de-designation, the fair value hedge accounting adjustments are amortised on a straight-line basis over the original hedged life. The Bank has elected to commence amortisation at the date of de-designation.

The Bank uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks. In addition, the Bank uses profit rate swaps and profit rate futures to hedge against the profit rate risk arising from specifically identified fixed profit-rate exposures.

The Bank also uses profit rate swaps to hedge against the cash flow risk arising on certain floating rate exposures. In all such cases, the hedging relationship and objective, including details of the hedged items and hedging instrument are formally documented and the transactions are accounted for as fair value or cash flow hedges.

## notes to the consolidated financial statements

Possible sources of ineffectiveness are as follows:

- difference between the expected and actual volume of prepayments, as the Group hedges to the expected repayment date taking into account expected prepayments based on past experience;
- difference in the discounting between the hedge item and hedge instrument, as cash collateralized profit rate swaps are discounted using Overnight Indexed Swaps discount curves, which are not applied to the fixed rate mortgages;
- hedging derivative with a non-zero fair value at the date of initial designation as a hedging instrument;
- counter party credit risk which impacts the fair value of uncollateralized profit rate swaps but not the hedge items; and
- the effects of the forthcoming reforms to USD LIBOR, because these might take effect at a different time and have a different impact on the hedged item e.g. (the fixed-rate mortgages) and the hedging instrument e.g. (the derivatives used to hedge those mortgages).

### (iv) 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 statement of income unless they form part of a qualifying cash flow or net investment hedging relationship.

## (f) Intangible assets

### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Bank's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisitions of subsidiaries is included under "intangible assets". Goodwill on acquisitions of associates and joint ventures is included under "investments in associates and joint ventures".

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicate the need for impairment, they are written down if required. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.



## notes to the consolidated financial statements

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

### (ii) Capitalised software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the Group's consolidated statement of income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

### (g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined,

## notes to the consolidated financial statements

net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using

a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income.

Impairment losses relating to goodwill cannot be reversed in future periods.

### (h) Investment in an associate

An associate is an entity over which the Group exercises significant influence (but not control), over financial and operating policies and which is neither a subsidiary nor a joint arrangement.

Investments in associates are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. The Group's share of its associates' post-acquisition profits or losses are recognized in the consolidated statement of income, and its share of post-acquisition movements in other comprehensive income is



## notes to the consolidated financial statements

recognized in OCI included in the shareholders' equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distribution received from an investee reduces the carrying amount of the investment.

The previously recognized impairment loss in respect of investment in associate can be reversed through the consolidated statement of income, such that the carrying amount of the investment in the consolidated statement of financial position remains at the lower of the equity-accounted (before provision for impairment) or the recoverable amount. On derecognition the difference between the carrying amount of investment in the associate and the fair value of the consideration received is recognized in the consolidated statement of income.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on an investment in an associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the share in earnings of associates in the consolidated statement of income.

Unrealised gains or losses on transactions are eliminated to the extent of the Group's interest in the investee. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### (i) Revenue recognition

The following specific recognition criteria must be met before revenue is recognized.

**Income from Mutajara, Murabaha;** investments held at amortized cost, Installment sale and credit cards services is recognized based on the effective profit rate basis on the outstanding balances. The effective profit rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective yield, the Group estimates future cash flows considering all contractual terms of the financial instrument but excluding future credit losses. Fees from banking services are recognized when the service has been provided.

Fees that are integral to the effective profit rate on a financial asset or financial liability are included in the effective Gross financing and investment income/return as applicable.

**Financing commitment fees;** that are likely to be drawn down and other facility related fees are deferred above certain threshold and, together with the related direct cost, are recognized as an adjustment to the yielded using the effective profit rate on the financing. When a financing commitment is not expected to result in the draw-down of a financing, financing commitment fees are recognised on a straight-line basis over the commitment period.

**Fees from banking services;** Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, at a point in time or over the period when the service is being provided i.e. related performance obligation is satisfied.

**Fees received for asset management and brokerage activities;** wealth Management, financial planning, custody services, capital market trading brokerage 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 i.e. related performance obligation is satisfied. Asset management fees related

## notes to the consolidated financial statements

to investment funds are recognized over the period the service is being provided. As asset management fees are not subject to clawbacks, the management does not expect any significant reversal of revenue previously recognized. Wealth management and custody services fees that are continuously recognized over a period of time.

**Dividend income:** is recognised when the right to receive income is established which is generally when the shareholders approve the dividend. Dividends are reflected as a component of net trading income, net income from FVIS financial instruments or other operating income based on the underlying classification of the equity instrument.

**Foreign currency exchange income/loss:** is recognized when earned/incurred.

**Net trading income:** results from trading activities and include all realised and unrealised gains and losses from changes in fair value and related gross investment income or expense, dividends for financial assets and financial liabilities held for trading and foreign exchange differences.

### Rendering of services

The Group provides various services to its customer. These services are either rendered separately or bundled together with rendering of other services. The Group has concluded that revenue from rendering of various services related to payment service system, share trading services, remittance business, SADAD and Mudaraba (i.e. subscription, management and performance fees), should be recognized at the point when services are rendered i.e. when performance obligation is satisfied.

### (j) Customers' deposits

Customer deposits are financial liabilities that are initially recognized at fair value less transaction cost, being the fair value of the consideration received, and are subsequently measured at amortized cost.

### (k) Repurchase agreements and reverse repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repurchase agreements) continue to be recognized in the consolidated statement of financial position as the Group retains substantially all of the risks and rewards of ownership, and are measured in accordance with related accounting policies for investments. The transactions are treated as a collateralized financing and the counterparty liability for amounts received under these agreements is included in Due to banks, Saudi Central Bank and other financial institutions, as appropriate. The difference between the sale and repurchase price is treated as financing and investment expense and recognized over the life of the repurchase agreement on an effective yield basis.

Underlying assets purchased with a corresponding commitment to resell at a specified future date (reverse repurchase agreements) are not recognized in the consolidated statement of financial position, as the Group does not obtain control over the underlying assets. Amounts paid under these agreements are included in cash and balances with SAMA. The difference between the purchase and resale price is treated as Income from investments and financing and recognized over the life of the reverse repurchase agreement on an effective profit basis.

### (l) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, 'cash and cash equivalents' include notes and coins on hand, balances with SAMA (excluding statutory deposits) and due from banks and other financial institutions with original maturity of 90 days or less from the date of acquisition which are subject to insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortized cost in the statement of financial position.



## notes to the consolidated financial statements

### (m) Share-based payments

The Group's founders had established a share-based compensation plan under which the entity receives services from the eligible employees as consideration for equity instruments of the Group which are granted to the employees.

### (n) Foreign Currencies

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The consolidated financial statements are presented in Saudi Arabian Riyals ("ﷲ"), which is also the Group's functional currency. Each subsidiary determines its own functional currency and items included in the consolidated financial statements of each subsidiary are measured using that functional currency.

Transactions in foreign currencies are translated into ﷲ at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities at the year-end (other than monetary items that form part of the net investment in a foreign operation), denominated in foreign currencies, are translated into ﷲ at exchange rates prevailing at the date of the consolidated statement of financial position.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for the effective profit rate and payments during the year and the amortized cost in foreign currency translated at the spot exchange rate at the end of the year.

Realized and unrealized gains or losses on exchange are credited or charged to the consolidated statement of comprehensive income.

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI are recognized in OCI. The monetary assets and liabilities of foreign subsidiaries are translated into ﷲ at rates of exchange prevailing at the date of the consolidated statement of financial position. The statements of income of foreign subsidiaries are translated at the weighted average exchange rates for the year.

### (o) Day 1 profit or loss

Where a transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group immediately recognise the difference between the transaction price and fair value (a Day 1 profit or loss) in the consolidated statement of income.

## notes to the consolidated financial statements

In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable, or when the instrument is derecognized.

### (p) Trade date

All regular way purchases and sales of financial assets are recognized and derecognized on the trade date (i.e. the date on which the Group commits to purchase or sell the assets). Regular way purchases or sales of financial assets require delivery of those assets within the time frame generally established by regulation or convention in the market place. All other financial assets and financial liabilities (including assets and liabilities designated at fair value through statement of income) are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

### (q) Offsetting financial instruments

Financial assets and financial liabilities are offset and are reported net in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts, and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

### (r) Customer loyalty programs

The Group offers customer loyalty programs referred to as reward points, which allows customers to earn points that can be redeemed through certain partner outlets. The Group allocates a portion of the

transaction price to the reward points awarded to members, based on estimates of costs of future redemptions. The amount of expense allocated to reward points is charged to the consolidated statement of income with a corresponding liability recognized in other liabilities. The cumulative amount of the liability related to unredeemed reward points is adjusted over time based on actual redemption experience and current and expected trends with respect to future redemptions.

### (s) Zakat and taxes

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 consolidated statement of income. Zakat is not accounted for as income tax and as such no deferred tax assets and liabilities are calculated relating to Zakat.

### Value Added tax ("VAT")

The Group is a taxpayer for value added tax as per the Saudi law and its responsibility to collect VAT Output from the customers for qualifying services provided, and makes VAT Input payments to its vendors for qualifying payments. On a monthly basis, the 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 capitalised and either depreciated or amortized as part of the capital cost.

### Withholding tax

Withholding tax is subject to any payment to non-resident vendors for services rendered and goods purchased with certain criteria and rate according to the tax law applicable in Saudi Arabia and are directly paid to the ZATCA on a monthly basis.



## notes to the consolidated financial statements

### (t) Investment management services

The Group provides investment management services to its customers, through its subsidiary which include management of certain mutual funds. Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and, accordingly, are not included in the Group's consolidated financial statements. The Group's share of these funds is included under FVIS investments. Fees earned are disclosed in the consolidated statement of income.

### (u) Bank's products definition

The Group provides its customers with banking products based on interest avoidance concept and in accordance with Shari'a regulations. The following is a description of some of the financing products:

#### Mutajara financing

It is a financing agreement whereby the Group purchases a commodity or an asset and sells it to the client based on a purchase promise from the client with a deferred price higher than the cash price, accordingly the client becomes debtor to the Group with the sale amount and for the period agreed in the contract.

#### Installment sales financing

It is a financing agreement whereby the Group purchases a commodity or an asset and sells it to the client based on a purchase promise from the client with a deferred price higher than the cash price. Accordingly the client becomes a debtor to the Group with the sale amount to be paid through installments as agreed in the contract.

#### Murabaha financing

It is a financing agreement whereby the Group purchases a commodity or asset and sells it to the client with a price representing the purchase price plus a profit known and agreed by the client which means that the client is aware of the cost and profit separately.

### (v) Profit sharing investment account (PSIA)

The Bank offers unrestricted investment accounts based on fully shariah compliant concept through Mudarabah and Wakala.

In Mudarabah based accounts, the Bank (Mudarib) manages Investment Account holders' ("IAH") funds, along with its own funds, if any. Funds of these pools 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 (Muwakil) as Wakeel, in addition to its own funds, if any, and invests in Sharia compliant assets. 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 bears the loss in case of Wakeel's default, negligence or violation of any terms and conditions of the Wakala agreement, otherwise the loss is borne by the investor or Muwakil. The Bank may maintain a Profit Equalization Reserve (PER) for the purpose of covering any shortfall in the expected future business assets performance.

Profits earned from the assets allocated to the Pool investments are shared between the Bank and IAH on a pre-agreed basis, while losses (if any) is borne by the Investor (Rab-ul-Maal). Operating expenses incurred by the Bank relating to PSIA the Pools are charged to the Pools.

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.

## notes to the consolidated financial statements

### 4 Cash and balances with Central Banks

Cash and balances with Saudi Central Bank ("SAMA") and other central banks comprise of the following:

	2025 (S '000)	2024 (S '000)
Cash in hand	6,979,787	6,681,225
Statutory deposit	39,503,642	40,258,314
Balances with central banks (current accounts)	544,447	195,171
Mutajara with SAMA	6,977,000	6,110,000
<b>Total</b>	<b>54,004,876</b>	<b>53,244,710</b>

In accordance with the Banking Control Law and regulations issued by SAMA, the Group is required to maintain a statutory deposit with SAMA and other central banks at stipulated percentages of its deposits liabilities calculated on monthly averages at the end of reporting period.

The above statutory deposits are not available to finance the Group's day-to-day operations and therefore are not considered as part of cash and cash equivalents (Note 33) when preparing the consolidated statement of cash flows.

All these balances are stage 1.

### 5 Due from banks and other financial institutions, net

Due from banks and other financial institutions comprise the following:

	2025 (S '000)	2024 (S '000)
Current accounts	3,415,236	1,639,015
Mutajara	23,526,849	17,892,806
Less: Allowance for expected credit losses	(1,499)	(2,094)
<b>Total</b>	<b>26,940,586</b>	<b>19,529,727</b>

## notes to the consolidated financial statements

2025	Gross carrying amount (# '000)	Allowance for expected credit loss (# '000)	Net carrying amount (# '000)
Investment grade (credit rating AAA to BBB)	26,759,517	(1,010)	26,758,507
Non-investment grade (credit rating BB+ to B-)	182,568	(489)	182,079
<b>Total</b>	<b>26,942,085</b>	<b>(1,499)</b>	<b>26,940,586</b>

2024	Gross carrying amount (# '000)	Allowance for expected credit loss (# '000)	Net carrying amount (# '000)
Investment grade (credit rating AAA to BBB)	19,389,226	(942)	19,388,284
Non-investment grade (credit rating BB+ to B-)	142,595	(1,152)	141,443
<b>Total</b>	<b>19,531,821</b>	<b>(2,094)</b>	<b>19,529,727</b>

The credit quality of due from banks and other financial institutions is managed using external credit rating agencies. The above due from banks and other financial institutions balances are neither past due nor impaired and are classified in stage 1. There were no movements in staging during year.

## notes to the consolidated financial statements

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**6 Investments, net****(a) Investments comprise the following:**

	2025 (฿ '000)	2024 (฿ '000)
<b>Investments held at amortized cost</b>		
Murabaha with Saudi Government and SAMA	-	15,022,361
Sukuk	133,828,917	120,971,297
Structured Products	4,486,390	2,200,651
Less: Sukuk impairment (Stage 1)	(51,358)	(47,774)
<b>Total investments held at amortized cost</b>	<b>138,263,949</b>	<b>138,146,535</b>
<b>Investments held as FVIS</b>		
Mutual funds	2,519,963	2,931,542
Sukuk	316,711	276,612
Structured Products	4,755,362	4,764,874
Equity investments	192,852	258,890
<b>Total FVIS investments</b>	<b>7,784,888</b>	<b>8,231,918</b>
<b>FVOCI investments</b>		
Sukuk	17,366,646	19,204,275
Structured Products	407,619	866,439
Equity investments*	*10,481,494	*8,584,420
<b>Total FVOCI investments</b>	<b>28,255,759</b>	<b>28,655,134</b>
<b>Investments, net</b>	<b>174,304,596</b>	<b>175,033,587</b>

The Bank, under repurchase agreements, pledges with other banks sukuk securities that include government sukuk. The fair values of those sukuk pledged as collateral with financial institutions as at 31 December 2025 is ฿ 107,430 million (31 December 2024: ฿ 78,538 million) and the related balances of the repurchase agreements pledge is ฿ 60,088 million (31 December 2024: ฿ 49,596 million).

The designated FVIS investments included above are designated upon initial recognition as FVIS and are in accordance with the documented risk management strategy of the Group.

\*The Group holds ฿ 9,174 million (31 December 2024: \$ 6,800 million) in investments in Tier I Sukuk out of the total Equity investments.



## notes to the consolidated financial statements

All investments held at amortized cost are neither past due nor impaired as of 31 December 2025 and 2024, and are classified in stage 1. There were no movements in staging during year.

### Equity investment securities designated as at FVOCI

The Group has designated certain investment in equity securities designated at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long-term for strategic purposes.

### (b) The analysis of the Quoted and Unquoted investments as of 31 December is as follows:

2025	Quoted (S '000)	Unquoted (S '000)	Total (S '000)
Sukuk	114,179,980	37,280,936	151,460,916
Structured Products	2,430,884	7,218,487	9,649,371
Equity investments	4,809,549	5,864,797	10,674,346
Mutual Funds	564,565	1,955,398	2,519,963
<b>Total</b>	<b>121,984,978</b>	<b>52,319,618</b>	<b>174,304,596</b>

2024	Quoted (S '000)	Unquoted (S '000)	Total (S '000)
Murabaha with Saudi Government and SAMA	-	15,022,361	15,022,361
Sukuk	120,156,851	20,247,559	140,404,410
Structured Products	2,618,781	5,213,183	7,831,964
Equity investments	4,868,308	3,975,002	8,843,310
Mutual Funds	421,181	2,510,361	2,931,542
<b>Total</b>	<b>128,065,121</b>	<b>46,968,466</b>	<b>175,033,587</b>

## notes to the consolidated financial statements

**(c) Credit quality of investments**

	2025 (R '000)	2024 (R '000)
Murabaha with Saudi Government and SAMA	-	15,022,361
Sukuk – Investment grade	143,163,085	129,570,559
Structured Products – Investment grade	9,250,476	7,706,588
Sukuk – Non-Investment grade	5,482,443	6,662,326
Structured Products -Non Investment grade	398,895	125,376
Sukuk unrated	2,815,388	4,171,525
<b>Total</b>	<b>161,110,287</b>	<b>163,258,735</b>

Investment Grade includes those investments having credit exposure equivalent to rating of AAA to BBB-. Non-investment Grade includes those investments having credit exposure equivalent to rating of BB+ to B+. The unrated category only comprise of unquoted sukuk. Fitch has assigned A+ rating to KSA as a country as at 31 December 2025 (31 December 2024: A+).

**(d) The following is an analysis of investments according to counterparties as at 31 December:**

	2025 (R '000)	2024 (R '000)
Government and quasi government	131,047,077	130,149,632
Banks and other financial institutions	27,434,991	27,679,787
Companies	13,353,923	14,320,400
Mutual funds	2,519,963	2,931,542
Less: Sukuk impairment	(51,358)	(47,774)
<b>Total</b>	<b>174,304,596</b>	<b>175,033,587</b>



## notes to the consolidated financial statements

**(e) The domestic and international allocation of the Group's investments are summarized as follows:**

31 December 2025	Domestic (ﷲ '000)	International (ﷲ '000)	Total (ﷲ '000)
<b>Investments held at amortized cost:</b>			
Fixed-rate Sukuk	98,265,037	14,522,583	112,787,620
Floating-rate Sukuk	21,041,297	-	21,041,297
Structured products	-	4,486,390	4,486,390
Less: Impairment (Stage 1)	(50,591)	(767)	(51,358)
<b>Total investments held at amortized cost</b>	<b>119,255,743</b>	<b>19,008,206</b>	<b>138,263,949</b>
<b>Investments held as FVIS</b>			
Mutual funds	1,120,793	1,399,170	2,519,963
Fixed-rate Sukuk	316,711	-	316,711
Structured Products	789,889	3,965,473	4,755,362
Equity investments	192,852	-	192,852
<b>Total FVIS investments</b>	<b>2,420,245</b>	<b>5,364,643</b>	<b>7,784,888</b>
<b>Investments held as FVOCI:</b>			
Fixed-rate Sukuk	12,000,441	4,560,012	16,560,453
Floating-rate Sukuk	332,000	474,193	806,193
Structured Products	-	407,619	407,619
Equity investments	10,172,394	309,100	10,481,494
<b>Total FVOCI investments</b>	<b>22,504,835</b>	<b>5,750,924</b>	<b>28,255,759</b>
<b>Investments, net</b>	<b>144,180,823</b>	<b>30,123,773</b>	<b>174,304,596</b>

## notes to the consolidated financial statements

31 December 2024	Domestic (฿ '000)	International (฿ '000)	Total (฿ '000)
<b>Investments held at amortized cost:</b>			
Fixed-rate Sukuk	100,502,295	13,933,817	114,436,112
Floating-rate Sukuk	21,557,546	-	21,557,546
Structured products	-	2,200,651	2,200,651
Less: Sukuk impairment (Stage 1)	(47,415)	(359)	(47,774)
<b>Total investments held at amortized cost</b>	<b>122,012,426</b>	<b>16,134,109</b>	<b>138,146,535</b>
<b>Investments held as FVIS</b>			
Mutual funds	1,295,328	1,636,214	2,931,542
Fixed-rate Sukuk	258,612	-	258,612
Floating-rate Sukuk	18,000	-	18,000
Structured Products	-	4,764,874	4,764,874
Equity investments	254,158	4,732	258,890
<b>Total FVIS investments</b>	<b>1,826,098</b>	<b>6,405,820</b>	<b>8,231,918</b>
<b>Investments held as FVOCI:</b>			
Fixed-rate Sukuk	13,378,920	5,007,106	18,386,026
Floating-rate Sukuk	339,949	478,300	818,249
Structured Products	-	866,439	866,439
Equity investments	8,041,617	542,803	8,584,420
<b>Total FVOCI investments</b>	<b>21,760,486</b>	<b>6,894,648</b>	<b>28,655,134</b>
<b>Investments, net</b>	<b>145,599,010</b>	<b>29,434,577</b>	<b>175,033,587</b>

## notes to the consolidated financial statements

### 7 Shariah compliant 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 and Futures

Forwards and futures 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 customised contracts transacted in the over-the-counter markets. Foreign currency and profit rate futures are transacted in standardised amounts on regulated exchanges and changes in futures contract values are settled daily.

#### (c) FX Swaps

FX 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 quoted in the interbank market. 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.

#### (d) Cash flow hedges:

The Bank is exposed to variability in future yield cash flows on non-trading assets and liabilities which bear yield at a variable rate. The Bank uses profit rate swaps as cash flow hedges of these profit rate risks. Also, as a result of firm commitments in foreign currencies, such as its issued foreign currency debt, the Bank is exposed to foreign exchange and profit rate risks which are hedged with cross currency profit rate swaps. 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 statement of income.

#### (e) 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.

## notes to the consolidated financial statements

2025	Positive fair value (฿ '000)	Negative fair value (฿ '000)	Notional amount total (฿ '000)	Notional amounts by term to maturity			
				Within 3 months (฿ '000)	3-12 months (฿ '000)	1-5 years (฿ '000)	Over 5 years (฿ '000)
<b>Held for trading:</b>							
Profit rate swaps	1,931,216	(1,734,333)	97,103,929	944,400	5,741,805	55,667,524	34,750,200
Foreign exchange forward contracts	5,938	(2,049)	3,626,033	2,867,288	625,057	133,688	-
FX Swaps	1,845	(87,393)	90,951,967	28,337,913	62,614,054	-	-
Cross currency swaps	31,269	(18,933)	19,200,000	-	-	19,200,000	-
<b>Total Held for trading</b>	<b>1,970,268</b>	<b>(1,842,708)</b>	<b>210,881,929</b>	<b>32,149,601</b>	<b>68,980,916</b>	<b>75,001,212</b>	<b>34,750,200</b>
<b>Held as cash flow hedge:</b>							
Profit rate swaps	37	(72,258)	9,273,750	395,000	675,000	8,203,750	-
Cross currency swaps	41,600	(1,266)	2,079,830	748,052	191,083	946,927	193,768
<b>Total Held as cash flow hedge</b>	<b>41,637</b>	<b>(73,524)</b>	<b>11,353,580</b>	<b>1,143,052</b>	<b>866,083</b>	<b>9,150,677</b>	<b>193,768</b>
<b>Held as fair value Hedge:</b>							
Profit rate swaps	55,076	(360,433)	28,065,579	-	-	7,296,829	20,768,750
<b>Total Held as fair value Hedge</b>	<b>55,076</b>	<b>(360,433)</b>	<b>28,065,579</b>	<b>-</b>	<b>-</b>	<b>7,296,829</b>	<b>20,768,750</b>
<b>Total Shariah compliant derivatives</b>	<b>2,066,981</b>	<b>(2,276,665)</b>	<b>250,301,088</b>	<b>33,292,653</b>	<b>69,846,999</b>	<b>91,448,718</b>	<b>55,712,718</b>

## notes to the consolidated financial statements

2024	Positive fair value (£ '000)	Negative fair value (£ '000)	Notional amount total (£ '000)	Notional amounts by term to maturity			
				Within 3 months (£ '000)	3-12 months (£ '000)	1-5 years (£ '000)	Over 5 years (£ '000)
<b>Held for trading:</b>							
Profit rate swaps	1,742,970	(1,630,279)	46,083,961	150,471	2,458,848	12,496,288	30,978,354
Foreign exchange forward contracts	15,818	(15,019)	2,088,861	1,079,504	1,009,357	-	-
FX Swaps	2,010	(4,383)	15,578,744	12,762,824	2,815,920	-	-
<b>Total Held for trading</b>	<b>1,760,798</b>	<b>(1,649,681)</b>	<b>63,751,566</b>	<b>13,992,799</b>	<b>6,284,125</b>	<b>12,496,288</b>	<b>30,978,354</b>
<b>Held as cash flow hedge:</b>							
Profit rate swaps	27,691	(9,413)	11,073,750	-	655,000	10,418,750	-
<b>Total Held as cash flow hedge</b>	<b>27,691</b>	<b>(9,413)</b>	<b>11,073,750</b>	<b>-</b>	<b>655,000</b>	<b>10,418,750</b>	<b>-</b>
<b>Held as fair value Hedge:</b>							
Profit rate swaps	117,414	(19,949)	25,218,171	-	-	10,645,092	14,573,079
<b>Total Held as fair value Hedge</b>	<b>117,414</b>	<b>(19,949)</b>	<b>25,218,171</b>	<b>-</b>	<b>-</b>	<b>10,645,092</b>	<b>14,573,079</b>
<b>Total Shariah compliant derivatives</b>	<b>1,905,903</b>	<b>(1,679,043)</b>	<b>100,043,487</b>	<b>13,992,799</b>	<b>6,939,125</b>	<b>33,560,130</b>	<b>45,551,433</b>

**(f) The expected future periods undiscounted inflows and outflows of cash flow hedges:**

2025	Within 1 year (£ '000)	1-3 years (£ '000)	3-5 years (£ '000)	Over 5 years (£ '000)
Cash inflows (assets)	354,040	259,316	65,728	154,965
Cash inflows (liability)	(378,040)	(298,501)	(71,469)	(109,734)

2024	Within 1 year (£ '000)	1-3 years (£ '000)	3-5 years (£ '000)	Over 5 years (£ '000)
Cash inflows (assets)	199,655	76,412	-	-
Cash inflows (liability)	(184,256)	(68,956)	-	-

## notes to the consolidated financial statements

(g) 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:

2025 Description of hedged items:	Items fair value (¥ '000)	Hedge inception value (¥ '000)	Risk (¥ '000)	Hedging instrument (¥ '000)	Positive fair value (¥ '000)	Negative fair value (¥ '000)
Fixed profit rate investment	28,048,102	27,974,329	Fair Value	Profit rate Swaps	54,633	(360,433)
Fixed profit rate Financing	91,693	91,250	Fair Value	Profit rate Swaps	443	-
<b>Total Fair Value Hedge</b>	<b>28,139,795</b>	<b>28,065,579</b>			<b>55,076</b>	<b>(360,433)</b>
Floating profit rate investments	995,718	995,000	Cash Flow	Profit rate Swaps	37	(6,521)
Floating profit rate Deposit	8,213,050	8,278,750	Cash Flow	Profit rate Swaps	-	(65,737)
Floating profit rate Deposit	2,120,164	2,079,830	Cash Flow	Cross Currency swaps	41,600	(1,266)
<b>Total Cash Flow Hedge</b>	<b>11,328,932</b>	<b>11,353,580</b>			<b>41,637</b>	<b>(73,524)</b>

2024 Description of hedged items:	Items fair value (¥ '000)	Hedge inception value (¥ '000)	Risk (¥ '000)	Hedging instrument (¥ '000)	Positive fair value (¥ '000)	Negative fair value (¥ '000)
Fixed profit rate investment	24,902,060	25,218,171	Fair Value	Profit Rate Swaps	117,414	(19,949)
<b>Total Fair Value Hedge</b>	<b>24,902,060</b>	<b>25,218,171</b>			<b>117,414</b>	<b>(19,949)</b>
Floating profit rate investments	3,881,120	3,870,000	Cash Flow	Profit Rate Swaps	-	(9,413)
Floating profit rate Deposit	6,151,488	7,203,750	Cash Flow	Profit Rate Swaps	27,691	-
<b>Total Cash Flow</b>	<b>10,032,608</b>	<b>11,073,750</b>			<b>27,691</b>	<b>(9,413)</b>



## notes to the consolidated financial statements

**(h) The amounts relating items designated as hedging instruments and hedge ineffectiveness at 31 December were as follows:**

2025	Positive fair value (# '000)	Negative fair value (# '000)	Notional amount Total (# '000)	Change in fair value used for calculating hedge ineffectiveness for 2025 (# '000)	Changes in the value of the hedging instrument recognised in OCI (# '000)	Hedge ineffectiveness recognised in statement of income (# '000)	Amount reclassified from the hedge reserve to statement of income (# '000)
<b>Held as cashflow hedges:</b>							
Profit rate swaps	37	(72,258)	9,273,750	(89,840)	(89,840)	-	44,892
Cross currency swaps	41,600	(1,266)	2,079,830	40,334	40,334	-	-
<b>Held as fair value hedges:</b>							
Profit rate swaps	55,076	(360,433)	28,065,579	(402,822)	-	(10,259)	-
<b>Total</b>	<b>96,713</b>	<b>(433,957)</b>	<b>39,419,159</b>	<b>(452,328)</b>	<b>(49,506)</b>	<b>(10,259)</b>	<b>44,892</b>

2024	Positive fair value (# '000)	Negative fair value (# '000)	Notional amount Total (# '000)	Change in fair value used for calculating hedge ineffectiveness for 2024 (# '000)	Changes in the value of the hedging instrument recognised in OCI (# '000)	Hedge ineffectiveness recognised in statement of income (# '000)	Amount reclassified from the hedge reserve to statement of income (# '000)
<b>Held as cashflow hedges</b>							
Profit rate swaps	27,691	(9,413)	11,073,750	-	2,465	-	35,548
<b>Held as cashflow hedges:</b>							
Profit rate swaps	117,414	(19,949)	25,218,171	-	-	9,001	-
<b>Total</b>	<b>145,105</b>	<b>(29,362)</b>	<b>36,291,921</b>	<b>-</b>	<b>2,465</b>	<b>9,001</b>	<b>35,548</b>

## notes to the consolidated financial statements

**(i) The amounts relating to items designated as hedged items were as follows:**

2025	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness (R '000)	Cashflow hedge reserve (R '000)	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied (R '000)
<b>Held as cash flow hedges:</b>				
Sukuk	Investment at AC	(8,876)	(5,861)	-
Syndicated Murabaha Facility	Due to Bank & Other Financial Institution	(80,964)	(65,702)	28,297
Sukuk Issuances	-	40,334	40,334	-
<b>Total</b>		<b>(49,506)</b>	<b>(31,229)</b>	<b>28,297</b>

2024	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness (R '000)	Cashflow hedge reserve (R '000)	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied (R '000)
<b>Held as cash flow hedges:</b>				
Sukuk	Investment at AC	-	3,015	-
Syndicated Murabaha Facility	Due to Bank & Other Financial Institution	-	15,263	73,189
<b>Total</b>		<b>-</b>	<b>18,278</b>	<b>73,189</b>

## notes to the consolidated financial statements

**8 Financing, net****(a) Net financing held at amortised cost:**

2025	Performing (# '000)	Non- performing (# '000)	Gross financing (# '000)	Allowance for expected credit losses (# '000)	Net financing (# '000)
<b>Corporate</b>	<b>271,167,782</b>	<b>3,768,042</b>	<b>274,935,824</b>	<b>(4,248,981)</b>	<b>270,686,843</b>
Large corporate	212,180,933	1,591,833	213,772,766	(1,737,521)	212,035,245
MSME	58,986,849	2,176,209	61,163,058	(2,511,460)	58,651,598
<b>Retail</b>	<b>484,580,737</b>	<b>1,926,178</b>	<b>486,506,915</b>	<b>(4,433,907)</b>	<b>482,073,008</b>
Personal finance	174,355,985	1,164,251	175,520,236	(2,260,010)	173,260,226
Mortgage	276,339,198	532,569	276,871,767	(1,301,893)	275,569,874
Auto leasing	23,284,634	69,378	23,354,012	(265,338)	23,088,674
Credit cards	10,600,920	159,980	10,760,900	(606,666)	10,154,234
<b>Total</b>	<b>755,748,519</b>	<b>5,694,220</b>	<b>761,442,739</b>	<b>(8,682,888)</b>	<b>752,759,851</b>

2024	Performing (# '000)	Non- performing (# '000)	Gross financing (# '000)	Allowance for expected credit losses (# '000)	Net financing (# '000)
<b>Corporate</b>	<b>218,391,163</b>	<b>3,626,637</b>	<b>222,017,800</b>	<b>(3,823,255)</b>	<b>218,194,545</b>
Large corporate	179,400,531	1,561,056	180,961,587	(1,751,278)	179,210,309
MSME	38,990,632	2,065,581	41,056,213	(2,071,977)	38,984,236
<b>Retail</b>	<b>478,189,440</b>	<b>1,707,799</b>	<b>479,897,239</b>	<b>(4,682,061)</b>	<b>475,215,178</b>
Personal finance	180,895,225	890,997	181,786,222	(2,631,837)	179,154,385
Mortgage	267,645,520	696,531	268,342,051	(1,589,814)	266,752,237
Auto leasing	21,327,178	38,635	21,365,813	(144,552)	21,221,261
Credit cards	8,321,517	81,636	8,403,153	(315,858)	8,087,295
<b>Total</b>	<b>696,580,603</b>	<b>5,334,436</b>	<b>701,915,039</b>	<b>(8,505,316)</b>	<b>693,409,723</b>

MSME: Financing provided to micro, small, and medium enterprises, subject to tailored credit policies and simplified risk assessment models aligned with the size and nature of the business.

## notes to the consolidated financial statements

**The above includes Shariah based on net financing as below:**

2025	Corporate (R '000)	Large corporate (R '000)	MSME (R '000)	Retail (R '000)	Personal finance (R '000)	Mortgage (R '000)	Auto leasing (R '000)	Credit card (R '000)	Total (R '000)
Murabaha	266,103,605	213,764,967	52,338,638	432,943,980	175,520,236	246,641,113	21,731	10,760,900	699,047,585
Ijarah	8,832,219	7,799	8,824,420	53,562,935	-	30,230,654	23,332,281	-	62,395,154
<b>Gross financing</b>	<b>274,935,824</b>	<b>213,772,766</b>	<b>61,163,058</b>	<b>486,506,915</b>	<b>175,520,236</b>	<b>276,871,767</b>	<b>23,354,012</b>	<b>10,760,900</b>	<b>761,442,739</b>
Allowance for expected credit losses	(4,248,981)	(1,737,521)	(2,511,460)	(4,433,907)	(2,260,010)	(1,301,893)	(265,338)	(606,666)	(8,682,888)
<b>Net financing</b>	<b>270,686,843</b>	<b>212,035,245</b>	<b>58,651,598</b>	<b>482,073,008</b>	<b>173,260,226</b>	<b>275,569,874</b>	<b>23,088,674</b>	<b>10,154,234</b>	<b>752,759,851</b>

2024	Corporate (R '000)	Large corporate (R '000)	MSME (R '000)	Retail (R '000)	Personal finance (R '000)	Mortgage (R '000)	Auto leasing (R '000)	Credit card (R '000)	Total (R '000)
Murabaha	215,928,284	180,944,828	34,983,456	418,347,324	181,786,222	228,139,173	18,776	8,403,153	634,275,608
Ijarah	6,089,516	16,759	6,072,757	61,549,915	-	40,202,878	21,347,037	-	67,639,431
<b>Gross financing</b>	<b>222,017,800</b>	<b>180,961,587</b>	<b>41,056,213</b>	<b>479,897,239</b>	<b>181,786,222</b>	<b>268,342,051</b>	<b>21,365,813</b>	<b>8,403,153</b>	<b>701,915,039</b>
Allowance for expected credit losses	(3,823,255)	(1,751,278)	(2,071,977)	(4,682,061)	(2,631,837)	(1,589,814)	(144,552)	(315,858)	(8,505,316)
<b>Net financing</b>	<b>218,194,545</b>	<b>179,210,309</b>	<b>38,984,236</b>	<b>475,215,178</b>	<b>179,154,385</b>	<b>266,752,237</b>	<b>21,221,261</b>	<b>8,087,295</b>	<b>693,409,723</b>

**(b) The movement in the allowance for impairment of financing is as follows:**

2025	Retail	Corporate	Total
Balance at the beginning of the year	4,682,061	3,823,255	8,505,316
Provided for the year	3,915,023	1,518,257	5,433,280
Bad debt written off	(4,163,177)	(1,092,531)	(5,255,708)
<b>Balance at the end of the year</b>	<b>4,433,907</b>	<b>4,248,981</b>	<b>8,682,888</b>

2024	Retail	Corporate	Total
Balance at the beginning of the year	5,413,893	3,312,044	8,725,937
Provided for the year	2,664,282	1,641,549	4,305,831
Bad debt written off	(3,396,114)	(1,130,338)	(4,526,452)
<b>Balance at the end of the year</b>	<b>4,682,061</b>	<b>3,823,255</b>	<b>8,505,316</b>



## notes to the consolidated financial statements

### (c) The Impairment charge movement

The details of the impairment charge on financing and other financial assets for the year recorded in the consolidated statement of income is as follows:

	2025	2024
Provided for the year for Financing	5,433,280	4,305,831
Reversal for the year for other financing assets & off balance sheet	(45,527)	(20,455)
Recovery of written off financing, net	(3,067,272)	(2,168,632)
<b>Impairment charge for financing and other financial assets, net</b>	<b>2,320,481</b>	<b>2,116,744</b>

### (d) The movement of financing by stages is as follows:

	Gross carrying amount as of 31 December 2025			
	Stage 1 (12-months ECL) (£ '000)	Stage 2 (lifetime ECL for SICR) (£ '000)	Stage 3 (lifetime ECL for credit impaired) (£ '000)	Total (£ '000)
<b>Financing</b>				
At 1 January 2025	679,911,124	14,115,126	7,888,789	701,915,039
Transfers:				
Transfer to 12-month ECL	5,869,271	(5,044,504)	(824,767)	-
Transfer to Lifetime ECL not credit impaired	(8,065,103)	9,000,614	(935,511)	-
Transfer to Lifetime ECL credit impaired	(2,251,934)	(1,361,136)	3,613,070	-
Write-offs	-	-	(5,255,708)	(5,255,708)
New business/Other movements	62,338,383	(789,600)	3,234,625	64,783,408
<b>At 31 December 2025</b>	<b>737,801,741</b>	<b>15,920,500</b>	<b>7,720,498</b>	<b>761,442,739</b>

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	Gross carrying amount as of 31 December 2024			Total (€ '000)
	Stage 1 (12-months ECL) (€ '000)	Stage 2 (lifetime ECL for SICR) (€ '000)	Stage 3 (lifetime ECL for credit impaired) (€ '000)	
<b>Financing</b>				
<b>At 1 January 2024</b>	581,556,627	13,917,065	7,457,051	602,930,743
Transfers:				
Transfer to 12-month ECL	6,378,866	(5,039,952)	(1,338,914)	-
Transfer to Lifetime ECL not credit impaired	(5,848,741)	6,145,648	(296,907)	-
Transfer to Lifetime ECL credit impaired	(2,209,266)	(1,782,603)	3,991,869	-
Write-offs	-	-	(4,526,452)	(4,526,452)
New business/Other movements	100,033,638	874,968	2,602,142	103,510,748
<b>At 31 December 2024</b>	<b>679,911,124</b>	<b>14,115,126</b>	<b>7,888,789</b>	<b>701,915,039</b>

Closing balance of Lifetime ECL credit impaired differs from total reported Non-Performing financing due to IFRS 9 implementation.

**(e) The movements of the three credit quality stages of carrying amount of financing held at amortized cost allocated by:**

**(1) Retail segment**

Retail	Gross carrying amount as of 31 December 2025			Total (€ '000)
	Stage 1 (12-months ECL) (€ '000)	Stage 2 (lifetime ECL for SICR) (€ '000)	Stage 3 (lifetime ECL for credit impaired) (€ '000)	
<b>Financing</b>				
<b>At 1 January 2025</b>	469,690,262	6,553,543	3,653,434	479,897,239
Transfers:				
Transfer to 12-month ECL	3,059,178	(2,383,905)	(675,273)	-
Transfer to Lifetime ECL not credit impaired	(5,241,562)	5,707,069	(465,507)	-
Transfer to Lifetime ECL credit impaired	(1,389,380)	(546,091)	1,935,471	-
Write-offs	-	-	(4,163,177)	(4,163,177)
New business/Other movements	8,946,869	(831,863)	2,657,847	10,772,853
<b>At 31 December 2025</b>	<b>475,065,367</b>	<b>8,498,753</b>	<b>2,942,795</b>	<b>486,506,915</b>



## notes to the consolidated financial statements

Retail	Gross carrying amount as of 31 December 2024			
	Stage 1 (12-months ECL) (£ '000)	Stage 2 (lifetime ECL for SICR) (£ '000)	Stage 3 (lifetime ECL for credit impaired) (£ '000)	Total (£ '000)
<b>Financing</b>				
<b>At 1 January 2024</b>	419,544,874	8,764,939	4,343,263	432,653,076
<b>Transfers:</b>				
Transfer to 12-month ECL	6,177,710	(4,855,013)	(1,322,697)	-
Transfer to Lifetime ECL not credit impaired	(3,727,722)	4,007,282	(279,560)	-
Transfer to Lifetime ECL credit impaired	(1,351,631)	(835,874)	2,187,505	-
Write-offs	-	-	(3,396,114)	(3,396,114)
New business/other movements	49,047,031	(527,791)	2,121,037	50,640,277
<b>At 31 December 2024</b>	469,690,262	6,553,543	3,653,434	479,897,239

## (2) Corporate segment

Corporate	Gross carrying amount as of 31 December 2025			
	Stage 1 (12-months ECL) (£ '000)	Stage 2 (lifetime ECL for SICR) (£ '000)	Stage 3 (lifetime ECL for credit impaired) (£ '000)	Total (£ '000)
<b>Financing</b>				
<b>At 1 January 2025</b>	210,220,862	7,561,583	4,235,355	222,017,800
<b>Transfers:</b>				
Transfer to 12-month ECL	2,810,093	(2,660,599)	(149,494)	-
Transfer to Lifetime ECL not credit impaired	(2,823,541)	3,293,545	(470,004)	-
Transfer to Lifetime ECL credit impaired	(862,554)	(815,045)	1,677,599	-
Write-offs	-	-	(1,092,531)	(1,092,531)
New business/other movements	53,391,514	42,263	576,778	54,010,555
<b>At 31 December 2025</b>	262,736,374	7,421,747	4,777,703	274,935,824

## notes to the consolidated financial statements

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Corporate	Gross carrying amount as of 31 December 2024			Total (¥ '000)
	Stage 1 (12-months ECL) (¥ '000)	Stage 2 (lifetime ECL for SICR) (¥ '000)	Stage 3 (lifetime ECL for credit impaired) (¥ '000)	
<b>Financing</b>				
<b>At 1 January 2024</b>	162,011,753	5,152,126	3,113,788	170,277,667
<b>Transfers:</b>				
Transfer to 12-month ECL	201,156	(184,939)	(16,217)	-
Transfer to Lifetime ECL not credit impaired	(2,121,019)	2,138,366	(17,347)	-
Transfer to Lifetime ECL credit impaired	(857,635)	(946,729)	1,804,364	-
Write-offs	-	-	(1,130,338)	(1,130,338)
New business/other movements	50,986,607	1,402,759	481,105	52,870,471
<b>At 31 December 2024</b>	<b>210,220,862</b>	<b>7,561,583</b>	<b>4,235,355</b>	<b>222,017,800</b>

**(f) The movement in ECL allowances for impairment of financing by stages is as follows:**

ECL allowances for impairment of financing	Credit loss allowance as of 31 December 2025			Total (¥ '000)
	Stage 1 (12-months ECL) (¥ '000)	Stage 2 (lifetime ECL for SICR) (¥ '000)	Stage 3 (lifetime ECL for credit impaired) (¥ '000)	
<b>At 1 January 2025</b>	2,481,760	1,699,474	4,324,082	8,505,316
<b>Transfers:</b>				
Transfer to 12-month ECL	929,152	(518,701)	(410,451)	-
Transfer to Lifetime ECL not credit impaired	(162,090)	602,933	(440,843)	-
Transfer to Lifetime ECL credit impaired	(48,262)	(193,513)	241,775	-
Write-offs	-	-	(5,255,708)	(5,255,708)
Net charge for the year	(486,747)	92,018	5,828,009	5,433,280
<b>At 31 December 2025</b>	<b>2,713,813</b>	<b>1,682,211</b>	<b>4,286,864</b>	<b>8,682,888</b>



## notes to the consolidated financial statements

	Credit loss allowance as of 31 December 2024			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
	(£ '000)	(£ '000)	(£ '000)	(£ '000)
<b>ECL allowances for impairment of financing</b>				
<b>At 1 January 2024</b>	2,523,903	1,695,065	4,506,969	8,725,937
<b>Transfers:</b>				
Transfer to 12-month ECL	1,286,101	(583,296)	(702,805)	-
Transfer to Lifetime ECL not credit impaired	(89,570)	248,804	(159,234)	-
Transfer to Lifetime ECL credit impaired	(299,232)	(221,208)	520,440	-
Write-offs	-	-	(4,526,452)	(4,526,452)
Net charge for the year	(939,442)	560,109	4,685,164	4,305,831
<b>At 31 December 2024</b>	<b>2,481,760</b>	<b>1,699,474</b>	<b>4,324,082</b>	<b>8,505,316</b>

**(g) The ECL movements of the three credit quality stages of financing held at amortized cost allocated by:****1. Retail segment:**

Retail	Credit loss allowance as of 31 December 2025			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
	(£ '000)	(£ '000)	(£ '000)	(£ '000)
<b>ECL allowances for impairment of financing</b>				
<b>At 1 January 2025</b>	1,666,462	953,235	2,062,364	4,682,061
<b>Transfers:</b>				
Transfer to 12-month ECL	579,580	(253,954)	(325,626)	-
Transfer to Lifetime ECL not credit impaired	(103,868)	315,655	(211,787)	-
Transfer to Lifetime ECL credit impaired	(35,960)	(70,823)	106,783	-
Write-offs	-	-	(4,163,177)	(4,163,177)
Net charge for the year	(495,733)	127,943	4,282,813	3,915,023
<b>At 31 December 2025</b>	<b>1,610,481</b>	<b>1,072,056</b>	<b>1,751,370</b>	<b>4,433,907</b>

## notes to the consolidated financial statements

Retail	Credit loss allowance as of 31 December 2024			Total (€ '000)
	Stage 1 (12-months ECL) (€ '000)	Stage 2 (lifetime ECL for SICR) (€ '000)	Stage 3 (lifetime ECL for credit impaired) (€ '000)	
<b>ECL allowances for impairment of financing</b>				
<b>At 1 January 2024</b>	1,838,820	1,169,417	2,405,656	5,413,893
<b>Transfers:</b>				
Transfer to 12-month ECL	1,224,188	(532,557)	(691,631)	-
Transfer to Lifetime ECL not credit impaired	(59,156)	206,996	(147,840)	-
Transfer to Lifetime ECL credit impaired	(257,422)	(132,330)	389,752	-
Write-offs	-	-	(3,396,114)	(3,396,114)
Net charge for the year	(1,079,968)	241,709	3,502,541	2,664,282
<b>At 31 December 2024</b>	<b>1,666,462</b>	<b>953,235</b>	<b>2,062,364</b>	<b>4,682,061</b>

## (2) Corporate segment:

Corporate	Credit loss allowance as of 31 December 2025			Total (€ '000)
	Stage 1 (12-months ECL) (€ '000)	Stage 2 (lifetime ECL for SICR) (€ '000)	Stage 3 (lifetime ECL for credit impaired) (€ '000)	
<b>ECL allowances for impairment of financing</b>				
<b>At 1 January 2025</b>	815,298	746,239	2,261,718	3,823,255
<b>Transfers:</b>				
Transfer to 12-month ECL	349,572	(264,747)	(84,825)	-
Transfer to Lifetime ECL not credit impaired	(58,222)	287,278	(229,056)	-
Transfer to Lifetime ECL credit impaired	(12,302)	(122,690)	134,992	-
Write-offs	-	-	(1,092,531)	(1,092,531)
Net charge for the year	8,986	(35,925)	1,545,196	1,518,257
<b>At 31 December 2025</b>	<b>1,103,332</b>	<b>610,155</b>	<b>2,535,494</b>	<b>4,248,981</b>



## notes to the consolidated financial statements

Corporate	Credit loss allowance as of 31 December 2024			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
	(# '000)	(# '000)	(# '000)	(# '000)
<b>ECL allowances for impairment of financing</b>				
<b>At 1 January 2024</b>	685,083	525,648	2,101,313	3,312,044
<b>Transfers:</b>				
Transfer to 12-month ECL	61,913	(50,739)	(11,174)	-
Transfer to Lifetime ECL not credit impaired	(30,414)	41,808	(11,394)	-
Transfer to Lifetime ECL credit impaired	(41,810)	(88,878)	130,688	-
Write-offs	-	-	(1,130,338)	(1,130,338)
Net charge for the year	140,526	318,400	1,182,623	1,641,549
<b>At 31 December 2024</b>	<b>815,298</b>	<b>746,239</b>	<b>2,261,718</b>	<b>3,823,255</b>

**(h) Installment sale under financing includes finance lease receivables,  
which are as follows:**

	2025 (# '000)	2024 (# '000)
<b>Gross receivables from finance leases</b>		
Less than 1 year	707,519	186,025
1 to 2 years	2,804,542	2,694,324
2 to 3 years	2,720,728	2,449,760
3 to 4 years	2,373,805	2,544,439
4 to 5 years	15,909,097	21,360,933
Over 5 years	16,319,462	10,900,978
<b>Total</b>	<b>40,835,153</b>	<b>40,136,459</b>
Unearned future finance income on finance leases	(3,593,731)	(4,511,241)
Expected credit loss from finance leases	(815,729)	(788,254)
<b>Net receivables from finance leases</b>	<b>36,425,693</b>	<b>34,836,964</b>

## notes to the consolidated financial statements

**(i) The movement of finance lease receivables by stages is as follows:**

	Gross carrying amount as of 31 December 2025			
	Stage 1 (12-months ECL) (£ '000)	Stage 2 (lifetime ECL for SICR) (£ '000)	Stage 3 (lifetime ECL for credit impaired) (£ '000)	Total (£ '000)
<b>Financing</b>				
At 1 January 2025	33,934,179	915,158	775,881	35,625,218
<b>Transfers:</b>				
Transfer to 12-month ECL	467,258	(387,110)	(80,148)	-
Transfer to Lifetime ECL not credit impaired	(817,868)	884,148	(66,280)	-
Transfer to Lifetime ECL credit impaired	(78,402)	(25,569)	103,971	-
Write-offs	-	-	(262,653)	(262,653)
New business/Other movements	1,732,444	43,740	102,673	1,878,857
<b>At 31 December 2025</b>	<b>35,237,611</b>	<b>1,430,367</b>	<b>573,444</b>	<b>37,241,422</b>

	Gross carrying amount as of 31 December 2024			
	Stage 1 (12-months ECL) (£ '000)	Stage 2 (lifetime ECL for SICR) (£ '000)	Stage 3 (lifetime ECL for credit impaired) (£ '000)	Total (£ '000)
<b>Financing</b>				
At 1 January 2024	29,568,581	957,762	688,060	31,214,403
<b>Transfers:</b>				
Transfer to 12-month ECL	459,027	(402,655)	(56,372)	-
Transfer to Lifetime ECL not credit impaired	(472,846)	486,109	(13,263)	-
Transfer to Lifetime ECL credit impaired	(193,935)	(180,207)	374,142	-
Write-offs	-	-	(132,605)	(132,605)
New business/Other movements	4,573,352	54,149	(84,081)	4,543,420
<b>At 31 December 2024</b>	<b>33,934,179</b>	<b>915,158</b>	<b>775,881</b>	<b>35,625,218</b>

## notes to the consolidated financial statements

### 9 Other Assets, net

Other assets, net comprise the following:

	2025 (S '000)	2024 (S '000)
Receivables, net	3,782,735	2,395,834
Value added taxes (VAT)	818,176	690,227
Prepaid expenses	1,295,180	1,154,075
Assets in transit subject to financing	2,576,780	1,558,274
Accrued income	1,067,185	870,654
Cheques under collection	552,847	626,418
Advance payments	78,254	48,164
Other real estate	441,683	372,006
Goodwill	59,593	59,593
Others, net	2,718,201	2,875,360
<b>Total</b>	<b>13,390,634</b>	<b>10,650,605</b>

### 10 Investments in associates

Investment in associate	2025 (S '000)	2024 (S '000)
Balance at the beginning of the year	1,034,262	923,046
Reclassified to disposal group classified as held for sale	-	(27,488)
Share in earnings, net	122,983	138,704
<b>Balance at end of the Year</b>	<b>1,157,245</b>	<b>1,034,262</b>

The Group owns 35% (31 December 2024: 35%) shares of Al Rajhi Company for Cooperative Insurance, a Saudi Joint Stock Company. The market value as of 31 December 2025 is S 2,723 million (31 December 2024: S 6,006 million).

## notes to the consolidated financial statements

**11 Investment properties, net**

	Land (¥ '000)	Buildings (¥ '000)	Total (¥ '000)
<b>Cost</b>			
At 1 January 2024	894,424	675,070	1,569,494
Additions	-	16,714	16,714
Disposals	-	-	-
At 31 December 2024	894,424	691,784	1,586,208
Additions	-	12,293	12,296
Disposals	-	-	-
<b>At 31 December 2025</b>	<b>894,424</b>	<b>704,080</b>	<b>1,598,504</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	-	206,836	206,836
Charge for the year	-	20,734	20,734
At 31 December 2024	-	227,570	227,570
Charge for the year	-	20,913	20,913
<b>At 31 December 2025</b>	<b>-</b>	<b>248,483</b>	<b>248,483</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>894,424</b>	<b>455,597</b>	<b>1,350,021</b>
At 31 December 2024	894,424	464,214	1,358,638

The fair value of the investment properties as at 31 December 2025 is ¥ 1.6 billion (31 December 2024: ¥ 1.5 billion).

## notes to the consolidated financial statements

### 12 Property, equipment, and right of use assets, net

Property, equipment, and right of use assets net comprises the following as of 31 December:

	Land (# '000)	Buildings (# '000)	Leasehold land and buildings improvements (# '000)	Equipment and furniture (# '000)	Right-of-use assets (# '000)	Software (# '000)	Total (# '000)
<b>Cost</b>							
At 1 January 2024	2,663,320	5,201,641	204,870	7,703,472	1,808,667	5,780,846	23,362,816
Additions	45,046	360,782	409,068	903,244	142,807	1,830,671	3,691,618
Disposals	(4,001)	(1,491)	(340,279)	(36,935)	(24,945)	(52,425)	(460,076)
Reclassified to disposal group classified as held for sale	-	-	-	(28,717)	(23,202)	(192,437)	(244,356)
At 31 December 2024	2,704,365	5,560,932	273,659	8,541,064	1,903,327	7,366,655	26,350,002
Additions	82,636	135,701	187,949	768,266	225,339	2,568,418	3,968,309*
Disposals	(15,663)	(14,900)	(141,203)	(993,784)	(10,048)	(213,627)	(1,389,225)*
At 31 December 2025	2,771,338	5,681,733	320,405	8,315,546	2,118,618	9,721,446	28,929,086
<b>Accumulated depreciation</b>							
At 1 January 2024	-	1,165,249	40,443	4,067,572	1,161,703	2,813,241	9,248,208
Charge for the year	-	170,768	3,045	646,022	248,162	893,182	1,961,179
Disposals	-	(1,060)	(1,285)	(23,364)	(10,622)	(5,673)	(42,004)
Reclassified to disposal group classified as held for sale	-	-	-	(19,385)	(5,031)	(67,715)	(92,131)
At 31 December 2024	-	1,334,957	42,203	4,670,845	1,394,212	3,633,035	11,075,252
Charge for the year	-	180,179	26,468	720,697	289,521	1,131,279	2,348,144
Disposals	-	(6,738)	(450)	(128,305)	-	(98,996)	(234,488)
At 31 December 2025	-	1,508,398	68,221	5,263,237	1,683,733	4,665,318	13,188,908
<b>Net book value</b>							
At 31 December 2025	2,771,338	4,173,335	252,184	3,052,309	434,885	5,056,128	15,740,178
At 31 December 2024	2,704,365	4,225,975	231,456	3,870,217	509,115	3,733,620	15,274,749

Leasehold land & buildings improvements include work-in-progress amounting to # 219 million as at 31 December 2025 (2024: # 185 million)

\*Total additions represent additions plus transfers, while total disposals represent disposals plus transfers.

Right-of-use assets include land and buildings for ATMs and Branches.

## notes to the consolidated financial statements

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### 13 Disposal group classified as held for sale

The Board of Directors has approved a plan to lose control over Ejada Systems Limited Company ("Ejada"), a wholly owned subsidiary, through a sequenced series of arrangements. The subsidiary meets the criteria to be classified as held for sale for the following reasons:

- Ejada is available for immediate sale and can be sold in its current condition;
- There is an active program to proceed with private placements and an IPO, where the sale plan is expected to be completed within one year; and
- The Group is committed to follow all steps required for the sale arrangements to be executed in line with the approved plan.

The Group has classified and presented the assets and liabilities of Ejada (the "disposal

group") as "held for sale" in the Group's statement of financial position in accordance with IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations". As the business of Ejada does not meet the definition of discontinued operations under IFRS 5, the results for the period have not been classified as discontinued/discontinuing operations in the consolidated statement of comprehensive income.

The Group has disposed off 10% stake in Ejada through private placement. This has resulted in sale of minority stake in a subsidiary. As per the requirements of IFRS 10 – Consolidated financial statements, the Group has recognized non-controlling interest in these consolidated financial statements.

As at 31 December 2024, the Group has obtained the necessary public offering regulatory approval.

The group is planning to update required regulatory approvals during 2026.

As at 31 December 2025, the disposal group was stated at carrying value, which is lower than the fair value less costs to sell and comprised of the following assets and liabilities:

	As of 31 December 2025 (₹ '000)	As of 31 December 2024 (₹ '000)
<b>Assets classified as held for sale</b>		
Goodwill and other intangibles, net	375,798	373,455
Cash and balances with Central Banks	19,219	40,264
Investment In Associate*	33,825	27,488
Property, equipment, and right of use assets, net	240,607	27,503
Other assets, net	883,880	533,740
<b>Total assets classified as held for sale</b>	<b>1,553,329</b>	<b>1,002,450</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		
Other liabilities	1,013,250	846,376
<b>Total liabilities directly associated with assets classified as held for sale</b>	<b>1,013,250</b>	<b>846,376</b>

\*The Group owns 32.7% (31 December 2024: 32.7%) shares of Versatile Solutions Company Limited.



## notes to the consolidated financial statements

### 14 Due to banks, Saudi Central Bank and other financial institutions

Due to banks, Saudi Central Bank and other financial institutions comprise the following:

	2025 (S '000)	2024 (S '000)
Current accounts	644,361	1,791,827
Banks' time investments	116,639,436	115,885,551
<b>Total</b>	<b>117,283,797</b>	<b>117,677,378</b>

### 15 Customers' deposits

Customers' deposits by type comprises the following:

	2025 (S '000)	2024 (S '000)
Demand deposits and call accounts	421,380,121	446,437,107
Customers' time investments	234,601,072	193,841,393
Other customer accounts	11,306,307	14,710,001
<b>Total</b>	<b>667,287,500</b>	<b>654,988,501</b>

All Customers' time investments are subject to Murabaha contracts and therefore are non-interest.

	2025 (S '000)	2024 (S '000)
Saudi Arabian Riyals	607,026,679	619,148,619
Foreign currencies	60,260,821	35,839,882
<b>Total</b>	<b>667,287,500</b>	<b>654,988,501</b>

## notes to the consolidated financial statements

**16 Debt securities and term financing****(a) Debt securities and term financing comprises of:**

	2025 (฿ '000)	2024 (฿ '000)
Debt securities issued	54,059,987	20,256,275
Term financing	25,806,638	17,201,697
<b>Total</b>	<b>79,866,625</b>	<b>37,457,972</b>

As of reporting date, debt securities issued comprises of sukus, private placements and certificate of deposits issued by the Bank, carrying a profit at fixed and floating rates, with maturities up to 2034. Below is the movement of debt securities issued:

	2025 (฿ '000)	2024 (฿ '000)
At 1 January	20,256,275	3,791,944
Debt securities issued	45,935,488	16,464,331
Debt securities issued payment	(12,131,776)	-
<b>At 31 December</b>	<b>54,059,987</b>	<b>20,256,275</b>

As of reporting date, term financing includes syndicated direct investments carrying a profit at floating rates, with maturities up to 2030. Below is the movement of term financing:

	2025 (฿ '000)	2024 (฿ '000)
At 1 January	17,201,697	10,069,812
Term financing issued	13,312,101	7,131,885
Term financing payment	(4,707,160)	-
<b>At 31 December</b>	<b>25,806,638</b>	<b>17,201,697</b>



## notes to the consolidated financial statements

**(b) The table below shows the details of debt securities:**

Issuer	Issuance year	Tenure	Particulars	2025 (# '000)	2024 (# '000)
Al Rajhi Bank	2025	Up to 12 months	Debt securities issued at fixed rate	22,739,240	-
		1-5 years	Debt securities issued at fixed rate	20,729,304	-
		Over 5 years	Debt securities issued at fixed rate	-	-
	2025	Up to 12 months	Debt securities issued at floating rate	-	-
		1-5 years	Debt securities issued at floating rate	2,466,944	-
		Over 5 years	Debt securities issued at floating rate	-	-
	2024	Up to 12 months	Debt securities issued at fixed rate	-	12,168,775
		1-5 years	Debt securities issued at fixed rate	4,331,761	4,295,557
		Over 5 years	Debt securities issued at fixed rate	-	-
	2023	Up to 12 months	Debt securities issued at fixed rate	-	-
		1-5 years	Debt securities issued at fixed rate	3,792,738	3,791,943
		Over 5 years	Debt securities issued at fixed rate	-	-
<b>Total</b>			<b>54,059,987</b>	<b>20,256,275</b>	

**(c) The table below shows the details of term financing:**

Issuer	Issuance year	Tenure	Particulars	2025 (# '000)	2024 (# '000)
Al Rajhi Bank	2025	Up to 12 months	Term financing issued at floating rate	-	-
		1-5 years	Term financing issued at floating rate	13,312,101	-
		Over 5 years	Term financing issued at floating rate	-	-
	2024	Up to 12 months	Term financing issued at floating rate	-	-
		1-5 years	Term financing issued at floating rate	7,135,392	7,131,885
		Over 5 years	Term financing issued at floating rate	-	-
	2023	Up to 12 months	Term financing issued at floating rate	-	-
		1-5 years	Term financing issued at floating rate	5,359,145	5,734,812
		Over 5 years	Term financing issued at floating rate	-	-
	2022	Up to 12 months	Term financing issued at floating rate	-	-
		1-5 years	Term financing issued at floating rate	-	4,335,000
		Over 5 years	Term financing issued at floating rate	-	-
<b>Total</b>			<b>25,806,638</b>	<b>17,201,697</b>	

## notes to the consolidated financial statements

### 17 Other liabilities

Other liabilities, net comprise the following:

	Note	2025 (S'000)	2024 (S'000)
Payable to developers		10,523,277	14,317,690
Accounts payable		4,710,164	5,488,558
Accrued expenses		4,088,471	3,383,705
Zakat payable	27	2,778,856	2,232,292
Cheque under collection		540,810	1,201,379
Margin payable		941,469	1,123,553
Employees' end of service benefits liabilities	29	1,056,569	1,010,991
Lease liability		454,273	485,218
Loss allowance on financial commitments and financial guarantees		206,819	255,780
Value added taxes (VAT)		579,799	174,285
Special commission income excluded from the consolidated financial statements	37	33,060	15,954
Other		6,714,548	6,966,448
<b>Total</b>		<b>32,628,115</b>	<b>36,655,853</b>

The loss allowance on financial commitments and financial guarantees are further depicted in Commitments and Contingencies (note 21 - c).

### 18 Share capital

The authorized, issued and fully paid share capital of the Bank consists of 4,000 million shares of S'10 each as of 31 December 2025 (31 December 2024 4,000 million shares of S'10 each).

The ownership of the Bank's share capital is as follows:

	2025 (%)	2024 (%)
Saudi shareholders	82.15	84.22
Foreign shareholders	17.85	15.78



## notes to the consolidated financial statements

### 19 Statutory and other reserves

In accordance with Saudi Arabian Banking Control Law and the By-laws of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, ٢ 1,626 million has been transferred from 2025 net income (2024: ٢ 4,931 million). The statutory reserve is not currently available for distribution.

Other reserves includes FVOCI investments reserve, foreign currency translation reserve, employee share plan reserve, cash flow hedge reserve, re-measurement of employees' end of service benefits and share in OCI from associate. The movements are summarized as follows:

2025	FVOCI investments (٢ '000)	Foreign currency translation (٢ '000)	Cash flow hedge (٢ '000)	Re-measurement of employees' end of service benefits (٢ '000)	Share in OCI from associate (٢ '000)	Total (٢ '000)
Balance at beginning of the year	(289,220)	(188,871)	18,278	102,946	45,053	(311,814)
Net change in fair value (FVOCI Equity investments)	761,546	-	-	-	-	761,546
Exchange difference on translation of foreign operations	-	130,894	-	-	-	130,894
Re-measurement of employees' end of service benefits	-	-	-	55,816	-	55,816
Share in OCI from associate	-	-	-	-	5,050	5,050
Net change in fair value (FVOCI Sukuk investment and Structured products investments)	152,824	-	-	-	-	152,824
Cash flow hedge effective portion of change in the fair value	-	-	(49,506)	-	-	(49,506)
Net amounts transferred to the consolidated statement of income	(163,388)	-	-	-	-	(163,388)
<b>Balance at the end of the year</b>	<b>461,762</b>	<b>(57,977)</b>	<b>(31,228)</b>	<b>158,762</b>	<b>50,103</b>	<b>581,422</b>

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2024	FVOCI investments (¥ '000)	Foreign currency translation (¥ '000)	Employee share plan reserve (¥ '000)	Cash flow hedge (¥ '000)	Re-measurement of employees' end of service benefits (¥ '000)	Share in OCI from associate (¥ '000)	Total (¥ '000)
Balance at beginning of the year	4,738	(243,425)	37,110	15,813	45,465	43,693	(96,606)
Net change in fair value (FVOCI Equity investments)	(46,180)	-	-	-	-	-	(46,180)
Exchange difference on translation of foreign operations	-	54,554	-	-	-	-	54,554
Re-measurement of employees' end of service benefits	-	-	-	-	57,481	-	57,481
Share in OCI from associate	-	-	-	-	-	1,360	1,360
Net change in fair value (FVOCI Sukuk investment) and structured products investments)	(278,101)	-	-	-	-	-	(278,101)
Cash flow hedge effective portion of change in the fair value	-	-	-	2,465	-	-	2,465
Net amounts transferred to the consolidated statement of income	30,323	-	-	-	-	-	30,323
Employee share plan reserve	-	-	(37,110)	-	-	-	(37,110)
<b>Balance at the end of the year</b>	<b>(289,220)</b>	<b>(188,871)</b>	<b>-</b>	<b>18,278</b>	<b>102,946</b>	<b>45,053</b>	<b>(311,814)</b>

## 20 Equity Sukuk

The group are as follows:

Issuance date	Amount in Million ¥	Issuance Currency	Maturity date	Callable (Yes/No)
March 2025	2,033	¥		Yes
January 2025	5,625	USD		Yes
May 2024	3,750	USD	Perpetual	Yes
November 2022	10,000	¥		Yes
January 2022	6,500	¥		Yes
<b>Total</b>	<b>27,908</b>			

## 21 Commitments and contingencies

### (a) Legal proceedings

As at 31 December 2025, there were certain legal proceedings outstanding against the Group in the normal course of business including those relating to the extension of credit facilities. Such proceedings are being reviewed by the concerned parties.

Provisions have been made for some of these legal cases based on the assessment of the Group's legal advisors.

### (b) Capital commitments

As at 31 December 2025, the Group had capital commitments of ¥ 550 million (2024: ¥ 1,050 million) relating to contracts for computer software update and development, and ¥ 975



## notes to the consolidated financial statements

million (2024: ~~ﷲ~~ 649 million) relating to building new workstations, and development and improvement of new and existing branches.

### (c) Credit related commitments and contingencies

The primary purpose of these instruments is to ensure that funds are available to customers as required. Credit related commitments and contingencies mainly comprise letters of guarantee, standby letters of credit, acceptances and unused commitments to extend credit. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet his obligations to third parties, carry the same credit risk as financing.

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 collateralized by the underlying shipments of goods to which they relate, and therefore, carry 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.

Cash requirements under guarantees and letters of credit are considerably less than the amount of the commitment because the Group does not expect the third party to necessarily draw funds under the agreement.

Commitments to extend credit represent unused portions of authorization to extended credit, principally in the form of financing, guarantees and letters of credit. With respect to credit risk relating to commitments to extend unused credit, the Group is potentially exposed to a loss in an amount which is equal to the total unused commitments. The likely amount of 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 without being funded.

### 1. The contractual maturities of the Group's commitments and contingent liabilities are as follows:

2025	Less than 3 months ( <del>ﷲ</del> '000)	From 3 to 12 months ( <del>ﷲ</del> '000)	From 1 to 5 years ( <del>ﷲ</del> '000)	Over 5 years ( <del>ﷲ</del> '000)	Total ( <del>ﷲ</del> '000)
Letters of credit	8,175,685	2,568,248	728,797	-	11,472,730
Acceptances	2,463,098	10,216,160	-	-	12,679,258
Letters of guarantee	13,006,303	14,978,590	13,279,316	602,815	41,867,024
Irrevocable commitments to extend credit	13,576,001	1,495,347	2,061,907	383,337	17,516,592
<b>Total</b>	<b>37,221,087</b>	<b>29,258,345</b>	<b>16,070,020</b>	<b>986,152</b>	<b>83,535,604</b>

## notes to the consolidated financial statements

2024	Less than 3 months (¥ '000)	From 3 to 12 months (¥ '000)	From 1 to 5 years (¥ '000)	Over 5 years (¥ '000)	Total (¥ '000)
Letters of credit	6,203,588	2,899,891	186,720	–	9,290,199
Acceptances	1,839,171	725,401	7,449	–	2,572,021
Letters of guarantee	31,169,562	–	–	–	31,169,562
Irrevocable commitments to extend credit	19,897,404	–	–	–	19,897,404
<b>Total</b>	<b>59,109,725</b>	<b>3,625,292</b>	<b>194,169</b>	<b>–</b>	<b>62,929,186</b>

## 2. Commitments and contingencies that may result in credit exposure

The table below shows the gross carrying amount and ECL allowance of the financing commitments and financial guarantees.

2025	Letter of credit (¥ '000)	Acceptance (¥ '000)	Letter of guarantees (¥ '000)	Irrevocable commitments to extend credit (¥ '000)	Total (¥ '000)
<b>Gross carrying amount</b>					
Stage 1 – (12-months ECL)	11,406,824	12,649,163	40,751,333	17,204,733	82,012,053
Stage 2 – (lifetime ECL not credit impaired)	55,691	20,514	814,977	291,222	1,182,404
Stage 3 – (lifetime ECL for credit impaired)	10,215	9,581	300,714	20,637	341,147
<b>Total outstanding balance at end of the period</b>	<b>11,472,730</b>	<b>12,679,258</b>	<b>41,867,024</b>	<b>17,516,592</b>	<b>83,535,604</b>
<b>Credit loss allowance of the financing commitments and financial guarantees</b>					
Stage 1 – (12-months ECL)	9,541	10,248	34,314	1,365	55,468
Stage 2 – (lifetime ECL not credit impaired)	254	82	14,465	7,876	22,677
Stage 3 – (lifetime ECL for credit impaired)	1,026	9,218	118,309	120	128,673
<b>Total</b>	<b>10,821</b>	<b>19,548</b>	<b>167,088</b>	<b>9,361</b>	<b>206,818</b>

## notes to the consolidated financial statements

2024	Letter of credit  (ﷲ '000)	Acceptance  (ﷲ '000)	Letter of guarantees  (ﷲ '000)	Irrevocable commitments to extend credit (ﷲ '000)	Total  (ﷲ '000)
<b>Gross carrying amount</b>					
Stage 1 - (12-months ECL)	9,246,996	2,508,802	29,924,495	19,700,609	61,380,902
Stage 2 - (lifetime ECL not credit impaired)	41,013	54,793	879,231	190,067	1,165,104
Stage 3 - (lifetime ECL for credit impaired)	2,190	8,426	365,836	6,728	383,180
<b>Total outstanding balance at end of the period</b>	<b>9,290,199</b>	<b>2,572,021</b>	<b>31,169,562</b>	<b>19,897,404</b>	<b>62,929,186</b>
<b>Credit loss allowance of the financing commitments and financial guarantees</b>					
Stage 1 - (12-months ECL)	46,744	1,923	35,496	5,170	89,333
Stage 2 - (lifetime ECL not credit impaired)	237	923	15,823	86	17,069
Stage 3 - (lifetime ECL for credit impaired)	218	8,078	141,035	47	149,378
<b>Total</b>	<b>47,199</b>	<b>10,924</b>	<b>192,354</b>	<b>5,303</b>	<b>255,780</b>

3. The analysis of commitments and contingencies by counter-party is as follows:

	2025 (ﷲ '000)	2024 (ﷲ '000)
Corporates	70,650,420	58,144,411
Banks and other financial institutions	12,647,526	4,620,112
Others	237,658	164,663
<b>Total</b>	<b>83,535,604</b>	<b>62,929,186</b>

## notes to the consolidated financial statements

**22 Net financing and investment income**

Net financing and investment income for the years ended 31 December comprises the following:

	2025 (S'000)	2024 (S'000)
<b>Financing</b>		
Murabaha	42,456,787	35,954,102
Ijarah	3,952,265	3,825,476
<b>Investments and other</b>		
Murabaha with SAMA	4,242,537	3,617,477
Mutajara with banks	1,125,481	583,591
Income from sukuk	4,072,446	3,037,477
<b>Gross financing and investment income</b>	<b>55,849,516</b>	<b>47,018,123</b>
Return on customers' time investments	(10,226,563)	(10,468,451)
Return on due to banks and financial institutions' time investments	(15,777,282)	(11,706,626)
<b>Gross financing and investment return</b>	<b>(26,003,845)</b>	<b>(22,175,077)</b>
<b>Net financing and investment income</b>	<b>29,845,671</b>	<b>24,843,046</b>

In 2023, the Real Estate Development Fund ("REDF") launched a new programme ("the programme") in line with their mandate to facilitate home ownership by eligible Saudi nationals in the Kingdom of Saudi Arabia. In September 2023, the Bank has signed agreement time with REDF to become a party to this Programme and in 2024 addendums to main agreement to agree the advance payments to execute fixed number of contracts. Since the inception of the Programme, the Bank has received a total of advance payment of S 3,189 million (2024: S 3,189 million) for executing a fixed number of discounted real estate financing contracts.

In accordance with the requirements of IFRS 9, the programme results in a fair value loss being booked on origination of these mortgage facilities on day one due to the below-market profit rate. The Bank's management has determined that the amount received from REDF qualifies as a government grant under IAS 20, which will be recognized as income on a systematic basis.



## notes to the consolidated financial statements

### 23 Fee from banking services, net

Fee from banking services, net for the years ended 31 December comprise the following:

	2025 (# '000)	2024 (# '000)
<b>Fee income:</b>		
Remittance business	613,074	557,040
Wholesale business	861,619	640,354
Payment and electronic service channels	9,188,485	7,766,145
Brokerage business	1,449,041	1,283,658
Others	573,923	521,185
<b>Total fee income</b>	<b>12,686,142</b>	<b>10,768,382</b>
<b>Fee expenses:</b>		
Wholesale business	(83,319)	(67,448)
Payment and electronic service channels	(6,517,517)	(5,707,802)
Brokerage business	(216,099)	(300,405)
<b>Total fee expenses</b>	<b>(6,816,935)</b>	<b>(6,075,655)</b>
<b>Fee from banking services, net</b>	<b>5,869,207</b>	<b>4,692,727</b>

### 24 Other operating income, net

Other operating income, net for the years ended 31 December comprises the following:

	2025 (# '000)	2024 (# '000)
Dividend income	226,866	303,162
Gain on sale of property and equipment, net	8,866	5,217
Rental income from investment properties	106,175	98,543
Share in profit of an associate	117,933	137,344
(Loss)/Gain on investments held at fair value through statement of income (FVIS)	(118,723)	66,803
Other income, net	1,479,020	615,595
<b>Total</b>	<b>1,820,137</b>	<b>1,226,664</b>

## notes to the consolidated financial statements

**25 Salaries and employees' related benefits**

The following tables provide an analysis of the salaries and employees' related benefits for the years ended 31 December:

2025	Number of employees (千 '000)	Fixed and variable compensation (千 '000)	Variable compensations paid	
			Cash (千 '000)	Shares (千 '000)
Executives	26	62,222	47,276	101,692
Employees engaged in risk taking activities	2,369	798,659	352,966	68,706
Employees engaged in control functions	1,200	308,217	56,846	34,988
Other employees	21,117	1,860,879	497,394	54,364
<b>Total</b>	<b>24,712</b>	<b>3,029,977</b>	<b>954,482</b>	<b>259,750</b>
Accrued compensations in 2025	-	423,386	-	-
Other employees' costs	-	572,208	-	-
<b>Gross total</b>	<b>24,712</b>	<b>4,025,571</b>	<b>954,482</b>	<b>259,750</b>

2024	Number of employees (千 '000)	Fixed and variable compensation (千 '000)	Variable compensations paid	
			Cash (千 '000)	Shares (千 '000)
Executives	27	62,740	31,723	82,025
Employees engaged in risk taking activities	1,884	618,299	221,631	44,100
Employees engaged in control functions	582	237,875	50,857	37,966
Other employees	20,944	2,075,259	471,550	62,539
<b>Total</b>	<b>23,437</b>	<b>2,994,173</b>	<b>775,761</b>	<b>226,630</b>
Accrued compensations in 2024	-	262,280	-	-
Other employees' costs	-	467,356	-	-
<b>Gross total</b>	<b>23,437</b>	<b>3,723,809</b>	<b>775,761</b>	<b>226,630</b>



## notes to the consolidated financial statements

Salaries and employees' related benefits include end of services, social insurance, business trips, training and other benefits.

As the Kingdom of Saudi Arabia is part of the G-20, instructions were given to all financial institutions by SAMA, the Saudi Arabia Financial regulator, to comply with the standards and principles of Basel II and the Financial Stability Board, specially with regard to compensation.

In light of the above SAMA's regulations, the Group issued fixed and variable compensation policy which was implemented after the Board of Directors approval.

The scope of this policy is extended to include all permanent and temporary employees of the Group and its subsidiary companies (local and international) that are operating in the financial services sector.

For consistency with other banking institutions in the Kingdom of Saudi Arabia, the Group has used a combination of fixed and variable compensation to attract and maintain talent. The fixed compensation is assessed on a yearly basis by comparing it to other local banks in the Kingdom of Saudi Arabia including the basic salaries, allowances and benefits which is related to the employees' ranks. The variable compensation is related to the employees' performance and their compatibility to achieve the agreed-on objectives. It includes incentives, performance bonus and other benefits. Incentives are mainly paid to branches' employees whereby the performance bonuses are paid to head office employees and others who do not qualify for incentives. These bonuses and compensation are approved by the Board of Directors as a percentage of the Group's net income.

The overall 2025 staff headcount increase is driven mainly by organic growth of businesses.

### 26 Other general and administrative expenses

Other general and administrative expenses for the years ended 31 December comprises the following:

	2025 (S '000)	2024 (S '000)
Communications and utilities expenses	883,513	694,037
Software and IT support expenses	422,140	321,020
Maintenance and security expenses	395,576	331,459
Cash feeding and transfer expenses	289,468	195,582
Auditors' remuneration	34,989	22,744
Other operational expenses	706,674	700,099
<b>Total</b>	<b>2,732,360</b>	<b>2,264,941</b>

## notes to the consolidated financial statements

Auditors' remuneration for the years ended 31 December comprises the following:

	2025 (S'000)	2024 (S'000)
Audit fee of the Bank	23,500	11,080
Audit fee of the subsidiaries	5,466	4,517
Fee for assurance engagement of the Bank	2,713	3,247
Fee for assurance engagement of subsidiaries	2,832	3,623
Fee for Non-audit services of the Bank	140	-
Fee for Non-audit services of subsidiaries	338	277
<b>Total</b>	<b>34,989</b>	<b>22,744</b>

### 27 Zakat

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 consolidated statement of income. Zakat is not accounted for as income tax, and as such no deferred tax is calculated relating to zakat.

#### (a) Provisions for Zakat and income tax for the year ended 31 December is summarized as follows:

	2025 (S'000)	2024 (S'000)
Beginning balance for zakat provision	2,232,292	2,759,104
Provided during the year	2,821,986	2,236,709
Zakat adjustment	(32,265)	(38,296)
Payments made during the year	(2,243,157)	(2,725,225)
<b>Provisions for Zakat and income tax</b>	<b>2,778,856</b>	<b>2,232,292</b>

The Group has filed the required Zakat returns with the ZATCA which are due on April 30, each year. The Group's Zakat calculations and corresponding accruals and payments for Zakat are based on the ownership of the Bank to each of its subsidiaries.

On March 14, 2019, the ZATCA published rules (the "Rules") for the computation of Zakat for companies engaged in financing activities and licensed by SAMA. The Rules are

issued pursuant to the Zakat Implementing Regulations and are applicable for the periods beginning January 1, 2019. In addition to providing a new basis for calculation of the Zakat base, the Rules have also introduced a minimum floor and maximum cap at 4 times and 8 times respectively of net income. The Zakat liability for the Saudi shareholders will continue to be calculated at 2.5% of the Zakat base but it should not fall below the minimum floor nor should exceed the maximum cap as prescribed by the Rules.



## notes to the consolidated financial statements

The Group has provided for Zakat for the year ended December 31, 2025 and 2024 on the basis of the Group's understanding of these rules.

### 28 Earnings per share

Basic and diluted earnings per share is calculated by dividing net income adjusted for equity Sukuk costs by weighted average number of the issued and outstanding shares as set out below:

	2025	2024
Net income for the period attributable to shareholder of the Bank	24,791,754	19,722,206
Less: equity Sukuk Costs	(1,376,946)	(1,035,867)
Net income after equity Sukuk payments	23,414,808	18,686,339
Number of outstanding shares	4,000,000	4,000,000
Basic and diluted earning per share (in ﷲ)	5.85	4.67

### 29 Employees' end of service benefits liabilities

#### (a) General description

The Group operates an End of Service Benefit Plan for its employees based on the applicable Labor Laws in the country in which they are employed. Accruals are made in accordance with the actuarial valuation under the projected unit credit method, while the benefit payments liabilities are discharged as and when they fall due.

#### (b) The amounts recognized in the consolidated statement of financial position and movement in the liabilities during the year based on its present value are as follows:

	2025 (ﷲ '000)	2024 (ﷲ '000)
Employees' end of service benefits liabilities at the beginning of the year	1,010,991	1,145,578
Past Service Cost	189	2,579
Current service cost	140,121	124,873
Financing cost	47,889	57,544
Benefits paid including pending to be paid for the period	(89,230)	(102,242)
Benefits acquired/transferred to be transferred to sister companies	3,599	-
EOSB reclassified to liabilities associated with disposal group classified as held for sale	-	(160,920)
Remeasurement gain	(56,990)	(56,421)
<b>Employees' end of service benefits liabilities at the end of the year</b>	<b>1,056,569</b>	<b>1,010,991</b>

## notes to the consolidated financial statements

**(c) Charge for the year:**

	2025 (£ '000)	2024 (£ '000)
Current service cost	140,121	124,873
Past service cost	189	2,579
<b>Total</b>	<b>140,310</b>	<b>127,452</b>

**(d) Re-measurement recognised in other comprehensive income**

	2025 (£ '000)	2024 (£ '000)
Loss from change in experience assumptions	(70,184)	(78,479)
Gain from change in financial assumptions	13,194	22,058
<b>Total</b>	<b>(56,990)</b>	<b>(56,421)</b>

**(e) Income principal actuarial assumptions (in respect of the employee benefit scheme)**

	2025 (%)	2024 (%)
Discount rate	5.55	5.90
Expected rate of salary increase	2.50	3.00
Attrition rate	5 - 14 (based on the age band)	5 - 14 (based on the age band)

## notes to the consolidated financial statements

### (f) Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the employees' end of service benefits liabilities valuation to the discount rate, salary increase rate and attrition rate assumptions.

2025	Impact on defined benefit obligation - Increase/(decrease)		
	Change in assumption	Increase in assumption (# '000)	Decrease in assumption (# '000)
Base scenario			
Discount rate	+/- 100 basis points	(73,947)	85,661
Expected rate of salary increase	+/- 100 basis points	87,491	(76,683)
Attrition rate	Increase or decrease by 20%	19,125	(22,314)

2024	Impact on defined benefit obligation - Increase/(decrease)		
	Change in assumption	Increase in assumption (# '000)	Decrease in assumption (# '000)
Base scenario			
Discount rate	+/- 100 basis points	(82,421)	95,142
Expected rate of salary increase	+/- 100 basis points	97,034	(85,367)
Attrition rate	Increase or decrease by 20%	15,843	(19,237)

### (g) Expected maturity

At 31 December	Discounted liability (# '000)	Less than a year (# '000)	1-2 years (# '000)	2-5 years (# '000)	Over 5 years (# '000)	Total (# '000)
2025	1,056,569	88,513	95,065	323,817	3,331,122	3,838,517
2024	1,010,991	106,037	110,916	379,557	3,466,096	4,062,606

## notes to the consolidated financial statements

### 30 Operating segments

The Group identifies operating segments on the basis of internal reports about the activities of the Group that are regularly reviewed by the chief operating decision maker, principally the Chief Executive Officer, in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the consolidated statement of income. Segment assets and liabilities comprise operating assets and liabilities, which represents the majority of the Bank's assets and liabilities.

For management purposes, the Group is organised into the following four main businesses segments:

<b>Retail segment</b>	Includes individual customers' deposits, credit facilities, customer debit current accounts (overdrafts), fees from banking services and remittance business, payment services.
<b>Corporate segment</b>	Incorporates deposits of VIP, corporate customers' deposits, credit facilities, and debit current accounts (overdrafts).
<b>Treasury segment</b>	Includes treasury services, Murabaha with SAMA and international Mutajara portfolio.
<b>Investment services, brokerage and other segments</b>	Includes investments of individuals and corporates in mutual funds, local and international share trading services, investment portfolios and others.

## notes to the consolidated financial statements

**(a) The Group's total assets and liabilities, together with its total operating income and expenses, and net income, as of and for the years ended 31 December for each segment are as follows:**

2025	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
	(ﷲ '000)	(ﷲ '000)	(ﷲ '000)	(ﷲ '000)	(ﷲ '000)
<b>Total assets</b>	516,450,540	268,411,211	246,738,692	11,667,854	1,043,268,297
<b>Total liabilities</b>	340,727,035	315,159,526	242,871,277	1,598,114	900,355,952
Financing and investment income from external customers	28,088,995	17,655,164	9,691,268	414,089	55,849,516
<b>Inter-segment operating income/(expense)</b>	(10,395,255)	1,751,774	8,643,481	-	-
Gross financing and investment income	17,693,740	19,406,938	18,334,749	414,089	55,849,516
Gross financing and investment return	(2,927,988)	(11,329,300)	(11,746,557)	-	(26,003,845)
<b>Net financing and investment income</b>	14,765,752	8,077,638	6,588,192	414,089	29,845,671
Fee from banking services, net	2,918,018	1,398,161	314,741	1,238,287	5,869,207
Exchange income, net	731,986	348,215	477,520	1,229	1,558,950
Other operating income, net	843,194	30,577	579,770	366,596	1,820,137
<b>Total operating income</b>	19,258,950	9,854,591	7,960,223	2,020,201	39,093,965
Depreciation and amortization	(1,815,382)	(427,344)	(59,202)	(67,129)	(2,369,057)
Impairment charge for financing and other financial assets, net	(1,841,906)	(481,700)	3,125	-	(2,320,481)
Other operating expenses	(5,420,501)	(968,004)	(281,684)	(87,742)	(6,757,931)
<b>Total operating expenses</b>	(9,077,789)	(1,877,048)	(337,761)	(154,871)	(11,447,469)
<b>Income before Zakat</b>	10,181,161	7,977,543	7,622,462	1,865,330	27,646,496

## notes to the consolidated financial statements

2024	Retail segment  (# '000)	Corporate segment  (# '000)	Treasury segment  (# '000)	Investment services, brokerage and other segments (# '000)	Total  (# '000)
<b>Total assets</b>	504,907,694	217,876,757	240,492,269	9,167,634	972,444,354
<b>Total liabilities</b>	321,218,467	328,584,566	198,118,377	1,383,713	849,305,123
Financing and investment income from external customers	25,348,246	13,920,986	7,543,140	205,751	47,018,123
<b>Inter-segment operating income/(expense)</b>	(7,598,945)	5,983,951	1,614,994	-	-
Gross financing and investment income	17,749,301	19,904,937	9,158,134	205,751	47,018,123
Gross financing and investment return	(1,811,592)	(13,153,915)	(7,209,570)	-	(22,175,077)
<b>Net financing and investment income</b>	15,937,709	6,751,022	1,948,564	205,751	24,843,046
Fee from banking services, net	2,658,337	789,432	256,825	988,133	4,692,727
Exchange income, net	651,532	252,214	389,120	-	1,292,866
Other operating income, net	546,868	20,304	399,768	259,724	1,226,664
<b>Total operating income</b>	19,794,446	7,812,972	2,994,277	1,453,608	32,055,303
Depreciation and amortization	(1,547,437)	(322,199)	(47,577)	(64,701)	(1,981,914)
Impairment charge for financing and other financial assets, net	(981,237)	(1,169,800)	34,293	-	(2,116,744)
Other operating expenses	(4,841,464)	(897,453)	(182,782)	(67,051)	(5,988,750)
<b>Total operating expenses</b>	(7,370,138)	(2,389,452)	(196,066)	(131,752)	(10,087,408)
<b>Income before Zakat</b>	12,424,308	5,423,520	2,798,211	1,321,856	21,967,895

## notes to the consolidated financial statements

### (b) The Group's credit exposure by business segments as of 31 December follows:

2025	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)
Consolidated balance sheet assets	482,073,008	270,686,843	242,055,749	6,552,053	1,001,367,653
Commitments and contingencies excluding irrevocable commitments to extend credit	-	66,019,012	-	-	66,019,012

2024	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)
Consolidated balance sheet assets	475,215,178	218,194,545	236,763,172	5,533,331	935,706,226
Commitments and contingencies excluding irrevocable commitments to extend credit	-	43,031,782	-	-	43,031,782

### 31 Financial risk management

The Group's activities are exposed to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the banking business, and these risks are an inevitable consequence of participating in financial markets. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies, procedures and systems are designed to identify and analyse these risks and to set appropriate risk mitigants and controls. The Group reviews its risk management policies and systems on an ongoing basis to reflect changes in markets, products and emerging best practices.

Risk management is performed by the Credit and Risk Management Group ("CRMG") under policies approved by the Board of Directors. The CRMG identifies and evaluates financial risks in close co-operation with the Group's operating units. The most important types of risks identified by the Group are credit risk, liquidity risk and market risk. Market risk includes currency risk, profit rate risk, operational risk and price risk.

#### 1. Credit risk

Credit risk is considered to be the most significant and pervasive risk for the Group. The Group takes on exposure to credit risk, which is the risk that the counter-party to a financial transaction will fail to discharge an obligation causing the Group to incur a financial loss. Credit risk arises principally from financing (credit facilities provided to customers) and from cash and deposits

## notes to the consolidated financial statements

held with other banks. Further, there is credit risk in certain off-balance sheet financial instruments, including guarantees relating to purchase and sale of foreign currencies, letters of credit, acceptances and commitments to extend credit. Credit risk monitoring and control is performed by the CRMG, which sets parameters and thresholds for the Group's financing activities.

### (a) Credit risk measurement

#### (i) Financing

The Group provides financial products which are in accordance with Shariah law in order to meet the customers demand. These products are all classified as financing assets in the Group's consolidated statement of financial position. In measuring credit risk of financing at a counterparty level, the Group considers the overall credit worthiness of the customer based on a proprietary risk methodology.

This risk rating methodology utilizes a 10 point scale based on quantitative and qualitative factors with seven performing categories (rated 1 to 7) and three non-performing categories (rated 8-10). The risk rating process is intended to advise the various independent approval authorities of the inherent risks associated with the counterparty and assist in determining suitable pricing commensurate with the associated risk.

#### (ii) Credit risk grades

That are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of customer.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates, 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 corporate exposure is allocated to a credit risk grade at initial recognition based on available information about the customer. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of corporate exposure involves use of the following data.

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections.
- 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 customer or in its business activities

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its customers analysed by segment as well as by credit risk grading.

#### (iii) Generating the term structure of PD

The Group employs analytical techniques incorporating internal default estimates backed by transition matrices published by external agencies to construct PD term structures that can be applied to each exposure based on the its remaining lifetime. These PD term structures are then adjusted to incorporate the impact of macroeconomic outlook to arrive at a forward looking estimate of PD across the lifetime.

For retail exposure, customer and financing specific information collected at the time of application, repayment behavior etc. are used to construct risk based segmentation using statistical techniques such as Logistic Regression, Chi-square Automatic Interaction Detection (CHAID) (or Decision Tree) etc.. Risk segments are constructed to identify and aggregate customers with similar risk characteristics. For each risk segment thus formed, PD term structures are constructed using historical data that can be applied to each exposure based on its remaining lifetime.

Based on consideration of a variety of external actual and forecast information from published sources, the Group formulates a forward looking adjustment to PD term structures to arrive at forward looking PD estimates across the lifetime using macroeconomic models.



## notes to the consolidated financial statements

Bank has a master rating scale in place that comprises of 22 risk rating grades in total which is further split into 19 performing grades and 3 non-performing grades. Below table provides the further details around the Bank's master rating scale:

Type	Rating Grade	Description	Modifiers	PD Range
<b>Performing</b>				
Investment Grade	1	<b>Exceptional</b> – Obligors of unquestioned credit standing at the pinnacle of credit quality.	None	
	2	<b>Excellent</b> – Obligors of the highest quality, presently and prospectively. Virtually no risk in financing to this class, Cash flows reflect exceptionally large and stable margins of protection. Projected cash flows including anticipated credit extensions indicate strong liquidity levels and debt service coverage. Balance Sheet parameters are strong, with excellent asset quality in terms of value and liquidity.	3	
	3	<b>Superior</b> – Typically obligors at the lower end of the high quality range with excellent prospects. Very good asset quality and liquidity. Consistently strong debt capacity and coverage. There could however be some elements, which with a low likelihood might impair performance in the future.	3	0% to 0.42%
	4	<b>Good</b> – Typically obligors in the high end of the medium range who are definitely sound with minor risk characteristics. Elements of strength are present in such areas as liquidity, stability of margins, cash flows, diversity of assets, and lack of dependence on one type of business.	3	
Sub Investment Grade	5	<b>Satisfactory</b> – These are obligors with smaller margins of debt service coverage and with some elements of reduced strength. Satisfactory asset quality, liquidity, and good debt capacity and coverage. A loss year or declining earnings trend may occur, but the customers have sufficient strength and financial flexibility to offset these issues.	3	
	6	<b>Adequate</b> – Obligors with declining earnings, strained cash flow, increasing leverage and/or weakening market fundamentals that indicate above average risk, such customers have limited additional debt capacity, modest coverage, average or below average asset quality and market share. Present customer performance is satisfactory, but could be adversely affected by developing collateral quality/adequacy etc.	3	0.42% to 99.9%
	7	<b>Very high risk</b> – Generally undesirable business constituting an undue and unwarranted credit risk but not to the point of justifying a substandard classification. No loss of principal or profit has taken place. Potential weakness might include a weakening financial condition, an unrealistic repayment program, inadequate sources of funds, or a lack of adequate collateral, credit information or documentation. The entity is undistinguished and mediocre. No new or incremental credits will generally be considered for this category.	3	

## notes to the consolidated financial statements

Type	Rating Grade	Description	Modifiers	PD Range
<b>Non Performing</b>				
Sub-Standard	8	<b>Substandard</b> – Obligors in default and 90 Days Past Due on repayment of their obligations. Unacceptable business credit. Normal repayment is in jeopardy, and there exists well defined weakness in support of the same. The asset is inadequately protected by the current net worth and paying capacity of the obligor or pledged collateral. Specific provision raised as an estimate of potential loss.	None	
Doubtful	9	<b>Doubtful</b> – Obligors in default and 180 Days Past Due (DPD) on their contracted obligations, however in the opinion of the management recovery/ salvage value against corporate and real estate obligors is a possibility, and hence write-off should be deferred. Full repayment questionable. Serious problems exist to the point where a partial loss of principle is likely. Weaknesses are so pronounced that on the basis of current information, conditions and values, collection in full is highly improbable. Specific provision raised as an estimate of potential loss. However, for retail obligors (except real estate) and credit cards, total loss is expected. A 100% Specific Provisioning must be triggered followed by the write-off process should be effected as per Al Rajhi Bank write-off policy.	None	100%
Loss	10	<b>Loss</b> – Obligors in default and 360 Days Past Due (DPD) on their obligations. Total loss is expected. An uncollectible asset which does not warrant classification as an active asset. A 100% Specific Provisioning must be triggered followed by the write-off process should be effected as per Al Rajhi Bank write-off policy.	None	

## notes to the consolidated financial statements

### (iv) ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group 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 Group's historical experience and expert credit assessment and including forward-looking information.

For Corporate portfolio, the Group's assessment of significant increase in credit risk is based on counterparty. Significant increase in credit risk assessment for retail financing is carried out at customer level within the same product family. All the exposures which are considered to have significantly increased in credit risk are subject to lifetime ECL.

The Group considers all investment grade Sukuk issued by sovereigns including Gulf Corporation Council (GCC) countries to have low credit risk.

### (v) Determining whether credit risk has increased significantly

In determining whether credit risk has increased significantly since initial recognition, the Group uses its internal credit risk grading system, external risk ratings, quantitative changes in PDs, delinquency status of accounts, expert credit judgement and, where possible, relevant historical experience.

For Corporate portfolio, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition based on quantitative assessment (including, but not limited to, significant changes in ratings reflecting deterioration in credit quality, days past due, watch-listing, and macroeconomic outlook) and/or using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

For Retail portfolio, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the customer.

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).

The Group classifies its financial instruments into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

**Stage 1:** for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Group recognises an allowance based on the 12-month ECL. All accounts at origination would be classified as Stage 1.

**Stage 2:** for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the Group recognises an allowance for the lifetime ECL for all financings categorised in this stage based on the actual/expected behavioral maturity profile including restructuring or rescheduling of facilities.

**Stage 3:** for credit-impaired financial instruments, the Group recognises the lifetime ECL. Default identification process i.e. DPD of 90 or more is assumed to be stage 3.

## notes to the consolidated financial statements

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the customer. 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:

Non-retail exposures	Retail exposures	All exposures
<ol style="list-style-type: none"> <li>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.</li> <li>Data from credit reference agencies, press articles, changes in external credit ratings</li> <li>Quoted Sukuk and credit default swap (CDS) prices for the customer where available</li> <li>Actual and expected significant changes in the political, regulatory, and technological environment of the customer or in its business activities</li> </ol>	<ol style="list-style-type: none"> <li>Internally collected data and customer behavior – e.g., utilization of credit card facilities</li> <li>Affordability metrics</li> <li>External data from credit reference agencies including industry-standard credit scores</li> </ol>	<ol style="list-style-type: none"> <li>Payment record – this includes overdue status as well as a range of variables about payment ratios</li> <li>Utilization of the granted limit</li> <li>Existing and forecast changes in business, financial and economic conditions</li> </ol>

### (vi) 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 with terms have been modified may be derecognized and the renegotiated finance recognized as a new financing at fair value in accordance with the accounting policy.

The Group renegotiates finances to customers in financial difficulties (referred to as "forbearance activities" to maximize collection opportunities and minimize the risk of default. Under the Group's forbearance policy, finance 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 corporate financing are subject to the forbearance policy.

Forbearance is a qualitative indicator of a significant increase in credit risk, and an expectation of forbearance may constitute evidence that an exposure is credit-impaired/in default. A customer needs to demonstrate consistently good payment behavior over a period up to 12 months before the exposure is no longer considered to be credit-impaired/in default.

### (vii) Definition of "Default"

The Group considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or



## notes to the consolidated financial statements

- the customer is past due more than 90 days on any material credit obligation to the Group.

Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a customer is in default, the Group 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 Group; and
- based on data developed internally and obtained from external sources.

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 for the Group for regulatory purposes.

### (viii) Incorporation of forward looking information

The Group considers macroeconomic forecasts for next 5 years (consistent with forecasts

available from public sources), beyond which the long term average macroeconomic conditions prevail. The forward-looking PD curve would account for the changing expectation of macroeconomic environment over time. Externally available macroeconomic forecasts such as from International Monetary Fund (IMF) and Saudi Central Bank (SAMA) are used for making the base case forecast. For other scenarios (namely upturn and downturn), adjustments are made to base case forecasts based standard deviation of the macroeconomic factors.

The base case represents a most-likely outcome as published by external sources. The other scenarios represent more optimistic and more pessimistic outcomes.

The Group has in place suite of macroeconomic models pertaining to specific portfolios that are used to incorporate the forward-looking information. The Group chose to adopt a macroeconomic regression-based approach to determine the link function between historical default rates (up to 10 years) and prevalent macroeconomic condition. Key factors used across different macroeconomic models being: Change in Oil Price, General Government Revenue and Investments as percentage of GDP, Crude Oil Average Price, Gross National Savings and Government Expenditure and Gross Debt.

The Group 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		
	2026	2027	2028
Yearly Growth in Oil Price (%)	(6.8)	0.6	1.4
General Government Revenue (% of GDP)	27.53	27.75	27.48
Investment (% of GDP)	32.21	32.22	32.28
Crude Oil simple Avg Price (USD per barrel)	62.381	62.729	63.586
Gross National Savings to (% of GDP)	27.96	28.52	28.87
Government Total Expenditure (% of GDP)	32.41	31.78	31.14
General Government Gross Debt (QoQ)			
National Currency (%)	3.19	2.65	2.42

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The table below shows the change in economic indicators to the ECL computed under three different scenarios used by the Group:

31 December 2025	Due from Bank and other financial institutions (€ '000)	Investment (€ '000)	Financing (€ '000)	Off balance sheet items (€ '000)	Total (€ '000)
Most likely (Base case)	1,499	55,590	8,682,888	206,818	8,946,795
More optimistic (Upside)	1,130	41,778	7,527,820	166,074	7,736,802
More pessimistic (Downside)	1,914	71,113	10,113,905	260,271	10,447,203

### (ix) Measurement of ECL

The Group measures an ECL at an individual instrument level taking into account the projected cash flows, PD, LGD, CCF and discount rate.

The key inputs into the measurement of ECL are the term structure of the following variables:

- i. probability of default (PD);
- ii. loss given default (LGD);
- iii. 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 and estimated prepayment rates.

For Corporate and Retail portfolio, bank uses internal LGD models to arrive at the LGD estimates.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For financing 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. The period of exposure limits the period over which possible defaults are considered and thus affects the determination of PDs and measurement of ECLs (especially for Stage 2 accounts with lifetime ECL).

## notes to the consolidated financial statements

### (x) Financings

The following table sets out information about the credit quality of financings measured at amortized cost as at 31 December:

2025	12 month ECL (£ '000)	Lifetime ECL not credit impaired (£ '000)	Lifetime ECL credit impaired (£ '000)	Total (£ '000)
<b>Carrying amount distribution by Grades</b>				
Grade 1-3/(Aaa – A3)	68,687,223	-	-	68,687,223
Grade (4-6)/(Baa1 – B3)	161,935,308	942,951	-	162,878,259
Grade 7 – Watch list/(Caa1 – C)	130,245	1,224,163	-	1,354,408
Corporate (un-rated)*	31,983,598	5,254,633	-	37,238,231
<b>Credit impaired</b>	-	-	4,777,703	4,777,703
<b>Total corporate performing and non-performing</b>	262,736,374	7,421,747	4,777,703	274,935,824
<b>Total retail (un-rated)**</b>	475,065,367	8,498,753	2,942,796	486,506,916
<b>Total Gross carrying amount</b>	737,801,741	15,920,500	7,720,498	761,442,739

2024	12 month ECL (£ '000)	Lifetime ECL not credit impaired (£ '000)	Lifetime ECL credit impaired (£ '000)	Total (£ '000)
<b>Carrying amount distribution by Grades</b>				
Grade 1-3/(Aaa – A3)	58,307,222	-	-	58,307,222
Grade (4-6)/(Baa1 – B3)	129,580,295	1,694,574	-	131,274,869
Grade 7 – Watch list/(Caa1 – C)	229,968	2,192,962	-	2,422,930
Corporate (un-rated)*	22,103,377	3,674,047	-	25,777,424
<b>Credit impaired</b>	-	-	4,235,355	4,235,355
<b>Total corporate performing and non-performing</b>	210,220,862	7,561,583	4,235,355	222,017,800
<b>Total retail (un-rated)**</b>	469,690,262	6,553,543	3,653,434	479,897,239
<b>Total carrying amount</b>	679,911,124	14,115,126	7,888,789	701,915,039

\* Corporate unrated exposures pertain to micro enterprises, subject to tailored credit policies and simplified risk assessment aligned with the size and nature of the business instead of individual risk rating assignment.

\*\* For credit quality of retail exposure, please refer note 8 g (1), where stage 1 represents (0-30 days), stage 2 (31-90 days) and stage 3 represents (90+days).

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The following table sets out information about the credit quality of commitments and contingencies measured at amortized cost as at 31 December:

	2025 (£ '000)	2024 (£ '000)
<b>Carrying amount distribution by Grades</b>		
Grade 1-3/(Aaa – A3)	12,299,994	3,851,906
Grade (4-6)/(Baa1 – B3)	69,973,839	57,593,988
Grade 7 – Watch list/(Caa1 – C)	920,624	1,100,112
Credit Impaired	341,147	383,180
<b>Total carrying amount</b>	<b>83,535,604</b>	<b>62,929,186</b>

The net financing concentration risks and the related provision, by major economic sectors at 31 December are as follows:

2025	Performing (£ '000)	Non- performing (£ '000)	Allowance for impairment (£ '000)	Net financing (£ '000)
<b>Description</b>				
Government & Quasi-Government	81,642,998	-	-	81,642,998
Commercial	77,711,310	2,872,919	(1,641,031)	78,943,198
Industrial	28,126,204	271,492	(135,475)	28,262,221
Building and construction	10,949,866	75,839	(44,096)	10,981,609
Consumer	484,580,737	1,926,178	(1,250,333)	485,256,582
Services	34,890,358	477,940	(235,810)	35,132,488
Agriculture and fishing	1,714,799	1,095	(539)	1,715,355
Finance, Insurance and Investments	17,616,919	994	(508)	17,617,405
Others	18,515,328	67,763	(40,312)	18,542,779
<b>Total</b>	<b>755,748,519</b>	<b>5,694,220</b>	<b>(3,348,104)</b>	<b>758,094,635</b>
12 month and lifetime ECL not credit impaired*	-	-	(5,334,784)	(5,334,784)
<b>Balance</b>	<b>755,748,519</b>	<b>5,694,220</b>	<b>(8,682,888)</b>	<b>752,759,851</b>

\* The amount includes Stage 3 balances which are in curing period



## notes to the consolidated financial statements

2024	Performing (£ '000)	Non- performing (£ '000)	Allowance for impairment (£ '000)	Net financing (£ '000)
<b>Description</b>				
Government & Quasi-Government	67,177,848	-	-	67,177,848
Commercial	62,612,585	2,248,343	(1,103,585)	63,757,343
Industrial	26,086,253	534,577	(289,319)	26,331,511
Building and construction	7,532,259	198,470	(115,762)	7,614,967
Consumer	478,189,440	1,707,799	(1,197,887)	478,699,352
Services	26,976,755	539,924	(263,295)	27,253,384
Agriculture and fishing	1,537,753	2,997	(1,476)	1,539,274
Finance, Insurance and Investments	14,135,788	1,273	(627)	14,136,434
Others	12,331,922	101,053	(57,798)	12,375,177
<b>Total</b>	<b>696,580,603</b>	<b>5,334,436</b>	<b>(3,029,749)</b>	<b>698,885,290</b>
12 month and lifetime ECL not credit impaired*	-	-	(5,475,567)	(5,475,567)
<b>Balance</b>	<b>696,580,603</b>	<b>5,334,436</b>	<b>(8,505,316)</b>	<b>693,409,723</b>

\* The amount includes Stage 3 balances which are in curing period

The table below sets out gross balances of individually impaired financing, together with the fair value of related collateral held by the Group as at 31 December:

2025	2025 Total (£ '000)	2024 Total (£ '000)
Individually impaired financing	5,694,220	5,334,435
Fair value of collateral	1,284,296	950,319

## notes to the consolidated financial statements

The Banks in the ordinary course of financing activities hold collaterals as security to mitigate credit risk in the financings. 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 consumer financings and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting year, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk. The outstanding credit impaired financing facility balances, that are covered by collateral, as of 31 December is as follows:

	2025 (¥'000)	2024 (¥'000)
Less than 50%	70,439	49,573
51-70%	36,491	37,928
More than 70%	445,555	671,561
<b>Total exposure</b>	<b>552,485</b>	<b>759,062</b>

### (f) Financial liabilities subject to offsetting

2025	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the statement of financial position	Net amounts of recognized financial liabilities in the statement of financial position
Repurchase agreements	60,087,934	-	60,087,934

2024	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the statement of financial position	Net amounts of recognized financial liabilities in the statement of financial position
Repurchase agreements	49,595,542	-	49,595,542

For collaterals for above financial liabilities, please refer note 6(a).



## notes to the consolidated financial statements

### (a) Settlement risk

The Group is also exposed to settlement risk in its dealings with other financial institutions. This risk arises when the Group pays its side of the transaction to the other bank or counterparty before receiving payment from the third party. The risk is that the third party may not pay its obligation. While these exposures are short in duration, they can be significant. The risk is mitigated by dealing with highly rated counterparties, holding collateral and limiting the size of the exposures according to the risk rating of the counterparty.

### (b) Risk limit control and mitigation policies

The responsibility for credit risk management is enterprise-wide in scope. Strong risk management is integrated into daily processes, decision making and strategy setting, thereby making the understanding and management of credit risk the responsibility of every business segment.

The following business units within the Group assist in the credit control process:

- Corporate Credit Unit.
- Credit Administration, Monitoring and Control Unit.
- Remedial Unit.
- Credit Policy Unit.
- Retail Credit Unit.

The monitoring and management of credit risk associated with these financing are made by setting approved credit limits. The Group manages limits and controls concentrations of credit risk wherever they are identified – in particular, to individual customers and groups, and to industries and countries.

Concentrations of credit risks arise when a number of customers are engaged in similar business activities, 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 risks 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 of its financing to ensure there is no undue concentration of risks with to individuals or groups of customers in specific geographical locations or economic sectors.

The Group manages credit risk by placing limits on the amount of risk accepted in relation to individual customers and groups, and to geographic and economic segments. Such risks are monitored on a regular basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, economic sector and by country are reviewed at least annually by the executive committee.

Exposure to credit risk is also managed through regular analysis on the ability of customers and potential customers to meet financial and contractual repayment obligations and by revising credit limits where appropriate.

Some other specific control and mitigation measures are outlined below:

The Group implements guidelines on the level and quality of specific classes of collateral. The principal collateral types are:

- Mortgages over residential and commercial properties.
- Cash, shares, and general assets for customer.
- Shares for Murabaha (collateralized share trading) transactions.

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as traditional banking products of the Group.

## notes to the consolidated financial statements

Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying goods to which they relate, and therefore, risk is partially mitigated.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of further financing products, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The table below sets out the maximum exposure to credit risk at the reporting date without considering collateral or other credit enhancements and includes the off-balance sheet financial instruments involving credit risks as at 31 December:

On-balance sheet items	2025 (# '000)	2024 (# '000)
<b>Investments, net:</b>		
Cash and balances with Central Banks	54,004,876	53,244,710
Murabaha with Saudi Government and SAMA	–	15,022,361
Sukuk	151,460,916	140,404,410
Structured Products	9,649,371	7,831,964
<b>Due from banks and other financial institutions</b>	<b>26,940,586</b>	<b>19,529,727</b>
<b>Financing, net</b>		
Corporate	270,686,843	218,194,545
Retail	482,073,008	475,215,178
<b>Other financial assets</b>		
Receivables, net	3,782,735	2,934,899
Accrued income	2,216,471	850,356
Cheques under collection	552,847	626,418
<b>Total on-balance sheet items</b>	<b>1,001,367,653</b>	<b>933,854,568</b>
<b>Off-balance sheet items:</b>		
Letters of credit and acceptances	24,151,988	11,862,220
Letters of guarantee	41,867,024	31,169,562
Irrevocable commitments to extend credit	17,516,592	19,897,404
<b>Total off-balance sheet items</b>	<b>83,535,604</b>	<b>62,929,186</b>
<b>Maximum exposure to credit risk</b>	<b>1,084,903,257</b>	<b>996,783,754</b>

The exposures set out above are based on net carrying amounts as reported in the consolidated statement of financial position.



## notes to the consolidated financial statements

### (2) Liquidity risks

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay deposits and financing parties and fulfill financing commitments. Liquidity risk can be caused by market disruptions or by credit downgrades, which may cause certain sources of funding to become unavailable immediately. Diverse funding sources available to the Group help mitigate this risk. Assets are managed with liquidity in mind, maintaining a conservative balance of cash and cash equivalents.

#### Liquidity risk management process

The Group's liquidity management process is as monitored by the Group's Asset and Liabilities Committee (ALCO), and includes:

- Day-to-day funding, managed by Treasury to ensure that requirements can be met, and this includes replenishment of funds as they mature or are invested;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements;
- Managing the concentration and profile of debt maturities;
- Maintaining diversified funding sources; and
- Liquidity management and asset and liability mismatching.

Monitoring and reporting take the form of analysing cash flows of items with both contractual and non-contractual maturities. The net cash flows are measured to ensure that they are within acceptable ranges. The Treasury/ALCO also monitors the level and type of undrawn financing commitments, usage of overdraft facilities and the potential impact of contingent liabilities such as standby letters of credit and guarantees may have on the Group's liquidity position.

The tables below summarises the maturity profile of the Group's assets and liabilities, on the basis of the remaining maturity as of the consolidated statement of financial position date to the contractual maturity date.

Management monitors the maturity profile to ensure that adequate liquidity is maintained. Assets available to meet liabilities and to cover outstanding financing commitments include cash, balances with SAMA and due from banks. Further, in accordance with the Banking Control Law and Regulations issued by SAMA, the Group maintains a statutory deposit equal to a sum not less than 7% of total customers' deposits, and 4% of total other customers' accounts. In addition to the statutory deposit, the Group maintains a liquid reserve of not less than 20% of the deposit liabilities, in the form of cash, gold or assets which can be converted into cash within a period not exceeding 30 days. Also, the Group has the ability to raise additional funds through special financing arrangements with SAMA including deferred sales transactions.

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2025	Less than 3 months (S '000)	3 to 12 months (S '000)	1 to 5 years (S '000)	Over 5 years (S '000)	No Fixed Maturity (S '000)	Total (S '000)
<b>Assets</b>						
Cash and balance with SAMA and other central banks	6,977,000	-	-	-	47,027,876	54,004,876
Due from banks and other financial institutions	19,815,931	2,959,419	750,000	-	3,415,236	26,940,586
<b>Financing, net</b>						
Corporate	54,799,656	53,644,562	111,892,540	50,350,085	-	270,686,843
Retail	32,808,763	72,731,544	187,561,002	188,971,699	-	482,073,008
<b>Investments, net</b>						
Investment in an associate	-	-	-	-	1,157,245	1,157,245
Investments held at amortized cost	1,157,005	312,461	38,422,995	98,371,488	-	138,263,949
FVIS investments	206,250	-	664,794	4,201,029	2,712,815	7,784,888
FVOCI investments	2,374,774	112,500	10,151,913	14,309,078	1,307,494	28,255,759
Positive fair value of derivatives	20,768	38,009	588,398	1,419,806	-	2,066,981
<b>Total</b>	<b>118,160,147</b>	<b>129,798,495</b>	<b>350,031,642</b>	<b>357,623,185</b>	<b>55,620,666</b>	<b>1,011,234,135</b>
<b>Liabilities</b>						
Due to banks, Saudi Central Bank and other financial institutions	83,152,719	18,115,617	9,219,087	6,152,013	644,361*	117,283,797
Demand deposits and call accounts	-	-	-	-	421,380,121*	421,380,121
Customers' time investments	139,286,196	65,719,687	11,673,915	17,921,274	-	234,601,072
Other customer accounts	-	-	-	-	11,306,307*	11,306,307
Negative fair value of derivatives	43,306	73,136	698,790	1,461,433	-	2,276,665
Debt securities and term financing	8,877,705	33,765,834	37,223,086	-	-	79,866,625
<b>Total liabilities</b>	<b>231,359,926</b>	<b>117,674,274</b>	<b>58,814,878</b>	<b>25,534,720</b>	<b>433,330,789</b>	<b>866,714,587</b>
<b>Gap</b>	<b>(113,199,779)</b>	<b>12,124,221</b>	<b>291,216,764</b>	<b>332,088,465</b>	<b>(377,710,123)</b>	<b>144,519,548</b>

\* These are all receivable/payable on demand



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2024	Less than 3 months (S '000)	3 to 12 months (S '000)	1 to 5 years (S '000)	Over 5 years (S '000)	No Fixed Maturity (S '000)	Total (S '000)
<b>Assets</b>						
Cash and balance with SAMA and other central banks	6,110,000	-	-	-	47,134,710	53,244,710
Due from banks and other financial institutions	12,148,968	4,560,547	1,181,197	-	1,639,015	19,529,727
<b>Financing, net</b>						
Corporate	47,619,039	55,425,580	74,034,897	41,115,029	-	218,194,545
Retail	33,553,474	78,269,394	176,568,900	186,823,411	-	475,215,179
<b>Investments, net</b>						
Investment in an associate	-	-	-	-	1,034,262	1,034,262
Investments held at amortized cost	3,187,750	3,379,951	44,024,674	87,554,160	-	138,146,535
FVIS investments	10,588	-	2,450,638	498,400	3,519,950	6,479,576
FVOCI investments	3,557,560	-	13,798,561	11,266,489	1,784,866	30,407,476
Positive fair value of derivatives	10,730	18,566	533,726	1,342,881	-	1,905,903
<b>Total</b>	<b>106,198,109</b>	<b>141,654,038</b>	<b>312,592,593</b>	<b>328,600,370</b>	<b>55,112,803</b>	<b>944,157,913</b>
<b>Liabilities</b>						
Due to banks, Saudi Central Bank and other financial institutions	86,008,650	24,420,337	857,184	4,599,380	1,791,827*	117,677,378
Demand deposits and call accounts	-	-	-	-	446,437,107*	446,437,107
Customers' time investments	97,328,888	63,081,957	12,206,451	21,224,097	-	193,841,393
Other customer accounts	-	-	-	-	14,710,001*	14,710,001
Negative fair value of derivatives	12,926	18,391	431,834	1,215,892	-	1,679,043
Debt securities and term financing	4,819,862	11,938,757	20,699,353	-	-	37,457,972
<b>Total liabilities</b>	<b>188,170,326</b>	<b>99,459,442</b>	<b>34,194,822</b>	<b>27,039,369</b>	<b>462,938,935</b>	<b>811,802,894</b>
<b>Gap</b>	<b>(81,972,217)</b>	<b>42,194,596</b>	<b>278,397,771</b>	<b>301,561,001</b>	<b>(407,826,132)</b>	<b>132,355,019</b>

\* These are all receivable/payable on demand

The table below summarizes the maturity profile of the Bank's financial liabilities at 31 December 2025 and 2024 based on contractual undiscounted repayment obligations. As profit payments up to contractual maturity are included in the table, totals do not match with the statement of financial position. The contractual maturities of liabilities have been determined based on the remaining period at the Statement of financial position date to the contractual maturity date and do not consider the effective expected

## notes to the consolidated financial statements

maturities. The Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay, and the table does not affect the expected cash flows indicated by the Bank's deposit retention history.

2025	Less than 3 months (S'000)	3 to 12 months (S'000)	1 to 5 years (S'000)	Over 5 years (S'000)	No Fixed Maturity (S'000)	Total (S'000)
Due to banks, Saudi Central Bank and other financial institutions	83,720,834	18,863,690	10,161,495	8,904,778	644,361	122,295,158
Demand deposits and call accounts	-	-	-	-	421,380,121*	421,380,121
Customers' time investments	142,772,331	69,216,214	14,502,168	18,609,838	-	245,100,551
Other customer accounts	-	-	-	-	11,306,307*	11,306,307
Negative fair value of derivatives	17,527	24,937	585,537	1,648,664	-	2,276,665
Debt securities and term financing	9,768,286	36,158,914	41,178,113	-	-	87,105,313
<b>Total</b>	<b>236,278,978</b>	<b>124,263,755</b>	<b>66,427,313</b>	<b>29,163,280</b>	<b>433,330,789</b>	<b>889,464,115</b>

\* These are all payable on demand

The cumulative maturities of commitments and contingencies are given in Note 18-c-1 of the consolidated financial statements.

2024	Less than 3 months (S'000)	3 to 12 months (S'000)	1 to 5 years (S'000)	Over 5 years (S'000)	No Fixed Maturity (S'000)	Total (S'000)
Due to banks, Saudi Central Bank and other financial institutions	97,650,664	59,370,728	16,914,495	5,778,113	1,791,827*	181,505,827
Demand deposits and call accounts	-	-	-	-	446,437,107*	446,437,107
Customers' time investments	93,003,392	43,619,024	15,531,000	27,004,692	-	179,158,108
Other customer accounts	-	-	-	-	14,710,001*	14,710,001
Negative fair value of derivatives	12,926	18,391	431,834	1,215,892	-	1,679,043
Debt securities and term financing	-	675,222	9,349,462	-	-	10,024,684
<b>Total</b>	<b>190,666,982</b>	<b>103,683,365</b>	<b>42,226,791</b>	<b>33,998,697</b>	<b>462,938,935</b>	<b>833,514,770</b>

\* These are all payable on demand

The cumulative maturities of commitments and contingencies are given in Note 22-c-1 of the consolidated financial statements.



## notes to the consolidated financial statements

### (3) Market risks

The Group is exposed to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks arise on profit rate products, foreign currency and mutual fund products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as profit rates, foreign exchange rates and quoted market prices.

Market risk exposures are monitored by Treasury/Risk department and reported to ALCO on a monthly basis. ALCO deliberates on the risks taken and ensures that they are appropriate.

#### (a) Market risks – Trading Book

In order to manage the market risk in trading book, the Bank periodically applies a VAR methodology to assess the market risk positions held and also to estimate the potential economic loss based on a set of assumptions and changes in market conditions.

A VAR methodology estimates the potential negative change in market value of a portfolio at a given confidence level and over a specified time horizon. The Bank uses simulation models to assess the possible changes in the market value of the trading book based on historical data. VAR models are usually designed to measure the market risk in a normal market environment and therefore the use of VAR has limitations because it is based on historical correlations and volatilities in market prices and assumes that the future movements will follow a statistical distribution.

The VAR that the Bank measures is an estimate, using a confidence level of 99% of the potential loss that is not expected to be exceeded if the current market positions were to be held unchanged for one day. The Bank's VAR related information for the year ended December 31, 2025 and 2024 are as under. All the figures are in ₪ million:

	2025 (₪ Million)		
	Foreign exchange risk	Profit rate risk	Overall
VAR as at December 31, 2025	3.94	2.16	5.51

	2024 (₪ Million)		
	Foreign exchange risk	Profit rate risk	Overall
VAR as at December 31, 2024	3.63	2.82	6.46

#### (b) Market risks – Non-Trading or Banking Book

Market risk on non-trading or banking positions mainly arises from the commission rate, foreign currency exposures and equity price changes.

#### (c) Market risks – banking operations

##### 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 as a significant portion of profit earning financial assets and profit bearing liabilities are at fixed rates and are carried in the financial statements at amortized cost. In addition to this, a substantial portion of the Group's financial liabilities are non-profit bearing.

Profit rate risk arises from the possibility that the changes in profit rates will affect either the fair values or the future cash flows of the financial instruments. The Group monitors its positions to ensure it is in line with Bank's risk management strategy.

## notes to the consolidated financial statements

The following table depicts the sensitivity to a reasonably possible change in profit rates, with other variables held constant, on the Bank's consolidated statement of income or shareholders' equity. The sensitivity of the income is the effect of the assumed changes in profit rates on the net income for one year, based on the gross financing and investment assets held as at 31 December 2025 and 2024. All the banking book exposures are monitored and analyzed in currency concentrations, and relevant sensitivities are disclosed in ₪ million

2025					
Currency	Increase in basis points	Sensitivity of gross financing and investment income			
		As at 31 December (₪ million)	Average (₪ million)	Maximum (₪ million)	Minimum (₪ million)
₪	25	568	552	599	506

Currency	Decrease in basis points	Sensitivity of gross financing and investment income			
		As at 31 December (₪ million)	Average (₪ million)	Maximum (₪ million)	Minimum (₪ million)
₪	(25)	(568)	(552)	(599)	(506)

2024					
Currency	Increase in basis points	Sensitivity of gross financing and investment income			
		As at 31 December (₪ million)	Average (₪ million)	Maximum (₪ million)	Minimum (₪ million)
₪	+25	497	463	497	442

Currency	Decrease in basis points	Sensitivity of gross financing and investment income			
		As at 31 December (₪ million)	Average (₪ million)	Maximum (₪ million)	Minimum (₪ million)
₪	(25)	(497)	(463)	(497)	(442)

Profit rate movements affect reported consolidated shareholders' equity through retained earnings, i.e. increases or decreases in financing and investment income.



## notes to the consolidated financial statements

### Yield sensitivity of assets, liabilities and off-balance sheet items

The Group manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market profit rates on its financial position and cash flows.

The Board sets limits on the level of mismatch of profit rate repricing that may be undertaken, which is monitored daily by Bank Treasury.

The table below summarizes the Group's exposure to profit rate risks. Included in the table are the Group's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

2025	Less than 3 months (£ '000)	3 to 6 months (£ '000)	6 to 12 months (£ '000)	1 to 5 years (£ '000)	Over 5 years (£ '000)	No Fixed Maturity (£ '000)	Total (£ '000)
<b>Assets</b>							
Cash and balance with SAMA and other central banks	6,977,000	-	-	-	-	47,027,876	54,004,876
Due from banks and other financial institutions	19,815,931	1,320,669	1,638,750	750,000	-	3,415,236*	26,940,586
<b>Investments, net</b>							
Investment in an associate	-	-	-	-	-	1,157,245	1,157,245
Investments held at amortized cost	3,237,005	22,296,250	172,569	35,537,995	77,020,130	-	138,263,949
FVIS investments	206,250	-	-	664,794	4,201,029	2,712,815	7,784,888
FVOCI investments	3,128,774	487,500	-	9,022,913	14,309,078	1,307,494	28,255,759
<b>Financing, net</b>							
Corporate	121,339,710	51,633,946	35,215,381	53,156,632	9,341,174	-	270,686,843
Retail	33,501,850	26,427,657	47,783,794	188,505,088	185,854,619	-	482,073,008
Positive fair value of derivatives	1,593,805	251,824	11,080	42,056	168,216	-	2,066,981
<b>Total assets</b>	<b>189,800,325</b>	<b>102,417,846</b>	<b>84,821,574</b>	<b>287,679,478</b>	<b>290,894,246</b>	<b>55,620,666</b>	<b>1,011,234,135</b>

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2025	Less than 3 months (S'000)	3 to 6 months (S'000)	6 to 12 months (S'000)	1 to 5 years (S'000)	Over 5 years (S'000)	No Fixed Maturity (S'000)	Total (S'000)
<b>Liabilities</b>							
Due to banks, Saudi Central Bank and other financial institutions	84,799,283	8,764,611	8,802,272	8,094,087	6,179,183	644,361*	117,283,797
Demand deposits and call accounts	-	-	-	-	-	421,380,121*	421,380,121
Customers' time investments	143,364,833	35,998,646	28,167,983	9,288,335	17,781,275	-	234,601,072
Other customer accounts	-	-	-	-	-	11,306,307*	11,306,307
Negative fair value of derivatives	1,526,759	542,151	46,019	19,585	142,151	-	2,276,665
Debt securities and term financing	37,395,102	8,998,038	17,518,214	15,955,271	-	-	79,866,625
<b>Total Liabilities</b>	<b>267,085,977</b>	<b>54,303,446</b>	<b>54,534,488</b>	<b>33,357,278</b>	<b>24,102,609</b>	<b>433,330,789</b>	<b>866,714,587</b>
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,912,345</b>	<b>142,912,345</b>
<b>Gap</b>	<b>(77,285,651)</b>	<b>48,114,400</b>	<b>30,287,086</b>	<b>254,322,200</b>	<b>266,791,637</b>	<b>(520,622,468)</b>	<b>1,607,204</b>
<b>Profit Rate Sensitivity – On Consolidated Statement of Financial Positions</b>	<b>(77,285,651)</b>	<b>48,114,400</b>	<b>30,287,086</b>	<b>254,322,200</b>	<b>266,791,637</b>	<b>(520,622,468)</b>	<b>1,607,204</b>
<b>Profit Rate Sensitivity – Off Consolidated Statement of Financial Positions</b>	<b>689,580</b>	<b>190,389</b>	<b>521,300</b>	<b>258,933</b>	<b>11,982</b>	<b>-</b>	<b>1,672,184</b>
<b>Total Profit Rate Sensitivity Gap</b>	<b>(77,975,231)</b>	<b>47,924,011</b>	<b>29,765,786</b>	<b>254,063,267</b>	<b>266,779,655</b>	<b>(520,622,468)</b>	<b>(64,980)</b>
<b>Cumulative Profit Rate Sensitivity Gap</b>	<b>(77,975,231)</b>	<b>(30,051,220)</b>	<b>(285,434)</b>	<b>253,777,833</b>	<b>520,557,488</b>	<b>(64,980)</b>	<b>-</b>

\* These are all receivable/payable on demand



## notes to the consolidated financial statements

2024	Less than 3 months (S'000)	3 to 6 months (S'000)	6 to 12 months (S'000)	1 to 5 years (S'000)	Over 5 years (S'000)	No Fixed Maturity (S'000)	Total (S'000)
<b>Assets</b>							
Cash and balance with SAMA and other central banks	6,110,000	-	-	-	-	47,134,710	53,244,710
Due from banks and other financial institutions	13,123,925	1,139,449	2,446,141	1,181,197	-	1,639,015*	19,529,727
<b>Investments, net</b>							
Investment in an associate	-	-	-	-	-	1,034,262	1,034,262
Investments held at amortized cost	21,604,195	2,688,083	1,304,863	27,315,504	85,233,890	-	138,146,535
FVIS investments	10,588	-	-	2,450,638	498,400	3,519,950	6,479,576
FVOCI investments	1,558,643	1,329,279	-	11,515,746	14,218,942	1,784,866	30,407,476
<b>Financing, net</b>							
Corporate	91,620,269	33,569,247	28,486,374	46,099,164	18,419,491	-	218,194,545
Retail	33,823,989	27,366,152	51,335,031	177,094,767	185,595,238	-	475,215,177
Positive fair value of derivatives	474,513	-	78,201	180,743	1,172,446	-	1,905,903
<b>Total assets</b>	<b>168,326,122</b>	<b>66,092,210</b>	<b>83,650,611</b>	<b>265,837,759</b>	<b>305,138,406</b>	<b>55,112,803</b>	<b>944,157,911</b>
<b>Liabilities</b>							
Due to banks, Saudi Central Bank and other financial institutions	86,608,246	7,353,946	16,113,719	920,914	4,888,726	1,791,827*	117,677,378
Demand deposits and call accounts	-	-	-	-	-	446,437,107*	446,437,107
Customers' time investments	107,139,729	32,297,730	29,485,678	3,939,931	20,978,325	-	193,841,393
Other customer accounts	-	-	-	-	-	14,710,001*	14,710,001
Negative fair value of derivatives	356,111	-	69,213	176,580	1,077,139	-	1,679,043
Debt securities and term financing	22,055,563	1,288,356	6,023,184	8,090,869	-	-	37,457,972
<b>Total liabilities</b>	<b>216,159,649</b>	<b>40,940,032</b>	<b>51,691,794</b>	<b>13,128,294</b>	<b>26,944,190</b>	<b>462,938,935</b>	<b>811,802,894</b>

## notes to the consolidated financial statements

2024	Less than 3 months (R '000)	3 to 6 months (R '000)	6 to 12 months (R '000)	1 to 5 years (R '000)	Over 5 years (R '000)	No Fixed Maturity (R '000)	Total (R '000)
Shareholders' equity	-	-	-	-	-	123,139,231	123,139,231
<b>Gap</b>	(47,833,526)	25,152,178	31,958,817	252,709,465	278,194,216	(530,965,363)	9,215,787
<b>Profit Rate Sensitivity</b> - On Consolidated Statement of Financial Position	(47,833,526)	25,152,178	31,958,817	252,709,465	278,194,216	(530,965,363)	9,215,787
<b>Profit Rate Sensitivity</b> - Off Consolidated Statement of Financial Position	652,727	88,877	273,991	227,811	15,179	-	1,258,585
<b>Total Profit Rate Sensitivity Gap</b>	(48,486,253)	25,063,301	31,684,826	252,481,654	278,179,037	(530,965,363)	7,957,202
<b>Cumulative Profit Rate Sensitivity Gap</b>	(48,486,253)	(23,422,952)	8,261,874	260,743,527	538,922,565	7,957,202	-

\* These are all receivable/payable on demand



## notes to the consolidated financial statements

### Foreign currency risks

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign exchange rates. The Group management has set limits on positions by currencies, which are regularly monitored to ensure that positions are maintained within the limits.

The table below shows the currencies to which the Group has a significant exposure as at 31 December 2025 and 2024, on its non-trading monetary assets and liabilities and forecasted cash flows. The analysis calculates the effect of reasonably possible movements of the currency rate against AED, with all other variables held constant, on the consolidated statement of income (due to the fair value of the currency sensitive non-trading monetary assets and liabilities) and equity. A positive effect shows a potential increase in the consolidated statement of income or consolidated shareholders' equity, whereas a negative effect shows a potential net reduction in the consolidated statement of income or consolidated statement of changes in shareholders' equity.

Currency Exposures As at 31 December 2025	Change in currency rate in %	Effect on net income (AED '000)	Effect on equity (AED '000)
US Dollar	+/-2	18,966	18,966
Emirati Dirham	+/-2	7,118	7,118
Malaysian Ringgit	+/-5	72,662	72,662
Jordanian Dinar	+/-2	10,185	10,185
Kuwaiti Dinar	+/-5	27,348	27,348

Currency Exposures As at 31 December 2024	Change in currency rate in %	Effect on net income (AED '000)	Effect on equity (AED '000)
US Dollar	+/-2	12,301	12,301
Emirati Dirham	+/-2	4,560	4,560
Malaysian Ringgit	+/-5	65,430	65,430
Jordanian Dinar	+/-2	12,540	12,540
Kuwaiti Dinar	+/-5	26,229	26,229

### Currency position

The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. At the end of the year, the Group had the following significant net exposures denominated in foreign currencies:

	2025 Long/(short) (AED '000)	2024 Long/(short) (AED '000)
US Dollar	948,297	615,055
Emirati Dirham	355,884	228,017
Malaysian Ringgit	1,453,245	1,308,594
Jordanian Dinar	506,264	627,013
Kuwaiti Dinar	546,970	524,585
Others	756,525	501,284
<b>Total</b>	<b>4,570,185</b>	<b>3,804,548</b>

### (d) Price risk

The Group has certain investments which are carried at fair value through the income statement (FVIS) and fair value through other comprehensive income (FVOCI). Price risk arises due to changes in these investments.

As these investments are in a limited number of funds and are not significant to the total investment portfolio, the Group monitors them periodically and determines the risk of holding them based on changes in market prices.

Other investments have little or no risks as these are bought for immediate sales. Investments are made only with a confirmed sale order, and therefore involve minimal risk.

## notes to the consolidated financial statements

### Equity price risk

Equity risk refers to the risk of decrease in fair values of equities in the Group's non-trading investment portfolio as a result of reasonably possible changes in levels of equity indices and the value of individual stocks.

The effect on the Group's equity investments held as FVOCI due to reasonably possible changes in equity indices, with all other variables held constant, as at 31 December is as follows:

Local Market Indices	2025		2024	
	Change in Equity price %	Effect in ₪ million	Change in Equity price %	Effect in ₪ million
Equity investments	+/- 10	+/- 131	+/- 10	+/- 178

### (e) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, and external events.

Operational risk is inherent in most of the Group's activities. This necessitates an integrated approach to the identification, measurement and monitoring of operational risk.

An Operational Risk Management Unit (ORMU) has been established within the Credit and Risk Management Group, which facilitates the management of Operational Risk within the Group. ORMU facilitates the management of Operational Risk by setting policies, developing systems, tools and methodologies, overseeing their implementation and use within the business units and providing ongoing monitoring and guidance across the Group.

The three primary operational risk management processes in the Group are Risk Control Self-Assessment, Operational Loss Database and eventual implementation of Key Risk Indicators which are designed to function in a mutually reinforcing manner.

### 32 Dividends

The Board of Directors has decided on 09 September 2025, distribution of cash dividends to shareholders for the first half of 2025, amounting to ₪ 3,000 million, being ₪ 0.75 per share after deduction of Zakat. The Bank has obtained no-objection from the Saudi Central Bank on the Board of Directors' decision to distribute cash dividends to shareholders for the first half of 2025. These dividends were paid on 02 October 2025.

On 28 January 2025, the Bank's Board of Directors recommended a distribution of cash dividends to the shareholders for the second half of 2024, amounting to ₪ 5,840 million (₪ 1.46 per share) after deduction of Zakat. The proposed final dividends for the second half of the financial year 2024 was approved by the Annual General Assembly in its meeting held on 13 April 2025. These dividends were paid on 24 April 2025.



## notes to the consolidated financial statements

The Board of Directors has decided on 04 August 2024, distribution of cash dividends to shareholders for the first half of 2024, amounting to ﷲ 5,000 million, being ﷲ 1.25 per share after deduction of Zakat. The Bank has obtained no-objection from the Saudi Central Bank on the Board of Directors' decision to distribute cash dividends to shareholders for the first half of 2024. These dividends were paid on 26 August 2024.

The Board of Directors proposed on 24 January 2024, distribution of final dividends to shareholders for the second half of the financial year 2023, amounting to ﷲ 4,600 million, being ﷲ 1.15 per share after deduction of Zakat. The proposed final dividends for the second half of the financial year 2023 was approved by the Annual General Assembly in its meeting held on 24 March 2024. These dividends were paid on 3 April 2024.

### 33 Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	2025 (ﷲ '000)	2024 (ﷲ '000)
Cash in hand	6,979,787	6,681,225
Due from banks and other financial institutions maturing within 90 days from the date of purchased	21,963,987	11,114,015
Balances with SAMA and other central banks (current accounts)	544,447	195,171
Mutajara with SAMA	6,977,000	6,110,000
<b>Total</b>	<b>36,465,221</b>	<b>24,100,411</b>

## notes to the consolidated financial statements

**34 Geographical concentration**

**(a) The distribution by the geographical region of the major categories of assets, liabilities, commitments, contingencies and credit exposure accounts as of 31 December is as follows:**

2025	Kingdom of Saudi Arabia (S '000)	Other GCC and Middle East (S '000)	North America (S '000)	South East Asia (S '000)	Other countries (S '000)	Total (S '000)
<b>Assets</b>						
Cash and balances with SAMA and other central banks	51,608,727	1,209,899	294,860	241,936	649,454	54,004,876
Due from banks and other financial institutions	9,857,156	1,767,523	14,244,866	1,071,041	-	26,940,586
<b>Financing, net</b>						
Corporate	259,184,660	2,915,614	-	8,586,569	-	270,686,843
Retail	476,346,137	4,254,855	-	1,472,016	-	482,073,008
<b>Investments, net</b>						
Investment in an associate	1,157,245	-	-	-	-	1,157,245
Investments held at amortized cost	119,255,743	5,365,717	5,922,636	2,851,917	4,867,936	138,263,949
FVIS Investments	2,420,245	1,713,327	102,616	-	3,548,700	7,784,888
FVOCI investments	22,504,835	2,725,904	93,750	2,660,575	270,695	28,255,759
<b>Total assets</b>	<b>942,334,748</b>	<b>19,952,839</b>	<b>20,658,728</b>	<b>16,884,054</b>	<b>9,336,785</b>	<b>1,009,167,154</b>
<b>Liabilities</b>						
Due to banks and other financial institutions	83,072,655	683,833	32,481,201	1,032,374	13,734	117,283,797
Customer deposits	607,489,763	9,070,120	35,944,043	14,376,343	407,231	667,287,500
<b>Total liabilities</b>	<b>690,562,418</b>	<b>9,753,953</b>	<b>68,425,244</b>	<b>15,408,717</b>	<b>420,965</b>	<b>784,571,297</b>
<b>Commitments and contingencies</b>	<b>78,166,670</b>	<b>1,401,686</b>	<b>-</b>	<b>3,967,248</b>	<b>-</b>	<b>83,535,604</b>
<b>Credit exposure (stated at credit equivalent value)</b>	<b>13,375,192</b>	<b>697,509</b>	<b>-</b>	<b>3,967,248</b>	<b>-</b>	<b>18,039,949</b>

## notes to the consolidated financial statements

2024	Kingdom of Saudi Arabia (S '000)	Other GCC and Middle East (S '000)	North America (S '000)	South East Asia (S '000)	Other countries (S '000)	Total (S '000)
<b>Assets</b>						
Cash and balances with SAMA and other central banks	52,478,123	60,505	581,158	6,747	118,177	53,244,710
Due from banks and other financial institutions	6,473,576	10,350,874	128,524	625,380	1,951,373	19,529,727
<b>Financing, net</b>						
Corporate	207,666,548	2,902,629	-	7,625,368	-	218,194,545
Retail	469,838,388	4,055,115	-	1,321,675	-	475,215,178
<b>Investments, net</b>						
Investment in an associate	1,034,262	-	-	-	-	1,034,262
Investments held at amortized cost	122,012,426	7,412,018	3,719,945	1,592,813	3,409,333	138,146,535
FVIS Investments	1,826,098	1,640,946	-	-	3,012,532	6,479,576
FVOCI investments	21,760,486	3,379,147	-	2,477,776	2,790,067	30,407,476
<b>Total assets</b>	<b>883,089,907</b>	<b>29,801,234</b>	<b>4,429,627</b>	<b>13,649,759</b>	<b>11,281,482</b>	<b>942,252,009</b>
<b>Liabilities</b>						
Due to banks, Saudi Central Bank and other financial institutions	143,100,050	19,589,116	-	1,488,805	9,256,626	173,434,597
Customer deposits	607,442,847	7,594,698	-	12,943,115	257,841	628,238,501
<b>Total liabilities</b>	<b>750,542,897</b>	<b>27,183,814</b>	<b>-</b>	<b>14,431,920</b>	<b>9,514,467</b>	<b>801,673,098</b>
<b>Commitments and contingencies</b>	<b>55,530,211</b>	<b>2,233,106</b>	<b>-</b>	<b>2,539,980</b>	<b>2,625,889</b>	<b>62,929,186</b>
<b>Credit exposure (stated at credit equivalent value)</b>	<b>16,573,694</b>	<b>304,671</b>	<b>-</b>	<b>3,019,039</b>	<b>-</b>	<b>19,897,404</b>

## notes to the consolidated financial statements

**(b) The distributions by geographical concentration of non-performing financing and allowance for impairment of financing are as follows:**

2025	Kingdom of Saudi Arabia (SAR '000)	GCC and Middle East (SAR '000)	South East of Asia (SAR '000)	Total (SAR '000)
<b>Non-performing</b>				
Corporate	3,676,787	61,431	29,824	3,768,042
Retail	1,816,767	82,964	26,447	1,926,178
<b>Allowance for impairment of financing</b>				
Corporate	(4,138,108)	(80,880)	(29,993)	(4,248,981)
Retail	(4,265,595)	(106,477)	(61,835)	(4,433,907)

2024	Kingdom of Saudi Arabia (SAR '000)	GCC and Middle East (SAR '000)	South East of Asia (SAR '000)	Total (SAR '000)
<b>Non-performing</b>				
Corporate	3,571,706	52,791	2,140	3,626,637
Retail	1,638,856	42,991	25,952	1,707,799
<b>Allowance for impairment of financing</b>				
Corporate	(3,736,572)	(48,378)	(38,305)	(3,823,255)
Retail	(4,570,585)	(62,358)	(49,118)	(4,682,061)

Refer to Note 8-1a for performing financing.

### 35 Fair values of financial assets and liabilities

#### 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 instrument (i.e. without modification or additions).

##### 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.

##### Level 3:

valuation techniques for which any significant input is not based on observable market data.

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 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.



## notes to the consolidated financial statements

2025	Carrying value (S '000)	Level 1 (S '000)	Level 2 (S '000)	Level 3 (S '000)	Total (S '000)
<b>Financial assets</b>					
<b>Financial assets measured at fair value:</b>					
FVIS Investments – Mutual funds	2,519,963	583,133	-	1,936,830	2,519,963
FVIS Sukuk	316,711	19,875	296,836	-	316,711
FVIS structured products	4,755,362	2,023,265	2,645,330	86,767	4,755,362
FVIS – Equity investments	192,852	192,852	-	-	192,852
FVOCI Sukuk	17,366,646	10,111,862	7,254,784	-	17,366,646
FVOCI structured products	407,619	407,619	-	-	407,619
FVOCI – Equity investments	10,481,494	4,616,697	5,200,311	664,486	10,481,494
Positive fair value Shariah compliant derivatives	2,066,981	-	2,066,981	-	2,066,981
<b>Financial assets not measured at fair value:</b>					
Due from banks and other financial institutions	26,940,586	-	-	27,040,045	27,040,045
<b>Investments held at amortized cost:</b>					
Sukuk	133,828,917	11,221,136	116,997,917	-	128,219,053
Structured products	4,486,390	-	4,501,730	-	4,501,730
Financing, net	752,759,851	-	-	745,887,318	745,887,318
<b>Total</b>	<b>956,123,372</b>	<b>29,176,439</b>	<b>138,963,889</b>	<b>775,615,446</b>	<b>943,755,774</b>

2025	Carrying value (S '000)	Level 1 (S '000)	Level 2 (S '000)	Level 3 (S '000)	Total (S '000)
<b>Financial liabilities</b>					
<b>Financial liabilities measured at fair value:</b>					
Negative fair value Shariah compliant derivatives	2,276,665	-	2,276,665	-	2,276,665
<b>Financial liabilities not measured at fair value:</b>					
Due to banks, Saudi Central Bank and other financial institutions	117,283,797	-	-	116,465,725	116,465,725
Customers' deposits	667,287,500	-	-	669,044,189	669,044,189
<b>Total</b>	<b>786,847,962</b>	<b>-</b>	<b>2,276,665</b>	<b>785,509,914</b>	<b>787,786,579</b>

## notes to the consolidated financial statements

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2024	Carrying value (# '000)	Level 1 (# '000)	Level 2 (# '000)	Level 3 (# '000)	Total (# '000)
<b>Financial assets</b>					
<b>Financial assets measured at fair value:</b>					
FVIS Investments – Mutual funds	2,931,542	421,181	500,059	2,010,302	2,931,542
FVIS Sukuk	276,612	–	276,612	–	276,612
FVIS structured products	4,764,874	1,752,342	2,714,905	297,627	4,764,874
FVIS – Equity investments	258,890	243,890	15,000	–	258,890
FVOCI Sukuk	19,204,275	12,354,102	6,850,173	–	19,204,275
FVOCI structured products	866,439	866,439	–	–	866,439
FVOCI – Equity investments	8,584,420	4,624,418	3,935,580	24,422	8,584,420
Positive fair value Shariah compliant derivatives	1,905,903	–	1,905,903	–	1,905,903
<b>Financial assets not measured at fair value:</b>					
Due from banks and other financial institutions	19,529,727	–	–	19,651,276	19,651,276
<b>Investments held at amortized cost:</b>					
Murabaha with Saudi Government and SAMA	15,022,361	–	15,087,088	–	15,087,088
Sukuk	120,971,297	15,504,002	97,654,620	–	113,158,622
Structured products	2,200,651	–	2,168,270	–	2,168,270
Financing, net	693,409,723	–	–	684,663,049	684,663,049
<b>Total</b>	<b>889,926,714</b>	<b>35,766,374</b>	<b>131,108,210</b>	<b>706,646,676</b>	<b>873,521,260</b>

2024	Carrying value (# '000)	Level 1 (# '000)	Level 2 (# '000)	Level 3 (# '000)	Total (# '000)
<b>Financial liabilities</b>					
<b>Financial liabilities measured at fair value:</b>					
Negative fair value Shariah compliant derivatives	1,679,043	–	1,679,043	–	1,679,043
<b>Financial liabilities not measured at fair value:</b>					
Due to banks, Saudi Central Bank and other financial institutions	117,677,378	–	–	117,122,989	117,122,989
Customers' deposits	654,988,501	–	–	659,243,461	659,243,461
<b>Total</b>	<b>774,344,922</b>	<b>–</b>	<b>1,679,043</b>	<b>776,366,450</b>	<b>778,045,493</b>

For the years ended 2025 and 2024, there were no significant movements due to measured fair values on FVIS Mutual funds, FVIS Structured Products and FVOCI – Equity investments.



## notes to the consolidated financial statements

### Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and Level 3 fair values at December 31, 2024 and 2023, as well as the significant unobservable inputs used:

Item	Technique applied	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVSI mutual funds investments categorized as Level 2.	Based on the latest reported net assets value (NAV) as at the date of statement of consolidated financial position.	None	Not applicable
FVIS mutual funds investments categorized as level 3.	Based on the latest reported net assets value (NAV) as at the date of statement of consolidated financial position.	None	Not applicable
FVOCI Sukuk investments categorized as level 2.	<p>The Bank seeks an active market inputs including quoted prices for similar Sukuk bonds, yield curves, credit spreads, and benchmark profit rates. When direct price discovery is limited, valuation techniques such as discounted cash flow models are employed, incorporating market-based risk-free rates and issuer-specific credit spreads to approximate fair value.</p> <p>The use of Level 2 inputs enhances valuation reliability while acknowledging that Sukuk pricing may be influenced by factors such as market liquidity, trading frequency, and prevailing credit conditions.</p>	None	Not applicable

## notes to the consolidated financial statements

Item	Technique applied	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVIS structured products investments categorized as level 2.	For structured investments with embedded optionality classified under Level 2 fair value measurement, valuation relies on observable active market inputs, including profit rate curves, credit spreads, and implied volatilities. Market-calibrated models, are used to estimate fair value, provided key inputs remain directly observable. Adjustments for liquidity, counterparty credit risk, and bid-ask spreads ensure valuations reflect prevailing market conditions while maintaining classification within Level 2.	None	Not applicable
Derivatives categorized as Level 2 are comprised of over the counter profit rate swaps, cross currency swaps, and forward foreign exchange contracts.	These instruments are fair valued using the Group's proprietary valuation models that are based on discounted cash flow techniques. The data inputs on these models are based on observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.	None	Not applicable
Held at amortized cost Due from banks and other financial institutions categorized as level 3	Based on cost-based spread techniques using yield curve and deal inputs.	Additional buffer is added to account for any potential model discrepancy or any stressed market conditions.	Valuation is not significantly sensitive to the unobservable inputs
Held at amortized cost Murabaha with Saudi Government and SAMA categorized as level 2.	Based on simple discounted cash flow techniques that use referenced observable inputs, such as profit rates and yield curves.	None	Not applicable

## notes to the consolidated financial statements

Item	Technique applied	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Held at amortized cost Sukuk categorized as level 2.	<p>The Bank seeks an active market inputs include quoted prices for similar Sukuk bonds, yield curves, credit spreads, and benchmark profit rates. When direct price discovery is limited, valuation techniques such as discounted cash flow models are employed, incorporating market-based risk-free rates and issuer-specific credit spreads to approximate fair value.</p> <p>The use of Level 2 inputs enhances valuation reliability while acknowledging that Sukuk pricing may be influenced by factors such as market liquidity, trading frequency, and prevailing credit conditions.</p>	None	Not applicable
Held at amortized cost Financing categorized as level 3.	Discounted cash flow techniques that rely on referenced but unobservable inputs, including new business (discount) rates, portfolio rates, and assumptions about prepayment behavior.	New business (discount) rates, portfolio rates, and assumptions about prepayment behavior.	<p>The relationship between inputs and fair value is inverse or direct, depending on the input:</p> <ul style="list-style-type: none"> <li>• <b>Discount Rates:</b> Higher new business rates than portfolio rates decrease the fair value of the financing book, as future cash flows are discounted more steeply. Conversely, lower discount rates increase fair value.</li> <li>• <b>Prepayment Rates:</b> Higher prepayment rates shorten the portfolio's duration, leading to earlier cash flow realization. If the portfolio rate exceeds the discount rate, prepayments reduce fair value as the lender loses higher-yielding cash flows. Conversely, if the discount rate exceeds the portfolio rate, prepayments increase fair value since the lender can reinvest at a higher yield.</li> </ul>

## notes to the consolidated financial statements

**36 Related party transactions**

In the ordinary course of business, the Group transacts business with related parties. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA. The nature and balances resulting from such transactions are at arm's length between the parties as at and for the year ended 31 December are as follows:

	2025 (₺ '000)	2024 (₺ '000)
<b>Related parties</b>		
<b>Members of the Board of Directors</b>		
Financing	831,514	1,068,912
Current accounts	526,878	849,089
<b>Companies and establishments guaranteed by members of the Board of Directors*</b>		
Financing	13,914,097	8,252,833
Contingent liabilities **	1,157,393	2,208,063
<b>Associate</b>		
Contributions payable	695,824	67,399
Receivable against claims	330,224	400,240
Bank balances	373,976	656,413

\* This is in addition to the requirements of IAS 24.

\*\* off balance sheet items.

Income and expenses pertaining to transactions with related parties included in the consolidated financial statements for the years ended 31 December are as follows:

	2025 (₺ '000)	2024 (₺ '000)
Net income from financing and other financial assets	317,702	204,856
Employees' salaries and benefits (air tickets)	1,393	2,167
Rent and premises related expenses	1,106	1,106
Contribution - policies written	6,624,448	6,756,555
Claims incurred and notified during the year	2,423,512	946,779
Claims paid	2,547,883	1,070,214
Board of Directors' remunerations	14,668	6,115



## notes to the consolidated financial statements

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the years ended 31 December are as follows:

	2025 (# '000)	2024 (# '000)
Short-term benefits	211,191	176,488
Provision for employees' end of service benefits	2,782	4,709

The executive management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

### 37 Special commissions excluded from the consolidated statement of income

The following represents the movements in charities account, which is included in other liabilities (see note 17) for the year ended 31 December:

	2025 (# '000)	2024 (# '000)
Balance at beginning of the year	15,954	1,891
Additions during the year	52,173	27,686
Payments made during the year	(35,067)	(13,623)
<b>Balance at end of the year</b>	<b>33,060</b>	<b>15,954</b>

### 38 Investment management services

The Group offers investment services to its customers. The Group has established a number of Mudaraba funds in different investment aspects. These funds are managed by the Group's Investment Department, and a portion of the funds is also invested in participation with the Group. The Group also offers investment management services to its customers through its subsidiary, which include management of funds with total assets under management of # 165,822 million (2024: # 123,319 million). The mutual funds are not controlled by the Group and neither are under significant influence to be considered as associates/subsidiaries. Mutual funds' financial statements are not included in the consolidated financial statements of the

Group. The Group's share of investments in these funds is included under investments. Funds invested by the Group in those investment funds amounted to # 1,255 million at 31 December 2025 (2024: # 1,020 million).

### 39 Capital risk management

The Bank actively manages its capital base to cover the risks inherent in its business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision including the framework and guidance regarding the implementation of capital reforms under Basel III ("Basel III Accord") which has been adopted by the Bank's regulator, SAMA. The Basel III capital ratios measure capital adequacy by comparing the

## notes to the consolidated financial statements

Bank's eligible capital with its balance sheet assets, commitments and notional amount of derivatives at a weighted amount to reflect their relative risk.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its interim consolidated statement of financial position, commitments and contingencies to reflect their relative risks.

### 40 Capital adequacy

In line with SAMA and the internationally agreed timeline set by the Basel Committee on Banking Supervision (BCBS), the global standard-setter for the prudential regulation of banks, the Group started reporting Capital-Adequacy Ratios (CAR) as per Basel III: Finalizing post-crisis reforms regulations issued by SAMA through its Circular Number 44047144 effectively from January 1, 2023.

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

	2025 (# '000)	2024 (# '000)
Credit risk weighted assets	612,542,463	553,953,774
Operational risk-weighted assets	46,067,844	47,008,909
Market risk weighted assets	15,302,335	10,471,553
<b>Total Pillar I – risk weighted assets</b>	<b>673,912,642</b>	<b>611,434,236</b>
Tier I capital	138,057,620	117,948,293
Tier II capital	9,220,631	5,636,168
<b>Total tier I and II capital</b>	<b>147,278,251</b>	<b>123,584,461</b>
<b>Capital adequacy ratio %</b>		
Tier I ratio (%)	20.49	19.29
Tier I and II ratio (%)	21.85	20.21



## notes to the consolidated financial statements

**41 Mudarabah and Wakala based profit sharing investment accounts****(a) Analysis of PSIA income according to types of investments and financing assets:**

PSIA Assets that have been allocated and managed by the Bank through Financing, Investments, Due from financial institutions and other liquid assets of the combined pools (including Bank's contributions if any). The balances of the combined pools at the year end are as follows:

	2025 (S '000)	2024 (S '000)
<b>Financing:</b>		
Murabha	91,101,084	81,094,984
Ijarah	-	5,677,908
<b>Investments:</b>		
Murabaha with Saudi Government and SAMA investments	-	15,022,361
Sukuk	36,435,834	-
Due from financial institutions and other liquid assets	9,016,409	29,500,784
<b>Total pools' assets</b>	<b>136,553,327</b>	<b>131,296,037</b>

Investment account holder liabilities and Bank's own contributions position at year end are as follows:

	2025 (S '000)	2024 (S '000)
Mudarabah and Wakalah customers contributions	136,553,327	131,296,037
Bank's contribution in PSIA funds	-	-
<b>Total pool's contributions at year end</b>	<b>136,553,327</b>	<b>131,296,037</b>

## notes to the consolidated financial statements

**(b) The basis for calculating and allocating profits between IAHS and the Bank:**

Computation of combined pools' income is as follows:

	2025 (₹ '000)	2024 (₹ '000)
PSIA pool net income from Financing	5,534,242	6,042,502
PSIA pool income from Investments	1,213,350	1,530,070
<b>Total PSIA pools' net income</b>	<b>6,747,592</b>	<b>7,572,572</b>
<b>Allocated between IAHS and the Bank as follows:</b>		
Mudarib fee	2,792,051	2,563,634
Movement (from)/to PER	(60,473)	5,760
Total amount paid to IAH Mudarabah	4,016,014	5,003,178
<b>PSIA total pools' net income allocated</b>	<b>6,747,592</b>	<b>7,572,572</b>

Financing and investment income is net of exposure.

The basis of allocating the profits between IAH and the Bank:

	IAH Share	Bank Share
Profit Sharing Allocation Percentages (%)	59	41

**(c) The equity of the IAHS at the end of the reporting period:**

	2025 (₹ '000)	2024 (₹ '000)
Investment account holders balance before profit	136,553,327	131,296,037
Add: Profit for the IAH during the year	4,016,014	5,003,178
Less: Profit paid out during the year	(3,235,778)	(4,334,603)
<b>Net value of Investment Account Holders</b>	<b>137,333,563</b>	<b>131,964,612</b>



## notes to the consolidated financial statements

### (d) Basis for determining PER and changes that have occurred during the reporting year

Profit equalization reserve (PER) is determined and created by the Bank through appropriating an amount out of the profits earned on the pools' assets.

PER allows the Bank to mitigate considerably its exposure to displaced commercial risk. While the purpose of this reserve is to enhance the profit payout to IAH and the Bank in periods when the assets have underperformed.

With regard to the PER, IAHs agree in advance in the contract that regulates their relationship with Bank, on the proportion of their income that may be appropriated to PER. This amount is determined by the management of the Bank at their discretion.

### (e) Displaced commercial risk

Rate of return risk can give rise to displaced commercial risk. To mitigate displaced commercial risk, the Bank may decide to waive its portion of profits to increase the returns for the IAH.

### (f) Movement of PER

	2025 (ﷲ '000)	2024 (ﷲ '000)
Beginning Balance	140,039	134,279
Addition	-	5,760
Transferred	(60,473)	-
<b>Closing Balance</b>	<b>79,566</b>	<b>140,039</b>

### 42 Subsequent Event

On 07 January 2026, the Group issued 5000 Perpetual Sukuk Certificates (Sukuk) of USD 1000 million, The Group has a call option which can be exercised as per the terms mentioned in the related offering circular. The expected profit distribution on the Sukuk has a profit rate of 6.15 %.

On 24 Rajab 1447 H (corresponding to 13th of January 2026), the bank's Board of Directors recommended to the Extraordinary General Assembly to increase the bank's capital from ﷲ 40,000 million to ﷲ 60,000 million by granting bonus shares (1 shares for every 2 shares owned). The paid-up capital increase of ﷲ 20,000 million will be capitalized from retained earnings. The proposed grant is subject to obtaining necessary approvals from official authorities and Extraordinary General Assembly on the capital increase and number of granted shares.

On 26 January 2026, Al Rajhi Bank announced the BOD's recommendation to distribute cash dividends to the shareholders for the second half of 2025 amounting to ﷲ 7,000 million (ﷲ 1.75 per share).

## notes to the consolidated financial statements

### 43 Comparative Figures

During the year, term financing and certificate of deposits have been reclassified from "Due to banks, Saudi Central Bank and other financial institutions" to "Debt securities issued and term financing", also some deposits have been reclassified from the same item to "Customers' deposits" in order to reflect the Group's funding profile, in addition to the mentioned reclassification, certain insignificant prior periods figures have been reclassified to conform to current period presentation. Below is the summary of the reclassifications:

31 December 2024	As previously reported	Reclassification	Post-reclassification
<b>Consolidated statement of financial position</b>			
Due to banks, Saudi Central Bank and other financial institutions (Note 14)	173,434,597	(55,757,219)	117,677,378
Customers' deposits (Note 15)	628,238,501	26,750,000	654,988,501
Debt securities and term financing (Note 16)	8,450,753	29,007,219	37,457,972
Property, equipment, right of use and software, net (Note 12)	13,894,302	1,380,447	15,274,749

### 44 Approval of the Board of Directors

The consolidated financial statements were approved by the Board of Directors on 14 Shaban 1447 H (corresponding to 02 February 2026).



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## Environment

GRI 305

Emissions	Unit	2025				2024			
		Malaysia	Jordan	Kuwait	Saudi Arabia	Malaysia	Jordan	Kuwait	Saudi Arabia
Scope 1	MTCO <sub>2</sub> e	730.23	12.35	22.68	0	1,460.33	21.29	4.46	0
• Stationary	MTCO <sub>2</sub> e	0.85	1.02	0	0	0.33	2.50	1.83	0
• Mobile	MTCO <sub>2</sub> e	4.2	10.77	22.68	0	2.72	18.51	2.59	0
• Fugitive	MTCO <sub>2</sub> e	725.18	0.56	0	0	1,457.28	0.28	0.05	0
Scope 2	MTCO <sub>2</sub> e	1,715.78	1,018.81	231.12	126,447.42	2,030.44	917.43	315.19	130,922.31*
Total emissions (Scope 1 + Scope 2)	MTCO <sub>2</sub> e	2,446.01	1,031.16	253.8	126,447.42	3,490.77	938.72	319.65	130,922.31*
Emissions intensity (Total emissions/employee)	MTCO <sub>2</sub> e/ employee		5.27				5.8*		

\* The Scope 2 emissions data for the year ending December 31, 2024, has been revised due to an improvement in data availability and methodology for the CY24 energy consumption data. The CY24 emission intensity number has been revised accordingly.

GRI 302

Energy Consumption (Sources)	Unit	Employees	
		2025	2024
Energy Consumption from Petrol and Diesel	GJ	567 <sup>#</sup>	397 <sup>#</sup>
Energy Consumption from Non-renewable electricity purchased from grid	GJ	844,169	876,053*
Energy Consumption from Renewable sources	GJ	24,136	23,815*
Energy Intensity per employee (GJ/Employee)	GJ	34.6	38.5*
<b>Total Energy</b>	GJ	<b>868,871</b>	<b>900,265*</b>

\* The energy consumption data for the year ending December 31, 2024, have been restated due to an improvement in data availability and methodology. The CY24 energy intensity number has been revised accordingly.

# For calculating energy consumption from petrol and diesel, Net Calorific Value (NCV) of 45 GJ/ton and 43 GJ/ton have been considered, respectively.

GRI 303

Water and Effluents	Unit	Employees	
		2025	2024
Water Consumption	Megalitres	758	443.64



## ESG dashboard

## Social

GRI 2-7, 2-8

## Details of Total Employees (at group level)

	Unit	2025	2024
Total employees	Number	25,083	23,406
Female employees	%	36	34
Saudi employees	%	75	83
Employees departed	Number	4,996	5,093
Turnover rate	%	16.7	21.7
Total training hours	Number	650,213	548,544

GRI 2-7, 2-8

## Employees by grade and gender (at bank level)

	2025	
	Male	Female
Senior Management	15	0
Middle Management	189	5
Non-Management	7,937	1,817
<b>Total</b>	<b>9,961</b>	<b>1,822</b>

GRI 2-7, 2-8

## Details of Total Employees based on Gender and Age Group (at group level)

	Unit	2025		2024	
		Male	Female	Male	Female
<30 years	Number	4,611	4,697	4,405	4,450
30-50 years	Number	11,158	4,163	10,789	3,333
>50 years	Number	388	66	347	68
Number of permanent employees	Number	25,083		23,392	
Number of temporary employees	Number	0		14	

## ESG dashboard

416

GRI 2-7

2024			<30 years			
S. No.	Details of Employees based on Region (at group level)	Unit	Male		Female	
			Saudi	Non Saudi	Saudi	Non Saudi
1	Number of employees	Number	4,020	384	4,287	163
2	Number of FTEs	Number	4,020	383	4,287	163
2-a	Senior management employees	Number	0	0	0	0
2-b	Middle Management employees	Number	41	20	35	2
2-c	Non-Management employees	Number	3,979	363	4,252	161
3	Number of temporary employees	Number	0	1	0	0
4	Number of full-time employees	Number	4,020	384	4,287	163

GRI 2-7

Employee by category	Unit	2025	2024
Permanent	Number	19,662	23,392
Contract	Number	-	14
Outsourced	Number	5,421	-
<b>Total</b>	Number	<b>25,083</b>	<b>23,406</b>

GRI 202-2

Proportion of senior management hired from the local community (Saudi Arabia) (at bank level)	Unit	2025	2024
Total number of senior management personals	Number	15	14
Number of senior managements hired from the local community	Number	14	13
Percentage of senior management hired from the local community	%	93	93



## ESG dashboard

30-50 years				>50 years				Total
Male		Female		Male		Female		
Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi	
7,961	2,831	2,957	380	101	251	27	44	23,406
7,961	2,827	2,957	377	101	247	27	42	23,392
72	73	5	7	5	41	0	3	206
427	528	77	88	11	78	0	33	1,340
7,462	2,226	2,875	282	85	128	27	6	21,846
0	4	0	3	0	4	0	2	14
7,961	2,831	2,957	380	101	251	27	44	23,406

GRI 401-1

### Total new hires by age group and gender

	Gender	2025	2024
Ages 18-30 years	Male	2,869	2,476
	Female	3,303	3,542
	<b>Total</b>	<b>6,172</b>	<b>6,018</b>
Ages 31-50 years	Male	2,234	1,559
	Female	1,232	1,263
	<b>Total</b>	<b>3,466</b>	<b>2,822</b>
Ages 51+	Male	64	24
	Female	12	7
	<b>Total</b>	<b>76</b>	<b>31</b>

## ESG dashboard

## GRI 401-1

Employee Turnover	Gender	2025	2024
Ages 18-30 years	Male	1,189	1,201
	Female	1,456	1,806
	<b>Total</b>	<b>2,645</b>	<b>3,007</b>
Ages 31-50 years	Male	1,448	1,241
	Female	779	771
	<b>Total</b>	<b>2,227</b>	<b>2,012</b>
Ages 51+	Male	101	59
	Female	23	15
	<b>Total</b>	<b>124</b>	<b>74</b>

## GRI 401-3

Details of Parental Leaves for Employees (at a bank level)	Unit	Female	
		2025	2024
Employees who availed parental leave	Number	139	101
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work*	Number	124	84
Employees who returned to work after completion of parental leave	Number	124	84
Return to work rate	%	89	83
Retention Rate	%	100	83

## ESG dashboard

GRI 404-1

Employee training by category (at Group level) 2025	Number of employees			Number of person-hours of training		
	Male	Female	Total	Male	Female	Total
Senior Management	15	0	15	676	0	676
Middle Management	755	76	831	36,788	4,059	40,841
Non-Management	7,371	1,746	9,117	526,457	82,239	608,696
<b>Total training hours</b>	<b>8,141</b>	<b>1,822</b>	<b>9,963</b>	<b>563,915</b>	<b>86,298</b>	<b>650,213</b>

Employee training by category (at Group level) 2024	Number of employees			Number of person-hours of training		
	Male	Female	Total	Male	Female	Total
Senior Management	48	1	49	880	2	882
Middle Management	511	33	547	6,004	203	6,207
Non-Management	9,337	2,112	11,449	392,240	149,215	541,455
<b>Total training hours</b>	<b>9,896</b>	<b>2,146</b>	<b>12,042</b>	<b>399,124</b>	<b>149,420</b>	<b>548,544</b>

GRI 404-1

Average training hours 2025	Unit	Average training hours per employee category		
		Male	Female	Total
Senior Management	hrs/employee	45.0	0.0	45.0
Middle Management	hrs/employee	48.7	53.4	49.2
Non Management	hrs/employee	71.4	47.1	66.8

Average training hours 2024	Unit	Average training hours per employee category		
		Male	Female	Total
Senior Management	hrs/employee	18.3	2.0	18.0
Middle Management	hrs/employee	11.8	6.2	11.4
Non Management	hrs/employee	42.0	70.7	47.3

## ESG dashboard

## GRI 404-3

Employees receiving regular performance and career development review (Saudi Arabia) (at bank level)	Unit	Employees	
		2025	2024
Total number of employees – Male	Nos.	7,746	7,493
Total number of employees – Female	Nos.	1,681	1,542
Employees/Workers receiving career and developmental review – Male	Nos.	7,746	7,493
Employees/Workers receiving career and developmental review – Female	Nos.	1,681	1,542
Percentage of Employees/Workers receiving career and developmental review – Male	%	100	100
Percentage of Employees/Workers receiving career and developmental review – Female	%	100	100
Percentage of Employees/Workers receiving career and developmental review – Senior management employees	%	100	14
Percentage of Employees/Workers receiving career and developmental review-Middle management employees	%	100	100
Percentage of Employees/Workers receiving career and developmental review – Non-management employees	%	100	100

## GRI 406-1

Details of discrimination	2025	2024
Incidents of discrimination recorded	0	0



## ESG dashboard

### Economic and Governance

GRI 415-1

Public Policy	2025 #	2024 #
Political contributions	0	0

GRI 2-27

Compliance with laws and regulations	Unit	2025	2024
Number of significant instances of non-compliance with laws and regulations for which fines were incurred	Nos.	41	56
Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	Nos.	5	1
Total number of significant instances of non-compliance with laws and regulations	Nos.	46	57

GRI 2-27

Compliance with laws and regulations	2025		2024	
	Number of fines	Amount (ﷲ)	Number of fines	Amount (ﷲ)
Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	46	110,795,030	57	118,712,226

GRI 418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data	Unit	2025	2024
Number of data breach per customer	Nos.	0	0

## ESG dashboard

GRI 201-1

Direct economic value generated and distributed	2025 # '000	2024 # '000
<b>(A) Direct economic value generated</b>		
i. Revenues from operations	63,077,609	52,776,772
i-a. Revenues by business segment: Wholesale banking	21,183,891	20,966,887
i-b. Revenues by business segment: Treasury & Investments	19,706,780	10,203,847
i-c. Revenues by business segment: Retail Banking	22,186,938	21,606,038
i-d. Revenues by business segment: International Banking	-	-
ii. Revenues by business segment: Revenues from Other Sources	2,020,201	1,453,608
<b>Total (A)</b>	<b>65,097,810</b>	<b>54,230,380</b>
<b>(B) Economic value distributed</b>		
i. Operating Expenses	7,421,898	6,363,599
ii. Employee wages and benefits	4,025,571	3,723,809
ii. Payments to providers of capital	27,380,791	23,210,944
iv. Payments to government by country	2,821,986	2,236,709
iv-a. KSA	2,821,986	2,236,709
<b>Total (B)</b>	<b>41,650,246</b>	<b>35,535,061</b>
<b>(C) Economic value retained (A-B)</b>	<b>23,447,564</b>	<b>18,695,319</b>
<b>(D) Profit Before Tax</b>	<b>27,646,496</b>	<b>21,967,895</b>
<b>(E) Profit After Tax</b>	<b>24,824,510</b>	<b>19,722,206</b>
<b>(F) Earnings Per Share</b>	<b>6</b>	<b>5</b>
<b>(G) Return on (average) equity</b>	<b>23</b>	<b>21</b>
<b>(H) Tier-1 Capital notes</b>	<b>3</b>	<b>3</b>
<b>(I) Capital Resources</b>	<b>142,912,345</b>	<b>123,139,231</b>



# GRI content index

Topic	GRI	Disclosure	Location
The organisation and its reporting practices	2-1	Organisational details	
	2-2	Entities included in the organisation's reporting boundary	
	2-3	Reporting period, frequency and contact point	
	2-5	External assurance	External assurance has not been obtained for the reporting period
Activities and workers	2-6	Activities, value chain, and other business relationships	Page 8
	2-7	Employees	Page 416
Governance	2-9	Governance structure and composition	Page 230
	2-10	Nomination and selection of the highest governance body	Page 236
	2-11	Chair of the highest governance body	Page 230
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 216
	2-13	Delegation of responsibility for managing impacts	Page 230
	2-14	Role of the highest governance body in sustainability reporting	Page 122
	2-15	Conflicts of interest	Page 277
	2-16	Communication of critical concerns	Page 255
	2-17	Collective knowledge of the highest governance body	Page 216
	2-18	Evaluation of the performance of the highest governance body	Page 242
	2-19	Remuneration policies	Page 242
2-20	Process to determine remuneration	Page 242	
2-21	Annual total compensation ratio	Not disclosed	
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	Page 18
	2-23	Policy commitments	Page 275
	2-24	Embedding policy commitments	Page 154 and 275
	2-25	Processes to remediate negative impacts	Page 161
	2-26	Mechanisms for seeking advice and raising concerns	Page 161
	2-27	Compliance with laws and regulations	Page 250
2-28	Membership associations	Data not available	
Stakeholder engagement	2-29	Approach to stakeholder engagement	Page 123

## GRI content index

Topic	GRI	Disclosure	Location
Material topics	3-1	Process to determine material topics	Page 128
	3-2	List of material topics	Page 128
	3-3	Management of material topics	Page 135, 144, 167, 178, 202, 214
Economic performance	201-1	Direct economic value generated and distributed	Page 442
	201-2	Financial implications and other risks and opportunities due to climate change	Page 140
	201-3	Defined benefit plan obligations and other retirement plans	Page 249
	201-4	Financial assistance received from government	Data not available
Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Not disclosed
	202-2	Proportion of senior management hired from the local community	Page 416
Indirect economic impacts	203-1	Infrastructure investments and services supported	Page 213
	203-2	Significant indirect economic impacts	Data not disclosed
Procurement practices	204-1	Proportion of spending on local suppliers	Page 110
Anti-corruption	205-1	Operations assessed for risks related to corruption	Data not available
	205-2	Communication and training about anti-corruption policies and procedures	Page 267
	205-3	Confirmed incidents of corruption and actions taken	Page 117
Tax	207-1	Approach to tax	Page 272
	207-2	Tax governance, control, and risk management	Page 272
	207-3	Stakeholder engagement and management of concerns related to tax	Page 272
Energy	302-1	Energy consumption within the organisation	Page 414
	302-3	Energy intensity	Page 414
	302-5	Reduction in energy consumption	Page 134

## GRI content index

Topic	GRI	Disclosure	Location
Water	303-1	Interaction with water as a shared resource	Page 140
	303-5	Water consumption	Page 414
Emissions	305-1	Direct (Scope 1) GHG emissions	Page 414
	305-2	Energy indirect (Scope 2) GHG emissions	Page 414
	305-4	GHG emissions intensity (Combined Scope 1+2)	Page 414
	305-5	Reduction of GHG Emissions	Page 414
Waste	306-1	Waste generation and significant waste-related impacts	Data not available
	306-2	Management of significant waste-related impacts	Page 140
	306-3	Waste generated	Data not available
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Data not available
	308-2	Negative environmental impacts in the supply chain and actions taken	Data not available
Employment	401-1	New employee hires and employee turnover	Page 417 and 418
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Data not disclosed
	401-3	Parental leave	Page 418
Occupational Health and Safety	403-1	Occupational health and safety management system	Page 162
	403-2	Hazard identification, risk assessment, and incident investigation	Page 163
	403-3	Occupational health services	Page 162
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 162
	403-5	Worker training on occupational health and safety	Page 162
	403-6	Promotion of worker health	Page 159
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 163
	403-8	Workers covered by an occupational health and safety management system	Page 162
	403-9	Work-related injuries	Data not available
	403-10	Work-related ill health	Data not available

## GRI content index

Topic	GRI	Disclosure	Location
Training and education	404-1	Average hours of training per year per employee	Page 419
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 154
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 146
Diversity & equal opportunity	405-1	Diversity of governance bodies and employees	Data not disclosed for Board of Directors, however for employees, data may be found at Page 416
	405-2	Ratio of basic salary and remuneration of women to men	Data not available
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Page 420
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Data not disclosed
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Data not disclosed
Security practices	410-1	Security personnel trained in human rights policies or procedures	Data not disclosed
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	Page 171
	413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
Supplier social assessment	414-1	New suppliers that were screened using social criteria	Data not available
	414-2	Negative social impacts in the supply chain and actions taken	Data not available
Public policy	415-1	Political Contributions	Page 421
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 116



# glossary of key islamic finance terms

## Ajr

commission or fee charged for services

## Akar

instalment sale to invest in property

Financing to give customers an opportunity to invest in property with repayment to the Bank in the form of instalments over a period of time.

## Bai al Arboon

down payment sale

A sale agreement

In which a down payment is provided in advance as part payment towards the price of the commodity for reserving the commodity. The down payment is forfeited if the buyer does not return to take the commodity and the seller is entitled to sell the commodity.

## Bai Al Ajel

deferred payment sale

A sale on a deferred payment basis. Equipment or goods are sold by the Bank to the client for an agreed lump sum price which includes the profit required by the Bank without disclosing the cost. The client may pay by instalments within a pre-agreed period, or in a lump sum.

## Bai Inah

sale and buy-back

The sale and buy-back of an asset for a higher price than that for which the seller originally sold it. The seller immediately buys back the asset just sold on a deferred payment basis at a price higher than the original price. This can be seen as a loan in the form of a sale.

## Eirad

credit facilities granted against assignment of an income stream for a specific period.

## Fiqh

Islamic jurisprudence

## Gharar

uncertainty

One of three fundamental prohibitions in Islamic finance (the other two being Riba and Maysir). Gharar is a concept that covers certain types of haram uncertainty whereby one or more parties stand to be deceived through ignorance of an essential element in the contract. Gambling is a form of Gharar because the gambler is ignorant of the result of the gamble. The prohibition on Gharar is often used as the grounds for criticism of conventional financial practices such as short selling, speculation and derivatives.

## Halal

lawful, permissible

## Haram

unlawful, forbidden

Activities, professions, contracts and transactions that are explicitly prohibited by the Quran or the Sunnah.

## Hawala

bill of exchange, remittance

A contract which allows a debtor to transfer his debt obligation to a third party who owes the former a debt. The mechanism of Hawala is used for settling international accounts by book transfers, thus obviating the need for a physical transfer of cash.

## Ijara

leasing

A lease agreement whereby a bank or financier buys an item for a customer and then leases it to him over a specific period, thus earning profits for the Bank by charging rental. The duration of the lease and the fee are set in advance. During the period of the lease, the asset remains in the ownership of the lessor (the Bank), but the lessee has the right to use it. After the expiry of the lease agreement, this right reverts to the lessor.

## Ijara Thumma Bai

leasing to purchase

The same principle governing an Ijara contract, but at the end of the lease period the lessee buys the asset for an agreed price through a purchase contract.

## Ijarah wa Iqtina

buy-back leasing

## Istisnaa

advance purchase of goods or buildings

A contract of acquisition of goods by specification or order, where the price is paid in advance, or progressively in accordance with the progress of a job. For example, to purchase a yet to be constructed house, payments would be made to the builder according to the stage of work completed. This type of financing, along with Salam, is used as a purchasing mechanism, and Murabaha and Bai Al Ajel are for financing sales.

## Kafalah

guarantee

Shariah principle governing guarantees. It applies to a debt transaction in the event of a debtor failing to pay.

## Maysir

gambling

One of three fundamental prohibitions in Islamic finance (the other two being Riba and Gharar). The prohibition on Maysir is often used as grounds for criticism of conventional financial practices such as speculation, conventional insurance and derivatives.

## Mudaraba

trust financing, profit sharing

An investment partnership, whereby the investor (the Rab al mal) provides capital to the entrepreneur (the mudarib) in order to undertake a business or investment activity. While profits are shared on a pre-agreed ratio, losses are born by the investor alone. The mudarib loses only his share of the expected income.

The investor has no right to interfere in the management of the business, but he can specify conditions that would ensure better management of his money. In this way Mudaraba is sometimes referred to as a sleeping partnership.

A joint Mudaraba can exist between investors and a bank on a continuing basis. The investors keep their funds in a special fund and share the profits before the liquidation of those financing operations that have not yet reached the stage of final settlement. Many Islamic investment funds operate on the basis of joint Mudaraba.

## Mudarib

entrepreneur in a Mudaraba contract

The entrepreneur or investment manager in a Mudaraba who puts the investor's funds in a project or portfolio in exchange for a share of the profits. A Mudaraba is similar to a diversified pool of assets held in a discretionary asset management portfolio.

## Murabaha

cost-plus financing

A form of credit in which the Bank buys an item and sells it to the customer on a deferred basis. The price includes a profit margin agreed by both parties. Repayment, usually in instalments, is specified in the contract.

The legality of this financing technique has been questioned because of its similarity to Riba. However, the modern Murabaha has become a popular financing technique among Islamic banks, used widely for consumer finance, real estate and the purchase of machinery and for financing short-term trade.

## glossary of key islamic finance terms

### Musharaka

#### joint venture, profit and loss sharing

An investment partnership in which all partners are entitled to a share in the profits of a project in a mutually agreed ratio. Losses are shared in proportion to the amount invested. All partners to a Musharaka contribute funds and have the right to exercise executive powers in that project, similar to a conventional partnership structure and the holding of voting shares in a limited company.

This equity financing arrangement is widely regarded as the purest form of Islamic financing. The two main forms of Musharaka are –

- Permanent Musharaka: an Islamic bank participates in the equity of a project and receives a share of the profit on a *pro rata* basis. The length of contract is unspecified, making it suitable for financing projects where funds are committed over a long period.
- Diminishing Musharaka: this allows equity participation and sharing of profits on a *pro rata* basis, and provides a method through which the Bank keeps on reducing its equity in the project, ultimately transferring ownership of the asset to the participants. The contract provides for payment over and above the Bank's share in the profit for the equity held by the Bank. Simultaneously the entrepreneur purchases some of the Bank's equity, progressively reducing it until the Bank has no equity and thus ceases to be a partner.

### Mutajar

#### an asset financing mechanism with deferred payment

A financing agreement whereby the bank purchases a commodity or an asset and sells it to the client based on a purchase promise from the client with a deferred price higher than the cash price, thus making the client a debtor to the Bank for the sale amount and for the period agreed in the contract.

### Qard Hasan

#### benevolent loan

A loan contract between two parties for social welfare or for short-term bridging finance. Repayment is for the same amount as the amount borrowed. The borrower can pay more than the amount borrowed so long as it is not stated by contract.

### Riba

#### interest

An increase, addition, unjust return, or advantage obtained by the lender as a condition of a loan. Any risk-free or "guaranteed" rate of return on a loan or investment is Riba. Riba in all its forms is prohibited in Islam.

In conventional terms, Riba and "interest" are used interchangeably, although the legal notion extends beyond mere interest.

### Shariah

#### Islamic jurisprudence

### Sukuk

#### Islamic bond

An asset-backed bond which is structured in accordance with Shariah and may be traded in the market. A Sukuk represents proportionate beneficial ownership in the underlying asset, which will be leased to the client to yield the return on the Sukuk.

### Takaful

#### Islamic insurance

Based on the principle of mutual assistance, Takaful provides mutual protection of assets and property and offers joint risk-sharing in the event of a loss by one of the participants. Takaful is similar to mutual insurance in that members are the insurers as well as the insured. Conventional insurance is prohibited in Islam because its dealings contain several haram elements, such as Gharar and Riba.

### Tawarruq

#### reverse Murabaha

In personal financing, a client with a genuine need buys an item on credit from the Bank on a deferred payment basis and then immediately resells it for cash to a third party. In this way, the client can obtain cash without taking out an interest-based loan.

### Ujrah

#### fee

The financial charge for using services, or Manfaat (wages, allowance, commission, etc.).

### Waqf

#### charitable trust

### Zakat

#### religious tax

An obligatory contribution which every wealthy Muslim is required to pay to the Islamic state, or to distribute amongst the poor. According to Islam, Zakat – the third pillar of Islam – purifies wealth and souls. Zakat is levied on cash, cattle, agricultural produce, minerals, capital invested in industry and business.



## Name

alrajhi Banking and Investment Corporation

## Trade Name

alrajhi bank

## Commercial Registration No.

1010000096

## Registered Logo



## Legal Form

A Saudi joint stock company, formed and licensed pursuant to Royal Decree No. M/59 dated 3 Dhul Qadah 1407H (29 June 1987), in accordance with Article 6 of the Council of Ministers Resolution No. 245, dated 26 Shawal 1407H (23 June 1987).

## Stock Exchange Listing

The shares of the Bank are listed on the Saudi Stock Exchange (Tadawul).  
Stock code: 1120.SE

## Subsidiary Companies and Branches

Name of subsidiary	Country of operation	Country of establishment
Al Rajhi Capital Company – KSA	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Tuder Real Estate Company – KSA	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Management and Development for Human Resources Company (Atmaal)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Digital Solutions Co. (Neoleap)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Emkan Finance Company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Ejada Systems Limited Co	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Drahim	Cayman Islands	Kingdom of Saudi Arabia
Neotek	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
alrajhi Corporation Limited – Malaysia	Malaysia	Malaysia
alrajhi bank – Jordan	Jordan	Jordan
alrajhi bank – Kuwait	Kuwait	Kuwait
Tawtheeq company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Al Rajhi Financial Markets Ltd	Cayman Islands	Cayman Islands

## Auditors

Ernst and Young  
Deloitte and Touche & Co

## Head Office/Registered Office

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