بنك الجزيرة
aljazira bank

Wealth Grows Here

2025 Annual Report

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

Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud

“Our real wealth lies in the ambition of our people and the potential of our younger generations”

His Royal Highness

Prince Mohammed Bin Salman Bin Abdulaziz Al Saud

Crown Prince and Prime Minister

Wealth Grows Here

"Wealth Grows Here" encapsulates Aljazira Bank's current phase of strategic maturity, where growth is no longer treated as an end in itself, but as the outcome of deliberate strategic choices, a balanced business model, and a deep-rooted institutional capacity to transform opportunities into sustainable value.

In a financial environment marked by rapid change and increasing complexity, Aljazira Bank continues its focus on building wealth that grows steadily through responsible capital management, enhancing asset quality, and developing Shariah-compliant banking solutions that meet the needs of both retail and corporate sectors.

Wealth grows here when resources are managed efficiently, decisions are guided by sound governance frameworks, and digital transformation is translated into a tangible impact on performance and customer experience. It's further reinforced through enduring partnerships and carefully designed financial solutions within a balanced framework of financial discipline, innovation, and risk oversight.

2025 marks an advanced milestone in Aljazira Bank's long strategic progression, during which the Bank continued to build on its legacy spanning over five decades, leading to a stage of value maximization and delivering measurable and sustainable impact. These efforts translated into measurable business growth, stronger financial performance, and a broader customer base, while reinforcing the Bank's role in supporting the national economy and enabling key sectors.

Through this concept, Aljazira Bank reaffirms its commitment to building wealth with a long-term perspective, advancing the objectives of Vision 2030 and affirming its role as a trusted national banking institution where wealth grows and value continues to expand.

About the Report

This annual report provides a comprehensive overview of Aljazira Bank's financial and operational performance during 2025, covering its strategic activities and results across various sectors. The report aims to provide shareholders and stakeholders with clear, reliable information regarding the Bank's performance, strategic direction, and progress in governance and sustainability, reflecting a trajectory toward disciplined value realization and disciplined growth.

Reporting Methodology

The report was prepared under a structured methodology, ensuring data accuracy and consistency, whereby information was gathered from relevant departments and reviewed internally to ensure accuracy and alignment with approved regulatory disclosures. This report covers the financial period from 1 January to 31 December 2025 and includes the operations of Aljazira Bank and its subsidiaries within the approved disclosure scope.

Reporting Standards

The report is based on the International Financial Reporting Standards (IFRS) as adopted by the Bank. It adheres to the disclosure and governance requirements issued by relevant regulatory bodies, including the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA). Furthermore, the report observes the best practices for financial institution annual reporting by providing a balanced disclosure that encompasses financial results, operational performance, governance, and sustainability.

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01

Leading With Perspectives

Setting the Course for Prosperity

About Aljazira Bank

About Us

Aljazira Bank is a Saudi Joint Stock Company and a full-service bank delivering an integrated suite of banking solutions serving retail, corporate, and institutional clients, as well as the treasury and investment sectors.

The Bank operates within a competitive banking landscape and adopts a business model that balances responsible growth, operational discipline, and prudent risk management. The Bank focuses on delivering practical banking solutions that address the diverse needs of its customers, underpinned by a flexible operating model and expanding digital capabilities.

The Bank continues to strengthen its position in the Saudi market by elevating operational efficiency, enhancing customer experience, and adhering to governance and compliance standards, supporting sustainable long-term performance.

Furthermore, the Bank operates within a robust Shariah governance framework overseen by the Shariah Committee, in compliance with Islamic Shariah principles and reinforcing trust among customers and stakeholders.

Aljazira Bank at a Glance

Number of Employees

2,505

Employees

Branch Network

73

Branches distributed across various regions in the Kingdom

ATMs

565

Remittance Centers

24

Credit Ratings

Moody's

BAA3 — Stable Outlook

Fitch

A- — Stable Outlook

Subsidiaries

Subsidiaries	Country of Incorporation	Nature of Business	Ownership (Direct and Indirect) as of 31 December 2025	Ownership (Direct and Indirect) as of 31 December 2024
Aljazira Capital Company (AJC)	Kingdom of Saudi Arabia	Brokerage, margin financing and asset management	**100%**	**100%**
Aman Development and Real Estate Investment Company	Kingdom of Saudi Arabia	Holding and managing real estate collaterals on behalf of the Bank	**100%**	**100%**
Aljazira Securities Limited	Cayman Islands	Carry out Shariah compliant derivative and capital market transactions	**100%**	**100%**
Aljazira Bank Tier 1 Sukuk Limited	Cayman Islands	Trustee for issuance of Tier 1 capital certificates	**100%**	**100%**
Associates				
Aljazira Takaful Ta'awuni Company	Kingdom of Saudi Arabia	Fully Shariah compliant protection and saving products	**33.08%**	**33.08%**

Purpose

Enriching lives through financial well-being.

Vision

A boutique bank with upside potential
A mobile first, digitally enabled bank that blends the physical and digital worlds
A dynamic and resilient bank in a transforming world, built on innovation & partnership

These ambitions will combine to deliver long-term stability and profitability for our shareholders.

Values

We innovate for the future; we succeed through partnership.

Leadership Statements

Chairman's Message

Eng. Abdulmajeed bin Ibrahim Al-Sultan
Chairman of the Board of Directors

In the Name of Allah, the Most Gracious, the Most Merciful
Peace and blessings be upon our Prophet Muhammad, and upon his family and companions.
Dear Shareholders, Partners, and Valued Stakeholders,
Peace be upon you,

On behalf of the Board of Directors of Aljazira Bank, I am pleased to present the Annual Report and financial statements for the fiscal year ended 31 December 2025, under the theme "Wealth Grows Here." This theme reflects a clear stage of institutional maturity that defines our view of the Bank's role as a leading national financial institution. We are committed to building sustainable value for the Kingdom, for society, and for our shareholders, value that is not confined to a single cycle, but grows steadily and responsibly through successive stages of institutional development and strategic maturity.

A Supportive National Environment and a Strengthened Financial Sector
In 2025, the Kingdom of Saudi Arabia continued its ambitious development journey under its wise leadership. The national economy sustained strong momentum, driven by measurable progress toward the objectives of Vision 2030, continued expansion of non-oil sectors, and the strengthening of the financial sector as a cornerstone of sustainable economic development. This progress was reflected in GDP growth, broader economic diversification, deeper capital markets, and rising levels of confidence domestically and internationally.

Within this promising national landscape, Aljazira Bank continued to fulfill its role as a responsible national financial institution. We supported priority sectors and strategic projects, enabled individuals and families to achieve their housing and lifestyle aspirations, advanced entrepreneurship and SME growth, and strengthened financial inclusion, all within a framework fully aligned with the principles of Islamic Shariah.

Governance and Sustainability: Foundations of Responsible Growth
The Board firmly believes that sustainable growth is not built on short-term gains, but on robust governance, full transparency, disciplined risk management, and social responsibility.

Accordingly, during 2025, the Board placed strategic emphasis on strengthening the Bank's governance framework at all levels, ensuring full alignment with the regulatory requirements of the Saudi Central Bank and the Capital Market Authority, while adhering to leading global practices.

The Board also maintained close oversight of embedding sustainability and ESG principles into the core of the Bank's business model and strategic decision-making. We view sustainability not as a discretionary commitment but as a strategic imperative and a national and institutional responsibility. This commitment was demonstrated through the expansion of our sustainable and green financing portfolio, the delivery of impactful social responsibility programs benefiting thousands of citizens, and the receipt of prestigious national awards in governance, social responsibility, and institutional excellence, serving as independent affirmation of the depth and credibility of our efforts.

A Clear Vision and a Defined Strategic Direction
The Board looks ahead with confidence, supported by a strong financial position, a balanced and resilient business model, advanced institutional capabilities, and a committed leadership team. Our direction remains firmly anchored in strengthening governance and institutional discipline, advancing sustainable and responsible growth, accelerating digital transformation, developing national talent, maximizing positive social impact, and contributing meaningfully to the national goals.

We remain mindful of ongoing global economic challenges, including financial market volatility, geopolitical tensions, and accelerating regulatory developments. Yet we are confident, by the grace of Allah and through prudent institutional leadership and highly capable national talent, in the Bank's ability to navigate these dynamics with agility and discipline, continuing our path of growth in service of the national interest and the aspirations of our shareholders and stakeholders.

Appreciation and Gratitude
With that, I extend my sincere appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, may Allah preserve them, for their visionary leadership and steadfast support of the Kingdom's comprehensive economic and financial transformation, which has elevated the nation's regional and global standing.

I also extend my appreciation to the Saudi Central Bank, the Capital Market Authority, the Ministry of Finance, the Ministry of Commerce, and all regulatory and supervisory authorities for their constructive guidance and oversight, which reinforce the strength and stability of the national financial system.

My sincere thanks also go to our valued shareholders for their continued trust, to our customers and partners for their loyalty, and to our Executive Management and all Bank employees for their professionalism, commitment, and dedication, qualities that remain the true foundation of our sustained success.

We pray to Almighty Allah to guide us in serving our beloved nation and to preserve the Kingdom of Saudi Arabia in security, stability, and prosperity under its wise leadership.

Leadership Statements

CEO Message

Mr. Naif Abdulkareem Al-Abdulkareem
CEO and Managing Director

Dear Valued Shareholders,
Peace be upon you,

It is my pleasure to present Aljazira Bank's performance for the year ended 31 December 2025. This year marked a defining milestone in the Bank's journey, with the official launch of our new corporate identity. The new identity represents the culmination of a strategic phase that has strengthened the Bank's role and position within the Saudi banking sector. It reflects our strategic direction and future ambitions while building on a longstanding legacy and a proven track record of delivering sustainable value to our customers.

Launched under the theme "Wealth Grows Here," the new identity captures the pivotal stage the Bank is navigating today: a transition from building strong foundations and strengthening infrastructure to a phase focused on value realization, maximizing the benefits of strategic investments, and translating plans and initiatives into measurable outcomes that enhance customer experience and generate sustainable returns for shareholders.

"Wealth Grows Here" also reflects the Bank's role as a trusted partner in building wealth and creating sustainable value for its retail and corporate customers, reinforcing its position as a trusted financial institution, confidently advancing toward a broader and more ambitious future.

Operational and Financial Discipline Driving Results
In 2025, Aljazira Bank delivered strong operational and financial performance driven by a clearly defined strategy and disciplined execution. Total assets grew by 11% to ﷼165.9 billion, supported by 14% growth in the financing portfolio to ﷼110.9 billion, alongside a 7% increase in customer deposits to ﷼115.4 billion. This balanced expansion translated into robust top-line performance, with total operating income increasing by 18% year-on-year, and net profit after Zakat reaching ﷼1,505.5 million, representing growth of 22%.

Credit quality continued to improve, with the NPL ratio declining to 1.03% from 1.21% in the previous year.

This performance reflects the ongoing optimization of our asset mix, measured expansion of Shariah-compliant financing, and continued strengthening of a stable deposit base, all aligned with our prudent risk appetite.

Strengthening the Capital Base: A Pivotal Strategic Milestone
The year 2025 marked a pivotal milestone in reinforcing the Bank's financial foundation. We successfully executed strategic capital initiatives and diversified our funding sources, strengthening balance sheet resilience and positioning the Bank to support future growth without compromising governance or financial discipline. These initiatives were positively received by both local and international investors, reflecting growing confidence in our business model and our ability to deliver sustainable, responsible growth.

Performance Across Core Business Segments
Retail Banking continued its positive growth trajectory through innovative financing solutions tailored to diverse customer segments. Digital retail account openings grew by 31% year-on-year, representing a tenfold cumulative increase over the past three years, demonstrating the strength of our digital acquisition strategy. We also expanded mortgage financing programs supported by the Real Estate Development Fund (REDF), contributing to the Kingdom's economic ambitions.

Corporate and Institutional Banking further strengthened its contribution, accounting for 47% of the Bank's total income. The Group sustained momentum in large corporates while pursuing targeted growth in mid-corporates, supported by expanded trade finance capabilities that facilitated trade flows and strengthened transaction banking services for corporate clients. The SME portfolio grew by 22%, driven by the launch of the fully integrated Aljazira Business digital platform, delivering a seamless mobile and web banking experience. Fully digital SME onboarding increased by 528%, highlighting the effectiveness of our digital enablement strategy in this key segment.

Treasury demonstrated strong liquidity and market risk management in an environment characterized by profit rate volatility and global uncertainty. We maintained solid liquidity ratios, safeguarded margins, and reinforced financial stability through proactive asset and liability management.

In parallel, Aljazira Capital delivered a record performance in 2025, with revenues reaching ﷼752.8 million and net income before Zakat and income tax growing by 48.7%. This performance reinforces Aljazira Capital's role as a core pillar of the Group's diversified business model.

Digital Transformation: Scaling Institutional Innovation
2025 marked a major acceleration in our digital transformation journey. We launched more than 40 new digital services and products, reinforcing our speed to market and responsiveness to evolving customer expectations. Aljazira Bank was among the first banks to launch Google Pay alongside Samsung Pay, expanding digital payment capabilities. We also advanced Open

Banking adoption for account aggregation, enabling customers to access a unified financial view and exercise greater control over their financial data.

In Artificial Intelligence, we completed five high-impact AI deployments and established infrastructure readiness for Generative AI, creating a scalable foundation for future innovation. The implementation of CRM 360 provided a unified customer view across channels, significantly reducing average complaint resolution time and improving service quality. As a result, the Customer Satisfaction Index rose from 54 to 60, while complaint handling quality reached 97%, exceeding our target.

From an operational efficiency standpoint, we successfully delivered a broad portfolio of technology initiatives and managed a high volume of change requests, reflecting the maturity of our governance model and the agility of our execution. These digital initiatives contributed to improved operational efficiency and cost optimization.

Cybersecurity and Operational Resilience

We continued to prioritize cybersecurity and resilience by fully automating our disaster recovery environment, ensuring business continuity under all scenarios. The Bank maintained compliance with PCI DSS standards and the SWIFT Customer Security Controls Framework (CSCF), reinforcing the highest standards of data security and customer protection.

Human Capital: The Cornerstone of Success

We firmly believe that national talent is the cornerstone of long-term success. In 2025, we intensified investments in leadership development, technology skills, risk management, and compliance training. Initiatives such as "CEO Power Hour" strengthened internal engagement and reinforced corporate values, while incentive frameworks linked frontline performance to customer satisfaction, embedding a "Customer First" culture into daily practice.

Sustainability and Social Responsibility: Clear Outcomes

Our social impact in 2025 evolved into structured, measurable programs delivering tangible outcomes across the communities we serve. During the year, we implemented more than 130 initiatives benefiting over 27,800 individuals, including 40 youth empowerment projects supporting more than 3,200 young men and women, 31 initiatives dedicated to persons with disabilities benefiting over 4,400 individuals, and 33 initiatives aimed at strengthening the nonprofit sector, reaching more than 9,400 entities and beneficiaries.

The Interest-Free Loan Portfolio (Qard Hasan) exceeded ﷼116 million in cumulative financing, supporting more than 15,000 productive families. Our green financing portfolio grew by ﷼4 billion, reinforcing our commitment to environmentally responsible investment.

These efforts were recognized through national awards from the Ministry of Human Resources and Social Development, ISO certifications (9001, 14001, 45001), Tier certifications from the Uptime Institute for our data centers. The Internal Audit Group attained the highest possible rating, "Generally Conforms," under IIA standards based on the internal assessment, reflecting the strength and effectiveness of our internal control framework.

Positioned for the Next Phase of Growth

We enter 2026 with confidence, supported by a mature operating platform, advanced technology infrastructure, and a digital business model that consistently delivers measurable value. Our priorities remain clear: maximizing returns on technology investments, deepening cross-sector integration, maintaining steady growth, continuing to innovate in Shariah-compliant products and services, balancing shareholder expectations with our national and social responsibilities.

Appreciation

I extend my sincere appreciation to everyone who contributed to the Bank's achievements this year. My profound thanks go to our employees, whose discipline, professionalism, and commitment to excellence continue to define our performance and strengthen our institutional culture. I am equally grateful to our customers and partners for the trust they place in us, which remains both our responsibility and our greatest source of momentum.

I also express my deep appreciation to the Kingdom's wise leadership, may Allah preserve them, for their visionary guidance and steadfast support of the nation's economic transformation. My thanks extend to the regulatory authorities for their constructive oversight and ongoing guidance and to the Board of Directors for its strategic clarity, prudent supervision, and continued confidence in the Executive Management.

Together, we remain focused on disciplined execution, sustainable growth, and delivering enduring value to all our stakeholders.

Leadership Statements

CFO Message

Mr. Hani S. Noori
Chief Financial Officer (CFO)

Dear Valued Shareholders,

I am pleased to present Aljazira Bank's financial results for the year ended 31 December 2025. The year's performance reflects a disciplined financial strategy, prudent management of resources and risks, and resilience in a global environment characterized by volatility and heightened uncertainty. The Bank delivered balanced profitability growth while preserving a strong financial position and high asset quality, reinforcing confidence in our strategic direction and our ability to generate sustainable long-term shareholder value.

During the year, the Bank delivered strong financial performance, with operating income increasing by 18% and net profit after zakat reaching ﷼ 1,505.5 million, representing a growth of 22%. Earnings per share increased to SAR 1.00 from ﷼ 0.81 in the previous year.

This growth was driven by higher net financing and investment income, supported by targeted expansion of the financing portfolio and an improved asset mix, alongside increased fee and commission income reflecting the success of our income diversification strategy. Net financing margin improved to 2.06% (from 1.99% in the prior year), accompanied by total operating income of ﷼ 4,464 million.

Asset quality continued to strengthen during the year, with the non-performing loan (NPL) ratio declining to 1.03% from 1.21% in 2024. This improvement was supported by strong recoveries from debts previously written off ﷼ 154 million. The credit provision coverage ratio increased to 186.1%, reflecting prudent underwriting standards and robust credit risk management practices, while cost of risk stood at 36 basis points, indicating further enhancement in the quality of the financing portfolio.

The Bank maintained a strong financial position, with total assets reaching ﷼ 165.9 billion, an increase of 11%, and shareholders` equity rising by 25% to ﷼ 21.8 billion. The Capital Adequacy Ratio stood at 19.9%, with Tier 1 capital at 17.8%, significantly above regulatory requirements. These levels demonstrate the Bank's solid capital base and its ability to support future growth while maintaining resilience. Capital strengthening initiatives and diversified funding sources played a key role in reinforcing the balance sheet and enhancing financial flexibility.

Financing activities recorded healthy growth, with total financing and advances reaching ﷼ 110.9 billion, up 14%, driven by balanced growth across retail and corporate segments in alignment with Vision 2030 objectives. Customer deposits increased by 7% to ﷼ 115.4 billion, reflecting strong customer confidence and stable relationships. Importantly, the deposit mix improved, with low-cost deposits increasing to 12% from 10%, positively supporting margins and overall profitability.

Operational efficiency remained a key focus area, with operating expenses increasing by 10% to ﷼ 2,338 million, a rate significantly lower than income growth, resulting in an improvement in the cost-to-income ratio to 52.36% from 56.01%. Ongoing digital transformation and process automation initiatives contributed to cost optimization, enhanced productivity, and improved capital efficiency.

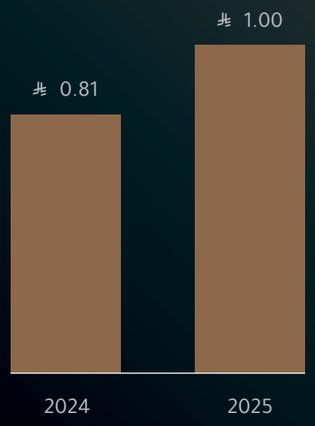
Risk management and compliance remained a strategic priority throughout the year. The Bank continued to implement advanced frameworks to manage credit, market, and liquidity risks, supported by robust monitoring systems and regular stress testing. In parallel, the Bank maintained full compliance with all regulatory requirements, including IFRS standards, particularly IFRS 9, and corporate governance frameworks issued by the Saudi Central Bank and the Capital Market Authority.

Looking ahead, we remain confident in our outlook, with a continued focus on enhancing earnings quality through income diversification and asset mix optimization, improving capital efficiency, maintaining strong liquidity and capital adequacy levels, and upholding a prudent risk management approach. We will also continue aligning our financial strategy with the objectives of Saudi Vision 2030 and the Financial Sector Development Program, ensuring sustainable long-term value creation for our shareholders and supporting the Kingdom's economic growth.

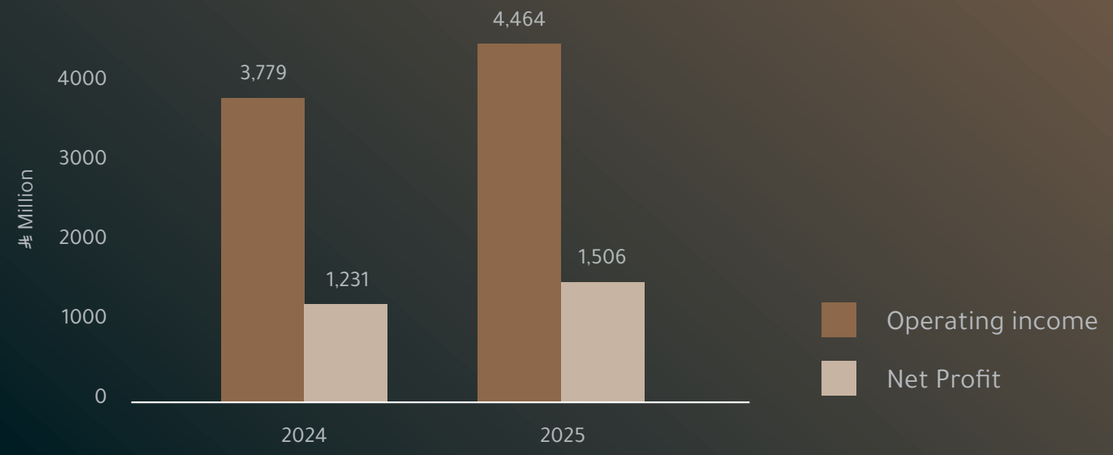
I extend my sincere appreciation to the Board of Directors for their continued guidance and support, and to the executive management and all employees for their dedication and professionalism. I also extend my gratitude to our shareholders, customers, and partners for their continued trust.

We remain committed to maintaining financial discipline, enhancing transparency, and delivering sustainable growth in the years ahead.

Earning per share

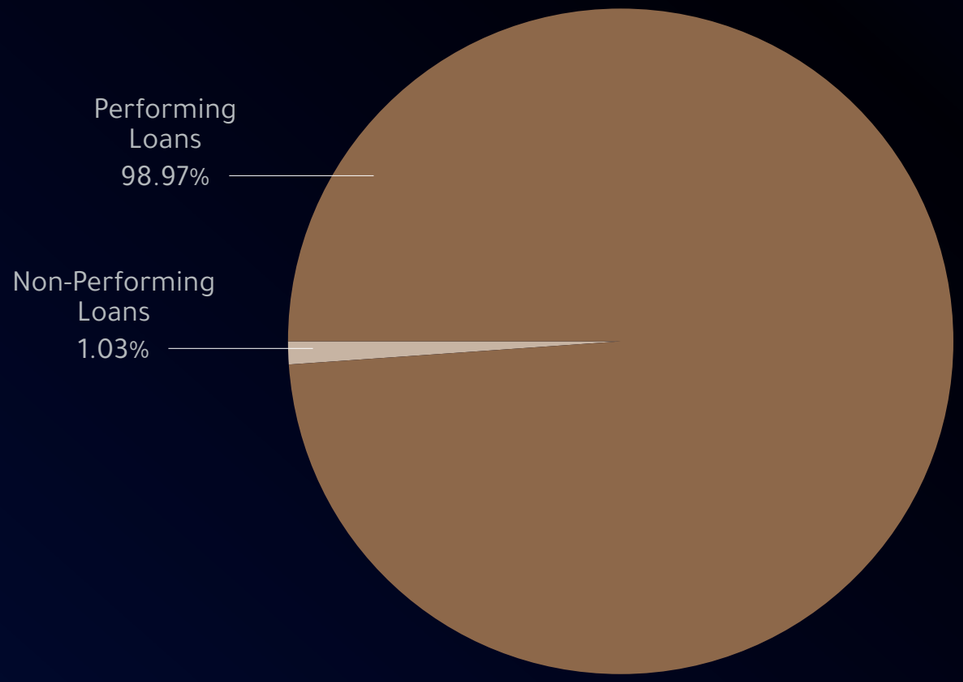


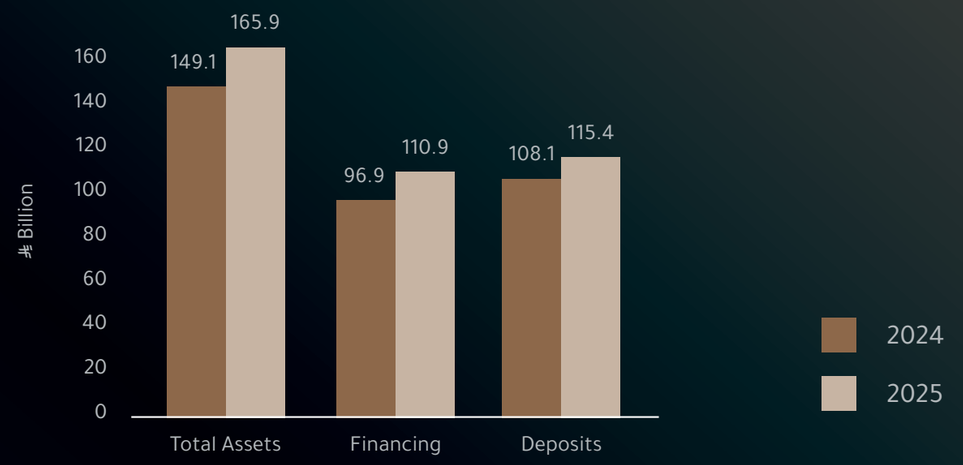
Profitability Growth (2024-2025)



Financing Portfolio Quality (Asset Quality)

Total Financing: ৳110.9 Billion





At a Glance

2025 marked an advanced stage of disciplined execution at Aljazira Bank, where improvements in financial and operational performance aligned with accelerated digital transformation, enhanced asset quality, and a broader institutional impact. The year's results reflected clear strategic decisions and a balanced focus on growth, efficiency, and risk management.

Key facts & figures

Financial Performance, Profitability, and Asset Quality

﷼165.9 Bn
in Total Assets

﷼144.1 Bn
in Total Liability

﷼110.9 Bn
in Net Financing

﷼115.4 Bn
in Customer Deposits

﷼1,505.5 Mn
in net profit after Zakat

0.96%
ROAA

8.94%
ROAE

Digital Growth

+31%
annual growth in retail digital account openings

10x
cumulative growth in retail digital account openings over three years

528%
growth in digital onboarding for SMEs

Segment Performance

+47%
contribution from Corporate and Institutional Banking to the Bank's total income

22%
growth in the SME portfolio

15%
growth in funded assets

32%
growth in unfunded assets

Operational Efficiency

52.36%
Cost-to-Income Ratio

Sustainable Finance

4B
green financing portfolio volume

Marketing Impact

72
Presence across 72 media platforms

18M
reaching over 18 million people

Salary Campaign

+70%
growth in new account openings

+660M
growth in business volume

Experience and Quality

60
Customer Satisfaction Index (compared to 54)

97%
complaint handling quality (against a target of 93%)

Governance and Compliance

88
periodic regulatory reports submitted to the Saudi Central Bank

19
observations addressed within approved timelines

72
awareness messages and 42 training programs conducted by the Compliance and Anti-Financial Crime Group during the year

Awards & Accolades

These awards reflect tangible progress in our operating model and reinforce market and investor confidence in the Bank's ability to deliver disciplined, sustainable execution.

Forbes	Aljazira Bank ranked among the Top 100 Listed Companies in the Middle East 2025
Brand Finance	Aljazira Bank ranked among the Top 50 Most Valuable Brands in Saudi Arabia 2025
Digital Banker	Best Digital Account Opening Experience in Saudi Arabia 2025 Excellence in Innovation: Retail Banking Customer Service 2025 Exceptional Growth in MSME Banking 2025 Best Retail Bank in the Kingdom 2025
Saudi Customer Experience Awards	Best User Experience (UX) Award 2025
GTR - CIBG	Best Islamic Finance Bank in the Kingdom 2025
Airline Economics	Deal of the Year 2025: Middle East and Africa (Murabaha facility for Flynas)
Informatica	Excellence in Data and Artificial Intelligence Award 2025
Corporate Governance Center, King Faisal University	Corporate Governance Index Excellence Award 2
Credit & Collection Summit	Excellence in Collection and Compliance
Kafalah Program	Kafalah Award for Outstanding Performance 2025
Ministry of Human Resources and Social Development	Labor Award 2025
Neighborhood Centers Association	Recognition for Outstanding Contribution to the Makkah Region Community
Ministry of Human Resources and Social Development	Highest Number of Social Initiatives Award 2025 Corporate Social Responsibility Award 2025 Outstanding Contribution to the Saudi Entrepreneurship Ecosystem Award
Cultural Development Fund	Strategic Partner Award: Year of Handicrafts 2025
Misk Foundation	Misk Initiatives Incubator and Misk Impact Accelerator for the "Khair Aljazira le Ahl Aljazira" program
Uptime	Tier 2 DR and Tier 3 Certifications

The Internal Audit Group achieved a “Generally Conforms” rating in its internal quality assessment, achieving full compliance with all 52 mandatory standards of the new Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors.

Certifications and Accreditations

- Certified Innovative Organization Accreditation
- Payment Card Industry Data Security Standard (PCI DSS) v 4.0, 2025 Certificate
- SO 14001: Environmental Management System Certificate
- ISO 9001: Quality Management System Certificate
- ISO 45001: Occupational Health and Safety Management System Certificate
- Ethical Procurement and Supply Chain Certification

Geographical Footprint

Strategic Presence and Measured Expansion

During 2025, Aljazira Bank continued to strengthen its geographic footprint through a balanced approach that combined disciplined network optimization with improved operational efficiency. The Bank maintained a clear focus on enhancing service accessibility, developing alternative channels, and maximizing asset and facility utilization.

Geographical Impact

73 branches across the Kingdom

Restructuring of the Fawri remittance network, consolidating from 52 locations into 24 specialized centers

20% improvement in remittance processing productivity

Deployment of self-service card issuance kiosks in 20 branches

Planned phased expansion of self-service capabilities across additional branch locations

A More Resilient Network

In 2025, Aljazira Bank redesigned its Fawri remittance network by consolidating operations into specialized centers with higher operating capacity, contributing to faster execution, enhanced control, and more efficient utilization of human and technology resources. The Bank also enhanced the in-branch customer experience by expanding self-service solutions, reducing wait times and supporting the transition toward a more flexible and responsive service model.

Facility and Site Development

- Completion of Al-Rahmania Tower in Riyadh
- Inauguration of the first pilot branch featuring the new corporate identity
- Delivery of property roadmap targets in the Western Region
- Preparation of alternative buildings to ensure business continuity

The Bank achieved a 100% completion rate of its strategic property roadmap targets. This included the completion of Al-Rahmania Tower as a modern workspace designed to consolidate key teams and introduce the first practical implementation of the enhanced corporate identity within approved locations, alongside qualitative development projects across several regions. These milestones reflect disciplined execution and improved facility efficiency, reinforcing institutional readiness and delivering the intended impact.

Enhancing the Workspace and Asset Management

- Completion of 78 workspace enhancement and development projects across the Al-Yasmin, Olaya, and Jeddah buildings
- Leasing an additional administrative tower to alleviate pressure on the Al-Yasmin facility

Digitally-Driven Operational Efficiency

- Adoption of government digital platforms for title deeds and real estate procedures
- Reduction of time and operational costs associated with field services
- Integration with the Elm platform for digital property valuation to support real estate assessments for Retail Banking.

Integration with government digital platforms enhanced the efficiency of site-related operations, accelerated procedures, and reduced reliance on in-person transactions, supporting the effectiveness of the Bank's geographical network.

National Role and Regulatory Partnerships

These partnerships enhance the Bank's geographical presence and its ability to deliver specialized services across the Kingdom within a disciplined regulatory framework that supports balanced growth.

- Certified Primary Dealer by the National Debt Management Center (NDMC)
- Strategic partnerships with the SME Bank
- Collaboration with the Kafalah Program to support business sector enablement

02

Foundations of Perspectives

Where Value Takes Root

Board of Directors

Eng. Abdulmajeed bin Ibrahim Al Sultan
Chairman of the Board

Mr. Mohammed bin Saad bin Dawood
Vice Chairman of the Board

Mr. Naif bin Abdulkareem AlAbdulkareem
Board Member

Mr. Mohammed bin Abdulkarem Al Nafea
Board Member

Mr. Abdulmohsen bin Mohammed Al Sheikh
Board Member

Mr. Sultan bin Abdulaziz AlHamidi
Board Member

Mr. Saad bin Ibrahim AlMushawah
Board Member

Mr. Ibrahim bin Abdulaziz AlShaia
Board Member

Mr. Abdulaziz bin Muteb AlRasheed
Board Member

Executive Management

Mr. Naif A. AlAbdulkareem
Chief Executive Officer and Managing Director

Mr. Sami J. Al Mehaid
SVP. Head of Corporate and Institutional Banking Group

Mr. Mohammed A. Al Mousa
SVP. Head of Retail Banking Group

Mr. Yazid A. Al Mobty
SVP, Chief Credit Officer

Mr. Nasser A. Al Ageel
SVP. Chief Internal Audit Officer

Mr. Sultan S. Al-Qahtani
SVP. Board Secretary and Head of Corporate Governance Group

Mr. Ibrahim A. Al Omar
SVP. Chief Operations Officer

Mr. Hani A. Araki
SVP. Head of Treasury Group

Mr. Hani S. Noori
SVP. Chief Financial Officer

Mr. Bader Al Boqami
SVP. Head of Marketing and Customer Excellence Group

Dr. Fahad A. Al Elayan
SVP. Head of Shariah Group and Head of Sustainability & Social Responsibility Group

Mr. Badr A. Al-Rashodi
VP. Head of Customer Experience and Protection Division

Mr. Faisal M. Al Mansour
SVP. Head of Human Capital, Corporate Strategy and Support Group

Mr. Osama K. Al Ibrahim
SVP. Chief Risk Officer

Mr. Hamad I. Al Issa
SVP. Chief Compliance and AML Officer

A Mature Corporate Identity

The new Aljazira Bank identity marks a strategic milestone in its journey. It reflects the natural progression of the Bank's business model, its expanding role within the financial sector, and evolving stakeholder expectations in an environment shaped by accelerating digital and regulatory change. The identity was developed to more clearly express the Bank's current position, reflecting its operational maturity and readiness for the next phase of growth.

This evolution reinforces the Bank's positioning as the preferred choice for high-value customer segments. It demonstrates strategic clarity and the ability to translate priorities into disciplined operating practices that support growth and digital advancement, while reinforcing credibility at the time of public rollout.

Beyond a visual refresh, the new identity represents a substantive evolution in the Bank's operational structure, corporate culture, and approach to value creation for customers and stakeholders.

Identity Development Journey

Official launch of the new corporate identity through internal and external events by year-end 2025

Phased rollout of the new identity across branches, digital channels, and all customer-facing materials

Adoption of a brand governance framework to ensure consistency in messaging and experience

Coverage across 72 local and international media platforms

Reached an audience exceeding **18 million**

The development journey was undertaken as a phased internal initiative across 2024 and 2025. It aimed to modernize the Bank's visual and narrative framework in line with the evolution of its business model and the maturity of its operational capabilities, while preserving the brand's core essence and institutional heritage.

This evolution responded to several concurrent developments, including:

- The evolution of the business model and maturing operational capabilities
- Accelerating customer expectations for seamless digital experiences
- The expanding role of technology in enabling growth and enhancing operational discipline

Implemented as an integrated strategic initiative, this process aligned the Bank's identity with its actual operating model and reinforced consistency across channels within a structured governance framework.

Customer-Centric, Digital-First Promise

In 2025, Aljazira Bank reinforced a customer-centric operating model, positioning digital transformation as a practical enabler of value creation and experience enhancement. This transformation extended beyond automation to a structured redesign of customer journeys, emphasizing clarity, accessibility, and execution efficiency across channels.

A More Integrated Digital Experience

The Bank continued to strengthen its digital ecosystem to deliver a more consistent banking experience, expanding digital capabilities across Retail and Business sectors. A key milestone was the launch of the AlJazira Business platform as a unified digital interface for corporate and SME clients. The Bank also enhanced its digital wallet solutions and expanded its open banking capabilities, enabling customers to access a consolidated financial view and broader financial management options.

Data-Enabled Efficiency and Decision-Making

The Bank leveraged advanced analytics and AI-based applications to enhance its consolidated customer view and improve the accuracy of operational and credit decisions. This supported the deployment of high-impact analytical models and enabling tools, including an enhanced CRM system and proactive monitoring solutions. Frontline teams were equipped with real-time insights, strengthening responsiveness and elevating the quality of customer engagement.

Operational Discipline and Trustworthy Governance

In parallel with digital enablement, the Bank reinforced its operational discipline and governance framework, prioritizing digital channel reliability, business continuity, and data protection. Efforts included strengthening change management practices, enhancing operational readiness, and adhering to robust information security standards, supporting service stability and sustaining customer trust.

Customer-Centricity as an Institutional Practice

Customer-centricity was embedded as a structured institutional practice by linking customer experience outcomes to defined Key Performance Indicators (KPIs) and implementing regular measurement programs. Incentives were aligned with service quality and customer satisfaction, transforming the “Customer First” principle into a disciplined and sustainable operating approach across the Bank.

Our Strategy

2025 marked a pivotal turning point in Aljazira Bank's journey, with a clear shift toward the disciplined execution of its approved strategy across key priorities. The Bank continued to drive digital transformation to unlock scalable growth, deepened its presence across core business segments, and sharpened operational efficiency, all while reinforcing resilience through stronger risk and continuity readiness. Within this context, the development of the Aljazira Bank identity marked a major milestone, further strengthening the Bank's positioning and ensuring greater consistency across its customer and brand experience.

The Bank's Focus During 2025

Launch of the New Identity

The Bank transitioned from the development phase in 2024 to institutional launch and implementation in late 2025. This modernized the corporate narrative and ensured a clearer alignment between strategic direction and operational performance.

Digital Transformation-Driven Growth

The Bank accelerated the migration of key customer journeys to self-service digital channels, enhancing customer experience, shortening time-to-market, and ensuring sustainable scalability.

Enabling SMEs and Corporate Clients

The Bank supported economic growth through the disciplined expansion of its SME and corporate portfolios, underpinned by integrated digital onboarding journeys and specialized banking solutions.

Realizing Value from Prior Investments

The Bank entered a phase of measurable returns on its digital and operational investments, reflected in improved collections, greater operational efficiency, and strengthened asset quality.

Enhancing Resilience and Operational Discipline

The Bank reinforced its focus on risk management, credit portfolio quality, and business continuity readiness to ensure a balance between growth and stability within a changing operating environment.

Strategic Pillars

Aljazira Bank is guided by three core pillars that shape its decisions and operating model over the medium and long term. During 2025, it continued to advance these pillars in alignment with its renewed identity, reflecting a deliberate shift from foundation-building to disciplined execution and value realization. These pillars are centered on prioritizing affluent and high-value customer segments, while embedding a customer-centric approach across its solutions and services, strengthening the quality of relationships and delivering sustainable, long-term value.

Create a distinctive value proposition

This pillar is built on a deep understanding of customer needs, shaping how products and services are developed and delivered. It enables teams to provide tailored banking solutions, underpinned by integrated systems that ensure consistency and cohesion across the customer experience. In 2025, this approach was reflected in stronger asset quality, a more refined income mix, and an expanded range of solutions across Retail, Corporate, and SME segments. Together, these outcomes reinforced customer loyalty and affirmed the Bank's ability to translate sector focus and specialization into sustainable value creation.

Grow digitally

Digital transformation serves as a primary engine of growth and a comprehensive operating model focused on enhancing efficiency, accelerating execution, and enabling scalable expansion within robust control and compliance frameworks, supporting sustainable growth and an improved customer experience.

The Bank continued to invest in digital channels as the main gateway for acquisition and service, which led to:

- Accelerated digital account opening
- Significant growth in SME acquisition through integrated digital onboarding journeys
- Strengthening digital leadership through the launch of innovative payment solutions and banking services

This performance reflects the Bank's ability to scale responsibly, sustaining operational efficiency and institutional discipline while expanding its digital footprint.

Build a thriving organization

This pillar is centered on reinforcing Aljazira Bank's position as a preferred destination for national talent by cultivating an attractive work environment, advancing capabilities, and strengthening a culture of performance and accountability, ensuring sustained institutional excellence over the long term.

- Financial discipline and governance
- Talent enablement and capability building
- Enhancing operational resilience

This direction was further reflected in improved credit portfolio quality and record collections, underscoring the Bank's ability to balance growth with institutional stability.

These pillars drive the Bank's purpose: "Enriching Lives through Financial Wellbeing," translating its core values into consistent performance and lasting impact.

Business Model

Where Integration Creates Value

Aljazira Bank's 2025 business model represents the culmination of a multi-year journey of institutional development and operational transformation, shaped by digital-led growth, cross-sector integration, and disciplined risk management. The launch of the corporate identity served as a clear visual and narrative expression of this evolved operating model.

The model is built on capable human capital, a performance-driven culture, and continued investment in leadership and digital capabilities, reinforcing the Bank's ability to create sustainable long-term value. It is further anchored in a robust Shariah governance framework and the "One Bank" approach, integrating Retail, Corporate and Institutional Banking, Treasury, and Aljazira Capital within a unified operating model designed to maximize value across the customer lifecycle.

1.The "One Bank" Approach: Integrated Execution Across Bank Sectors

The model relies on the coordination of roles across various business sectors to achieve balanced growth, supported by the clear integration of functions and the distinct value contributed by each sector:

Retail Sector	Corporate and Institutional Banking Sector	Aljazira Capital	Treasury
Primary driver of digital acquisition, achieving 31% annual growth in digital account openings.	Contributed 47% of total income, with 22% growth in the SME portfolio supported by integrated digital onboarding journeys.	Added investment depth and advanced wealth solutions, enhancing integration and overall value creation.	Advisory partner in financial solutions and liquidity management, including the successful issuance of USD 500 million Tier 1 Sukuk program.

Strengthening Value through Investment Solutions

The integration of Aljazira Capital into the business model serves as a key driver of enhanced customer value. By extending relationships beyond traditional banking, the Bank offers specialized investment, wealth management, and investment banking solutions. This broadens customer lifetime value and diversifies income streams within a unified, Shariah-compliant framework.

The Role of Aljazira Capital in Supporting the Business Model

- Expanding the customer relationship by providing diverse investment solutions
- Supporting the diversification of income streams
- Linking investment solutions to the customer relationship lifecycle

Operating within a specialized supervisory framework, the Group relies on six dedicated sub-units that uphold the highest standards of governance and integrity:

- Regulatory Compliance
- Anti-Money Laundering and Counter-Terrorism Financing
- Anti-Fraud
- Quality Assurance and Inspection
- SAMA Correspondence
- Independent Internal Oversight

This structure ensures that the "One Bank" model operates within strong institutional controls, reinforcing trust with regulators and customers alike. It positions compliance as a competitive strength, enabling balanced growth while maintaining regulatory discipline.

2. Financial Discipline as a Growth Enabler

The business model is grounded in disciplined financial management that balances expansion with efficient capital deployment, ensuring growth is supported by sustainable profitability and strong risk absorption capacity. This reflects the Bank's shift from prioritizing growth volume to focusing on growth quality and long-term financial impact.

Strategic objectives are translated into executable initiatives through structured portfolio management and a disciplined annual operating plan, with adherence to approved budgets and ongoing monitoring of operational and financial performance to ensure measurable results.

3. Digital Growth Driver

Digital channels represent the primary driver for growth, having been adopted as the main entry point for acquisition and service. The launch of digital business account opening contributed to a fourfold increase in SME acquisition. The Bank also strengthened its digital leadership by becoming one of the first local banks to launch Google Pay, alongside expanding the range of digital services to support speed of execution and scalability.

4.Risk Management as an Enabler

The role of risk management was repositioned to serve as an enabling component within the business cycle, supported by advanced analytics and real-time assessment. This was reflected in:

- Reducing the NPL ratio to 1.03%
- Achieving record recoveries from debts previously written off ৳ 154 million

Additionally, the Bank strengthened its institutional framework for the non-compliance risk framework through a risk-based approach. This included developing periodic monitoring mechanisms and remediation plans for regulatory observations, improving closure efficiency within approved timelines, mitigating potential risks, and supporting business continuity.

Operational Efficiency and Resource Management

The business model supports execution efficiency and resource discipline through:

- Standardizing operating specifications
- Optimizing vendor management
- Accelerating contracting cycles
- Improving spending efficiency

This discipline extends across the Bank's support functions, with structured governance of Service Level Agreements (SLAs) across departments. It ensures operational readiness from day one of onboarding, supported by systematic root cause analysis and continuous improvement initiatives that strengthen service quality and efficiency.

Together, investment solutions, financial discipline, and operational efficiency form a cohesive business model that connects strategy with execution and drives sustainable value creation.

Value Creation and Sustainability

The business model is designed to generate sustainable and measurable outcomes by strengthening operational efficiency, diversifying income streams, and embedding sustainability at its core. The green financing portfolio exceeded ৳ 4 billion, alongside the automation and archiving of more than 10 million documents as part of the transition to paperless operations.

In 2025, Aljazira Bank demonstrated its ability to translate strategy into disciplined execution, supporting growth, reinforcing trust, and delivering long-term value within a dynamic financial landscape.

Implementing Strategy and Delivering Impact

Tangible Progress Across Channels

In 2025, Aljazira Bank advanced its strategic priorities across channels and platforms, supported by a mature operating model and sustained investment in digital and institutional capabilities. This translated into measurable outcomes, including:

- Ongoing branch network modernization, including selective rollout of the new identity.
- +10x growth in retail account openings over the past three years.
- 4x growth in SME acquisition through integrated digital onboarding journeys.
- Becoming one of the first local banks to launch Google Pay, reinforcing digital leadership.

Operational Initiatives Supporting Performance

This progress was driven by focused operational and transformational initiatives that embedded strategy into day-to-day execution. Key actions included strengthening digital channels, simplifying customer journeys, reinforcing operational discipline, and equipping teams with tools that enhance decision-making and performance.

Al Rahmania Tower (Pilot Project for Identity Rollout)

A pilot milestone in the identity rollout, housing Aljazira Capital and Private Banking teams and featuring the first branch reflecting the new visual identity.

Identity Rollout

Phased implementation of the approved identity across selected locations.

Digital Enablement

Migration of key service journeys to digital channels to accelerate delivery and enhance customer experience.

CRM and LOS Integration

Deployment of CRM 360 and the Loan Origination System (LOS) to unify the customer view and automate credit decisions, reinforcing customer-centricity and governance.

CEO Power Hour

An internal initiative promoting open dialogue and embedding corporate values in everyday practice.

These initiatives strengthened agility and operational efficiency while enhancing readiness for the next phase. The activation of the Enterprise Project Management Office (EPMO), alongside updates to operating models and delegated authorities, reinforced execution discipline in preparation for 2026 targets.

Vision 2030 Alignment

Aljazira Bank plays an active role in advancing the ambitions of Vision 2030 through a digitally driven business model that promotes financial inclusion, supports private sector growth, and upholds strong governance and sustainability standards. This contribution aligns with the Financial Sector Development Program (FSDP), reinforcing the Bank's role as a development partner in the Kingdom's transformation journey.

Enabling SMEs and Economic diversification

The Bank continued to support SME growth by directing a significant share of procurement spending toward local suppliers, strengthening national supply chains, enhancing local content, and generating sustainable economic impact in line with Vision 2030 objectives.

Advancing Financial Inclusion and the Digital Economy

By expanding digital channels and introducing innovative banking services, the Bank contributed to a more inclusive digital economy, improving customer experience, accelerating transactions, and enhancing service efficiency.

Developing National Talent

Investment in human capital remained a priority, with specialized programs focused on digital and leadership capabilities and continued support for workforce localization in critical functions. This reflects the Bank's commitment to preparing national talent to lead the sector's transformation and sustain its long-term development.

Sustainability and Social Responsibility

Sustainability principles are embedded across operations and products, reflected in the expansion of green financing and the implementation of community initiatives with measurable impact. These efforts support environmental and social priorities while reinforcing long-term value.

In parallel, the Bank strengthened its presence as a proactive national financial institution through participation in targeted events. These notably included career fairs aimed at attracting national talent and development finance forums supporting economic growth, building a prosperous economy, and sector enablement in line with Vision 2030.

Institutional compliance remains a strategic enabler of financial inclusion, safeguarding the integrity of the financial system and strengthening customer protection frameworks. This ensures secure and responsible access to banking services and reinforces trust as a foundation for expanding digital financial solutions.

Aljazira Bank also continued to contribute to the advancement of Islamic finance through specialized publications and participation in academic and cultural forums, supporting FSDP objectives in research and capability development. At the same time, executive priorities were aligned to maximize the impact of digital investments, expand partnerships, and strengthen institutional resilience, thereby supporting sustainable growth and confidence in the financial sector.

Investment Opportunity

Aljazira Bank presents a long-term investment proposition grounded in a business model that has consistently converted digital transformation and financial discipline into measurable results. Operating within a stable regulatory framework and a structurally expanding banking market, the Bank combines prudent growth, strong asset quality, solid capital positioning, and disciplined governance, forming a resilient foundation for sustained value.

Investment Case

Key Investment Drivers

Asset Quality and Credit Discipline

- NPL at 1.03%
- Record recoveries from debts previously written off ﷼ 154 million

Digital Momentum

- 4x increase in SME acquisition through digital channels
- Continued growth in retail digital acquisition

Capital Strength and Liquidity

- USD 500 million international Tier 1 Sukuk issuance
- ﷼ 1 billion increase in local Tier 1 capital

Diversified Income Base

- Corporate & Institutional Banking contributing 47% of total income
- Fee income to average earning assets improved to 1.01%, compared to 0.88% in FY 2024

Operational Efficiency

- Cost-to-income ratio reduced by 4 bps to 52.4%
- Share of operating income increased to 32.8%, compared to 30.3% in FY 2024
- Operating expense coverage ratio reached 62.7% in FY 2025, compared to 53.4% in FY 2024

Sustainability Embedded in the Value Model

- Green financing portfolio exceeding ﷼ 4 billion
- Institutional investment aligned with recognized sustainability standards

Stakeholder Engagement

The Bank adopts an active approach to stakeholder engagement that promotes transparency and long-term alignment with the investors, regulators, partners and employees.

Regulators:

Ongoing adherence to SAMA and CMA requirements, reinforcing regulatory confidence and mitigating compliance risk.

Investors and Analysts:

Active communication through earnings disclosures and bilateral discussions, addressing over 300 investor and regulatory inquiries during the year. In addition, a dedicated digital Investor Relations platform is planned to further enhance accessibility and disclosure quality.

Strategic Partners:

Role as a Primary Dealer with the National Debt Management Center (NDMC), alongside partnerships with Kafalah and the SME Bank to advance private sector development.

Employees:

Continued investment in national talent and leadership development to sustain institutional capability and performance.

Institutional Commitment and Investor Confidence

During 2025, Aljazira Bank further embedded compliance as a structured risk management function, transitioning toward a risk-based model beyond conventional supervisory oversight. This shift enhanced regulatory preparedness, strengthened early risk identification, and supported consistent adherence to regulatory standards.

This progress included developing periodic monitoring mechanisms for regulatory observations and remediation plans to ensure effective closure within approved timelines, alongside strengthening adherence to regulatory requirements across all Bank activities. Furthermore, the Bank implemented targeted awareness and training programs for its employees in compliance and anti-financial crime, fostering accountability as a shared institutional responsibility.

The Bank participated in over 12 local and international exhibitions and conferences, such as Money20/20, Cityscape, and Biban. This presence expanded engagement across the financial ecosystem and supported direct dialogue with investors and partners.

Heading into 2026, with a focus on maximizing returns from digital investments, advancing end-to-end digitization, and deepening AI integration, Aljazira Bank continues to build on a strong operational base and disciplined growth trajectory. The Bank plans to establish an independent IT Audit and Cybersecurity unit to deepen technical oversight and improve readiness for technology-related risks.

Market & Shareholding Overview

Operating Environment

Aljazira Bank operates within a Saudi banking sector undergoing structural transformation, shaped by regulatory evolution, accelerating digital adoption, and the expanding role of the financial sector in advancing the objectives of Vision 2030. These dynamics have strengthened the role of banks in supporting economic diversification, expanding financial inclusion, and enabling priority sectors, particularly SMEs, which remain a key driver of non-oil growth.

The market is characterized by strong regulatory oversight and rising competition centered on operational efficiency, customer experience, responsible innovation, and the delivery of specialized banking solutions aligned with evolving demand patterns. Digital transformation continues to reshape the sector, supported by initiatives such as Open Banking and payments infrastructure development.

In response, Aljazira Bank has kept pace with this landscape by strengthening its organizational capabilities and deepening integration between business and technology functions, enhancing responsiveness and execution agility.

Market Position: Balancing Growth and Discipline

As an Islamic banking institution, Aljazira Bank operates in full compliance with Shariah principles, combining sector specialization with operational discipline. Its model is designed to deliver both growth and stability, with digital channels serving as the primary engine for acquisition and service delivery, supported by cross-segment integration.

In 2025, this approach delivered measurable results. Corporate and Institutional Banking contributed 47% of total income, while the SME portfolio grew by 22%, supported by integrated digital onboarding journeys. Retail digital account openings increased by 40%, reflecting the Bank's ability to capture market opportunities while maintaining asset quality and financial discipline.

An enhanced risk management framework further strengthened this performance, evolving into an enabling partner within the business cycle, improving acquisition quality, reducing the NPL, and supporting balanced, risk-aware growth.

Investor Relations

Aljazira Bank benefits from a stable and diversified ownership structure that consists of a diverse base of individual and institutional shareholders, supporting long-term strategic alignment and decision-making continuity. This stability reinforces strong governance practices, the protection of shareholder rights, and adherence to high disclosure standards, strengthening confidence in the Bank's financial resilience.

Ownership Structure	
Retail Shareholders	55٪
Institutional Shareholders	19%
Other Shareholders	26%

Trust as a Strategic Asset

The Investor Relations function plays a pivotal role in maintaining market confidence through structured engagement with shareholders, analysts, and rating agencies. It ensures timely and accurate disclosure of financial performance and strategic developments, while equipping Executive Management with analytical insights to support decision-making and resource allocation.

Investor Relations serves as the bridge between financial performance, market confidence, and sustainable access to capital.

Disclosure and Communication

During the year, the Bank addressed requests from investors and regulatory bodies, covering disclosures, inquiries, and periodic reporting. Streamlined communication channels and standardized disclosure processes improved efficiency and reduced manual handling, enabling greater focus on strategic priorities.

Investor Relations Efficiency Enablers

- Coordinating business presentations
- Managing communication with analysts and rating agencies
- Standardizing periodic disclosures
- Providing financial and analytical insights to Senior Management

As part of enhancing the investor experience and improving access to information, the Bank commenced preparatory work to develop a dedicated digital Investor Relations platform, comprising a website and a mobile application. The platform is intended to provide updated financial information and disclosures in a centralized and easily accessible format, thereby reducing individual requests and enhancing the speed and transparency of communication.

Governance Framework Enhancing Market Confidence

Aljazira Bank's market presence is based on a robust governance framework and maintains strong regulatory relationships. The Bank's full compliance with SAMA's supervisory requirements reinforces disclosure reliability and safeguards shareholder interests over the long term.

Security Details (as of 31 December 2025)	
Company Name	Aljazira Bank
Trading Symbol	1020
ISIN	SA0007879055
Exchange	SASE
Per Value (﷼)	10
Closing Price (﷼)	11.15
52-Week Range (﷼)	11.15 - 14.95
Shares Issued (﷼ Million)	1.281
Market Capitalization (﷼ Billion)	14.3
Free Float	89%
Foreign Ownership	17.59%
Value Traded (﷼ Billion)	24,591
Volume Traded (Million Shares)	2,217

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03

Delivering Sustainable Wealth

Empowering Growth for Tomorrow

Financial Review and Highlights

Financial Management: Enabling Disciplined and Sustainable Value

2025 Key Highlights

- Strengthened the Bank's capital base through successful Tier 1 Sukuk issuances
- Enhanced market transparency and investor engagement through structured disclosures and analyst briefings
- Introduced executive dashboards to improve performance visibility and accelerate decision-making
- Formalized cooperation with ZATCA to reinforce compliance and transparency in payment-related processes
- Renewed ACCA Approved Employer accreditation, reinforcing professional and governance standards
- Expanded automation across key financial processes, improving accuracy and reducing turnaround times

The Finance Group serves as the institutional backbone of Aljazira Bank's financial performance, translating strategic priorities into disciplined financial plans, measurable budgets, and transparent outcomes. Through structured planning, rigorous reporting, and proactive stakeholder engagement, the Group ensures that growth remains sustainable, accountable, and aligned with the Bank's long-term value agenda.

Mandate and Strategic Role

- Financial planning, budgeting, and forecasting
- Accounting control, closing management, and reporting
- Financial analysis and decision support
- Partnership with Business Sectors
- Enhancing governance and financial discipline

Through this role, the Group upholds governance standards and delivers consistent financial outcomes that stakeholders can rely on.

Strategic Business Partner

In 2025, Finance further strengthened its role as a strategic partner to Executive Management and business sectors by converting strategic objectives into clear financial targets and providing integrated insights across the full performance cycle, from planning and execution to monitoring and follow-up. This approach reinforced capital allocation discipline, improved investment decision quality, and strengthened the link between operational delivery and long-term financial impact.

Strengthening Investor Confidence and Market Transparency

The Investor Relations function enhanced engagement with the investment community through structured briefings, analyst interactions, and timely disclosures. These efforts reinforced market transparency, supported informed decision-making by shareholders and analysts, and strengthened confidence in the Bank's financial trajectory. Looking ahead, the Bank is developing a dedicated Investor Relations digital platform to further improve accessibility and stakeholder engagement.

Governance, Compliance, and Professional Standards

The Finance Group operates through dedicated units covering the full financial cycle, from accounting control and reconciliation, financial reporting, and central accounting, to financial planning, analysis, and investor relations, ensuring end-to-end integrity and accountability across all financial processes.

During 2025, the Group maintained full compliance with regulatory requirements, including SAMA frameworks, IFRS standards, and Zakat and tax obligations. The Bank renewed its ACCA Approved Employer accreditation, reinforcing its commitment to professional excellence and talent development. A formal agreement was established to regulate and enhance transparency in payment-related processes, supporting sustainable fee growth.
Supporting this framework, the Internal Audit Group provided objective assurance over institutional discipline during 2025:

- Completing 127% of the approved audit plan (28 tasks compared to 22 planned)
- 29% of the team achieving the Certified Internal Auditor (CIA) certification

Automation and Operational Efficiency

Expanded automation across financial processes improved execution efficiency, reduced turnaround times, and strengthened internal controls. These improvements enabled Finance teams to focus more effectively on higher-value analytical and advisory work, while sustaining the accuracy and reliability required for institutional decision-making and stakeholder confidence.

Future Readiness

Looking ahead, the Finance Group will continue to deepen its role as a value enabler by:

1. Enhancing financial reporting capabilities and analytics
2. Expanding automation and digitization across financial processes
3. Strengthening internal governance frameworks
4. Building closer collaboration with business sectors

From 2026 onward, increased emphasis will be placed on predictive insights and scenario-based planning to support proactive decision-making and sustained financial resilience.

Core Banking Operations

2025 marked the practical implementation of Aljazira Bank's strategy, where investments transformed into tangible operational and financial results across core banking sectors. The Retail Banking, Corporate and Institutional Banking, and Treasury sectors operated within an integrated operational model, supported by digital transformation and discipline in risk management and governance.
This performance reflects the ajb's ability to achieve balanced growth driven by digital innovation while maintaining asset quality, diversifying income sources, and strengthening the Bank's financial resilience. It further reinforced the Bank's standing as a Shariah-compliant banking institution that effectively serves its customers and supports the national economy.

Retail Banking

2025 Key Highlights

- Retail banking assets increased by ৳ 5.8 billion YTD as of December 2025
- Reduction of the NPL ratio in the retail portfolio to 0.59%
- Reduction of the 30+ day delinquency rate to 0.77%
- Record personal finance sales of ৳ 609 million in October 2025
- 31% year-on-year growth in retail digital account openings
- 52% increase in financial transactions via digital channels
- Closure of 93 findings from the Compliance Department
- Ranked 1st with Wolan, Kia, and Lexus brands, and 3rd with Toyota
- Wealth and Premium segments surged by 24.3% and 18.7%, respectively, bringing total affluent customers to 97,327 as of December 2025

Credit efforts supported the growth of Retail Banking assets by approximately ৳ 5.8 billion (a rate of nearly 12%) YTD December 2025. Simultaneously, the 30+ day delinquency ratio declined to 0.77%, and the NPL ratio fell from 0.79% to 0.59% during the same period, reflecting a balanced improvement in both growth and portfolio quality.

The Retail sector continued to serve as a key driver of digital growth and deeper customer relationships. The adoption of digital channels as the primary entry point for acquisition and service accelerated growth, improved operational efficiency, and expanded reach to new customer segments, reflected in a 31% growth in retail digital account openings. This resulted in higher levels of satisfaction and improved customer experience, supported by shorter complaint processing times and enhanced service quality across digital channels and branches.

93 findings from the Compliance Department were closed in 2025 as part of the Retail Sector's efforts to improve institutional discipline, and no observations about SAMA requirements were past their due dates. The sector also met its approved targets under the Operational Risk Representative framework, reflecting the maturity of risk management practices and the consolidation of a culture of compliance and operational ownership within teams.

In parallel with this progress, the Bank undertook a comprehensive review and update of more than 35 policies and procedures within the Retail Banking. This effort strengthened regulatory alignment, sustained compliance standards, and enabled digital expansion within a well-structured governance framework.

The Bank also reinforced its digital leadership by becoming one of the first local banks to launch Google Pay, alongside expanding Open Banking applications to support a more seamless and flexible banking experience.

At the product level, the Bank strengthened its presence across key financing segments. In auto finance, the Bank secured the leading position with Wolan, Kia, and Lexus, and ranked third with Toyota, reinforcing its competitive presence in the market. Auto leasing also accelerated significantly, with business volumes rising by 185% year-to-date, supported by seamless financing packages, simplified processes, and well-established strategic partnerships with leading automotive dealers. Retail also launched the "Go Green" campaign and contributed by providing electric vehicle chargers at the bank's branches, reinforcing green financing, energy efficiency, and sustainable projects within its financial solutions.

Payroll Campaign: Digital Acquisition with Direct Financial Impact

The payroll campaign represented one of the most prominent growth initiatives within the Retail Banking during 2025, contributing to:

- Growth exceeding **70%** in new account openings
- Generating over ﷼ **660 million** in new business value
- Enhancing the transition to digital channels for acquisition

Creating Greater Value for Customers

During the year, the Bank launched the "Tharaa" real estate investment finance product, allowing customers to finance income-generating assets within Shariah-compliant solutions. Integration with Aljazira Capital also contributed to higher cross-selling penetration for wealth management customers, with the utilization of investment products rising from 4% to 7% among Wealth segment.

The "Tharaa" portfolio recorded a growth of 10% since the beginning of the year, reflecting the growing demand for income-generating real estate investment solutions and the product's success in meeting the aspirations of customers seeking to diversify their income sources within a Shariah-compliant framework.

In direct response to customer feedback, the Bank redesigned the points calculation mechanism in the "Ajwaa" Campaign by eliminating the pre-registration requirement. This ensured that points were automatically calculated for "Ajwaa" credit card transactions, enhancing ease of use and the clarity of benefits.

Corporate Banking

The Corporate and Institutional Banking Sector represented the highest contribution across business segments in 2025, accounting for 47% of Aljazira Bank's total income. This reflects the Sector's pivotal role in supporting the Bank's financial performance and its ability to achieve balanced growth, with funded assets growing by 15% and unfunded assets by 32%, alongside a 22% growth in the SME portfolio, underpinned in asset quality, credit discipline, and the provision of specialized banking solutions that meet the needs of the business sector.

Sector Performance during 2025

Contribution of the Corporate and Institutional Sector of 47% of total income

Growth of funded assets by 15% and unfunded assets by 32%

Growth of the SME portfolio by 22%

Growth of financial transactions executed via digital channels by 52%

Achievement of 4-fold growth in SME acquisition via digital channels

528% increase in digital onboarding for SME clients

Green finance portfolio exceeding ﷼ 4 billion

Digital-Driven Growth

Building on its strong contribution to overall performance, the Corporate sector prioritized sustainable growth in 2025 through digital transformation. This included launching an integrated digital onboarding journey for business accounts, expanding the customer base and improving acquisition quality. The Bank further enhanced its digital ecosystem for business clients, including Aljazira Business, B2B, and eCorp platforms. Additional solutions were introduced to strengthen non-funded offerings and address the evolving needs of MSMEs, supported by targeted incentive programs that accelerated acquisition and reinforced focus on this strategic segment.

Digital transformation in Corporate was not limited to accelerating onboarding paths but extended to the core of operational processes. Financial transactions executed through digital channels increased by 52% during 2025, supported by the launch of the Aljazira Business platform as a unified digital interface, which also contributed to a fourfold growth in SME acquisition.

In this context, the Bank launched eight new digital services directed at the corporate sector during the year. These services contributed to enhancing operational efficiency and service integration, enabling companies and SMEs to manage their businesses more seamlessly and effectively through digital channels.

As part of enhancing the quality of the execution of financed projects, the Credit Engineering Unit played a supportive role within the specialized asset management framework by conducting proactive field visits and directly collaborating with business teams and customers. This contributed to improving the technical execution quality of funded projects, enhancing the strategic impact of financing, and ensuring business continuity for sustainable projects.

Asset Quality and Institutional Enablement

Risk Management underwent a qualitative transformation, evolving into a strategic partner in the business cycle through advanced analytics and real-time assessment. This shift was demonstrated by reducing the NPL ratio from 1.21% to 1.03% and achieving recoveries from debts previously written off ﷼ 154 million, reinforcing the Bank's credit quality and fostering safe, sustainable growth.

Non-Performing Assets Management evolved from a purely corrective function into a strategic driver of financial performance and credit portfolio quality. Parallel to this, the Engineering Unit played a pivotal role in optimizing the execution of financed projects; through intensified field inspections, the unit enhanced technical oversight and drove greater operational efficiency across project lifecycles.

The Corporate and Institutional Banking Sector achieved an implementation rate exceeding 90% of its approved strategic initiatives during 2025, reflecting a high level of operational discipline and the ability to transform plans into tangible results.

Strategic Focus for the Upcoming Phase

In light of the performance achieved during 2025, the Corporate Banking Sector is moving forward into the next phase by strengthening its balanced growth trajectory, expanding its digital capabilities, and deepening its enabling role within the business segment. This supports performance sustainability and solidifies the quality of the credit portfolio.

The Group's priorities for the coming year center on the following:

- Achieving a target growth of 13% in funded assets and a similar 13% growth in unfunded assets, reflecting continued disciplined and balanced expansion.
- Continuing to enhance automation and digital transformation to improve customer experience, raise operational efficiency, develop customer relationship management, and strengthen governance frameworks.
- Launching additional products and solutions aimed at supporting and developing the MSME sector, thereby enhancing financial inclusion and supporting the growth of this vital segment.

These priorities form part of the growth direction for the upcoming phase, with the Sector focusing on maximizing the value of digital enablers, enhancing operational flexibility, and strengthening its ability to adapt to liquidity and pricing challenges, reinforcing the Sector's role as a primary driver of Bank performance and contributing to the objectives of Vision 2030 and the FSDP.

Treasury

2025 Key Highlights

In September 2025, the Bank established its inaugural Additional Tier 1 USD Sukuk Program of USD 1.5 billion, under which the Bank issued additional Tier 1 capital amounting to USD 500 million (SR 1,875 million) by way of public offering in the international debt capital market.

In January, 2025, the Bank issued an additional Tier 1 capital amounting to SR 1 billion (which is part of additional Tier 1 Capital Sukuk Program established in 2023) by way of private placement.

Managed investments increased by 7% to ৳ 38.9 billion.

Delivered strong performance in Foreign Exchange (FX), surpassing annual targets.

Recorded year-on-year growth in net income.

Strategic Role

The Treasury Group continued to serve as a key pillar in strengthening the financial position of Aljazira Bank through liquidity management, optimizing the balance sheet structure, diversification of funding sources, and supporting asset expansion across various business sectors. The function ensured effective alignment of asset and liability maturities, improving the funding mix, and preserving capital to ensure regulatory compliance and enhance financial sustainability.

Amid global market volatility, geopolitical uncertainty, and a prolonged high profit-rate environment, Treasury played a proactive role in financial risk management and hedging through advanced Asset and Liability Management (ALM) practices. These capabilities are delivered through specialized units including Money Markets, ALM, Investments, Trading and Structuring, and Treasury Sales, enhancing liquidity efficiency and sustaining returns.

"One Bank" Model and Commercial Enablement

Treasury strengthened the "One Bank" model through integrated advisory collaboration with the Retail and Corporate sectors. Joint client visits and coordinated engagement enabled deeper understanding of customer needs and identification of cross-selling opportunities. This approach facilitated the delivery of tailored financial market solutions, including hedging instruments, spot and forward FX products, and structured investment offerings, supporting stronger client relationships and shared value creation.

Digital Transformation and Operational Efficiency

Treasury advanced its technical infrastructure through upgrading the core Treasury system. This initiative improved execution efficiency, elevated service quality, and strengthened responsiveness to evolving client requirements.

Treasury maintained a disciplined governance framework and prudent risk management approach. Its role as a primary dealer with the NDMC contributed to the continued development of the domestic capital market, in alignment with national priorities and the FSDP.

Aljazira Bank enters 2026 supported by a mature operating platform and a digital business model that has demonstrated measurable impact. The Bank will continue to focus on optimizing returns from digital investments, deepening cross-sector integration, and advancing sustainable growth to serve its customers and stakeholders.

Subsidiaries

Aljazira Capital

Aljazira Capital serves as the investment arm of Aljazira Bank, playing a central role in deepening the Group's integrated business model. Through Shariah-compliant investment solutions tailored to individuals and institutions, the Aljazira Capital supports income diversification and strengthens long-term client relationships.
As the "One Bank" model continued to evolve in 2025, Aljazira Capital enhanced the Bank's investment value proposition by aligning specialized solutions with client needs and transitioning from standalone product offerings to fully integrated investment platforms that promote sustainable income diversification.

Financial Performance and Business Mix

Key Performance Indicators:

- Record revenues of approximately ﷼ 752.8 million
- Net income before Zakat and income tax of ﷼ 388.2 million
- 48.7% year-on-year growth in net income before Zakat and income tax
- Total Assets Under Management (AUM) of ﷼ 28.4 billion

Aljazira Capital continued progressing toward its strategic ambition of becoming a leading wealth management platform by prioritizing asset and wealth management as sustainable income drivers. This focus translated into record financial results, with revenues reaching ﷼ 752.8 million and net income before Zakat and income tax rising to ﷼ 388.2 million, marking 48.7% growth compared to 2024. Real estate assets under management exceeded ﷼ 12 billion, while total AUM reached approximately ﷼ 30 billion.

Integrated Wealth and Asset Management Solutions

During the year, Aljazira Capital expanded its wealth and asset management offerings to support long-term financial planning. The Wealth and Asset Management segment recorded revenue growth of 52.2%, reaching ﷼ 257.1 million, primarily driven by strong demand for newly launched real estate investment funds. Total AUM reached ﷼ 28.4 billion, reflecting continued growth in equity products, alternative investment funds, and other Shariah-compliant investment solutions.

Closer collaboration with Retail Banking, Wealth Management, and Treasury to deliver more cohesive investment solutions and align investment decisions with each client's broader financial position.

Investment Banking and Capital Markets

Aljazira Capital continued delivering investment banking services, including IPO advisory, mergers and acquisitions, capital market financing solutions, and private placements.

This activity contributed to enabling companies and institutions to access financing and investment solutions within a disciplined regulatory environment, reinforcing Aljazira Capital's position as a long-term advisory partner aligned with clients' capital market readiness and growth ambitions.

Product Development and Market Responsiveness

Aljazira Capital provides a diversified range of investment services designed to meet the investment needs of its clients, with the aim of delivering added value and carefully structured quality opportunities that balance returns and risks. This approach reflects Aljazira Capital's transition from a product-focused approach to the development of specialized, market-driven solutions built for long-term value creation.

Governance Supporting Growth

All operations and products are overseen by an independent Shariah Committee and fully compliant with CMA regulations, ensuring robust governance standards, investor protection, and institutional credibility.

Institutional Excellence and Awards

In 2025, Aljazira Capital received several regional and international awards recognizing its investment performance and innovation:

Best Equity Research House in Capital Markets - The Global Economics

Most Innovative Shariah-compliant Investment Institution - The Global Economics

Most Innovative Shariah-compliant Fund - Aljazira Open-Ended Private Credit Fund (Saudi Arabia 2025) - International Finance Awards

Most Innovative Real Estate Fund Manager - Saudi Arabia 2025 - International Finance Awards

Supporting the Group Strategy

Aljazira Capital's 2025 performance demonstrates its advanced investment role in supporting the Bank's broader strategy through:

- More dedicated investment solutions
- Deeper integration between banking and investment activities
- Sustainable diversification of income sources
- Sustainable value for various customer segments

Consequently, Aljazira Capital continues to reinforce its role as a core pillar within Aljazira Bank's integrated financial model, contributing to the achievement of strategic objectives and strengthening the Bank's ability to serve clients in a dynamic investment environment.

Aljazira Capital's 2025 performance further demonstrates its position as a central component of the Bank's operating model, supporting income diversification, broadening the range of investment solutions available to clients, and advancing the Group's overall strategy. This reflects its ability to translate institutional integration into sustainable value for clients and stakeholders, while supporting long-term growth.

Digital Transformation & Technology

The year 2025 marked Aljazira Bank's transition from building digital capabilities to full-scale activation and value realization from its technology investments. The Technology and Operations Group played a pivotal role in transforming these investments into tangible operational outcomes that supported growth, enhanced performance efficiency, and strengthened the Bank's operational foundation.

This transformation resulted from the maturity of the digital operating model and the shift toward managing an integrated technology ecosystem based on disciplined execution and the direct alignment of technology priorities with business needs, providing a stable and scalable foundation that supports the Bank's strategic priorities over the medium and long term.

2025 Key Achievements

Financial Discipline and Efficiency	Innovation enabled internally through the techMAL Garage, fostering practical digital solutions and applied innovations
Data and Asset Quality	Implementation of 5 high-impact AI applications
Sustainability and Resilience	Provisioning reduced from ৳ 2,529 million to ৳ 2,167 million, reflecting improved portfolio quality and disciplined risk management Operation of a fully automated Disaster Recovery environment

Growth Driven by Digital Platforms

Aljazira Bank continued scaling its digital platforms during 2025 as a primary driver of growth and accelerated acquisition. This included the full launch of the Aljazira Business platform as a unified digital interface serving corporate and SME customers through both mobile and web channels. The platform provided an integrated environment for managing banking operations, supported by advanced B2B services and API-based integration capabilities, enhancing operational efficiency and simplifying the business customer experience.

In parallel, the Bank introduced key digital initiatives, including the Thrift Saving Plan application, Fawri application, and developing the Payments Hub as a unified platform for payment management, reinforcing operational efficiency and supporting deposit growth, particularly in the corporate sector.

The Bank also launched the Aljazira Bank Hackathon as an internal platform to generate digital solutions from its employees, aiming to develop practical ideas with a direct impact on customer experience and operational efficiency, turning innovation into an institutional practice linked to actual business needs.

During the year, Aljazira Bank launched more than 40 new digital services, reflecting its speed to market and ability to respond to changing customer requirements. The Bank also solidified its leadership position as one of the first local banks to launch Google Pay, alongside Samsung Pay, and expanded Open Banking solutions for account aggregation. This provided customers with a unified financial view and greater control over their financial data.

Furthermore, the deployment of digital technologies in the credit management sector enhanced operational discipline by automating credit assessment processes and standardizing workflows through standard digital procedures supported by automated verification mechanisms. This reduced human error, shortened turnaround time, and improved the efficiency of credit decision-making.

Data and Artificial Intelligence as Drivers of Execution

Aljazira Bank relied on data and AI as executive tools for value creation, investing in an advanced technical infrastructure that supports the institutional use of analytics and data-driven decisions.

Pivotal Results During 2025:

- 5 high-impact AI initiatives across operational and credit domains.
- Infrastructure readiness to scale Generative AI and advanced analytics applications.
- Self-service reporting enabled across Retail, with expansion underway to Corporate, Treasury, and Finance, to improve data accessibility and accelerate decision-making.

The implementation of the enhanced Customer Relationship Management system (CRM 360) provided a unified view of the customer across all channels, contributing to improving response quality. Proactive monitoring tools such as Dynatrace reinforced the stability of digital channels by identifying technical issues before they impacted customers.

Data capabilities were further applied to strengthen credit infrastructure. Advanced risk management solutions improved credit assessment accuracy, as the implementation of the new collateral valuation system achieved 100% real-time valuation accuracy and reduced manual valuation errors by 40%. Additionally, the use of alternative data, including utility payment patterns and digital behaviors, improved credit risk identification accuracy by up to 20%.

Furthermore, the integration of alternative data into our operations supported financial inclusion by enabling the Bank to assess previously unbanked segments and expand access to financial services in a safe and responsible manner, supporting the objectives of Vision 2030 in promoting financial inclusion through advanced technology-enabled solutions.

Streamlining Customer Journeys via Digital Channels

Customer experience enhancement was a central focus of the digital transformation journey, driven by the unification of the customer view and the simplification of engagement touchpoints. Key results included:

- Implementing the enhanced Customer Relationship Management system (CRM 360) across the Retail and Corporate sectors.
- Launching the Voice of Customer platform, establishing a structured mechanism to capture and analyze customer feedback across all touchpoints, with insights set to increasingly inform service enhancements from 2026 onwards.
- Achieving high ratings on the Apple App Store and Google Play.
- Deployment of supporting tools for frontline employees, such as the RM Workbench, to provide Relationship Managers with real-time data that enhances service quality and interaction accuracy.

This approach was reinforced by launching the Customer Experience Excellence Index as an institutional tool linking digital transformation outcomes to measurable performance indicators and strengthening accountability at the management and execution levels. It was further supported by the introduction of the Banking Channel Experience Quality Assessment program and the Mystery Shopper program to ensure the delivery of the best customer experience possible.

To support a “Customer First” culture, Aljazira Bank introduced a framework to reward frontline employees based on direct customer satisfaction. This establishes customer-centricity as a daily practice supported by incentives rather than a theoretical principle, as the Bank rewards frontline staff quarterly across various touchpoints to enhance motivation and performance sustainability.

Enhancing Corporate Value and Digital Execution

Digital channels at Aljazira Bank were not limited this year to their operational function; they evolved into an execution lever that enhances institutional value and accelerates the conversion of strategy into measurable outcomes. This direction was realized through the digitization of high-impact banking journeys affecting customer experience and financial performance, within an integrated model that balances execution speed and governance discipline.

Internal Innovation and Enablement

The technical innovation lab (techMAL Garage) contributed to increasing reliance on the internal development of digital solutions, enabling the Bank to:

- Develop key 2025 digital applications internally with higher speed and agility.
- Enhance the alignment of technology enabled solutions with the needs of business sectors.

This was reflected in the reduction of software operating expenses (Software OPEX). In addition, data across operational units was consolidated through the Management Information Unit, enhancing the efficiency of daily operations and accelerating reporting.

Operational Readiness and Business Continuity

Aljazira Bank maintained strong operational discipline throughout 2025, ensuring that innovation and transformation were matched by institutional readiness and resilience. This discipline extended to financial stewardship, as digital transformation and process optimization contributed to lowering Software OPEX while maintaining compliance and institutional control requirements.

Operational readiness was supported by a stable and scalable technology infrastructure. The Bank invested in developing a technical environment capable of supporting operations during peak periods and exceptional circumstances. As part of this, the Bank completed major upgrades to its core banking platform and treasury core system, establishing a stable, secure, and scalable foundation for future digital growth and increased transaction volumes. A fully automated disaster recovery environment, fully equivalent to production, was activated, enabling uninterrupted operations from the recovery site and significantly reducing recovery time objectives.

The Bank also maintained the highest security standards through annual compliance with the Payment Card Industry Data Security Standard (PCI DSS) and alignment with the SWIFT Customer Security Controls Framework (CSCF). In parallel, the Archer eGRC system was comprehensively implemented across the Bank, enhancing risk management and compliance within a unified digital framework and linking risk-adjusted return metrics to capital allocation decisions. Additionally, specialized digital systems for recruitment and procurement were launched, and the Human Capital Analytics (HC Analytics) framework was developed to measure ROI and enhance planning efficiency.

The Bank also achieved a significant reduction in provisioning, from ﷼ 2,529 million to ﷼ 2,167 million in 2025, underpinned by stronger portfolio quality and disciplined risk management.

Supporting Technology and Regulatory Partnerships

Aljazira Bank leveraged an integrated ecosystem of technology and regulatory partnerships, which included:

- Adopting Nutanix as a private cloud infrastructure to support accelerated launches.
- Upgrading the call center to the latest Genesys technologies.
- Developing human capabilities through specialized programs in data and AI, in collaboration with Thunderbird.

Toward Maximizing Value

Aljazira Bank enters 2026 anchored in a mature technical infrastructure and a digital model that has proven its ability to deliver tangible value. In the upcoming phase, the Bank will focus on:

- Maximizing the return on executed technical investments.
- Completing the full digital transformation of retail asset products.
- Expanding the use of AI to support business growth and operational efficiency.
- Enhancing technical resilience through the establishment of a third data center.
- Expanding the capabilities of the Aljazira Business platform to support deposit and transaction growth within the corporate sector.

Customer Experience & Excellence

The year 2025 marked a pivotal shift in Aljazira Bank's approach to customer experience, as the focus moved from isolated initiatives to an integrated institutional framework driven by data and measured by impact. This transformation was aligned with the launch of the new corporate identity, which positioned customer experience as a central pillar of competitive differentiation and a direct enabler of sustainable growth.

This phase positioned customer experience as a strategic lever, strengthening loyalty, deepening trust, and reinforcing the Bank as the preferred choice for high-value customer segments, particularly affluent and SME clients.

From Fragmented Efforts to an Integrated Model

During 2025, the Bank transitioned customer experience from fragmented initiatives to an integrated institutional framework, managed as a shared responsibility across the organization and supported by clear governance and disciplined execution frameworks. This ensured consistency across channels and branches, while directly linking customer experience outcomes to business priorities.

Key features of this direction include:

- Unifying customer experience policies and procedures at the Bank level.
- Linking customer experience indicators to executive management performance scorecards.
- Directing efforts toward touchpoints with the highest impact on customer satisfaction.

Unified Performance Measurement Framework

Aljazira Bank launched the Customer Experience Excellence Index as a unified measurement framework covering more than 30 performance indicators across the Bank's various sectors. This enhances transparency and accountability, transforming customer experience into a clearly defined and manageable component.

Key Performance Indicators in 2025

Improved Net Promoter Score (NPS) across the Retail and Corporate sectors.

Increase in the Customer Satisfaction Index (CSI) for retail customers from 54 to 60.

Reduction in average complaint resolution time from 4 days to 2.66 days.

Achievement of 97% quality in complaint processing, exceeding the approved target.

Implementation of the Mystery Shopper program across 23 branches to ensure experience consistency.

This performance was further supported by launching the Voice of the Customer (VoC) program through two waves of relational and transactional studies. This was accompanied by the phased adoption of an internal digital tool for centralized survey management and feedback consolidation, progressively expanding to cover all customer journey touch-points, enabling broader insight generation and effective corrective actions, alongside the launch of the 2026 Customer Experience Plan.

Improving Journeys and Building Trust

Aljazira Bank focused on redesigning priority banking journeys, particularly for premium customer segments and the SME sector, to deliver a more seamless experience across digital channels and branches. These efforts included redesigning account opening, personal financing, and POS finance journeys, while reducing friction points and improving process clarity.

The Bank also implemented a comprehensive service quality assessment program through mystery visits based on realistic scenarios in 23 branches across the Kingdom. This allowed for the identification and resolution of service behavior gaps, enhancing consistency in service delivery across the branch network. Additionally, the branch rating feature was introduced on Google Maps, allowing customers to share feedback directly, which enhanced accountability and service quality.

This approach reinforced brand trust and supported the growth of premium customer segments:

- Wealth segment increased by 24.3%.
- Premium segment increased by 18.7%.
- Private Banking & Wealth Management client base increased by 18.2% between 2024 and 2025.

To support the experience of high-net-worth customers, the Bank launched a dedicated call center for Private Banking and Wealth Management, alongside enhancements to internal processes, contributing to a double-digit increase in operational efficiency.

Redesigning account opening and POS finance journeys

Implementing mystery visits across 23 branches

Addressing service behavior gaps and enhancing experience

24.3% growth in the Wealth segment

18.7% growth in the Premium segment

18.2% growth in Private Banking & Wealth Management client base (2024 vs. 2025)

Brand Experience and Integration: A Unified Identity Across All Channels

The Bank strengthened integration between the Brand and Customer Experience teams to ensure journey consistency across branches and digital channels, supported by continuous VoC monitoring and analysis tools, including:

- Monitoring engagement and impressions across social media.
- Utilizing the Brand Health Meter to measure general sentiment and take corrective actions.
- Improving consistency between the corporate image and the actual experience.

Digital Interaction and Awareness Building

The Bank continued to leverage digital channels to enhance customer engagement and raise awareness of investment solutions and banking services, within an approach that supports digital acquisition and improves experience quality. These efforts included the execution of high-impact targeted digital campaigns, most notably the "Invest Right" digital Ramadan campaign, which achieved wide engagement across digital platforms:

- Over 56,000 views on LinkedIn and X platforms.
- Over 450,000 digital interactions and clicks.
- Participation in global fintech platforms such as Money20/20.

This integrated digital presence contributed to expanding the customer base and accelerating acquisition through digital channels, thereby supporting sustainable growth across the Bank's various sectors.

Customer Experience as Part of Daily Institutional Behavior

Beyond the development of tools and measurement frameworks, the Bank prioritized fostering an internal culture that supports customer experience by incentivizing positive behaviors and strengthening accountability for service quality.

Institutional Culture Indicators:

1. Launch of a quarterly incentive program for frontline employees.
2. Employee participation rate in surveys reached 93%.
3. Employee Engagement Index rose to 73%, compared to 64% in the previous year.

Aljazira Bank enters the next phase of customer experience development supported by a mature institutional framework and unified measurement tools. The Bank will focus on enhancing personalization, expanding the use of advanced analytics and AI to predict customer needs, and completing the development of real-time digital dashboards to support decision speed and execution quality.

In doing so, Aljazira Bank continues to solidify customer experience as a sustainable competitive advantage, reflecting its commitment to clarity, accountability, and providing real value to its customers and stakeholders.

Our People

The performance of Aljazira Bank is anchored in a skilled workforce that serves as the primary driver of its strategic transformation. As the Bank moved into the value realization phase, it strengthened an enabling work environment that places employees at the center of the operating model, links digital readiness to performance, and translates strategy into disciplined, sustainable execution.

This direction enabled the Bank to build an integrated human capital framework that combines efficiency, sustainability, and institutional discipline, reinforcing execution capability and aligning with the evolving financial sector and its regulatory requirements. In addition, no material operational risk incidents were recorded during 2025.

Life at Aljazira Bank

Aljazira Bank continues to solidify a supportive and engaging work environment that balances performance, belonging, and long-term career stability through flexible work arrangements and a comprehensive salary review to ensure market alignment and enhance the ability to attract and retain talent. These measures have supported job stability, raised satisfaction levels, and enhanced human capital readiness to achieve the Bank's strategic priorities.

Features of this Approach

Health and Employee Wellbeing

The Bank continued to develop the "Your Health Matters" initiative as an integrated framework for health awareness initiatives and medical support. This included improving health insurance benefits to cover dental and optical services, while achieving a 1% savings in insurance costs. These initiatives enhanced the employees' sense of care and solidified a more supportive and sustainable work environment.

The Bank also provided internal medical clinics across three key regions, alongside launching a 24/7 medical assistance service to ensure prompt access to healthcare. The employee support experience through the HR Service Center was developed by implementing a post-call evaluation feature, allowing for continuous quality measurement and improvement, embedding employee wellbeing into the daily work experience.

The Bank's commitment to employee wellbeing extended to humanitarian initiatives that reflect the depth of its institutional care, including support to the families of deceased employees, alongside seasonal initiatives during Ramadan and the Umrah season, including gifts and accommodation for employees in Makkah. These efforts further reinforce the values of solidarity and the focus on the human dimension within the workplace.

A Corporate Culture Based on Communication and Belonging

During 2025, the Bank strengthened its positive work environment by fostering a direct communication approach and a culture of accountability, through regular weekly meetings held by the CFO with direct leadership, alongside the "CEO Power Hour" initiative, which fostered open dialogue and enhanced transparency between management and employees. An interactive calendar was also implemented, comprising more than 42 internal events and activities, including sports, social, and seasonal events aimed at strengthening team spirit and institutional belonging. In parallel, the Private Banking and Wealth Management Sector supported this direction through an open-door policy and the participation of its staff in internal initiatives, reflecting a human-centered work environment grounded in communication and openness.

A Seamless and Enabling Employee Experience

Aljazira Bank continued to develop and automate the employee lifecycle from onboarding to end-of-service by streamlining the joining experience, standardizing work procedures, and adopting digital solutions that improve operational efficiency and the daily employee experience.

These efforts further encompassed the automation of various administrative processes using simplified digital tools, resulting in accelerated service delivery, reduced operational errors, and strengthened institutional discipline and scalability.

A Motivating and Attractive Work Environment

The Bank continued to establish work practices that are grounded in trust and accountability, fostering initiative and cross-sector collaboration to support the attraction and retention of national talent.

- "Your Health Matters": An integrated framework for employee wellbeing and employee health support
- Implementation of 42+ internal initiatives and activities to enhance belonging and team spirit.
- Deployment of direct communication channels to enhance transparency and trust.

Human Capital

93% Employee participation

73% Employee engagement

5.8 Training days per person

+4,000 Digital learning paths

96% Saudization in core functions

Key Indicators

Participation and Employee Engagement

- **93%** Participation rate in the employee survey
- **73%** Employee Engagement Index (up from 64% in 2024)
- **70%** Employee enablement index

Training and Development

- **5.8 Training days per individual** on average (exceeding annual target)
- **+4,000 Digital courses** via the Aljazira Bank learning platform
- **+42** Internal events and activities during the year
- **94%** Satisfaction rate regarding training programs

Leadership and Talent Development

- Specialized leadership programs in partnership with INSEAD
- AI Champion program in collaboration with Thunderbird
- Development of manager skills through leadership and coaching programs

National Talent

- **96%** Saudization rate in the Internal Audit Group
- **9 Trainees** graduated from the techMAL program
- **8 National talents** integrated into data and AI roles

Health and Occupational Sustainability

- Improved medical insurance benefits (dental and optical)
- **1%** Savings in insurance costs

Developing Capabilities and Future Leaders

Aljazira Bank adopted a clear developmental pathway for capability building, linking current business requirements with future readiness, with a focus on cultivating leaders capable of managing growth and digital transformation efficiently.

Initiatives for capability development included:

1. Leadership Development

International Leadership Partnerships: Specialized leadership programs in partnership with INSEAD, targeting the development of leadership capabilities and enhancing readiness to manage transformation and growth.

AI Champion Program: A specialized program in collaboration with Thunderbird, focusing on building a practical understanding of Artificial Intelligence applications and their role in supporting decision-making and digital transformation.

Managerial Skill Development: Targeted programs to develop leadership and coaching skills, enhancing middle management effectiveness and supporting institutional performance.

2. Building Technical Capabilities

techMAL Program: An applied training program for recent graduates, focusing on developing digital skills and modern work methods, and supporting the integration of national talent within technical teams.

Empowering National Talent in Data and AI: Initiatives to attract and integrate specialized competencies that contribute to enhancing analytical capabilities and building a data-driven operating model grounded in innovation.

The Bank also invested in select graduate development programs, including the AI and Data Management program with 8 trainees, and the EIS GDP program with 6 trainees, reflecting the Bank's focus on preparing national talent in vital technical fields. The Bank continued to develop employee skills through the Build Your Expertise (BYE) program, which saw 64 employees obtain specialized professional certificates. Training programs achieved a satisfaction rate of 94% (4.7 out of 5), reflecting content quality and the effectiveness of the Aljazira Bank learning platform.

Within the framework of knowledge transfer and building future leaders, the Bank launched the LINKS career mentoring program, involving 34 mentors and 49 trainees across various sectors, contributing to knowledge exchange and accelerating professional development. This was integrated with the launch of the digital learning platform, which expanded access to knowledge, established a culture of continuous learning, strengthened sustainable internal capabilities, reduced reliance on external resources, and enhanced operational efficiency. In parallel, clear performance indicators were developed for Executive Group Heads, linked to the Bank's strategic goals, ensuring executive performance aligns with growth and transformation priorities.

Integrity and Compliance as a Shared Responsibility

The Compliance and Anti-Financial Crime Group contributed to solidifying a culture of compliance, integrity, and shared responsibility within the Bank by developing onboarding content for new employees on compliance and anti-financial crime topics, and by designing and implementing continuous training and awareness programs targeting all employees from the time they join the Bank and throughout the various stages of their professional careers.

- Mandatory training and periodic testing on compliance and anti-financial crime topics.
- Awareness communications on compliance and anti-financial crime topics.
- Professional development in specialized compliance and anti-financial crime fields.

Looking ahead to 2026, the Compliance and Anti-Financial Crime Group will focus on developing proactive tools for risk measurement and reinforcing the data-driven oversight system, alongside enhancing institutional maturity in anti-money laundering and financial crime. This direction supports the transformation of compliance from a supervisory function into an enabling component that balances operational safety, customer protection, and sustainable growth.

From Values to Performance: An Effective Internal Culture

Aljazira Bank continued to establish a positive work environment based on transparency, participation, and a sense of shared responsibility as an essential element in achieving sustainable performance. The Bank relied on employee engagement measurement tools and constructive feedback as a primary input for developing the work environment and guiding cultural initiatives and internal communication programs.

The employee engagement survey results showed a notable improvement in the employee enablement index, which rose to 70% in 2025. This reflects the evolution of a work environment that supports performance and the availability of tools that enable employees to complete their tasks with efficiency and confidence.

Direct communication initiatives, led by "CEO Power Hour," alongside the active role of culture ambassadors, contributed to enhancing open dialogue and transforming corporate values into daily practices. Within the framework of enhancing internal communication and recognizing talent, the Bank, in cooperation with the marketing team, launched a group of internal media initiatives, including:

- "A Minute with a Colleague" program
- "Between Two Colleagues" program
- "Talents" program

These initiatives reflect the Bank's commitment to strengthening human connections within the workplace and reinforcing the values of solidarity and belonging, thereby supporting workforce stability and enhancing the overall employee experience.

Sustainability

Shared Value for a Responsible Future

Sustainability Indicators

﷼ 4+ billion Green Finance Portfolio

10 million documents archived electronically

2% target annual reduction in energy consumption

Doubled recycling rates

Certified ISO 14001 and ISO 45001

Ongoing integration of sustainability into internal procedures

Sustainability at Aljazira Bank represents an integrated institutional framework that guides business practices, risk management, and capital allocation, balancing responsible financial performance with long-term environmental and social impact. This direction aligns with the Kingdom's strategic development roadmap and the FSDP, as well as the evolving expectations of regulators, investors, and stakeholders.

During 2025, the Bank continued advancing sustainability from a set of supporting initiatives to a fully embedded and systematically integrated component of its business model and governance framework, strengthening measurement discipline and linking environmental and social impact more directly to business decisions.

Sustainability at the Core of Banking Decisions

Aljazira Bank integrated sustainability considerations into core banking operations, specifically within financing and risk management activities, to improve credit decision quality and support responsible growth. In this context, the Green Finance portfolio exceeded ﷼ 4 billion by the end of 2025, allocated to financing projects with direct environmental impact, including:

- Carbon emissions mitigation
- Sewage treatment and management
- Renewable energy projects
- Waste recycling and circular economy initiatives

This expansion reflects the Bank's role in channeling capital toward activities that enhance resource efficiency and mitigate long-term environmental risks, while maintaining economic returns and credit stability.

A Tangible Impact Underpinned by Operational Discipline

During 2025, the Bank adopted a practical approach to mitigate the environmental impact of its operations through automation, paperless transformation, and resource efficiency. Electronic archiving and logistical initiatives enabled the processing and recycling of approximately 10 million paper documents. Reliance on paper transactions decreased while recycling rates were doubled compared to the previous year.

As part of advancing digital transformation and strengthening integration between technology and compliance, the Bank developed an automated assessment model in collaboration between the Compliance and Anti-Financial Crime Group and the Technology and Operations Group. The model analyzes financial and non-financial customer behavior over a 30-day cycle. In parallel, 31 automated monitoring scenarios were enhanced to improve the accuracy of suspicious activity detection, enhancing the efficiency of oversight, compliance, and risk management. This embodies the integration between the digital mindset and strict compliance in the Bank's new identity.

This data-driven approach enabled faster response, reduced manual intervention, and enhanced the precision of risk detection, supporting a smoother experience for customers while maintaining the highest standards of compliance.

The Bank further committed to reducing energy consumption by 2% annually, supporting energy efficiency practices through:

Installing electric vehicle charging stations at the Bank's head offices.

Reusing electronic devices internally instead of disposal.

Distributing waste sorting containers across main buildings.

Expanding flexible work programs and employee shuttle services.

The Bank launched an electric vehicle promotion campaign in partnership with Lucid to encourage the adoption of electric vehicles and support low-emission mobility solutions. At the same time, initiatives to improve facility efficiency helped reduce operating costs through measures that optimized energy use and resource efficiency, while reinforcing environmental practices by providing recycling bins throughout the main offices.

The Bank supported community environmental efforts through several new initiatives, including:

- Coffee cultivation project for productive families
- "Ahd Wa Wa'd 4" environmental maintenance initiative
- Al-Samman Environmental Nursery project
- Afaq Khadra Diwaniyah for environmental awareness
- Solutions Lab project for environment and sustainability challenges
- "Don't Throw It, Create With It" recycling and upcycling training initiative
- "Al-Wafa Al-Akhdar" project to promote environment and sustainability at the Social Care Home

The Bank obtained ISO 14001 certification for Environmental Management Systems and ISO 45001 for Occupational Health and Safety, reflecting its commitment to international standards in facility management and the work environment.

Robust Sustainable Governance

21 Shariah Committee decisions

4 quarterly Shariah audit reports

100% closure rate of **3** Shariah observations

Review of **more than 268** policies, procedures, and products

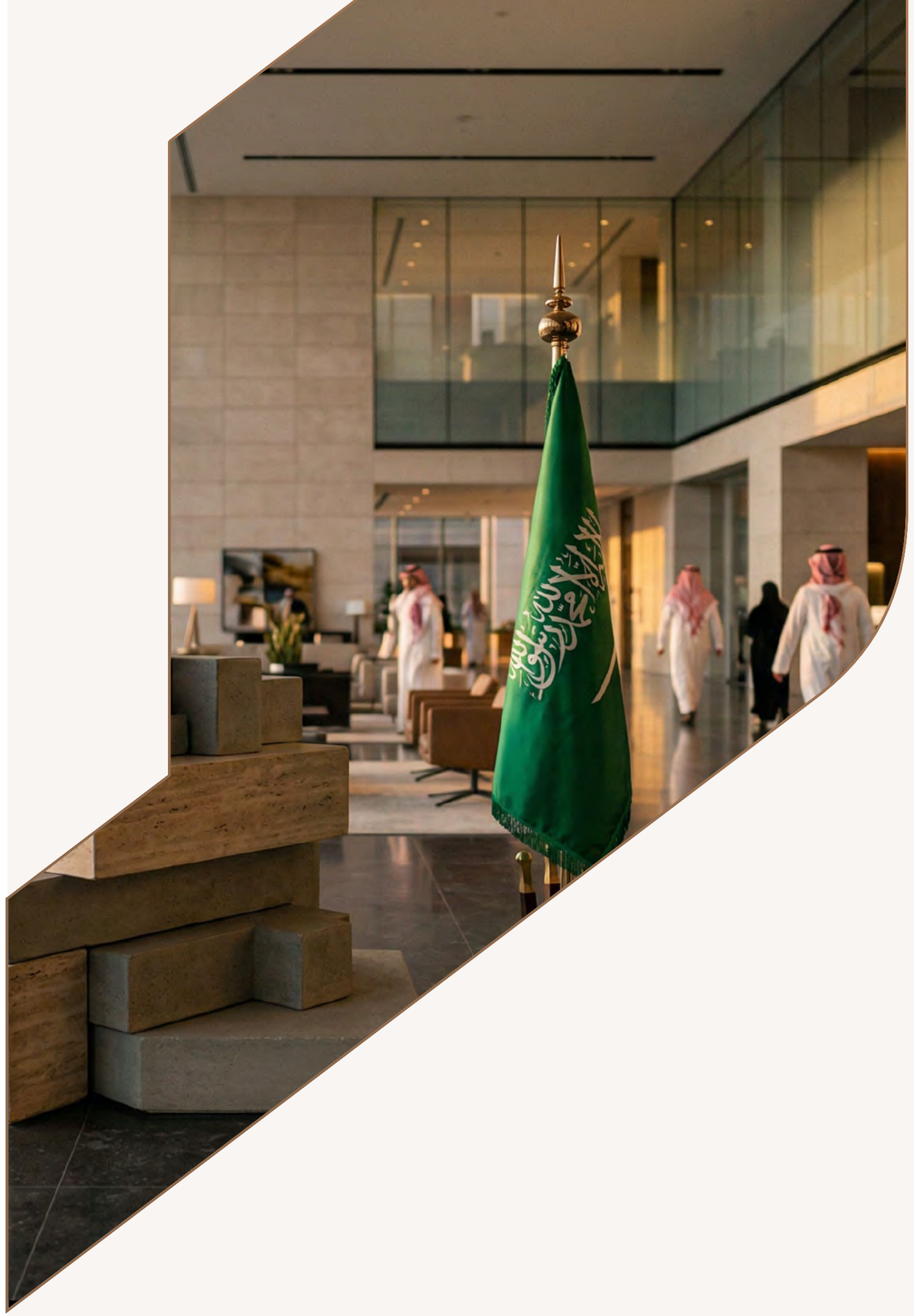
Review and approval of **746 advertising and marketing** materials

Aljazira Bank continued to strengthen the Shariah governance framework as an integral part of the corporate sustainability framework through the role of the Shariah Group as a liaison between the Board of Directors and the Shariah Committee. The volume of reviews and decisions issued during the year reflects a proactive approach to overseeing products, operations, and corporate communication to ensure compliance with Shariah principles.
The limited number of Shariah observations and their full closure underscore the maturity of the compliance framework and the strength of institutional discipline, reinforcing trust and the sustainability of the business model.

Corporate Compliance Safeguarding Responsible Growth

Within the framework of strengthening institutional sustainability, the Compliance and Anti-Financial Crime Group plays a pivotal role in reinforcing the robustness of governance and institutional discipline by ensuring full compliance with the regulations and instructions issued by relevant authorities, led by SAMA.

The Group contributes to enabling business growth within a balanced framework that combines innovation and compliance, thereby strengthening trust with regulators, customers, and stakeholders, and supporting the long-term sustainability of the Bank's business model.



CSR & Community Impact

During 2025, Aljazira Bank continued to embed its social impact within its business model through well-designed initiatives with tangible impact. These efforts target human empowerment, the enhancement of financial inclusion, and the support of local development, in alignment with the objectives of Vision 2030 and the FSDP.

This approach reflects the transition of social impact from scattered initiatives to integrated programs based on effective partnerships, broader geographical reach, and a direct link between social impact and long-term sustainability.

Empowering Youth and Developing Capabilities

Investing in Future Skills

40 Projects
3,252 Beneficiaries

Driven by the belief that youth are the cornerstone for building the future, Aljazira Bank continued to implement various training programs and initiatives in 2025 aimed at developing their skills and preparing them for the labor market, enabling them to effectively contribute to the national development journey. In this context, the Bank, in partnership with specialized institutes and organizations, launched numerous projects to develop academic and professional skills, reinforcing the youth's role as proactive partners in shaping the Kingdom's future.

Key projects included:

A **vocational qualification project for youth,** providing participants with necessary technical and technological skills.

The **"Mawrouth"** project to promote handicrafts, coinciding with the Year of Handicrafts.

To keep pace with modern digital transformations, the Bank established several programs, such as:

AI Skills Development Program for Youth Project, enabling them to utilize modern technologies to innovate sustainable solutions that serve the community and develop the national economy.

This trajectory has contributed to aligning community initiatives with labor market needs and enhancing the digital readiness of rising generations.

Enabling People with Disabilities

From Care to Active Participation

31 Projects
4,422 Beneficiaries

As part of the Bank's commitment to social responsibility, it continued its focus on people with disabilities through specialized rehabilitation, training, and enablement programs. These included:

The "Creative Kitchen" project for visually impaired girls.

The "Step Toward Treatment" project to enable those with speech and language disorders.

The Bank also provided programs aimed at integrating children with disabilities into society:

The "Tuwaiq Training Center" project

Additionally, the Bank provided specialized buses for persons with disabilities and supported their integration into the labor market through the "My Profession" employment forum for persons with disabilities.

Knowledge Impact

Enhancing Knowledge and Building Intellectual Capital

- 9 Publications
- 4,500 Copies distributed at the Riyadh International Book Fair
- 100 Participants in the Aljazira Bank seminar

Within the framework of strengthening the intellectual contribution of the Islamic finance industry, the Shariah Group at Aljazira Bank continued to advance the dissemination of specialized knowledge. This included organizing a specialized symposium titled "Developments in the Islamic Finance Industry," featuring approximately 100 scholars, researchers, and practitioners to discuss regulatory and Shariah developments and to enhance the efficiency of the sector's workforce.

The Bank was the first to participate in the Riyadh International Book Fair, alongside its participation in the 45th session of the AlBaraka Symposium, under the theme "Islamic Banking in Fifty Years: Past Achievements and Future Aspirations." Furthermore, 9 scientific publications specialized in Islamic finance were issued.

These initiatives form part of the Bank's role in strengthening intellectual capital and expanding the pool of qualified Shariah expertise within the financial sector, in alignment with the objectives of Vision 2030 and the FSDP.

Supporting the Non-Profit Sector

Maximizing Impact by Raising Efficiency

33 Initiatives
9,462 Beneficiaries

Recognizing the significance of the non-profit sector and its pivotal role in supporting national development and strengthening social cohesion, Aljazira Bank continued its efforts during 2025 to develop and enable this sector through strategic partnerships and targeted initiatives aimed at enhancing institutional sustainability and improving organizational efficiency within civil associations and non-profit organizations.

The Bank established an effective partnership with the Ehsan platform, ensuring support reaches beneficiaries through transparent and sustainable digital channels to enhance the social support ecosystem in the Kingdom. The Bank also implemented the Professional Empowerment of Associations project, which aims to enhance the capabilities of non-profit sector professionals by equipping them with modern administrative and leadership competencies that improve institutional performance and support operational sustainability.

To enable national talent, the Bank launched the Empowering Youth for the Non-Profit Sector project, which focuses on preparing and qualifying specialized professional cadres capable of managing social programs and initiatives with high efficiency and professionalism.

As part of its continued commitment, the Bank supported numerous associations through facility equipment and furnishing, elevating service quality provided to beneficiaries and enhancing the capabilities of workers in this field.

These efforts reflect the Bank's steadfast commitment to supporting the non-profit sector as one of the pillars of sustainable development and its belief in the importance of social partnership in building a more balanced and humane future rooted in cooperation, generosity, and social responsibility.

Interest-Free Loan Portfolio (Qard Hasan)

Aljazira Bank continued to develop the Interest-Free Loan Portfolio as a financing tool with direct social impact. During 2025, the total cumulative amount disbursed in the portfolio exceeded ﷼ 116 million, benefiting more than 15,000 productive families. A new agreement valued at ﷼ 15 million was signed to support the portfolio's sustainability, enabling families to launch projects and strengthen self-sufficiency.

Community Programs and Initiatives

The Bank's social role has expanded to include key participations, knowledge-driven initiatives, and programs that promote innovation and entrepreneurship.

Qualitative Participations

The Bank continues to strengthen its social role through high-impact initiatives and broad strategic partnerships across the government, private, and non-profit sectors, reflecting its commitment to delivering sustainable social and developmental value to diverse segments of society.

To advance its intellectual and cultural contribution, and in collaboration with the Literature, Publishing and Translation Commission, the Bank participated with a dedicated pavilion at the 2025 Riyadh International Book Fair. During the event, the Group's publications were distributed free of charge to interested visitors and specialists, becoming the first bank to take part in this initiative.

The Bank also presented several papers at local and international conferences and forums, sharing its experience in social responsibility and highlighting its practical achievements in the field.

In addition, the Bank marked key national and sector-specific occasions, including Social Responsibility Day on March 23, through a series of initiatives. These included engaging with partners and stakeholders, activating social media outreach, and hosting a Ramadan Suhoor gathering for beneficiaries with disabilities, alongside other community-focused activities.

Innovation and Entrepreneurship

During 2025, Aljazira Bank continued to implement a range of targeted initiatives aimed at promoting a culture of innovation and entrepreneurship. These included the 10th edition of the Moubtakron program, specializing in electronic game programming and development, designed to equip participants with advanced technical skills in the gaming industry. As part of its commitment to fostering scientific innovation and keeping younger generations aligned with rapid technological advancement, the Bank launched the 4th edition of the Mubdi'oon program dedicated to AI for children. Additionally, the Bank contributed to establishing and equipping innovation laboratories and training facilities for specialized associations across various regions of the Kingdom.

Partnerships and Institutional Integration

Aljazira Bank established a broad network of strategic partnerships across the government, private, and non-profit sectors, including:

- Ministry of Human Resources and Social Development
- Ehsan Platform
- Kafalah and SME Bank programs

Program	Number of Projects	Beneficiaries
Youth Empowerment and Qualification	40	3,252
Enabling Persons with Disabilities	31	4,422
Supporting the Non-Profit Sector	33	9,463
Innovation and Entrepreneurship	5	310
Sustainability and Environment	7	4,339
Qualitative Community Participations	14	5,310
Khair Aljazira Le Mouzafy Aljazira (Ikhaa')	--	21
Interest-Free Loan Portfolio (Qard Hasan)	1	750
Total	**131**	**27,867**

Aljazira Bank's approach reflects a clear shift from initiatives to measurable outcomes, and from social engagement to tangible value creation. Environmental and social sustainability considerations have been integrated into operational and oversight practices, enhancing resource efficiency and embedding sustainability within the Bank's operating model. This direction reinforces the Bank's role as a responsible financial institution contributing to national development and strengthening stakeholder confidence.

Board of Directors Report

Introduction

Aljazira bank here-in-after referred to as "the Bank" or "ajb" is a joint Stock Company incorporated in the Kingdom of Saudi Arabia and established pursuant to Royal Decree No. 46/M dated Jumada Al-Thani 12, 1395H (i.e. June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of the National Bank of Pakistan's (NBP) branches in the Kingdom of Saudi Arabia.

The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid up share capital of the Bank amounts to ﷼ 12.813 billion divided into 1,281.25 million shares of ﷼ 10 each.

The objective of the Bank is to provide a full range of Shari'ah compliant banking products and services to Retail and Corporate customers including: current accounts, saving accounts, Murabaha, wakala, Istisna'a, Ijarah, Tawarraq, Musharaka, Wa'ad foreign exchange, credit cards and Sukuk which are approved and supervised by an independent Shari'ah Committee.

The Bank conducts its business through the Bank's departments and branches all over the Kingdom and has no branches operating abroad.

The Bank is recognized as one of the leading Shari'ah compliant fast-growing financial institution in Saudi Arabia, which provides individuals, businesses and institutions with innovative Shari'ah compliant financial services through professional and dedicated staff.

Five-year financial highlights

The table below depicts the five-year historical financial performance of the Bank:

(﷼ millions, except as otherwise indicated)	2021	2022	2023	2024	2025
Financing, net	62,434	70,599	80,781	96,912	110,862
Total assets	102,827	115,849	129,763	149,119	165,924
Customer deposits	78,365	86,023	94,054	108,187	115,395
Total liabilities	88,932	102,240	113,135	131,704	144,149
Shareholders' equity	12,020	11,734	12,753	13,539	15,025
Net income before zakat and income tax	1,153	1,297	1,181	1,405	1,786
Net income after zakat and income tax	1,006	1,109	1,020	1,231	1,506
Total operating income	3,547	3,495	3,335	3,779	4,464
Net income growth (%)	2,880.61%	10.24%	(8.04)%	20.69%	22.31%
Total operating income growth (%)	7.91%	(1.46)%	(4.60)%	13.34%	18.12%
Return on average shareholders' equity (%)	8.27%	8.69%	7.21%	7.87%	8.94%
Return on average assets (%)	1.03%	1.01%	0.83%	0.88%	0.96%
Earnings per share (﷼)	0.75	0.81	0.69	0.81	1.00

Note:

- The Earnings per Share have been retrospectively adjusted for prior periods to reflect the effect of the changes in weighted average number of shares due to bonus shares issued during the current year.
- The Bank corrected the valuation of an FVOCI equity investment that had previously been measured at cost/ net asset value. Applying the correct valuation methodology increased the investment's fair value by ﷼ 212.63 million as at 31 December 2023 and 31 December 2024. In accordance with IAS 8, this has been treated as a correction of prior-period errors, and the comparative figures for FY 2023 and FY 2024 have been restated.

Financing, net

Reached ﷼ 110.9 billion at the end of 2025, reflecting an increase of 14.4% compared to ﷼ 96.9 billion in 2024. The growth was mainly driven by expansion in corporate financing portfolio, complimented by strong contributions from the consumer financing segment, particularly Mortgage and Auto finance. The Bank continued to diversify its financing portfolio across various economic sectors and expanded its client base resulting in lower concentration risk.

Due from banks and other financial institutions

Total outstanding amount at the end of 2025 was ﷼ 6.0 billion versus ﷼ 6.7 billion 2024, a decrease of 10%. This mainly represent short term placements with banks and financial institutions for liquidity management purpose.

Investment Book

The investment portfolio comprises of Sukuks, investment in equities and mutual funds. Total portfolio at 2025 year-end was ﷼ 39.0 billion versus ﷼ 36.4 billion in 2024, registering an increase of 7% compared to last year. This increase is primarily driven by investments in sukuks, complemented by a ﷼ 0.4 billion increase in mutual fund investments and a ﷼ 0.1 billion rise in equity investments.

Total Assets

Total assets amounted to ﷼ 165.9 billion at the end of 2025, as compared to ﷼ 149.1 billion in 2024, representing an increase of 11.3% over the previous year. The growth in total assets was mainly contributed by 14.4% increase in Financing portfolio and 7.0% increase in investment book.

Customer Deposits

Customer deposits grew by 6.7% to reach ﷼ 115.4 billion at the end of 2025, compared to ﷼ 108.2 billion in 2024. The increase is mainly driven by an increase in customers' time investments by ﷼ 7.2 billion from ﷼ 60.2 billion in 2024 to ﷼ 67.4 billion as of year-end 2025. Additionally, there is a 22.9% rise in saving / call deposits which grew from ﷼ 11.1 billion to ﷼ 13.7 billion, offset by reduction in demand deposits by 7.3% from ﷼ 34.6 billion to ﷼ 32.0 billion.

Due to banks, Saudi Central Banks and other financial institutions

Total outstanding amount at the end of 2025 was ﷼ 23.9 billion versus ﷼ 19.3 billion in 2024, an increase of 23.8%. This represents short-term interbank deposits, primarily intended for managing liquidity and cash flow requirements.

Total Liabilities

Amounted to ﷼ 144.1 billion at the end of 2025, compared to ﷼ 131.7 billion in 2024, representing an increase of 9.4% over the previous year. The growth in total liabilities was mainly contributed by increase in Customer deposits by 6.7% and an increase in Due to banks, Saudi Central Bank and other financial institutions by 23.8%.

Geographical analysis of income

The bank realizes its operational income from its activities in the Kingdom of Saudi Arabia and has no branches operating abroad. The table below depicts region-wise analysis of the total operating income of the bank. The operating income of Aljazira Bank includes the operating income of AlJazira Capital (100 % subsidiary of the bank) which amounted to ﷼ 629.3 million as of the end of for 2025.

Aljazira Bank

2025 (﷼'000)				
Regions	**Central**	**Eastern**	**Western**	**Total**
Total Groups Operating Income	1,740,521	478,191	2,245,623	4,464,334

Aljazira Capital

2025 (﷼'000)				
Regions	**Central**	**Eastern**	**Western**	**Total**
Total Groups Operating Income	170,635	34,262	424,404	629,301

Main Business Segments

The Bank and its Subsidiaries' activities consist mainly of the following business lines:

Personal banking

Deposit, credit and investment products for individuals.

Corporate banking

Financing, deposits and other credit products for corporate, small to medium sized business and institutional customers.

Treasury

Treasury includes money market, foreign exchange, trading and treasury services.

Brokerage and asset management

Group provides brokerage, asset and wealth management, investment banking and custody services to customers (this segment includes the activities of the Bank's subsidiary Aljazira Capital Company)

Others

Others include investment in associate, inter-segment income and expense eliminations and gain on sale of other real estate.

The table below depicts total operating income, total operating expenses, and net profit before zakat and income tax for each operating segment:

2025 (﷼'000)	Personal Banking	Corporate Banking	Treasury	Brokerage and Asset Management	Others	Total
Total operating income	2,328,650	1,343,154	511,747	629,301	(348,518)	4,464,334
Percentage %	52%	30%	11%	14%	-7%	-
Total operating expenses	(1,617,318)	(645,474)	(177,938)	(251,725)	1,083	(2,691,372)
Percentage %	60%	24%	7%	9%	0%	-
Share in net income of associates	-	-	-	1,839	11,032	12,871
Percentage %	-	-	-	14%	86%	-
Net income/(loss) before zakat and income tax	711,332	697,680	333,809	379,415	(336,403)	1,785,833
Percentage %	40%	39%	19%	21%	-19%	-

Subsidiaries and Associates

The following table summarizes the names of subsidiaries/associate, their share capital, the Bank's holding percentage, their main business, their principal country of operation and country of incorporation as of 31st December 2025:

Subsidiaries / Associate	Country of incorporation	Country of operation	Nature of business	Share Capital	Ownership
Subsidiaries:					
Aljazira Capital Company (Closed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Brokerage, asset and wealth management, investment banking and custody services	﷼ 500 million	100%
Aman Development and Real Estate Investment Company (Limited-Liability Co.)	Saudi Arabia	Saudi Arabia	Holding and management of real estate collaterals on behalf of the Bank	﷼ 1 million	100%
Aljazira Securities Limited (Limited Liability Co.)	Cayman Islands	Saudi Arabia	Carry out Shariah compliant derivative and capital market transactions	Authorized capital: USD 50,000 Paid up capital: USD 100	100%
BAJ Sukuk Tier 1 Limited (Limited Liability Co.)	Cayman Islands	Saudi Arabia	Trustee for issuance of Tier 1 sukuk certificates	Authorized capital: USD 50,000 Paid up capital: USD 250	100%
Associate:					
Aljazira Takaful Ta'awuni Company (Listed Joint-Stock Company)	Saudi Arabia	Saudi Arabia	Fully Shariah compliant protection and saving products	﷼ 660 million	*33.08%

*This includes the Bank's standalone shareholding of 29.36% (31 December 2024: 29.36%) and Aljazira Capital Company's shareholding of 3.72% (31 December 2024: 3.72%)

Note: The liquidation of Aman Insurance Agency Company—established to act as an agent for the Bank's bancassurance activities—was completed during the year.

The issued share capital of Aljazira Capital Company amounts to ﷼ 500 million divided into 50 million shares of ﷼ 10 each. The issued share capital of Aman Development and Real Estate Investment Company amounts to ﷼ 1 million divided into 100 shares of ﷼ 10,000 each. The authorized capital of Aljazira Securities Limited amounts to USD 50,000 and its paid-up capital is USD 100 divided into 100 shares of USD 1 each. The authorized capital of BAJ Sukuk Tier 1 Limited amounts to USD 50,000 and its paid-up capital is USD 250 divided into 250 shares of USD 1 each. The issued share capital of Aljazira Takaful Ta'awuni amounts to ﷼ 660 million divided into 66 million shares of ﷼ 10 each.

Details of shares and debt instruments issued for each affiliate Company:

1. The Bank confirms that there were no debt securities in issue by any of these subsidiaries.
2. No shares or debt instruments were issued to subsidiaries during 2025.
3. Financing provided by the Bank to its subsidiaries.

The following table shows the Financing made on 31/12/2025 by the Bank to its subsidiary Aljazira Capital Company:

Name of Subsidiary	(﷼'000)
Opening balance	2,023,568
Movement during the year	377,362
Closing balance	**2,400,930**

Furthermore, there are repo and Sukuk liabilities recorded in the books of Aljazira Securities Limited and BAJ Sukuk Tier 1 Limited which represent obligations of the Bank. These form part of the Bank's debt securities and interbank liabilities, as the respective special purpose vehicles are used solely as conduits to facilitate the routing of these transactions on behalf of the Bank.

Furthermore, repo liabilities amounting to ﷼ 1,293.4 million recorded in the books of Aljazira Securities Limited and liabilities amounting to ﷼ 1,875.4 million recorded in the books of BAJ Sukuk Tier 1 Limited represent obligations of the Bank. These balances relate to the Bank's debt securities and interbank liabilities, as the respective Special Purpose Vehicles are used solely as conduits to facilitate these transactions on behalf of the Bank.

Bank's Profitability and growth of financial assets and liabilities

The Bank has recorded a net income before zakat and income tax of ﷼ 1,785.8 million for the year ended December 31, 2025. This represents an increase of ﷼ 381.2 million or 27.1% compared to ﷼ 1,404.6 million during the financial year 2024. The net income after zakat and income tax for the year ended December 31, 2025, was ﷼ 1,505.5 million. This represents an increase of ﷼ 274.5 million or 22.3% compared to ﷼ 1,231.0 million for the financial year 2024.

Net income has increased by ﷼ 274.5 million or 22.3% mainly due to an increase in total operating income by ﷼ 684.9 million or 18.1%, from ﷼ 3,779.4 million to ﷼ 4,464.3 million. The increase in operating income is primarily driven by:

- Net financing and investment income: Increased by ﷼ 365.3 million or 13.9%, from ﷼ 2,634.4 million to ﷼ 2,999.7 million.
- Fees from banking services, net: Increased by ﷼ 129.9 million or 21.5%, from ﷼ 604.1 million to ﷼ 734.0 million.
- Net gains on FVIS financial instruments: Increased by ﷼ 127.3 million or 285.4%, from ﷼ 44.6 million to ﷼ 171.9 million.
- Exchange income, net: Increased by ﷼ 60.2 million or 26.9%, from ﷼ 224.1 million to ﷼ 284.3 million.
- Dividend income: Increased by ﷼ 59.3 million or 30.8%, from ﷼ 192.7 million to ﷼ 252.0 million.

This was partially offset by a decrease in other operating income by ﷼ 45.8 million or 55.5%, from ﷼ 82.5 million to ﷼ 36.7 million.

On the other hand, the total operating expenses increased by ﷼ 299.7 million or 12.5%, from ﷼ 2,391.7 million to ﷼ 2,691.4 million. This was primarily driven by:

- Salaries and employee-related expenses: Increased by ﷼ 135.0 million or 12.0%, from ﷼ 1,126.1 million to ﷼ 1,261.1 million.
- Other general and administrative expenses: Increased by ﷼ 107.0 million or 15.2%, from ﷼ 702.7 million to ﷼ 809.7 million.
- Impairment reversal for other real estate: The non-recurrence of a ﷼ 42.6 million reversal (credit) recorded in 2024.

- Net impairment charge for financing and other financial assets, net: Increased by ﷼ 36.2 million or 11.4%, from ﷼ 317.5 million to ﷼ 353.7 million.

This was partially offset by a decrease in other operating expenses by ﷼ 17.2 million or 37.1%, from ﷼ 46.3 million to ﷼ 29.1 million.

The increase in net income was also partially offset by a higher zakat charge, which rose by ﷼ 101.8 million or 61.6%, from ﷼ 165.3 million to ﷼ 267.1 million.

Earnings per share were ﷼ 1.00 for the year ended 31 December 2025 against ﷼ 0.81 (restated) for the financial year 2024.

Total assets were ﷼ 165.9 billion as of 31 December 2025, compared to ﷼ 149.1 billion on 31 December 2024, an increase of ﷼ 16.8 billion or 11.3%. Net financing to customers amounted to ﷼ 110.9 billion on 31 December 2025, an increase of ﷼ 13.9 billion, or 14.4%, from ﷼ 96.9 billion on 31 December 2024. The Bank's investment portfolio totaled ﷼ 39.0 billion on 31 December 2025, an increase of ﷼ 2.6 billion or 7.0% compared to ﷼ 36.4 billion on 31 December 2024.

Total liabilities were ﷼ 144.1 billion on 31 December 2025, compared with ﷼ 131.7 billion as of 31 December 2024, an increase of 9.4% or ﷼ 12.4 billion. Customer deposits reached ﷼ 115.4 billion as of 31 December 2025, an increase of ﷼ 7.2 billion, or 6.7%, compared to ﷼ 108.2 billion as of 31 December 2024. Due to banks and other financial institutions totaled ﷼ 23.9 billion on 31 December 2025, an increase of ﷼ 4.6 billion, or 23.8%, compared to ﷼ 19.3 billion on 31 December 2024. There was no major change in the Subordinated Sukuk balance (without transaction costs) during the year which totaled ﷼ 2.0 billion on 31 December 2025.

Borrowings and Sukuk in issue

In the course of normal business practices, the Bank exchanges borrowings and funds with other banks and SAMA, in accordance with the profit rates prevailing in the market and are appropriately disclosed in the consolidated financial statements of the Bank.

﷼ 1,875 million (denominated in US Dollars) Perpetual Tier 1 Sukuk

During the current year, the Bank issued cross border Tier 1 Sukuk through a Shari'ah compliant arrangement amounting to ﷼ 1.875 billion (denominated in US Dollars). This issuance forms part of the Bank's USD 1.5 billion Additional Tier 1 Capital Sukuk Programme. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represent an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sukuk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate is 6.5% per annum from date of issue up to September 2030 and is subject to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32- 'Financial Instruments: Presentation' and shown as part of total equity in the consolidated financial statements of the Bank.

﷼ 1,000 million Perpetual Tier 1 Sukuk

During the first quarter of the current year, the Bank completed the issuance of an ﷼-denominated additional Tier 1 sukuk of ﷼ 1 billion (which is part of additional Tier 1 Capital Sukuk Programme of ﷼ 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sukuk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate is 6.3% per annum from date of issue up to January 2030 and is subject to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32- 'Financial Instruments: Presentation' and shown as part of total equity in the consolidated financial statements of the Bank.

﷼ 1,875 million (denominated in US Dollars) Perpetual Tier 1 Sukuk

During financial year 2021, the Bank through a Shariah compliant arrangement issued cross border Tier 1 Sukuk, amounting to ﷼ 1.875 billion (denominated in US Dollars). This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sukuk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate is 3.95% per annum from date of issue up to June 2026 and is subject to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32- 'Financial Instruments: Presentation' and shown as part of total equity in the consolidated financial statements of the Bank.

﷼ 2,000 million Perpetual Tier 1 Sukuk

During the financial year 2023, the Bank completed the issuance of a ﷼-denominated additional Tier 1 sukuk of ﷼ 2 billion (which is part of additional Tier 1 Capital Sukuk Program of ﷼ 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sukuk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate is 6% per annum from date of issue up to June 2028 and is subject to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

This Sukuk has been treated as "Equity" instrument in line with the requirements of IAS 32- 'Financial Instruments: Presentation' and shown as part of total equity in the consolidated financial statements of the Bank.

﷼ 2,000 million 10-year subordinated sukuk (Tier 2 Sukuk)

On December 08, 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of ﷼ 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on December 08 and June 08 each year until December 08, 2031, on which date the Sukuk will expire. The Bank has a call option which can be exercised on or after December 08, 2026, on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Exchange (Tadawul).

As at 31 December 2025 (﷼ '000)	
﷼ 2,000 million 10-year subordinated sukuk	2,000,000
Total	**2,000,000**
Note: In the financial statements the amount has been shown at amortized cost in line with IFRS requirements	

information on any loans (payable upon request or not), a statement of the total indebtedness of the Bank and its affiliates, any amounts paid by the Bank in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented.

There are no loans on the Bank

Disclosure of details of the treasury Shares held by the Bank and details of uses of these Shares

The Extraordinary General Assembly Meeting held on 11 December 2024, approved the Employee Share Plan for which 4.5 million shares (pre-bonus issue) were to be purchased as treasury shares for allocating them to the eligible employees under Employee Share Plan. The Bank completed the purchase of these shares during the first quarter of 2025. During the current year 96,154 shares were allocated to eligible staff.

The details of the treasury shares held by the Bank are as follows

Number of Treasury Shares held by the Bank as on 31 December 2025	Value in (﷼'000)
5,528,846	81,768

Staff Benefits and Schemes

To be in line with the supervisory directives issued by SAMA and the principles of the Financial Stability Board (FSB), the bank is conducting periodic research to ensure consistency of compensation.

Compensation and benefits levels and amounts are determined by conducting periodic research that includes salary benchmark surveys and through other means of market pay intelligence, in order to enable Bank to keep abreast of the local and regional market conditions relating to bank staff employed in the Kingdom, which are contrasted to cyclical performance levels, and mitigated for any associated risks.

The distribution of compensation is composed of a pay mix of fixed and variable pay, allowances, periodic reward schemes and non-cash benefits in line with the standards and norms for the financial services industry in the Kingdom of Saudi Arabia.

According to the Labor Law of the Kingdom of Saudi Arabia and the Bank's internal policies, staff end of service benefits are due for payment at the end of a staff service period.

The total accrued amount of End of Service Benefits outstanding at the end of December 2025 totaled ﷼ 340.4 million.

Key Risks Faced By The Bank

Aljazira Bank (ajb) has adopted a robust, transparent, and prudent approach towards risk management and thus continues to invest in building an infrastructure that is able to proactively identify, assess, measure, and control the risks the Bank faces on an enterprise-wide basis. As a core risk management practice, management keeps a close track of the top and emerging risks that are expected to emanate and challenge not only international economies and financial markets but also their ripple effects on the Saudi economy and, consequently, the financial industry in the Kingdom.

Some of the most prominent national and global issues, opportunities, and considerations are as follows:

According to the International Monetary Fund's (IMF) World Economic Outlook (WEO), global economic growth moderated from 3.3% in FY2023 to approximately 3.2% in FY2024 and is expected to remain broadly stable at around 3.2%-3.3% in FY2025. This outlook reflects a gradual normalization of global economic conditions. In line with the World Bank's assessments, the global economy continues to progress toward a more stable environment following several years of slowdown. This stabilization has been supported by a sustained decline in global inflation to its lowest level in recent years, alongside improving fiscal positions across major economies.

As a result, demand for fuel in the transportation and manufacturing sectors has increased.

Preliminary estimates indicate that real GDP growth for FY 2026 is expected to be around 4.6%, according to the Saudi Ministry of Finance's Pre-Budget Statement, driven by continued expansion in non-oil activities, robust domestic demand, and supportive labor market dynamics.

It is also expected that the Kingdom's trade balance will continue to strengthen, supported by diversification of export composition and expansion of non-oil exports. Saudi Vision 2030 realization programs, initiatives, and regional and sectoral strategies are expected to sustain positive growth rates during FY 2026 and over the medium term, reflecting the cumulative effects of structural reforms implemented since FY 2021.

The government remains committed to advancing its comprehensive reform agenda to achieve the objectives of Saudi Vision 2030, as reflected in the FY 2026 budget and the medium-term fiscal framework. The FY 2026 budget outlines continued support for essential services, investment in national priorities, and accelerated execution of targeted strategic projects. Total expenditures for FY 2026 are projected at ﷼ 1,313 billion with revenues of ﷼ 1,147 billion, resulting in an estimated fiscal deficit of around ﷼ 165 billion (approximately 3.3% of GDP).

Further, recent real estate reforms are expected to enhance market dynamism and investment in FY 2026, while requiring careful monitoring of potential risks. The introduction of foreign ownership rights in designated urban areas and measures to stabilize rental markets are aimed at attracting investment, increasing liquidity, and supporting residential and commercial sector growth in line with Vision 2030 objectives. However, these reforms may also create upward pressure on property prices and rents if supply does not keep pace with rising demand. Additionally, rent stabilization policies, while improving affordability, could inadvertently affect incentives for new rental developments. Overall, the reforms are anticipated to strengthen the real estate sector, provided that market growth is supported by adequate supply and regulatory oversight.

(Source: IMF World Economic Outlook & Saudi Ministry of Finance Budget/Pre-Budget Statement FY 2026)

1. Maintenance of Capital Adequacy:

Management ensured that the Bank continues to maintain adequate levels of quality capital, allowing it to support and maintain the envisaged growth in Risk Weighted Assets (RWA) and also meet the regulatory capital adequacy expectations. In this regard, the Bank has implemented a well thought out capital enhancement strategy, which takes into consideration the underlying advantages, limitations, cost of capital generation and implementation timelines.

In its endeavor to fortify the Bank's capital position, the management continues to remain vigilant and has strategized optimal scenarios which would ensure not only the quantity of capital but also the quality of the capital whilst meeting the regulatory expectations.

2. Liquidity Management:

One of the key risks emanating from the recent global events and their impact on the regional and local financial markets has been the generation of liquidity / funds at a cost that does not outweigh the inflow of economic benefits derived from the financed assets. The bank's management is cognizant of its liquidity requirements after taking into consideration the current and planned business requirements. Therefore,

the Bank has put in place a robust liquidity management framework which ensures a proactive identification of current and expected liquidity requirements and gauges the same against the cost of such liquidity. The Bank's ALCO remains focused on ensuring that funding / liquidity remains at reasonable costs while providing the Bank an opportunity to finance the growth of high yielding assets. The Bank has a comprehensive ILAAP (Internal Liquidity Adequacy Assessment Plan) regime in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with liquidity events.

3. Assets Quality / Credit Risk:

The Bank has given due focus to ensure that the quality of assets, across its lines of business remains of a satisfactory quality. The Bank, as per strategy, remains very selective across all business segments and has approached its target customer segments with a well-defined approach based on:

- A clearly spelled out Credit Policy duly reviewed regularly.
- Well defined Target Market, and Risk Acceptance Criteria.
- Identified industry segments in terms of risks, rewards, regulatory requirements and their performance trends.
- Risk Appetite Framework to ensure risk associated with a particular Business line is duly reflected in the underlying Risk Appetite Matrices to be monitored, reviewed and reported in accordance with Board approved limits.
- Maintenance of a Target Obligor Risk Rating across its business segments and portfolios to ensure that the same supports the planned asset quality growth, probability of default and cost of credit estimates. The Bank has implemented IFRS-9 Expected Credit Losses (ECL) framework in line with the regulatory mandate.

Market Risk Management

The Bank's willingness to accept risk is influenced by market volatility, business direction, macroeconomic conditions, and subjective factors. Market risk is managed through relevant limits and policies governed under the approved risk management framework and regulatory compliance.

The Bank continuously monitors market risk by quantifying capital requirements, profit rate risk, and currency risk, while ensuring Treasury operations remain within approved limits. Market risk is driven by the following factors:

- Maximum cumulative outflow of the balance sheet
- Economic Value of Equity (EVE) and stressed EVE (ΔEVE)
- Liquid Assets Ratio (SAMA Liquidity Ratio)
- Net Stable Funding Ratio (NSFR)
- Liquidity Coverage Ratio (LCR)
- Loan-to-Deposit Ratio (LDR)
- Concentration of funding sources
- Market risk factors

As delegated by the Board, the Market Risk Policy Committee (MRPC) is responsible for policies, limits, and controls for managing market risks. The Bank has an approved Market Risk Policy and Treasury Limits Package that defines policies, procedures, and exposure limits. The objective is to manage earnings volatility and highlight market and liquidity risk profiles to Senior Management, ALCO, the Board Risk Committee, the Board of Directors, and SAMA.

Foreign Exchange Risks

Foreign exchange risk arises when financial assets denominated in foreign currencies lose value or when liabilities denominated in foreign currencies gain value. The MRPC has set limits on net open positions by currency, including USD, other G10 currencies, GCC currencies, and other regional currencies.

The Bank has negligible foreign exchange exposure, as its assets and liabilities are mainly denominated in Saudi Riyals, with limited exposure to USD or USD-pegged currencies.

Equity Price Risk

Equity price risk refers to the risk of a decrease in fair values of the Bank's investments in equities. The Bank's portfolio of securities is regularly marked to market and positive/ negative changes are taken into the Bank's equity or income statement.

Capital Treatment for Market Risk

Aljazira Bank computes the minimum capital requirements against market risk using the Standardized Sensitivity Based Approach under the new SAMA Capital Adequacy requirements for Market Risk as part of Basel III framework. The capital serves as a financial buffer to withstand any adverse market risk movements. Profit rate risk and liquidity risks are covered under BASEL Pillar 2 risk assessments which are the primary risk factors experienced in the Bank's activities.

Stress Testing

The Bank performs Stress Testing semi-annually to further evaluate potential losses. By evaluating the size of the unexpected losses, the Bank is able to understand the risk profiles and potential exposures to unlikely but plausible events in abnormal market conditions using multiple scenarios, and undertake the appropriate measures.

Given the current economic environment, a broad spectrum of scenarios including liquidity and impact on sources of funding are considered in line with applicable regulatory guidelines. These scenarios are updated and may be redefined on an ongoing basis.

The Stress Test results are reported to Senior Management, Board Risk Committee, Management Risk Committee, the Board and SAMA to facilitate and manage risk resilience with more transparency.

Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up.

To mitigate this risk, management actively pursues the diversification of funding sources, assets are priced taking liquidity into consideration while the Bank maintains an adequate balance of cash and cash equivalents.

The global financial crisis has resulted in a significant change in the regulation and supervision of liquidity risk in financial institutions. Arising from the Basel III liquidity risk management requirements, two ratios are used to manage liquidity risks: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Liquidity Risk Management Approach

In terms of day-to-day liquidity management, Treasury Business Group ensures sufficient funding is available to meet the Bank's payment and settlement obligations on a timely basis. The process of managing liquidity risk also includes:

- Maintaining a sufficient amount of unencumbered high-quality liquidity buffer as a protection against any unforeseen interruption to cash flow.
- Managing short term and long-term cash flows via maturity mismatch report and various indicators.
- Monitoring depositor concentration at Bank level to avoid undue reliance on large fund providers.
- Diversifying funding sources to ensure proper funding mix which is also considered as part of Contingency Funding Plan (CFP) and tested on a regular basis.
- Ensuring that regulatory ratios such as SAMA Liquidity Ratio, LCR and NSFR are maintained above the required levels.
- Conducting regular liquidity stress testing under various scenarios as part of prudent liquidity planning to examine the effectiveness and robustness of the liquidity plans.
- Instituting ILAAP (Internal Liquidity Adequacy Assessment Plan) regime in accordance with regulatory mandate to focus on the Bank's Liquidity Risk Assessment.

All liquidity policies and procedures are governed by the Market Risk Policy Manual which is subject to review and approval every year by the Market Risk Policy Committee.

In accordance with Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7% of total demand deposits and 4% of customers' time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of no less than 20% of its deposit liabilities in the form of cash and liquid assets which can be converted into cash within a period not exceeding 30 days.

The bank currently holds an investment portfolio, a significant portion of which consists of government sukuk issued by the National Debt Management Center.

Operational Risks

Introduction

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risk has an enterprise-wide presence and can arise from any activity within the Bank.

Management of Operational Risks

The Operational Risk Framework is designed to establish an effective association between the risk management and the risk owners represented by various Business & Support groups within the Bank. Business & Support groups are responsible to manage the activities and risks within their respective groups; however, processes have been established to involve the Operational Risk Management Division (ORMD) to facilitate risk identification, measurement, assessment and control.

In preparation for and before commencing the risk identification and assessment activity across the Bank, a comprehensive Risk Profiling program is being carried out involving management, risk champions and respective risk owners.

Assessment of risks and categorizing them into levels of significance is conducted in consultation with business support groups to draw their attention to risks that require management consideration.

The tools used to manage and monitor operational risks are as follows:

Risk & Control Self-Assessment (RCSA)

Risk & Control Self-Assessment (RCSA) is a tool used to monitor the performance of controls within a process. A risk register with controls is maintained and updated regularly on an ongoing basis. The RCSA review cycle involves discussions with the business support groups and periodic submissions to the Management Risk Committee (MRC) to seek directions on risk acceptance and treatments including decision for taking actions to review and to improve the control environment.

The Bank's comprehensive RCSA program involves facilitation of workshops by ORMD to identify risks and control within each business and support function level. The controls are periodically assessed to ensure the processes are functioning as per the design.

The Bank has also established a Policy and Product Review Committee to oversee the development of new or existing policies and products. Responsibility of the committee is to challenge the policy or product owners on various aspects of risks to ensure they are adequately addressed before operationalization.

Key Risk Indicators (KRIs)

Key Risk Indicators (KRIs) are a metric to measure how risky a process is through early warning signals developed to indicate increasing risk exposures within the enterprise. KRI provides a trend of risk exposure by comparing it against the thresholds defined and accepted by the Bank.

KRIs for business and support groups are defined through workshops and periodically monitored by ORMD. Trends highlighting risk exposures over the defined thresholds are analyzed and discussed with respective business or support groups to develop appropriate corrective action plans.

Loss Data Management (LDM)

Loss Data Management is a centralized process to methodically record loss incidents occurring in the Bank to enable analysis of control failures and ensure such incidents do not recur.

The Bank has established an internal loss data collection process through which incidents are reported to ORMD for the purpose of recording and further management reporting. A comprehensive Loss Database from 2013 till date is maintained by ORMD.

Business Continuity Management (BCM)

The bank has developed and maintained a full-fledged Business Continuity Management (BCM) program that focuses on the continuity and recovery capabilities of key processes and assets. The program is structured based on international standards, best practices and SAMA requirements and its scope extends to include:

- Crisis Management and Response
- Safety and Security
- People Continuity
- Business Recovery
- IT Disaster Recovery

The bank's BCM program is ongoing and is regularly reviewed by internal and external stakeholders. These features enhance the Bank's readiness and the capabilities to respond and manage adverse events. The results are minimized negative impacts, enhanced performance and reputation, and compliance with regulatory requirements.

Anti-Fraud Management Program

The Bank has implemented a comprehensive Anti-Fraud Risk Management framework in line with SAMA guidelines and international best practices. The Anti-Fraud Risk Management framework has addressed the following aspects:

- Reviewed the Fraud Risk Management Governance structure and associated strategy across the Bank.
- Developed, reviewed and updated Fraud Risk Management policies, procedures, processes and Manuals.
- Conducted and upgraded Fraud Risk Assessments and anti-fraud diagnosis.
- Implemented a comprehensive Fraud Prevention and Detection solution across the bank.

Outsourcing

Complying with SAMA Rules on outsourcing, the Bank has a dedicated department handling outsourcing activities. ORMD is involved in reviewing agreements related to outsourcing of banking activities. This involves a diligent review of operational risks and business continuity requirements that are associated with the outsourced activity.

Insurance

AlJazira Bank has also insured the properties under its residential mortgage portfolio for all risks that can be hedged by insurance which includes "Natural Catastrophe Risks, Flood, Earthquake and Defective Construction". Additionally, there is also another life insurance policy which covers the customers within this portfolio and personal finance, in case of death or disability. Without prejudice to SAMA instructions, and in line with the adopted Cooperative Insurance Companies Control Law and its Implementing Regulation, the Bank has carefully considered such risks by obtaining the required insurance policies in different aspects.

Measurement of Operational Risk (OR) Capital Charge

Operational Risk capital charge is calculated using the Standardized Approach under the new SAMA regulations of Minimum Capital Requirements for Operational Risk. The operational risk capital charge is calculated as a product of relative Basic Indicator Component (BIC) and Internal Loss Multiplier (ILM). Basic Indicator Component is a measure of Bank's Income, calculated as a product of Bank's income under Business Indicator (BI) and relative marginal coefficient, whereas Internal loss multiplier (ILM) is a measure of Bank's historical losses.

Under the new approach, the marginal coefficient of 12% is applied to Business Indicator (BI) where the Bank have BI up to ﷼ 4.46 billion.

Capital Adequacy and Capital management

A prudent and credible calculation of RWAs is an integral element of the risk-based capital framework. With the foregoing in mind, the Bank therefore, monitors the adequacy of its capital using standards and their underlying ratios as set and enforced by SAMA. The Bank's Internal Capital Adequacy Assessment Plan (ICAAP) is designed to capture capital requirements for Pillar-II risks, on an as-is and forward-looking basis while taking into consideration the Bank's current exposures and future growth plans. The ICAAP also assesses the resilience of the Bank's business and capital models under various levels of plausible and severe stress scenarios. Based on the Pillar II framework and on a fully consolidated basis, it reflects a risk centric and realistic approach to the assessment of ajb current and planned capital requirements.

The capital adequacy disclosures have been prepared in accordance with the Basel disclosure guidelines, as issued by SAMA from time to time and as applicable to the Bank.

Real Estate Finance Risk

The following table shows the outstanding balance of the Banks residential real estate finance portfolio as of 31 December 2025:

﷼ '000	31 - Dec - 2025
Real Estate Financing, net	23,447
Total	**23,447**

The Bank has developed adequate policies and procedures to ensure that the appropriate insurance coverage is in place to hedge against potential financial losses associated with residential real estate portfolio.

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

1. **Life Insurance:** The life insurance provides financial protection in the event of death resulting from accidents or specified cause as per the insurance policy in order to recover the outstanding finance amount from insurance company.
2. **Disability Insurance:** The disability insurance provides financial protection to recover the outstanding financing amount in the event that the policy holder becomes disabled and is unable to work or engage in an income earning activity.
3. **Property Insurance:** Property insurance provides coverage for physical damage or loss to the property caused by events such as fire, flood, or natural disasters etc. This is aimed to mitigate the financial impact of property damage, allowing the Bank to recover the costs due to unexpected / unforeseen events.

Accounting Standards

The Bank maintains proper books of accounts and records in an accurate manner. The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank.

The accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2025, are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024. Based on the adoption of new policies for Treasury shares and share based payments, issuance of new standards, interpretations, amendments and in consideration of current economic environment, certain accounting policies as disclosed in the consolidated financial statements are applicable effective January 1, 2025, replacing, amending or adding to the corresponding accounting policies set out in 2024 annual consolidated financial statements.

Appointment of External Auditors

The External Auditors are responsible for the annual audit and quarterly review of the bank's financial statements. The Bank's Annual General Meeting held on 28 April 2025 (corresponding to 30/10/1446) approved the recommendation of the Board of Directors and the Audit Committee to re-appoint Price Water House Coopers (PwC) and appoint KPMG as the external Auditors of the Bank for the financial year ended 31 December 2025.

Statutory Payments

The statutory payments paid by the bank in the year 2025 consisted mainly from zakat and taxes. The following table includes details of such payments:

Category	Payment Amount ﷼'000	Accrual	Comment
Income Tax	6,086	10,086	The settled amount represents the income tax paid for the year 2024, while the accrued amount represents the income tax calculated for the year 2025, which will be settled in April 2026.
VAT	82,292	10,043	The settled amount represents the Value Added Tax (VAT) paid for the period from January to November 2025, while the accrued amount represents the VAT due for December 2025, which will be settled in January 2026.
WHT	15,013	2,893	The settled amount represents the Withholding Tax paid for the period from January to November 2025, while the accrued amount represents the Withholding Tax due for December 2025, which will be settled in January 2026.
Zakat	162,744	267,145	The settled amount represents the Zakat paid for the year 2024, while the accrued amount represents the Zakat calculated for the year 2025, which will be settled in April 2026, in addition to accruals from prior years.

Penalties, fines and Regulatory Restrictions

The Bank affirms its full commitment to applying all banking instructions, regulations, and regulatory rules and guidelines issued by supervisory authorities through the conduct of its daily operations. The tables below set forth information regarding fines imposed on the Bank as follows:

Disciplinary Decisions of the Saudi Central Bank

Violation Subject	Reasons	Fiscal Year 2025		Measures Taken to Address and Avoid Imposition of Fines
		Number of Disciplinary Decisions	Total Amount of Fines ﷼'000	
Regulatory non-compliance	• Non-compliance with a number of requirements issued by the Saudi Central Bank regarding: Regulatory Guide for Business Continuity Management in the Banking Sector, Regulatory Guide for Information Security, and Regulatory Guide for IT Governance. • Non-compliance with banking account rules issued by the Saudi Central Bank. • Non-compliance with Saudi Central Bank rules regarding customer protection. • Violation of Saudi Central Bank instructions regarding customer identity verification through trusted sources. • Submission of reports to the Saudi Central Bank containing incomplete information.	7	2,361	Corrective and control measures were implemented, including: 1. Strengthening controls over cash and devices. 2. Adding a privacy policy to the application. 3. Circulating policies, procedures, and code of conduct to employees, and establishing a corrective action plan for procedures and updating the banking system to notify customers of mobile number changes. 4. Conducting a comprehensive system audit and updating the escalation matrix and DNS settings. 5. Updating procedures for credit card exemption requests. 6. Ensuring the Bank's compliance with requirements issued by the Saudi Central Bank (Regulatory Guide for Business Continuity in the Banking Sector, Information Security, and IT Governance). 7. Improving vendor monitoring and managing reservation orders and credit cards to ensure compliance and avoid fines. 8. Developing a reporting methodology that enhances accuracy and consistency with regulatory requirements, in addition to developing authentication and review procedures before submitting reports to the Saudi Central Bank.
Violation of Saudi Central Bank supervisory instructions regarding the application of due diligence in combating money laundering and terrorist financing	Failure to comply with monitoring customer activities and incorrect customer classification due to system deficiencies	3	1,655	Corrective and control measures were implemented, including updating forms and systems, enhancing reporting and monitoring efficiency, completing customer classification, and strengthening monitoring and due diligence to ensure ongoing compliance.
Violation of Saudi Central Bank supervisory instructions pertaining to anti-fraud regulations and control frameworks	Shortcomings and non-compliance in implementing certain requirements stipulated in the Financial Fraud Prevention Guide with respect to Apple Pay and Samsung Pay services	5	1,601	Corrective and control measures were implemented, including raising financial transaction limits for cards and digital wallets, strengthening monitoring controls and integrating Samsung Pay into payment governance frameworks, and collaborating with Deloitte to address Saudi Central Bank observations and the Taqyeem project initiatives.

Violation Subject	Reasons	Fiscal Year 2025		Measures Taken to Address and Avoid Imposition of Fines
		Number of Disciplinary Decisions	Total Amount of Fines ﷼'000	
Violation of Saudi Central Bank supervisory instructions regarding the availability of queue management devices	• Failure to install queue management devices at branches	1	54	Corrective and control measures were implemented, including the purchase, installation, and operation of a queue management system at the relevant branch, along with periodic follow-up with all branches to ensure full compliance and avoid any future fines.
Violation of Saudi Central Bank supervisory instructions regarding bank-owned properties	Failure to liquidate properties that came under the Bank's ownership within the specified timeframe and submit a non-objection request to extend the retention period for such properties within the timeframe specified in accordance with Saudi Central Bank instructions.	2	223	Compliance with branch opening policies was ensured, along with the formation of a committee chaired by the Chief Executive Officer to oversee the liquidation of properties and submit periodic reports to ensure compliance and obtain non-objection within the statutory timeframes.
Violation of Saudi Central Bank supervisory instructions regarding addressing and closing observations included in approved corrective plans.	Failure to address and close the observation related to the targeted review program for the corporate loans portfolio and the targeted review program for operational risks in accordance with the target dates, and failure to apply relevant instructions regarding obtaining prior written non-objection from the Saudi Central Bank before acquiring or subscribing to any securities abroad in foreign currencies.	3	600	The observations were closed and related manuals and procedures were updated, with emphasis on compliance with Saudi Central Bank instructions and submitting extension requests within statutory timeframes. In addition, a corrective plan for investments was prepared, non-compliant investments were halted, and the Treasury Procedures Manual was updated to request prior non-objection.
Violation of Saudi Central Bank supervisory instructions (Note of Concern)	• A note of concern regarding the inclusion of a number of employees in the E-list in a non-systematic manner. • Submission of inaccurate data due to a system issue. • Failure of the Bank to obtain Board of Directors approval for the non-performing loans strategy within the timeframe specified in Saudi Central Bank instructions. • Failure to make the privacy policy available in its electronic mobile application.	4	-	Corrective and control measures were implemented, including correcting the E-list and establishing a clear mechanism for its management, activating dual control controls to verify the accuracy of reports before submission to the Saudi Central Bank, making the privacy policy available in the application and requiring customer consent, in addition to establishing a quality assurance department, organizing objection periods, and enhancing the efficiency of the loan processing unit through resources, training, and performance indicators.

Other Penalties, fines and Regulatory Restrictions

During 2025, the Zakat, Tax and Customs Authority (ZATCA) and certain municipalities imposed fines on the Bank totaling ﷼ 692 thousands. The majority of these fines pertain to municipal regulations governing the Bank's automated teller machines (ATMs) and branches, as detailed below. The Bank has ensured the enhancement of remedial measures addressing the matters subject to observations:

Regulatory Authority	Reason for Penalty	(﷼'000)	Remedial measures implemented to address and prevent the imposition of fines
Ministry of Municipalities and Housing	Due to the following observations covering several ATMs: • Conducting activities without obtaining a commercial license for ATM operations • Non-compliance with updated commercial signage requirements • Lack of comprehensive accessibility for all ATM users • Absence of a designated entry and exit pathway • Insufficient capacity of the ATM pathway • Presence of cracks in the road pathway • Failure to maintain and repair commercial signs (visual distortion) • Non-compliance with required setback requirements	**687**	Corrective measures were taken to ensure obtaining licenses for ATM operations. Controls over operations and maintenance were also strengthened, and internal procedures were reviewed to avoid municipal violations.
Zakat, Tax and Customs Authority (ZATCA)	Non-compliance with entering tax identification numbers in a format consistent with the tax number format prescribed for each country, as per the reference link issued by the Organization for Economic Co-operation and Development (OECD) website.	**5**	Corrective and control measures were implemented to ensure the provision of accurate information in compliance with the provisions of the regulation on tax non-disclosure and approved agreements.
Total		**692**	

Related Party Transactions

In the ordinary course of its activities, the Bank transacts business with related parties. The related party transactions are governed by the limits set by the Banking Control Law and regulations issued by Saudi Central Bank (SAMA) and approved by the board of directors and management.

All contracts presented in this table and the tables below do not contain any preferential terms.

The balances as at December 31 resulting from such transactions included in the consolidated financial statements are as follows:

	2025 ﷼ '000	2024 ﷼ '000
Subsidiary companies		
Investments	**500,980**	500,980
Customer deposits	**1,687,290**	2,389,506
Due from banks and other financial institutions	**2,400,930**	2,023,568
Due to banks and other financial institutions	**1,288,671**	291,019
Receivables and other assets	**144,199**	161,081
Payables and liabilities	**43,524**	30,623
Commitments and contingencies	**42**	98
Notional values of outstanding shari'ah compliant contracts	**4,142,944**	3,675,436
Outstanding Sukuk liability	**1,875,000**	1,875,000
*This is in addition to the requirements of IAS 24.		
Associate with significant influence		
Investments	**336,713**	323,716
Customer deposits	**240,811**	305,417
Contingencies and commitments	**7,280**	7,280
Sukuk liability	**160,000**	150,000

	2025 ﷼ '000	2024 ﷼ '000
Directors, key management personnel, other major shareholders and their affiliates		
Financing	**2,383,466**	327,474
Customers' deposits	**144,553**	119,835
Contingencies and commitments	**7,864**	35,835

Other major shareholders represent shareholdings of more than 5% of the Bank's issued share capital.

	2025 ﷼ '000	2024 ﷼ '000
Mutual Funds under subsidiary's management		
Investments	**972,065**	579,306
Customers' deposits	**369,505**	111,785

Income, expenses and other transactions with related parties included in the consolidated financial statements:

	2025 ﷼ '000	2024 ﷼ '000
Subsidiary companies*		
Income from investments and financing	**228,353**	283,294
Return on deposits and financial liabilities	**284,205**	289,565
Fees income	**27**	282
Fee expense	**8,684**	12,697
Income under shared service agreements	**1,150**	1,150
Reimbursement of building related expense	**6,399**	4,005
Reimbursement of expense to a subsidiary	**46**	39

*This is in addition to the requirements of IAS 24.

Associate with significant influence		
Return on deposits and financial liabilities	**12,432**	7,779
Fees income	**484**	113
Insurance premium	**17,172**	131,247
Claims received	**31,721**	26,505
Investment in the sukuks issued by the Bank	**10,000**	-
Dividend received by Bank	**5,813**	5,813
Profit on the sukuks issued by the Bank	**9,315**	9,000
Participation in DMO sukuk auction for an associate	**-**	33,516
Purchase of shares of associate	**-**	76,218
Directors, key management personnel, other major shareholders and their affiliates		
Income from investments and financing	**156,744**	20,959
Return on deposits and financial liabilities	**6,341**	4,106
Directors' remuneration	**17,630**	17,049
Operating expenses	**5,206**	5,432
Rent expense for branches	**782**	765
The above table includes the income from investment and financing amounting to ৳ 155 million and return on deposits and financial liabilities amounting to ৳ 0.4 million pertaining to entities having common directorships or common key management personnel in accordance with regulations.		
Mutual Funds under subsidiary's management		
Return on deposits and financial liabilities	**7,503**	9,684
Investment in mutual funds	**112,500**	144,716

Total amount of remunerations paid to directors and key management personnel during the year:

	2025 ৳' 000	2024 ৳' 000
Short-term employee benefits	**138,189**	133,687
Termination benefits	**30,950**	28,608

Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The contracts and dealings between the Bank and Aljazira Takaful Ta'awuni Company (AJT) in the year 2025 amounted to ﷼ 86.9 million. Whereas,

- Mr. Naif AlAbdulkareem, the CEO & MD of the Bank, has an indirect interest in these transactions by being member of Board of Directors of Aljazira Takaful Ta`awuni Company
- Mr. Mohammed Almousa, Mr. Sami Almehaid and Mr. Naif Al-Mesned, senior executives of the Group, have an indirect interest in these transactions by being members of Board of Directors of Aljazira Takaful Ta`awuni Company
- The Chairman of the Bank's Board of Directors, Eng. Abdulmajeed Ibrahim Al-Sultan, has an indirect interest in the transactions conducted with Aljazira Takaful Taawuni Company, as his son, Mr.Ibrahim Al-Sultan, serves as member of its Board of Directors.
- Prior to the new Board composition of Aljazira Takaful effective from 17 July 2025, the Bank and AJT were considered related parties due to the presence of Engr. Abdulmajeed Al-Sultan, Chairman of the Bank's Board, and Mr. Naif AlAbdulkareem, CEO and Managing Director of the Bank, who also served as directors of AJT.

Nature of Contract	Period of the Contract	Transaction amount in 2025 (﷼'000)
Personal Dinar Insurance Policy	One Year	**1,270**
Mortgage Insurance Policy	One Year	**7,666**
Group Life Insurance Policy	One Year	**1,904**
Staff Credit Cover Policy	One Year	**380**
Property All Risk Policy	One Year	**54**
Property All Risk -Own Property Policy	One Year	**384**
Banker Blanket bond	One Year	**5,137**
Directors and Officers Liability Insurance	One Year	**239**
Public Liability Policy	One Year	**57**
Sabotage & Terrorism Policy	One Year	**81**
Claims received	One Year	**31,721**
Return on time deposits investments	Dealings	**12,432**
Commission received	One Year	**484**
Dividends received	Dealings	**5,813**
Profit on the sukuks issued by ajb	Dealings	**9,315**
Investment in the sukuks issued by ajb	Dealings	**10,000**
Total		**86,937**

The contracts and dealings between the Bank and Aljazira Capital (ajc) in the year 2025 amounted to ﷼ 177 million. Whereas:

- Mr. Naif Al-Abdulkareem, the CEO & MD of the Bank, has an indirect interest in these transactions by being member of Board of Directors of Aljazira Capital Company
- Mr. Mohammed Almousa, senior executive of the Bank, has an indirect interest in these transactions by being member of Board of Directors of Aljazira Capital Company

Nature of Contract	Period of the Contract	Transaction amount in 2025 (﷼'000)
Financing income earned on money market placements	Dealings	**113,204**
Return on deposits	2 years / Dealings	**47,521**
Service Level Agreement	Effective, unless terminated	**1,150**
Fees and commission income	One Year	**27**
Custody fee expense	Effective, unless terminated	**5,985**
Asset management and investment advisory fee	Effective, unless terminated	**636**
Investment Banking fees in connection with Sukuk issuance	One-time transaction	**2,063**
Rent and building related expense	Effective, unless terminated	**6,399**
Total		**176,985**

The contracts and dealings between the Bank and Saudi Credit Bureau Company (SIMAH) in the year 2025 amounted to ﷼ 5.2 million. Whereas:

- Mr. Naif AlAbdulkareem has an indirect interest in these transactions as he is the CEO & Managing Director of Aljazira Bank and the Chairman of Board of Directors of SIMAH

Nature of Contract	Period of the Contract	Transaction amount in 2025 (﷼'000)
Registration and service usage charges	Dealings	**5,206**
Total		**5,206**

List of rental contracts where the below listed members of board directors may have direct or indirect interest:

'000 ﷼

Contractor	Name of the related party	Relationship	Nature of Contract	Term of Contract	Amount in 2025
Mr. Ahmed bin Othman Al-Kasabi	Eng. Tarek bin Othman Al-Kasabi	Brother of Mr. Ahmed bin Othman Al-Kasabi and Chairman of Aljazira Capital Company	Rental for Al-Hassan Bin Ali Road	5 years	**333**
Dallah Health Care Holding Company	Eng. Tarek bin Othman Al-Kasabi	Chairman of Aljazira Capital Company	Rental for ATM in Riyadh	5 years	**35**
Consolidated Brothers Company	Eng. Abdul Majeed bin Ibrahim Al-Sultan	Chairman of the Bank's Board & Owns part of Consolidated Brothers Company	Rental for Al-Rehab Branch	5 years	**414**
Total					**782**

Note: The amounts above also include VAT where applicable.

Board of Directors assurance

The Board of Directors assures shareholders and other stakeholders that to the best of their knowledge, and in all material aspects:

- Proper books of account have been maintained;
- The system of internal control is sound in design and has been effectively implemented; and
- There are no significant doubts concerning the company's ability to continue its activity
- There are no business or contracts in which the bank is a party, or in which any board member, the CEO, Managing Director, Senior Financial Officer, or senior executives of the bank, or any party directly related to them, hold large interests, except as otherwise disclosed in the (Related Parties Transactions) herein and in the Note (37-Transactions with related parties) of the audited financial statements for 2025.
- The Board of Directors did not recommend replacement of the bank's auditors prior to their term of appointment, and there was no contradiction between the recommendations of the Audit Committee and the Board resolutions.

Dividend Distribution Policy

In line with the bank's updated Articles of Association as approved at the General Assembly Meeting held on Monday, 30 Shawwal , 1446H (28 April 2025G) and ajb Governance document, the bank's dividends policy complies with the Banking Control Law and the rules and regulations issued by the regulatory authorities. The Bank pays approved dividends to shareholders, after deduction of overheads and other expenses, formation of reserves as necessary to meet doubtful debts, investment losses and contingent liabilities as deemed necessary by the board of directors and required under the banking control law provisions, as follows:

- Sums required for payment of the Zakat due on Saudi shareholders and the tax due on non-Saudi shareholders shall be calculated according to the laws and regulations in force in Kingdom of Saudi Arabia. Such sums shall be paid by the bank to the competent authorities. Zakat paid on behalf of Saudi shareholders shall be deducted from their share in the net profits, and tax paid on behalf of non-Saudi shareholders will be deducted from their share in the net profits.
- 25% of the remainder of annual net profits, after deduction of zakat, will be transferred to statutory reserve until this reserve is equal to the paid-up capital of the bank, at least. The Ordinary General Assembly, acting upon the formal recommendation of the Board of Directors, may set aside a specific percentage of net profits to properly form a voluntary reserve. Such reserve may only be utilized pursuant to a formal resolution of the Extraordinary General Assembly. If the voluntary reserve is not specifically allocated for a designated purpose, the Ordinary General Assembly, upon the official recommendation of the Board of Directors, may properly resolve to use it for the benefit of either the Company or the shareholders.
- Out of the remainder of the profit after deduction of the statutory reserve and Zakat and tax, a sum of not less than 2.5% of the paid-up capital shall be allocated for distribution to Saudi and non-Saudi shareholders in proportion to the paid-up part of the shares of the Saudi and non-Saudi shareholders as recommended by the Board of Directors and endorsed by General Meeting. In case the remainder of the profits payable to the shareholders concerned is not sufficient for paying such dividend, shareholders may not be entitled to claim the payment thereof in the following year or years. The General Meeting may not resolve to pay a percentage of the dividends which exceeds the percentage that is recommended by the Board of Directors.
- The remainder after the sums set forth in the paragraphs herein have been allocated shall be utilized in the manner recommended by the Board of Directors and approved by the General Meeting.
- The respective percentage of shareholding of each of the Saudi and non-Saudi shareholders shall be maintained (observed) when calculating the sum to be allocated as statutory reserve and other reserves out of the net profit (after Zakat and Tax). Each of the two categories of shareholders shall participate in the transfer to such reserves on a pro-rata basis of their shareholding in the capital provided their contributions will be deducted from their shares in the net profits.
- After having obtained the Saudi Central Bank's (SAMA) no-objection, and in line with the relevant regulatory rules, may pay provisional dividends to shareholders, half-yearly or quarterly, if any

Total dividends distributed

The bank announces the board of director's decision to distribute cash dividends for The second half of 2025 as follow:

The Total amount distributed	Number of Shares Eligible for Dividends	Dividend per share	Percentage of Dividend to the Share Par Value (%)	Eligibility date	Distribution Date
638,109,422 ﷼	1,276,218,844 shares	0.50 ﷼ after deduction of Zakat	5	2026-02-08 Corresponding to 1447-08-20	2026-02-18 Corresponding to 1447-09-01

Credit Ratings

The strength of the credit rating is a sign of the bank's relative financial strength and enhances the Bank's ability to access optimal sources of financing, particularly as credit ratings take into account the financial strengths, liquidity position and reputation of Aljazira Bank taking into consideration the local sovereign rating. The table below reflects the bank's latest credit assessment:

Credit Rating	Moody's - 13-Nov-2025	Fitch Rating - 16-May-2025
Credit rating long term	Baseline Credit Assessment BCA BAA3	Issuer Default Rating IDR A-
Outlook	Stable	Stable
Deposits Rating	A3/P-2*	Issuer Default Rating IDR F2 Short Term
International Scale	-	-
National scale	-	-
Counterparty Risk Assessment CR	A2(cr)/P-1(cr)	
Overall Fiduciary Rating Score	-	-
Long Term Local Currency IDR	-	A+
Long - Term IDR (xgs)	-	BB+
Viability Rating	-	BB+
National Long-Term Rating	-	AA (sau)

Local regulatory and supervisory requirements and international standards

In line with local regulatory and supervisory requirements and international standards, Aljazira Bank has taken several actions to monitor its business to comply with the instructions of the Saudi Central Bank (SAMA), the Capital Market Authority, and other legislators, in addition to international best practices. The Bank rely on the Compliance and Anti-Financial Crime Group, which plays an active role in assisting the Bank and enabling it to achieve its strategic objectives which were established in accordance with standards and regulations related to compliance and Anti-Financial Crimes.

In pursuing to ensure the implementation of regulations published by regulators, Aljazira Bank set controls at the level of the bank and its various business groups or Departments and worked to raise employees' awareness of Non-compliance risks through intensive training courses for its Employees, as well as reviewing all policies, procedures, products and services and ensuring their effectiveness and to be complied with updated regulations and instructions. Moreover, the bank emphasizes monitoring on non-compliance risks and money laundering and terrorist financing and other financial crimes including fraud, bribery and corruption.

Board of Directors General Secretariat and Governance Group:

The General Secretariat of the Board of Directors assumes the organizing of the business of the Board of Directors and the executive Committee. It undertakes the preparations for and holding of the board meetings, maintains related records and files, receives incoming correspondence, and documents the decisions relevant to the work of the Board and committees and the executive Committee and following up on their implementation. It also assumes all the tasks and responsibilities entrusted thereto by the chairman and members of the Board. The Board of Directors Secretariat is also responsible for the work and reports concerning the bank's various business courses and reports to the Board of Directors and committees for decisions.

Furthermore, the Group is responsible for leading and managing the bank's governance matters in line with the Governance Principles issued by the Saudi Central Bank (SAMA), Corporate Governance Rules issued by CMA and other supervisory directives. The Group has formed and aligned the bank's governance framework and complementing policies relating to conflict of interests, disclosure and related parties' transactions, charters of the board and subcommittees and management committees to ensure these are aligned with the rules and regulations in force and best practices. This is in addition to the Groups' contribution to the development, assessment frameworks, suitability and training of the Board and its committees.

Principles of Corporate Governance

Aljazira Bank is aware of the positive implications of adopting the principles of governance that require the bank to observe highest professional and ethical standards in its business by implementing compliance, disclosure and transparency rules, thereby contributing to the strengthening and improvement of the efficiency of the bank's business and relations with its stakeholders. The Bank believes that the adoption of these principles will enhance investors and stakeholder's confidence in the Bank and positively reflect on the integrity of the banking industry in the Kingdom of Saudi Arabia. In the Bank's endeavors to enhance channels of communication with its shareholders, the Bank continued its initiatives to urge shareholders holding share certificates, who did not receive their dividends for the past period, to contact the bank in order to update their information and arrange their share rights. A search engine has been provided on the bank's electronic website for this purpose.

https://www.bankaljazira.com/ar-sa/About-Us/Shareholders-Services/UnclaimedDividendList

The Bank's Articles of Association and Governance Document guarantee shareholders' right to dividends and to attend, discuss and vote at the general meeting assemblies, and dispose of their shares whether in person or in any means of modern technology. Based on the bank's disclosure policy, information and data relating to general meetings, balance sheets, financial statements and directors annual report are provided to shareholders on a continuous basis, published in newspapers, The Saudi Stock Exchange website (Tadawul) and posted on the Bank's electronic website.

Board of Directors Secretariat Group

In its keenness to comply with the recent supervisory requirements, the Bank has made the necessary amendments to the relevant Board and Subcommittees' charters as follows:

a. Terms of reference of the board of directors and subcommittees and governance policies

The Corporate Governance department has reviewed Governance Policies after they were aligned with the Key Principles of Governance in Financial Institutions under the Control and Supervision of the Saudi Central Bank (SAMA) and Corporate Governance Amended Regulations issued by Capital Market Authority. These policies included, for example, Board member succession plan policy, related party policy, Employee Trading & Insider Information Policy, Charters of the Board and its Subcommittee's including for example, NRC Committee Charter which have been approved by both NRC committee and the board In preparation for general Assembly approval.

b. Evaluation of the effectiveness of the board, board members and board committees

As per the supervisory directives contained in the Governance Principles document, the Corporate Governance Rules and Aljazira Bank Governance document, the board of directors evaluates, on an annual basis, the effectiveness of its members and the level of their participation in its business, both individually and as a group, as well as the effectiveness of the board sub-committees. During the third quarter of 2025 under the directives of the Remunerations and Nominations Committee, the Bank led by Human Capital and Corporate Support Group the assessment, and the results along with recommendations of this assessment were conveyed to the Remunerations and Nominations Committee then raise it to Board of Directors. The bank aims to conduct this assessment annually to ensure raising effectiveness of the board to support the bank strategic direction.

c. Training courses to board and sub-committee members

As part of the Bank's approach to enhancing and developing the capabilities of the members of the Board of Directors and its Board-level committees across various aspects of the banking industry, tailored training programs were designed for Board members. During 2025, attendance by members of the Board of Directors was facilitated through modern technological means by conducting a workshop in line with the requirements of the Saudi Central Bank (SAMA). Subsequently, the necessary confirmations were received from Board members acknowledging their review of the training course and workshop content.

The training program covered the following areas:

Corporate Governance, Compliance Principles, Shariah Governance, Business Continuity, Data Privacy, Whistleblowing, Cybersecurity, Operational Risk Management, Fraud Prevention, and Anti-Money Laundering.

d. Shareholders rights

Under the related supervisory directives, and as a general rule, the bank is keen to enable shareholders to exercise their legal rights relating to the shares, including the submission of comments and suggestions regarding the bank and performance. To this effect, the Phone number 012 609-8394 or 011 215-7325 and e-mail address (SSU@bankaljazira.sa) were assigned to receive inquiries from all shareholders, and the board was informed of all such inquiries and feedback. In addition, and as per the Bank's practices, the board addressed all questions and inquiries of shareholders raised at the bank's general meetings held in the year 2025 and through the shareholders unit. The board reviews such comments and reacts appropriately to them.

Shareholders registry submissions

In 2025, submissions to shareholders registry were made as per following details:

No. of Submissions Made to Shareholders Register	Submission Date	Reasons
(1)	2025/04/20	Updating shareholder records
(2)	2025/07/03	Updating shareholder records
(3)	2025/07/13	Updating shareholder records
(4)	2025/12/21	Updating shareholder records

Notification relating to shareholding of major shareholders

The Bank did not receive any notifications from shareholders and related parties regarding change of their shareholding in the bank as per the provisions of article 70 of the requirements for securities issuance and continuous liabilities issued by the Capital Market Authority. The following tables include description of the interests of major shareholders, board directors and senior executives and their spouses and children in the bank's shares or debt instruments:

1. Description of any interest, securities or subscription right held by major shareholders:

SN	Name of interested person	Beginning of the year 2025		End of the year 2025		Net Change	% Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Mr. Ibrahim Abdulrahman Mohammed Al Qunaibet	61,503,975	-	77,734,378	-	16,230,403	26.39%
2	Consolidated Brothers Development Company	51,250,000	-	64,063,743	-	12,813,743	25.00%

2. Description of any interest, securities and subscription rights held by the directors of the Board and their spouses and children:

Name	Relation	Shares Balance Beginning of the year 2025	Shares Balance End of the year 2025	Net Change	% Change
Eng. Abdulmajeed bin Ibrahim Al Sultan	Self	3,413	250,000	246,587	> 100%
Consolidated Brothers Development Company	Board Member Partner	51,250,000	64,063,743	12,813,743	25.00%
Mr. Naif bin Abdulkareem Al Abdulkareem	Self	1,250	185,086	183,836	> 100%
Mr. Saad Ibrahim Al Mushawah	Self	2,500	3,125	625	25.00%
Mr. Ibrahim Bin Abdulaziz Al Shaia	Self	70,000	87,500	17,500	25.00%
Mr. Abdulaziz Muteb Abdullah Alrasheed	Self	6,250	7,812	1,562	24.99%
Mr. Mohammed Abdulkareem Mohammed Alnafea	Self	1,000	1,250	250	25.00%

3. Description of any interest, securities and subscription rights held by senior executives, their spouses and children:

Name	Relationship	Shares Balance Beginning of the year 2025	Shares Balance End of the year 2025	Net Change	% Change
Mr. Naif bin Abdulkareem Al Abdulkareem CEO & Managing Director	Self	1,250	185,086	183,836	> 100%
Dr. Fahad bin Ali Al Elayan Senior Vice President and Head of Shariah Group and Sustainability & Social Responsibility Group	Self	20,500	35,464	14,964	73.00%
Mrs. Sadeem Fahad bin Ali Al Elayan	Daughter of Executive	220	328	108	49.09%
Mrs. Haneen Fahad bin Ali Al Elayan	Daughter of Executive	1,000	1,250	250	25.00%
Mr. Faisal Mashhour Al-Mansour Senior Vice President and Head of Human Capital and Corporate Support Group	Self	2,900	23,380	20,480	> 100%
Mr. Hamad Ibrahim Aleasa Senior Vice President and Chief Compliance & AML Officer	Self	0	12,791	12,791	100%
Mr. Hani Abdulwahab AlArki Senior Vice President and Head of Treasury Group	Self	0	23,614	23,614	100%
Mr. Hani Salah Noori Senior Vice President and Chief Financial Officer	Self	0	14,758	14,758	100%
Mr. Osama Al Ibrahim Senior Vice President and Chief Risk Officer	Self	6,377	15,350	8,973	> 100%
Mr. Sami Jadaan Almhaid Senior Vice President and Head of Corporate and Institutional Banking Group	Self	0	34,436	34,436	100%
Mr. Sultan Saud AlQahtani Senior Vice President and Board Secretary & Head of Corporate Governance Group	Self	0	9,839	9,839	100%
Mr. Bader Ahmed Alroshodi Senior Vice President and Head of Customer Experience and Protection Division	Self	0	3,936	3,936	100%
Mr. Ibrahim Abdullah Alomar Senior Vice President and Chief Operation Officer	Self	0	14,758	14,758	100%
Mr. Yazid Abdullah Almobty Senior Vice President and Chief Credit Officer	Self	0	14,758	14,758	100%
Mr. Mohammed Abdulrahman Al-Mousa Senior Vice President and Head of Retail Banking Group	Self	1,500	26,472	24,972	>100%

Application of the Corporate Governance Regulations and Reasons for Non-Application

In general, Aljazira Bank complies in letter and spirit with all mandatory provisions and directives contained in the CMA Corporate Governance Rules, except for what stated below, which compliance is reflected by incorporating such mandatory requirements in the bank's articles of association, governance document and terms of reference of the board of directors and its sub-committees. Such requirements were also incorporated in the policies and governance frameworks of Aljazira Bank, and in the internal policies and business directories regulating the business of the bank's various departments. These requirements provide for guarantee of shareholders right to the shares and to participate in the general meetings and be provided with all information that enable them to exercise such rights; disclosure of financial and non-financial information; full compliance with transparency requirements within the legal limits; determination of the duties of the board and liabilities of its members and the formation of its various sub-committees in line with its terms of reference which are consistent with the regulatory directives.

Article	Requirement	Reasons for bank non-compliance
(90) Subparagraph(b) From paragraph (4)	Disclosure of senior Executive bonuses	Data is included in the aggregate.
(92)	Formation of Governance Committee (Guidance Article)	As per its terms of references, the Board supervises all aspects of governance the bank.

Information relating to any competing business with the Bank or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses, including the names of persons in relation, the nature, conditions of such competing businesses

Board Member	Competing Businesses	Main Activity
Member Mr. Abdulaziz Muteb Alrasheed	Dinar	A Company offers avenues for swift and adaptable financing options
*Mr. Mohammed Saad BinDawood	Dar Al Tamleek Company	A Company Specialized in providing housing finance

* Mr. Mohammed Saad BinDawood Membership in Dar Al Tamleek ended in data 12/05/2025

Composition of the board of directors and membership categories

As per the provisions of the Bank's articles of association, the board of directors of Aljazira Bank consists of 9 members. On 11 December 2024, the bank's general meeting convened to select and elect the board directors for a new term from 01 January 2025 to 31 Dec 2027 based on the accumulative voting method. In accordance with the supervisory directives and after having obtained the consent of the regulatory authorities, a Chairman, Deputy Chairman and a managing director were elected from among the board members.

The Board of directors has also selected and appointed the chairmen and members of the board sub-committees for the board term starting from 01 Jan 2025 to 31 Dec 2027, as follows:

SN	Director's name	Membership Classification (Executive - Non-Executive - Independent)
1	**Eng. Abdul Majeed bin Ibrahim Al Sultan**	Non-Executive - Chairman
2	**Mr. Mohammed bin Saad BinDawood**	Independent - Deputy Chairman*
3	**Mr. Naif bin Abdulkareem Al Abdulkareem**	Executive - Managing Director and Chief Executive Officer
4	**Mr. Ibrahim Abdulaziz Alshaia**	Non-Executive
5	**Mr. Abdulaziz Muteb Alrasheed**	Non-Executive
6	**Mr. Mohammed Abdulkrem Alnafea**	Non-Executive
7	**Mr. Saad bin Ibrahim Al Mushawah**	Independent
8	**Mr. Abdulmohsen Mohammed Alsheikh**	Independent
9	**Mr. Sultan Abdulaziz Alhamidi**	Independent

* His Membership classification changed from non-executive to independent on 13/05/2025

The Board of Directors also took into account the selection and appointment of the chairmen and members of the Board sub-committees for the Board term starting from 01 January 2025 to 31 December 2027, which were formed, as follows:

Executive Committee Members:

Name	Membership Classification	Membership Status
Eng. Abdulmajeed Ibrahim AlSultan	Chairman	Non-Executive
Mr. Ibrahim Abdulaziz Alshaia	Member	Non-Executive
Mr. Naif Abdulkareem AlAbdulkareem	Member	Executive
Mr. Mohammed Saad Bindawood	Member	Independent
Mr. Abdulaziz Muteb Alrasheed	Member	Non-Executive

Risk Committee members:

Name	Membership Classification	Membership Status
Mr. Mohammed Abdulkrem Alnafea	Chairman	Non-Executive
Mr. Sultan Abdulaziz Alhamidi	Member	Independent
Mr. Abdulmohsen Mohammed Alsheikh	Member	Independent
Mr. Wael Ahmed Fattouh	Member	Non-Executive (Outside the Board)
Mr. Faisal Abdullah Aljasir	Member	Non-Executive (Outside the Board)

Members of the Audit Committee:

Name	Membership Classification	Membership Status
Mr. Saad Ibrahim Almushawah	Chairman	Independent
Mr. Fawzi Ibrahim Alhobayb	Member	Independent (Outside the Board)
Mr. AbuBaker Ali Bagabir	Member	Independent (Outside the Board)

Nomination & Remuneration Committee Members:

Name	Membership Classification	Membership Status
Mr. Saad Ibrahim Almushawah	Chairman *	Independent
Mr. Ibrahim Abdulaziz Alshaia	Member	Non-Executive
Mr. Mohammed Saad Bindawood	Member *	Independent
Mr. Abdullah Ibrahim Alhagbani	Member	Independent (Outside the Board)

* based on SAMA non-objection, on date 15/10/2025 Mr. Saad Al Mushawah committee membership has ended and Mr. Mohammed bin dawood has assigned as NRC chairman.

Sustainability & Social Responsibility Committee Members:

Name	Membership Classification	Membership Status
Eng. Abdulmajeed bin Ibrahim Al Sultan	Chairman	Non-Executive
Mr. Abdulaziz bin Ibrahim Al Hadlaq	Member	Independent (Outside the Board)
Dr. Fahd bin Ali Al Elayan	Member	Executive (Outside the Board)
Mr. Mohammed Abdulaziz AlMassad	Member	Independent (Outside the Board)

Shariah Committee Members (Independent):

Name	Membership Classification	Membership Status
Dr. Mohammed bin Waleed Al Swaidan	Chairman	Independent (Outside the Board)
Dr. Raja bin Menahi Al Marzoqi	Member	Independent (Outside the Board)
Dr. Mohammed bin Khalid Al Nashwan	Member	Independent (Outside the Board)
Mr. Lahem bin Hamad Al-Nasser	Member	Executive (Outside the Board)

Names of board directors, board committee members and executive management and their present and past positions, qualifications and experience:

Members of the Board of Directors:

Name	Present Positions	Past Positions	Qualifications	Experience
Eng. Abdulmajeed Ibrahim AlSultan	1. (1993) Chief Executive Officer of the Brothers Union Company.	1. (1990-1993) Corporate Account Management at the National Commercial Bank. 2. (1993-2000) General Manager of the Construction Facilities Company.	(1989) Bachelor of Engineering - King Saud University.	Member of the Board of Aljazira Bank since 2004, currently the Chairman of ajb, in addition to participating in the board memberships in various investment companies.
Mr. Mohammed Saad Bin Dawood	2018 Mohammed bin Saad Bin Dawood Financial and Management Consulting Office.	1. 1996- 1998 Corporate Relations Manager at The Saudi British Bank. 2. 1998- 2002 Senior Corporate Relations Manager at Arab National Bank. 3. 2002- 2004 Manager of commercial banking in Central Region at The Saudi British Bank. 4. 2004-2013 Deputy General Manager of Corporate Banking at Arab National Bank. 5. 2013- 2014 General Manager of Corporate Banking Services at The Saudi British Bank. 6. 2014- 2018 Chief Executive Officer of Directors of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company. 7. 2018-2018 Managing Director of Manafa Investment Co.	1996- Bachelor - Accounting - King Saud University.	Over thirty years of experience in banking, capital markets, investment, strategic planning, and executive and financial management. Currently, he holds membership on several corporate boards.
Mr. Sultan Abdulaziz AlHamidi	2024 Chief Executive Officer of Social Development Bank.	1. (1999-2006) Head control system of Saudi Electricity Company. 2. (2006-2007) Project Manager, Integration Management of Saudi Telecom company STC. 3. (2007-2009) Head of Cards at AlRajhi Bank. 4. (2009-2011) Assistant General Manager, Head of Cards Center at AlRajhi Bank. 5. (2011-2013) Assistant General Manager for Alternative Channels at AlRajhi Bank. 6. (2013-2015) VP for Banking Cards at Aljazira Bank. 7. (2015-2019) VP for Personal Finance at Aljazira Bank. 8. (2019-2024) VP for Business Sector at Social Development Bank.	- (1997) Bachelor of Science in Systems Engineering- King Fahd University of Petroleum & Minerals. - (2004) Master of Business Administration - King Saud University.	Past and present experiences in corporate companies & banks.

Name	Present Positions	Past Positions	Qualifications	Experience
Mr. Naif Abdulkareem AlAbdulkareem	2020 Chief Executive Officer of Aljazira Bank.	1. 1995-1997 Credit Relationship Manager - Arab Bank. 2. 2001-2004 Credit Relations Manager - Riyad Bank. 3. 2004-2011 Regional Manager of Retail Banking - Ahli Bank. 4. 2012 -2012 Head of Private Banking - SABB Bank. 5. 2012-2013 Head of Private Banking & Wealth Management - SABB Bank. 6. 2014-2014 General Manager of Branches & Wealth Management - SABB Bank. 7. 2015-2019 General Manager Retail Banking & Wealth Management - SABB Bank. 8. June 2019-October 2020 Deputy Managing Director, Retail Banking & Wealth Management- SABB Bank.	1995 Bachelor of Finance - King Saud University. 2001 Master of Business Administration - University of Illinois, USA.	Past and present experiences in commercial banks.
Mr. Mohammed Abdulkrem Al Nafea	2024 Chief Executive Officer - Makkah Construction and Development Co.	1. 2009-2018 Work on Several technical and administrative positions in the Finance and Planning Departments at Saudi Aramco. 2. 2018-2019 Leading the preparation of Business Plans and the Accountability Report for the Board of Directors of Saudi Aramco. 3. 2019-2020 Manager- Planning and Forecasting System of Saudi Aramco. 4. 2020-2021 Manager- General Ledger Accounting of Saudi Aramco. 5. 2022 - 2024 Chief Financial Officer - Saudi Aramco base oil Company Luberef.	2004 Bachelor of Accounting - Imam Muhammad bin Saud University. 2008 Master of Business Administration - Missouri State University.	Past and present experience in corporate companies.
Mr. Saad Ibrahim AlMushawah	Boards and committee Memberships	1. 1985-2003 Head of the lending team of the Saudi Industrial Development Fund. 2. 2003-2019 Chief Executive Officer of Gulf Union Foods Company. Inside the Kingdom Closed Joint Stock	(1985) Bachelor of Industrial Engineering King Fahd University for Petroleum and Minerals.	Previous and current experiences in joint stock companies and management in several fields, including banking, finance, auditing, and industry.

Name	Present Positions	Past Positions	Qualifications	Experience
Mr. Abdulaziz Muteb AlRasheed	1. 2023 Part-time consultant - Ministry of Industry and Mineral Resources.	1. 1996 - 2005 Teaching Assistant, Department of Economics & Demonstrative - Imam Muhammad bin Saud University. 2. 2005 - 2011 Advisory Unit Director at the Saudi Commission for Tourism and Antiquities. 3. 2012 - 2014 Executive Director - ALMAQASED Economic Advisory Center. 4. 2014 - 2016 General Director at the SFDA executive president office. 5. 2016 - 2018 Deputy for Economic Affairs at Ministry of Economy and Planning. 6. 2019 - 2022 Assistant Minister for Macro-fiscal Policy and International relations at Ministry of Finance.	1994 Bachelor of Economics, Imam Mohammad Bin Saud Islamic University.	Diverse previous and current experiences Consultations and Finance.
Mr. Abdulmohsen Mohammad AlShaikh	Boards and committee Memberships	1. 1995-2001 Lawyer and Consultant at White & Case Company. 2. 2001-2008 Owner- Law Office of Abdulmohsen Al-Alshaikh 3. 2008-2015 Chief of Legal and Compliance - Saudi Stock Exchange, Tadawul. 4. 2015-2017 Chief of Regulatory and Oversight - Saudi Stock Exchange, Tadawul	1984 Bachelor of Shariah Studies, Imam Mohammad Bin Saud Islamic University. 1989 Diploma Law Studies Public Administration Institute. 1995 Master of Law, Duke Law School, Duke University	Diverse previous and current experiences in law and investment.
Mr. Ibrahim Abdulaziz AlShaia	(2025) Senior Expert at the Ministry of Industry and Mineral Resources.	1. (2002-2004) External Auditor - Al-Rashed Consultants and Accountants. 2. (2011-2014) Head of Budget Department - General Organization for Social Insurance. 3. (2014-2024) General Manager of the Financial Affairs Department - General Organization for Social Insurance. 4. (2024-2025) Chief Financial Officer of the Center for National Health Insurance.	2008 Master of Professional Advanced Accounting, University of Queensland for Technology, Australia. 2004 Bachelor of Accounting, King Saud University.	Diverse previous and current experiences in financial and investment institutions in the fields of accounting and auditing.

Board Committee Members:

Name	Present Positions	Past Positions	Qualifications	Experience
Eng. Faisal Abdullah AlJasir	1. (2017) Co-Founder & Member of Board Of Directors at Ehata Financial Company 2. (2022) Member of Risk Committee at MEDGULF Insurance. 3. (2025) Board Member and Audit Committee Member at MEDGULF Insurance 4. (2025) Member of Board Risk Committee at Aljazira Bank.	1. (2009-2012) Treasury Corporate Sales Dealer- SABB. 2. (2012-2014) Treasury Risk Advisor - SABB. 3. (2014-2017) Senior Treasury Solutions Manager - Alawwal Bank (Currently SAB). 4. (2017-2017) Head of Regional Treasury Solutions - Alawwal Bank (Currently SAB). 5. (2015-2018) Partner and Non-Executive board member - Cash Solutions Ltd. 6. (2021-2023) Independent Vice Chairman of the Board - Tanmeya Capital. 7. (2021-2025) Member of Board of Directors at Wataniya Finance Company.	2009 Bachelor of Finance - King Fahd University of Petroleum and Minerals. 2020 Certified Financial Risk Manager- FRM by the Global Association of Risk Professionals (GARP).	Experienced in the banking and financial consulting sectors, in addition to being held as a member of the Board of Directors and Board sub-committees.
Mr. Mohammed Abdulaziz AlMassad	1. (2023) General Manager of Awqaf Revenue Distribution at General Authority of Awqaf. 2. (2024) Member of Board Directors at Namal Impact Investment Company. 3. (2025) Member of Sustainability and Social Responsibility Committee at Aljazira Bank.	1. (2012-2015) Financial Manager and Secretary Risk and Credit Committee - Al Rajhi Endowments, KSA. 2. (2015-2021) Senior Manager of Community Service at Aljazira Bank. 3. (2021-2022) Director of Financial Sustainability - General Authority of Awqaf, KSA.	2010 Bachelor's in Business Administration (Accounting) King Saud University. 2016 Bachelor's in Islamic law (Shariah) Imam Muhammad ibn Saud Islamic University. 2022 Executive MBA Lincoln University College.	Experienced in development sector, in addition to being held as a member of the Board of Directors and Board sub-committees.

Name	Present Positions	Past Positions	Qualifications	Experience
Dr. Abubaker Ali Bagabir	1. Financial and Administrative Consulting Office (Dr. Abubaker Bagabir Office). 2. (2022) Member of the Audit Committee - Aljazira Bank. 3. (2015) Member of the Audit Committee of Abdullatif Jameel Finance.	1. (1981 -2012) Head of Accounting and Financial Management, along with several progressive positions at the National Commercial Bank. 2. (2006 - 2012) Member of the Audit Committee at SNB Capital. 3. (2013 - 2023) Member of Audit Committee of Cisco Co. 4. (2015 - 2022) Member of the Audit Committee of SABB Takaful. 5. (2013 - 2018) Chairman and Board Member at Anfal Company. 6. (2013 - 2018) Member of the Audit Committee at Baeshen Tea Company. 7. (2013 - 2024) Member of the Audit Committee at Nahdi Medical Company. 8. (2015 - 2018) Member of the Audit Committee at Rolaco Trading and Contracting Company. 9. (2019 - 2021) Member of the Audit Committee at the Islamic Corporation for the Development of the Private Sector.	• (1972) Bachelor of Accounting - University of Khartoum - Sudan. • (1976) Master of Accounting - University of Birmingham - Britain. • (1984) PhD in Accounting and Financial Management - University of Straslyde - Britain. • (1984) Membership Certified of Chartered Accountants - Association of Chartered Certified Accountants, United Kingdom. • (1989) Certified Chartered Accountants Fellowship - Association of Chartered Certified Accountants, United Kingdom.	Current and previous experiences in the fields of auditing, finance and commercial banks in the Kingdom of Saudi Arabia.
Mr. Fawzi Ibrahim AlHobayb	1. (2022) Member of the Audit Committee of Aljazira Bank.	1. (1989 - 1992) Progression in auditing of Ernst & Young. 2. (1993 - 2002) Head of Internal Audit Department of Arab National Bank. 3. (2004 - 2015) Head of Follow-up and Enforcement Department - Head of Internal Audit Department - Capital Market Authority. 4. Founding and managing WACAD Financial Consulting Office (non-securities). 5. Chairman of the Audit Committee of the Packaging Materials Manufacturing Company (FIPCO). 6. Member of the Audit Committee of Qassim Cement Company.	• (1989) Bachelor of Accounting, King Abdulaziz University - Kingdom of Saudi Arabia. • (1993) Passed the Certified Public Accountants Exam (CPA) - USA. • (1997) Advanced Management Program - Wharton - University of Pennsylvania.	Membership in audit committees, and has experience in account management, internal audits, and financial advisory for banks and the Capital Market Authority.

Name	Present Positions	Past Positions	Qualifications	Experience
Mr. Abdullah Ibrahim AlHagbani	1. (2022) Member of the Nomination and Remuneration Committee - Aljazira Bank. 2. (2021) Chief Partnership & Executive affairs - Saudi Tourism Authority.	1. (2001 - 2004) Training & Development Officer - Silki La Silki. 2. (2005 - 2018) Director, Human Resources - Capital Market Authority "CMA". 3. (2018 - 2021) Senior Human Capital Advisor - Executive Office of H.E Minister Ahmed Alkhateeb. 4. (2018 - 2021) Chief Human Capital - Ministry of Tourism. 5. (2022) Chairman of the Remuneration and Nomination Committee at the Health Cluster (Riyadh). 6. Remuneration and Nomination Committee Member in Health Cluster (Jeddah - Al-Jouf). 7. Remuneration and Nomination Committee of Smart Marinas Company for Development and Management. 8. (2023) Member of the Nomination and Remuneration Committee of SPL. 9. (2023) Chairman of Nomination and Remuneration Committee of SMDM (PIF). 10. Member of the Nomination and Remuneration Committee of King Salman Airport.	- (2001) Bachelor - Human Resource Management & General Management - Eastern Washington University - USA. - (2005) Master of Business Administration - Lebanese American University - Lebanon. - IMD Board Director Diploma -2025.	More than 18 years of experience in human resources.
Mr. Wael Ahmed Fattouh	1. (2024) Chief Advisory Officer (CAO) of Saudi Information Technology Company (SITE). 2. (2024) Member of the Risk Committee at Aljazira Bank. 3. (2025) Committee Member at Mudglf.company.	1. Nike - Technical Information Project Manager. 2. (2005 - 2011) Manager at PricewaterhouseCoopers (PwC). 3. (2011 - 2013) Senior Manager at PricewaterhouseCoopers (PwC). 4. (2013 - 2015) Director at PricewaterhouseCoopers (PwC). 5. (2015 - 2020) Partner at PricewaterhouseCoopers (PwC). 6. (2020 - 2024) VP, Chief Information Security Officer (CISO) of Aljazira Bank.	- (2004) Bachelor's Degree in Information Systems from Portland State University USA. - (2004) Bachelor's Degree in Business Administration from Portland State University, USA.	Experience in Information Security.

Name	Present Positions	Past Positions	Qualifications	Experience
Mr. Abdulaziz Ibrahim AlHadlaq	1. Member of the Social Responsibility Committee (Khair AlJazira Le Ahl AlJazira Program) -AlJazira Bank (2013 - Present)	1. Began his career at the Ministry of Labor and Social Affairs in 1403H (1983) 2. Director General of the General Administration of International Organizations, Ministry of Labor and Social Affairs (1997 - March 2005) 3. Director General of the General Administration of International Cooperation, Ministry of Social Affairs (March 2005 - March 2007) 4. Assistant Deputy Minister of Social Affairs for Social Development (June 2007 - 2011) 5. Deputy Minister of Social Affairs for Social Development (August 2011 - January 2013) 6. Vice Chairman, Social Affairs, Family and Youth Committee (2013 - 2014) 7. Member of the Shura Council of the Kingdom of Saudi Arabia (January 2013 - December 2016) 8. Chairman, Social Affairs, Family and Youth Committee (2014 - 2015) 9. Chairman, Social Affairs, Family and Youth Committee (2015 - 2016) 10. Advisor to the Minister of Labor and Social Development(February 2017 - May 2017) 11. Vice Chairman, Social Affairs, Family and Youth Committee (2016 - 2017)	• Bachelor's Degree in Social Work, College of Arts, King Saud University, Riyadh, Saudi Arabia (1982) • Diploma in International Development, University of Missouri-Columbia, Missouri, United States (1991) • Master of Science in Community Development, University of Missouri-Columbia, Missouri, United States (1992	Participation and representation of the Kingdom of Saudi Arabia in numerous international engagements in the fields of: o Labor and Social Affairs o Human Rights o Combating Human Trafficking • This included participation in international, Arab, and Gulf councils, conferences, and forums during the period 1994 - 2013. • Member of the Governing Body of the International Labour Organization (ILO), • representing the Government of the Kingdom of Saudi Arabia for 9 years (1996 - 2005). • Member of the Permanent Committee mandated by Royal Order to prepare and discuss the Kingdom's reports submitted to international human rights treaty bodies • (Based at the Ministry of Foreign Affairs - concluded upon the establishment of the Human Rights Commission). • Member of the Board of Directors, Saudi Arabian Federation for Sport for All (1995 - 1998). • Member of the Saudi Technical Negotiation Team for accession to the World Trade Organization (WTO), representing the Ministry of Labor and Social Affairs (1997).

Name	Present Positions	Past Positions	Qualifications	Experience
				• Member of the Board of Directors, National Charitable Fund (2010 - 2013). • Member of the Board of Directors, Saudi Credit and Savings Bank (2010 - 2012). • Former Member of the Board of Directors, Saudi Alzheimer's Association. • Vice Chairman of the Board of Directors, Saudi Association for Supporting the Elderly (Waqar). • Member of the Board of Directors, Shaqra Development and Development Association. • Former President of Al-Washm Club in Shaqra.

Name	Present Positions	Past Positions	Qualifications	Experience
Dr. Fahad Ali AlElayan	1. Member of the Social Responsibility Committee (Khair AlJazira Le Ahl Aljazira Program) - Aljazira Bank. 2. Board Member - National Center for Non-Profit Sector. 3. Member of the Sustainability Committee - General Council for Islamic Financial Institutions. 4. Member of the Board of Directors - Awareness and Rehabilitation Association (WAIE). 5. Member of the Board of Directors for National Center for Social Studies (NCSS). 6. Member of the Board of Trustees of King Salman Center for Disability Research. 7. Vice Chairman of the Board of Trustees - Abq Arabia. 8. Member of the Advisory Committee - General Authority for Awqaf. 9. Member of the Board of Directors of the National Academy for the Non-Profit Sector 10. Board Member - BaraSeen Medical Company. 11. Senior Vice President and Head of Shariah, Sustainability & Social Responsibility Group - Aljazira Bank. 12. Member of the Board of Trustees - Prince Faisal bin Mishaal bin Saud bin Abdulaziz Community Foundation (Mujtamaei). 13. Board Member of Inmaa Al-Qassim Association	1. Member of the Social Responsibility Committee of the Chamber of Commerce in Riyadh. 2. Faculty member, Education and Social Science College - Al Imam Mohammed bin Saud Islamic University, Kingdom of Saudi Arabia. 3. Vice Dean of the University Center for Community Service and Continuing Education - Al Imam Mohammed bin Saud Islamic University, Kingdom of Saudi Arabia. 4. Part time consultant - Ministry of Education. 5. Member of the Board of Directors - AlShabab Club. 6. Member of the Board of Directors of Tayiba Educational City for Special Education. 7. Board Member - Namal Impact Investment Company (Non-Profit).	• PhD Philosophy in Education and Curriculum - Ohio University, USA. • Master's Degree in applied Linguistics, Imam Muhammad bin Saud Islamic University. • Bachelor's Degree in Shariah, Imam Muhammad ibn Saud Islamic University.	Diverse experience in social responsibility field, studies and research, cultural activities, and community engagement.

Name	Present Positions	Past Positions	Qualifications	Experience
Dr. Mohammed Waleed AlSwaidan	1. Managing Director and Partner - The House of ETF Brokerage Company. 2. Managing Director and Partner - International Investment Gate (IIG). 3. Partner - Orlando Reid - Real Estate Asset Management 4. Board Member of Multiple Real Estate Funds - Bloom Invest Company and Alkhabeer Capital. 5. Chairman of Shariah Committee -Aljazira Bank. 6. Member of the Investment Committee - Hefth Al-Neama Association. 7. Executive Committee Member - Saudi British Business Council, representing the Federation of Saudi Chambers. 8. Chairman of the Investment Committee - Al-Yamamah Charity Association.	1. Investment Advisor and Development Consultant for Investor Relations, Legal Structuring of Real Estate Assets, and Board Membership in Multiple Real Estate Funds with various institutions and companies in London and Riyadh, including: (Gatehouse Bank - MBU Capital - Ethical Asset Management Company - Bloom Investment Company). 2. Shariah Consultant - Gatehouse Bank - London. 3. Business Development Consultant at Symble LTD, a consultancy firm in London. 4. Senior Shariah Consultant - Alinma Bank, Riyadh. 5. Consultant - MBU Capital. 6. Consultant - Ethical Asset Management Company. 7. Member of Shariah Committee - Aljazira Bank. 8. Member of Shariah Committee - Al Nefaie Investment Group	- PhD in Finance and Economics - University of Portsmouth, UK. - Master of Business Administration (MBA) - University of Portsmouth, UK. - Bachelor's degree in Shariah - Imam Muhammad ibn Saud Islamic University Saudi Arabia.	- Yellow Belt Certification in Lean Six Sigma for Quality and Lean Management - University of Portsmouth, UK. - PRINCE II Certification in Professional Project Management - University of Westminster, London. - Consultancy License issued by the Advisory Professions Department, Saudi Ministry of Commerce (valid). - Diploma in Financial Management - International Academy for Training and Development, London. - Teaching Accreditation Certification - University of Portsmouth (GRPOF Program), UK. - Certified Dialogue Trainer - King Abdulaziz Center for National Dialogue, Riyadh, Saudi Arabia. - Bloomberg Financial Markets Practitioner Certification - University of Portsmouth, UK.

Name	Present Positions	Past Positions	Qualifications	Experience
Dr. Mohammed Khalid AlNashwan	1. Member of Shariah Committee - Aljazira Bank. 2. Associate Professor - Higher Institute of Judiciary. 3. Shariah and Legal advisory.	1. Lecture - Higher Institute of Judiciary. 2. Teaching Assistant - Higher Institute of Judiciary. 3. Deputy Head of Department - Higher Institute of Judiciary.	• PhD in Comparative Fiqh - The Higher Judicial Institute. • Master's Degree in Comparative Fiqh- The Higher Judicial Institute. • Bachelor's Degree in Shariah - Shariah College in Riyadh	• Teaching various Shariah hand legal subjects to master's students at the Higher Institute of Judiciary, including financial transactions, judicial system, Maqasid Al-Shariah (objectives of Islamic Law), jurisprudence, its principle, and rules. • Supervise and discussing numerous master's theses in legal systems, financial transactions, and judiciary for students at the Higher Institute of Judiciary. • Lecturing in specialized legal diplomas, such as "Diploma in Advocacy" and "Mediation and Arbitration". • Serving as chairman and member of various scientific and administrative committees in the Department of Shariah Policy. • Authored several scholarly papers in jurisprudence, its principles, legal systems, and Islamic finance, some of them published in peer-reviewed academic journals.

Name	Present Positions	Past Positions	Qualifications	Experience
Dr. Raja Munahi AlMarzoqi	1. Faculty Member - Prince Saud Al-Faisal Institute of Diplomatic Studies, Saudi Arabia. 2. Chief Economic Advisor - Ministry of Economy and Planning. 3. Non-Resident Economic Expert - International Monetary Fund (IMF). 4. Member of Shariah Committee - Aljazira Bank. 5. GCC General Coordinator ad Chief Negotiator - Secretariat General of the Gulf Cooperation Council. 6. Member of the Advisory Committee - Euro-Mediterranean Network for Economic Studies (EMNES) in Brussel co-founded by European Commission. 7. Member of the Advisory Council - Islamic Economics Institute. 8. Member of the Advisory Council - King Khalid University. 9. Board Member - Prince Sultan bin Abdulaziz Fund for Women's Project. 10. Board Member - Al-Anoud Foundation for Endowments. 11. Vice Chairman of the Board - Saudi Financial Association. 12. Board Member - ARDARA (Al Wadi Company- previously) Established and owned by the PIF). 13. Board Member - Social Economics Association.	1. Chief Executive Officer - Gulf Monetary Council. 2. Advisor - International Monetary Fund (IMF). 3. Chief Economist - AlKhabeer Capital. 4. Member of the Advisory Board - Helt Investment Fund.	- Bachelor's degree in economics from King Saud University, Riyadh (1986-1990). - Master's degree in applied economics, University of Michigan (1994-1995). - PhD in Economics -Oklahoma State University, (1996-2000).	- GCC General Coordinator and Chief Negotiator - Secretariat General of the Gulf Cooperation Council (2023). - Faculty Member - Prince Saud Al-Faisal Institute of Diplomatics Studies, Ministry of Foreign Affairs (2011). - Chief Economic Advisory - Ministry of Economy and Planning (2018). - Non-Resident Economic Expert - International Monetary Fund (IMF).
Mr. Lahem Hamad AlNasser	1. Deputy Head of Shariah Group - Aljazira Bank. 2. Member of the Shariah Advisory Committee - Tadawul. 3. Member of Shariah Committee - AlJazira Capital. 4. Member of Shariah Committee - Aljazira Bank.	1. Member of Shariah Committee - Al Khalijiah Investments Company. 2. Member of Shariah Committee - Sanad cooperative Insurance & Reinsurance Company. 3. Member of Shariah Committee - the Investor for Securities Company. 4. Shariah Advisor - Ithraa Capital Company. 5. Board Member - KSB Capital Company. 6. Board Member - King Faisal Specialist Hospital International (Holding Company). 7. Head of Shariah Compliance Department - Aljazira Bank. 8. Founder and Owner of Jamee Al Hulool Office. 9. Deputy Head of the Shariah Group - Jadwa Investment.	- Bachelor's Degree in Shariah - Imam Muhammad ibn Saud Islamic University, Saudi Arabia.	Extensive expertise in Shariah and Islamic finance, with numerous contributions to related programs.

Executive Management

Mr. Naif Al Abdulkareem

Chief Executive Officer and Managing Director

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Financial Management	Bachelor Degree	1995
University of Illinois	Business Administration	Master Degree	2001

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Riyadh Bank	Credit Relationship Manager	2001 -2004
Banks and Financial Services	Listed Joint-Stock Company	NCB	Regional Manager - Retail Banking	2004 -2011
Banks and Financial Services	Listed Joint-Stock Company	SABB	Head of Private Banking	2012
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Branches & Wealth Management	2012 -2013
Banks and Financial Services	Listed Joint-Stock Company	SABB	GM Retail & Wealth Management	2014 -2019
Banks and Financial Services	Listed Joint-Stock Company	SABB	DMD-Retail & Wealth Management	2019
Banks and Financial Services	Listed Joint-Stock Company	SANID	Board Member/ ExCom Member	2014 -2017
Banks and Financial Services	Listed Joint-Stock Company	SABB Insurance Agency	Chairman of the Board	2012 -2018
Banks and Financial Services	Listed Joint-Stock Company	SABB Takaful	Board Member/ ExCom Member	2016 -2018
Banks and Financial Services	Listed Joint-Stock Company	HSBC-SA	Board Member	2017 -2019
Banks and Financial Services	Listed Joint-Stock Company	SIMAH	Board Member	2017

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Chief Executive Officer and Managing Director	2020

Mr. Mohammed Al-Mousa

Senior Vice President and Head of Retail Banking Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Fahad university of Petroleum and Minerals	Finance	Bachelor Degree	2005

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	SABB	Officer Development Program	2005
Banks and Financial Services	Listed Joint-Stock Company	SABB	Relationship Manager - Private Banking -Eastern Region	2006 - 2008
Banks and Financial Services	Listed Joint-Stock Company	SABB	Relationship Manager - Corporate Banking -Eastern Region	2008 - 2009
Banks and Financial Services	Listed Joint-Stock Company	SABB	Area Head of Wealth & Premier -Eastern Region	2009 - 2010
Banks and Financial Services	Listed Joint-Stock Company	SABB	District Manager Branch Network	2010 - 2014
Insurance Services	Listed Joint-Stock Company is closed	Tamweel AlOula Co.	CEO	2014 - 2015
Banks and Financial Services	Listed Joint-Stock Company	SABB	Regional Head Retail Banking & Wealth Management	2015 - 2020
Banks and Financial Services	Listed Joint-Stock Company	SABB	General Manager Branches & Private Banking	2020 - 2023

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Head of Retail Banking Group	2023
Information Technology Services and Solutions	Listed Joint-Stock Company	Ejada Systems Limited Company	Board Member	2024
Insurance and Financial Services	Listed Joint Stock Company	Aljazira Takaful Taawuni Company	Board Member	2025
Banks and Financial Institution	Closed joint stock company	Aljazira Capital	Board Member	2025

Mr. Sami Al-Mehaid

Senior Vice President and Head of Corporate and Institutional Banking Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Institute of Public Administration	Banking Business	Diploma in Banking Business	2000
ICC- Manchester University	International Compliance	International Diploma in Compliance	2011
King Faisal University	Business Management	Bachelor	2021

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Corporate Banking Customer Service Professional	2000 - 2003
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Customer Experience Management	2003 - 2004
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Senior RM Corporate Banking	2004 - 2008
Banks and Financial Institution	Listed Joint Stock Company	SABB	Senior Relationship Corporate Manager / Team Leader	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Saudi Hollandi Bank	Compliance Specialist (Senior Manager)	2009 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Al-Rajhi Bank	Head of AML / CTF	2011 - 2013
Banks and Financial Institution	Listed Joint Stock Company	SABB	Chief Compliance Officer	2013 - 2019
Insurance Services	Listed Joint Stock Company	SABB Takaful	- Board Member and Vice Chairman - Chairman of the Board Risk Committee	2019-2020
Securities Services	Saudi Closed Joint Stock Company	HSBC Saudi Arabia	Audit Committee Member	2018-2020
Banks and Financial Institution	Listed Joint Stock Company	SABB	CRO Designate	2019 -2020
Banks and Financial Institution	Listed Joint Stock Company	Saudi Fransi Bank	Chief Compliance Officer	2020 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Head of Corporate and Institutional Banking Group	2021
Business Consulting	Government Entity	Saudi Portuguese Business Council	Vice President of the Saudi Portuguese Business Council	2024

Mr. Ibrahim Al-Omar

Senior Vice President and Chief Operation Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Finance	Bachelor Degree	1995
New York Institute of Technology	Management Information System (MIS)	Bachelor Degree	2006

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Education	Governmental Organization	KFUPM	Computer Graphics Art Designer	1996-1998
Commercial	Private Company	FAMA Holdings	MIS Manager - Business Development Manager	1999-2007
Media	Listed Joint-Stock Company	SRMG	IT Department Manager	2007-2009
Health and Care Services	Governmental Organization	National Unified Procurement Medical Supplies Company (NUPCO)	IT Manager	2009-2013
Technology Provider	Private Establishment	Higility	Founder and CEO	2012-2018
Banks and Financial Services	Listed Joint-Stock Company	Al Rajhi Bank	Chief Technology Officer (CTO)	2013-2017
Financial Sector	Governmental Organization	Social Development Bank (SDB)	Chief Operations Officer (COO)	2017-2022

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Chief Operations Officer	2022

Mr. Faisal Al-Mansour

Senior Vice President and Head of Human Capital and Corporate Strategy and Support Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Fahad university of Petroleum and Minerals	MIS	Bachelor Degree	2007

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Assistant Relationship Manager	Apr 2009 - Oct 2009
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Relationship Manager	2009 - 2012
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	HR Senior Manager Relationship	2013 - 2015
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Resourcing	2016 - 2017
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Resourcing and HR Service Delivery	2017 - 2018
Banks and Financial Institution	Listed Joint Stock Company	The Saudi British Bank (SABB)	Head of Learning and Talent	2018 - 2020
Government	Governmental Body	Tourism Development Fund	Chief Human Capital Officer	2020
Health	Governmental Body	Ministry of Health, Cluster	Member of Board Nomination and Remuneration Committee	2020

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Head of Human Capital and Corporate Support Group	2021
Insurance and Financial Services	Listed Joint Stock Company	Aljazira Takaful Taawuni Company	Member of the Nominations and Remunerations Committee	2022
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Financial Markets Company	Member of the Nominations and Remunerations Committee	2022
Economics and Business	Closed Joint Stock Company	THE RIG - Oil Park Development Company	Member of the Nominations and Remunerations Committee	2023
Investment Services	Closed Joint Stock Company	Awqaf Investment Company	Member of the Nominations and Remunerations Committee	2024
Investment Services	Government Entity	Infrastructure Fund	Member of the Nominations and Remunerations Committee	2024
Real Estate	Company	Al-Saadan Real Estate Company	Board Member	2024

Mr. Hani Noori

Senior Vice President and Chief Financial Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Baker College, USA	Business Administration - Accounting	Bachelor Degree	2002
Central Michigan University, USA	Science - Information Systems	Master Degree	2003
Association of Certified Public Accountants, Colorado State, USA	General Accounting	Member (CPA)	2012
The Saudi Organization for Chartered and Professional Accountants, Saudi Arabia	General Accounting	Member (SOCPA)	2021

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	NCB	Financial Controller	2003 - 2009
Banks and Financial Institution	Listed Joint Stock Company	NCB	VP, Senior Financial Controller	2009 - 2014
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP, Head of Financial Controllers	2014 - 2016
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP, Chief Accounting Officer	2016 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Chief Financial Officer	2021

Dr. Fahad Al Elayan

Senior Vice President and Head of Shariah, Sustainability & Social Responsibility Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Shariah College - Al Imam University	Education	Bachelor Degree	1990
Applied Linguistics - Al Imam University	Education	Master Degree	1995
Ohio University, United States of America	Education	PhD	2001

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Charity	Charity Foundation	King Abdul Aziz Public Library	Director of the National Cultural Project	2003
Education	Governmental Organization	Ministry of Education	Part time consultant	2003-2007
Education	Governmental Organization	Al Imam Mohammed bin Saud Islamic University, Saudi Arabia	Vice Dean of the University Center for Community Service and Continuing Education	2005-2008
Education	Governmental Organization	Al Imam Mohammed bin Saud Islamic University	Faculty member, Education and Social Science College	2001 -2018

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Head of Social Responsibility	2008
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Head of Shariah, Sustainability & Social Responsibility Group	2015
Charity	Charity Foundation	Awareness and Social habilitation Society	Member of Board of Directors	2017
Sport and Youth	Governmental Organization	Al Shabab Club	Member of Board of Directors and Supervisor of Social Responsibility	2018
Non-Profit Organization	Specialized Organization	CIBAFI Sustainability Working Group (SWG)	Member of the General Council Sustainability Working Group	2020
Banks and Financial Institution	Listed Joint-Stock Company	Aljazira Financial Markets Company	Secretary of the Shariah Committee	2023

Mr. Nasser Alageel

Senior Vice President and Chief Internal Audit Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Accounting	Bachelor Degree	2004
University of Newcastle	Finance	Masters of Science	2009

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint Stock Company	Alrajhi Bank	Credit Analyst	2004 - 2010
Banks and Financial Services	Listed Joint Stock Company	Albilad Bank	Credit Approval Eastern & Western Unit Manager	2010 - 2018
Financial services sector	Governmental Organization	Real Estate Development Fund	Head of Risk Management	2018 - 2019
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP, Wholesale Internal Audit Division	2019 - 2025

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banking and Financial Services	Listed Joint Stock Company	Aljazira Bank	Chief Internal Audit Officer	March 2019

Mr. Hamad Al Essa

Senior Vice President and Chief Compliance & AML Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Saud University	Computer Science	Bachelor Degree	2002

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	Bank Albilad	Chief Compliance & Anti-Money laundering officer	2016 - 2020

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint-Stock Company	Aljazira Bank	Chief Compliance & AML Officer	2020
International Companies	International Companies	Several Companies Outside the Kingdom	Board Member	2024

Mr. Osama Al-Ibrahim

Senior Vice President and Chief Risk Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Fahd University of Petroleum and Minerals	Industrial Management	Bachelor Degree	1994

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint Stock Company	SAMBA	Held different positions including Team Leader and Division Head Central Region - Corporate and Investment Banking Group	1996-2006
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Head of Corporate Banking Division - Central Region	2006-2008
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Head of Corporate Banking Division - KSA	2008-2014

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Chief Risk Officer	2017
Insurance and Financial Services	Listed Joint Stock Company	Aljazira Takaful Company	Member of the Risk Committee	2022 - 07 / 2025

Mr. Hani Araki

Senior Vice President and Head of Treasury Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
King Abdulaziz University	Business Administration	Bachelors	1995

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Senior Supervisor Operation and Technology Group	1995 - 2000
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Credit Member Corporate Banking Group	2000 - 2001
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Product Development Islamic Banking Group	2001 - 2002
Banks and Financial Institution	Listed Joint Stock Company	SAMBA	Unit Head for Money Market	2002 - 2011
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Head of Money Market & ALM	2011 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Head of Treasury Group	2021

Mr. Sultan Al-Qahtani

Senior Vice President and Board Secretary & Head of Corporate Governance Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Imam University	Science of Sociology	Bachelor	1998
Florida Institute of Technology - USA	Science of Management	Master	2003

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Agricultural	Limited Liability Company	Takamul National Agriculture Company	Relationship Manager- HR	1990 - 1993
Banks and Financial Institution	Listed Joint Stock Company	United Saudi Bank	Customer Service Representative	1993 - 1994
Banks and Financial Institution	Listed Joint Stock Company	NCB	Recruitment Manager	2003 - 2006
Banks and Financial Institution	Listed Joint Stock Company	NCB	Senior Relationship Private Banking	2006 - 2008
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	HR Relationship Manager	2008 - 2009
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP. Chairman Office Manager	2009 - 2015
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP, Head of Corporate Governance	2016 - 2019
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	VP, Deputy Board Secretary & Governance Group	2019 - 2021

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Board Secretary & Head Of Corporate Governance Group	2021

Mr. Yazid Almobty

Senior Vice President and Chief Credit Officer

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Oregon State University, USA	Computer Science	Bachelor Degree	2005
University of Portland, USA	Business Administration - Finance	Master Degree	2007

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Associate Corporate Banker	2007-2009
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Senior Manager Commercial Banking	2009-2014
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Division Head - CBG Central	2014-2018
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Regional Head - CBG Central	2018-2023

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Chief Credit Officer	2023

Mr. Badr Al-Rashodi

Senior Vice President and Head of Customer Experience and Protection Division

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Churchill House school - UK	Language	Diploma	1996-1997
EF International Language Schools- California	Language	Diploma	2001
Alimam Mohammed Ibn Saud Islamic University	Law	Bachelor Degree	2021
University Of Cumbria	Business Administration	Master Degree	2023

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Non-profit sector	Specialized Organization	Sultan bin Abdulaziz Humanitarian City	Interpreter	2002
Banks and Financial Institution	Listed Joint Stock Company	SABB	Customer Care Representative	2003-2005
Postal and logistic services	Governmental Organization	Saudi Post	Supervisor	2007-2009
Postal and logistic services	Governmental Organization	Saudi Post	Manager of Customer Service	2009-2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products deputy Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	Special products center operation Manager	2010
Postal and logistic services	Governmental Organization	Saudi Post	VIP Customers office Manager	2011

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Institution	Listed Joint Stock Company	Aljazira Bank	Head of Customer Experience and Protection Division	2021

Mr. Bader Alboqmi

Senior Vice President and Head of Marketing and Customer Excellence Group

Educational and Professional Qualifications

University	Field of Specialty	Qualifications	Year
Kuwait University	Political Science and Public Administration	Bachelor Degree	2002-2007
University of Portsmouth	Marketing and CSR Management	Master Degree	2009-2010

Previous Positions

Sector	Legal Entity	Company/ Organization	Position	Duration of Service
Banks and Financial Services	Listed Joint-Stock Company	HSBC	Graduate Development Program GGDP	2010-2011
Banks and Financial Services	Listed Joint-Stock Company	SABB	Marketing Manager	2011-2014
Banks and Financial Services	Listed Joint-Stock Company	SABB	Senior Marketing Manager	2013-2014
Banks and Financial Services	Listed Joint-Stock Company	SABB	Member of SABB STAFF Committee	2012-2018
Banks and Financial Services	Listed Joint-Stock Company	SABB	Senior Manager Cards Portfolio and Loyalty Programs	2014-2018
Real Estate	Private Limited liability Company	Asala Holding	Head of Marketing and Digital Transformation	2018-2019
Real Estate	Closed Joint-Stock Company	Hamat Property Company	Chief Executive Officer of the Business Sector	2019-2021
Banks and Financial Services	Listed Joint-Stock Company	ANB	Head Of Marketing and Customer Experience	2021-2024

Current Positions

Sector	Legal Entity	Company/ Organization	Position	Appointment Date
Banks and Financial Services	Listed Joint Stock Company	Aljazira Bank	Head of Marketing and Customer Excellence Group	July 2024

A brief description of the mandates and responsibilities of the Board's committees:

1. Board Executive Committee

As per the bank's articles of association and its terms of reference, the executive committee of Aljazira Bank consists of 5 board members chosen by the board of directors and chaired for the board term by the chairman of the board of directors. The board of directors determines the authorities and powers of this committee. It is the responsibility of the executive committee, in accordance with the delegated powers, to monitor the implementation of the strategy and policies set by the board of directors, risk management and control of the bank's performance, recommend the balance sheet and action plan submitted for the fiscal year, and ensure proper Implementation of the policies of the board of directors, in addition to monitoring the efficiency of internal control standards and policies implementation. The committee holds 6 meetings at least per year. The board of directors re-formed the executive committee for the board term starting from 01 Jan 2025 to 31 Dec 2027, to consist of Eng. **Abdulmajeed Ibrahim AlSultan** (Chairman) and **Mr. Mohammed Saad Bindawood**, Mr. Naif bin Abdulkareem Al Abdulkareem, Mr. Ibrahim bin Abdulaziz Al Shaia, Mr. Abdulaziz Muteb Alrasheed (members).

The committee held 10 meetings during 2025 which were attended by members of the committee as described in the table below:

SN	Name	Function	1st Meeting 21/01/2025	2nd Meeting 18/02/2025	3rd Meeting 15/04/2025	4th Meeting 01/05/2025	5th Meeting 20/05/2025	6th Meeting 23/06/2025
1	**Mr. Abdulmajeed Ibrahim AlSultan**	Chairman	✓	✓	✓	✓	✓	✓
2	**Mr. Ibrahim Abdulaziz Alshaia**	Member	✓	✓	✓	✓	✓	✓
3	**Mr. Naif Abdulkareem AlAbdulkareem**	Member	✓	✓	✓	✓	✓	✓
4	**Mr. Mohammed Saad Bindawood**	Member	✓	✓	✓	✓	✓	✓
5	**Mr. Abdulaziz Muteb Alrasheed**	Member	✓	✓	✓	✓	✓	✓

SN	Name	Function	7th Meeting 23/07/2025	8th Meeting 22/09/2025	9th Meeting 26/10/2025	10th Meeting 18/11/2025	Attendance Rate
1	**Mr. Abdulmajeed Ibrahim AlSultan**	Chairman	✓	✓	✓	✓	100%
2	**Mr. Ibrahim Abdulaziz Alshaia**	Member	✓	✓	✓	✓	100%
3	**Mr. Naif Abdulkareem AlAbdulkareem**	Member	✓	✓	✓	✓	100%
4	**Mr. Mohammed Saad Bindawood**	Member	✓	✓	✓	✓	100%
5	**Mr. Abdulaziz Muteb Alrasheed**	Member	✓	✓	✓	✓	100%

2. Audit Committee:

As per its terms of reference, the audit committee of Aljazira Bank consists of 3-5 members. This committee plays a key role in helping the Board of Directors to meet its supervisory duties regarding the integrity of the bank's financial statements and the independency and qualifications of auditors, effectiveness of disclosure controls and procedures, effectiveness of the internal audit and external auditors, adequacy of the Bank's internal accounting systems and financial controls, supervision of the bank's compliance department and evaluation of its alignment with the ethical policies and regulatory and supervisory requirements.

The general assembly, in its 67th meeting held on 11 December 2024 endorsed to adjust the terms of reference and duties of the audit committee to comply with regulatory requirements. The committee reviews the quarterly financial statements and assists the board of directors in carrying out the evaluation and annual review of the efficiency of internal controls and identifying potential risks.

The results of the annual audit of effectiveness of the bank's internal control procedures have reflected reasonable assurance in terms of covering the important control aspects that materially affect the bank's achievement of its objectives.

The audit committee membership consists of the chairman to be chosen from among the Independent members of the board of directors and two independent members at least from outside the board. The committee holds 4 meetings at least per year, and the meetings of audit committee are attended by the Chief Internal Audit Officer and the Chief Financial Officer on a regular basis. The meetings are also attended by the CEO and senior executives as required. The audit committee was re-formed for the board term starting from 01 Jan 2025 to 31 Dec 2027; to consist of Mr. Saad bin Ibrahim Al Mushawah (Chairman) and Mr. Fawzi bin Ibrahim Al Hobayb and Dr. AbuBaker bin Ali BaGabir (members).

The committee held 6 meetings during 2025 which were attended by the chairman and members, as shown in the table below:

SN	Name	Function	1st 30/01/2025	2nd 09/04/2025	3rd 30/04/2025	4th 24/07/2025	5th 15/09/2025	6th 20/10/2025	Attendance Rate
1	**Mr. Saad Ibrahim Almushawah**	Chairman	✓	✓	✓	✓	✓	✓	100%
2	**Mr. AbuBaker Ali Bagabir**	Member	✓	✓	✓	✓	✓	✓	100%
3	**Mr. Fawzi Ibrahim Alhobayb**	Member	✓	✓	✓	✓	✓	✓	100%

3. Nomination and Remuneration Committee

The board of directors, based on its powers and authorities, forms the Remuneration and Nomination Committee which consists of 3-5 members appointed by the board after having obtained Saudi Central Bank's (SAMA) no-objection. The functions and duties of the committee focus on recommending nominations to the Board of Directors' as per the approved policies and standards, performing annual reviews on the skills required for the membership of the board of directors, performing reviews of the board of directors' structure and recommending those changes that could be carried out. The committee is also responsible for ensuring the independence of independent members and lack of any conflict of interests in case any director was a member in any other company's board, ensuring recommended appointment is commensurate with the proper skills and required qualifications, and development and review of remuneration for the directors and senior executives.

The ordinary general meeting, in its 65th meeting held on 12 April 2023 ratified to adjust the terms of reference and duties of the Remuneration and Nomination Committee to comply with regulatory requirements. The committee holds two meetings at least per year.

The members of the Remuneration and Nomination Committee were appointed for the present board term. The committee was re-formed for the board term starting from 01 Jan 2025 to 31 Dec 2027, to consist of Mr. Saad Ibrahim Almushawah (Chairman) and Mr. Mohammed Saad Bindawood, Mr. Ibrahim Abdulaziz Alshaia and Mr. Abdullah bin Ibrahim Al Hagbani (members).

The Committee held 3 meetings during 2025 which were attended by the chairman and members of the committee as reflected in the table below:

SN	Name	Function	1st Meeting 26/06/2025	2nd Meeting 30/10/2025	3rd Meeting 18/12/2025	Attendance Rate
1	**Mr. Saad Ibrahim Almushawah**	Chairman - Independent *	✓	-	-	100%
2	**Mr. Ibrahim Abdulaziz Alshaia**	Member - Non-Executive	✓	✓	✓	100%
3	**Mr. Mohammed Saad Bindawood**	Independent Member	✓	✓	✓	100%
4	**Mr. Abdullah Ibrahim Alhagbani**	Independent Member - Outside the Board	✓	✓	✓	100%

* based on SAMA Non-Objection, on date 15/10/2025 Mr. Saad Almushawah membership has ended and Mr. Mohammad bin Dawood has been appointed as chairman.

4. Board Risk Committee

As per its terms of reference, the Risk Committee of Aljazira Bank consists of 3-5 board members, three of them shall be non-executive members and holds 4 meetings at least per year. This committee assists the board of directors in fulfilling the responsibilities of overseeing the risks in the bank's businesses and controls.

Its duties and responsibilities are focused on the supervision and control, review of the banks' ability to manage and undertake risks based on appropriate analysis, and formulation of appropriate risk management policies. It also approves the credit rating system in the bank and risk policies for assets and liabilities management as developed by the Assets and Liabilities Committee.

The committee measures the exposures to financial risks and other significant exposures as well as the steps taken by the management to monitor, control and report cases of risks, including, but not limited to, review of credits, market, liquidity, reputational, operational, fraud and strategic risks in addition to evaluating exposures, tolerance levels and approval of appropriate transactions or commercial restrictions. The Committee also reviews the scope of risk management, and the targeted activities related to the functions of the Bank's risk management.

The members of the board risk committee for the current term have been appointed starting from 01 Jan 2025 to 31 Dec 2027, to consist of Mr. Mohammed Abdulkrem Alnafea (chairman) and Mr. Abdulmohsen Mohammed Alsheikh, Mr. Sultan Abdulaziz Alhamidi, Mr. Faisal Abdullah AlJasir and Mr. Wael Ahmed Fattouh (members).

The Committee held 9 meetings during 2025 which were attended by the chairman and members as stated in the table below:

SN	Name	Function	1st Meeting 13/02/2025	2nd Meeting 24/02/2025	3rd Meeting 23/04/2025	4th Meeting 27/05/2025	5th Meeting 01/06/2025
1	**Mr. Mohammed Abdulkrem Alnafea**	Chairman	✓	✓	x	✓	✓
2	**Mr. Abdulmohsen Mohammed Alsheikh**	Member	✓	✓	✓	✓	✓
3	**Mr. Sultan Abdulaziz Alhamidi**	Member	✓	✓	✓	✓	✓
4	**Mr. Faisal Abdullah AlJasir**	Member	✓	✓	✓	✓	✓
5	**Mr. Wael Ahmed Fattouh**	Member	✓	✓	✓	✓	✓

SN	Name	Function	6th Meeting 10/07/2025	7th Meeting 21/08/2025	8th Meeting 15/09/2025	9th Meeting 22/12/2025	Attendance Rate
1	**Mr. Mohammed Abdulkrem Alnafea**	Chairman	✓	✓	✓	✓	89%
2	**Mr. Abdulmohsen Mohammed Alsheikh**	Member	✓	✓	✓	✓	100%
3	**Mr. Sultan Abdulaziz Alhamidi**	Member	✓	✓	✓	✓	100%
4	**Mr. Faisal Abdullah AlJasir**	Member	✓	✓	✓	✓	100%
5	**Mr. Wael Ahmed Fattouh**	Member	✓	✓	✓	✓	100%

5. Sustainability & Social Responsibility Committee

As per its terms of reference, the Social Responsibility Committee of Aljazira Bank consists of 3-5 board members and holds 3 meetings at least per year. This committee plays an important role in assisting the board of directors in the fulfillment of its social responsibilities Related to the 'Khair Aljazira le Ahl Aljazira' program. It is responsible for the formulation of policies and procedures related to the activities and social responsibility programs, approval of the annual budget for 'Khair Aljazira le Ahl Aljazira' program, approval of the annual plan for the program, creating solutions for the obstacles that might hinder the social responsibility programs and review of the objectives of the program by highlighting the bank's role in the community service. It also contributes and participates actively in many social responsibility programs in the Kingdom, builds cooperation and communication between the bank and the authorities related to those programs and establishes specific partnerships with associations and charities in the kingdom which contribute to highlighting the role of private sector in enhancing the process of social responsibility. The Committee also strives to create an appropriate environment to help the youth and rehabilitate them for the market, and it provides distinctive programs for rehabilitating disabled people. The committee of the 'Khair Aljazira le Ahl Aljazira' program reports annually to the Board of Directors about the activities and functions of Sustainability & Social Responsibility program.

The members of the social responsibility committee for the current term have been appointed of Eng. Abdulmajeed bin Ibrahim Al Sultan (Chairman), Dr. Fahd bin Ali Al Elayan and Mr. Abdulaziz bin Ibrahim Al Hadlaq, Mr. Mohammed Abdulaziz AlMassad (members).

The committee held 4 meetings during 2025 which were attended by the chairman and members as stated in the table below:

SN	Name	Function	1st Meeting 29/01/2025	2nd Meeting 15/05/2025	3rd Meeting 11/09/2025	4th Meeting 08/12/2025	Attendance Rate
1	**Eng. Abdulmajeed bin Ibrahim Al Sultan**	Chairman	✓	✓	✓	✓	100%
2	**Mr. Abdulaziz bin Ibrahim Al Hadlaq**	Member	✓	✓	✓	✓	100%
3	**Dr. Fahd bin Ali Al Elayan**	Member	✓	✓	✓	✓	100%
4	**Mr. Mohammed Abdulaziz AlMassad**	Member	✓	✓	✓	✓	100%

6. Shariah Committee:

According to Shariah Governance Framework for Local Banks Operating in Saudi Arabia issued by the Saudi Central Bank, the shariah committee shall formed from three to five members. The shariah committee's members in this have been appointed in term of current period from 01 January 2025 to 31 December 2027 by the board's decision based on recommendation of the nomination and remuneration committee, after obtaining SAMA's written non-objection. The shariah committee is an independent and report to the Board of directors. Its responsibilities are to supervise the compliance of Islamic banking transactions with the Shariah principles and rules, ensure that the shariah policies and procedures developed by the bank are consistent with those principles, and issue decisions on Shariah matters so that the bank can comply with the Shariah principles. The shariah committee issues an annual report shows the bank's compliance to the Shariah principles.

The committee held 4 meetings during the year 2025, attended by the Chairman and members of the committee, as shown in the following table:

SN	Name	Function	1st Meeting 02/03/2025	2nd Meeting 19/05/2025	3rd Meeting 01/09/2025	4th Meeting 01/12/2025	Attendance Rate
1	**Dr. Mohammed bin Waleed Al Swaidan**	Chairman	✓	✓	✓	✓	100%
2	**Dr. Raja bin Menahi Al Marzoqi**	Member	✓	✓	✓	✓	100%
3	**Dr. Mohammed bin Khalid Al Nashwan**	Member	✓	✓	✓	✓	100%
4	**Mr. Lahem bin Hamad Al-Nasser**	Member	✓	✓	✓	✓	100%

ajb

Details of the entities in/out of the Kingdom, in which members of ajb Board of Directors hold/held board membership or management positions, excluding ajb membership:

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
Eng. Abdulmajeed Ibrahim AlSultan	(1993) Member of the Board of Directors of the Brothers Union Company.	Inside the Kingdom	Closed Joint Stock	(1990-1993) Corporate Account Management at the National Commercial Bank.	Inside the Kingdom	Listed Joint Stock
	(1993) Chief Executive Officer of the Brothers Union Company.	Inside the Kingdom	Closed Joint Stock	(1991-2007) Chairman of the Board of Directors of the Marafeq Construction Company.	Inside the Kingdom	Listed Joint Stock
	(2009) Member of the Board of Directors of Olat Development Company.	Inside the Kingdom	Limited Liability	(1991-2007) Member of the Board of Directors of the Packaging Materials Manufacturing Company - FIPCO.	Inside the Kingdom	Listed Joint Stock
	(2013) Chairman of the Board of Directors of Al-Durra Development Company.	Inside the Kingdom	Limited Liability	(1998-2018) Member of the Board of Directors of Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock
	(2022) Chairman of Sustainability and Social Responsibility Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2004 -2024) Member of the Board of Directors of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock
	(2010) Board Member of Ibrahim Al-Sultan Charitable Foundation.	Inside the Kingdom	Charitable Entity	(2013-2025) Chairman of the Board of Directors of Aljazira Takaful Taawuni Company.	Inside the Kingdom	Listed Joint Stock
	(2021) Board Member of Al Thuriah Co.	Inside the Kingdom	Limited Liability	(2020-2024) Member of the Nomination and Remuneration Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock
	(2025) Chairman of the Board of Directors & Chairman of Executive Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock			
	Board Member of Health Endowment Fund.	Inside the Kingdom	Endowment Fund			

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
Mr. Mohammed Saad BinDawood	2025 Vice Chairman of the Board of Directors, Member of the Nomination and Remuneration Committee - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	2015 - 2025 Board Member, Risk Committee Member, and ExCom Member - Dar Al Tamleek Co.	Inside the Kingdom	Closed Joint Stock
	2022 Member of ExCom - Aljazira Bank	Inside the Kingdom	Listed Joint Stock	2016 - 2022 Member of Investment Committee of Real Estate Development Fund.	Inside the Kingdom	Government
	2023 Ektefaa Charitable.	Inside the Kingdom	Charitable	2019 Board Member and Member of the Audit Committee of Al Rajhi Steel Industries Company (Rajhi Steel).	Inside the Kingdom	Listed Joint Stock
	2017 The Founder and Chairman of the Board of Directors - Investor's Vision Company.	Inside the Kingdom	Limited Liability	2017 - 2018 Member of Industrial Committee of the Riyadh Chamber.	Inside the Kingdom	Government
	2022 Member of Governance, Risk and Compliance Committee - Zakat, Tax, and Customs Authority.	Inside the Kingdom	Government	2009 - 2013 Board Member of Al-Araby Investment Company.	Inside the Kingdom	Listed Joint Stock
	2018 Mohammed bin Saad BinDawood Financial and Management Consulting Office.	Inside the Kingdom	Private Institution	2015 - 2018 Board Member of Falcon Plastic Industries.	Inside the Kingdom	Limited Liability
				2015 - 2019 Board Member of International Refreshments Company.	Inside the Kingdom	Closed Joint Stock
				2019 - 2022 Board Member, and Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).	Inside the Kingdom	Listed Joint Stock

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Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
				2021 - 2023 Vice Chairman of the Board of Directors, Member of the Executive Committee, and Chairman of Nominations Committee of Abdullah Al-Othaim Investment Company.	Inside the Kingdom	Listed Joint Stock
				2018 - 2024 Board Member of Alpha Capital.	Inside the Kingdom	Listed Joint Stock
				2022 - 2024 Board Member of Saudi Tourism Development Company.	Inside the Kingdom	Listed Joint Stock
				2014 - 2024 Board Member and Member of the Audit Committee of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.	Inside the Kingdom	Closed Joint Stock
				2022 - 2024 Vice Chairman of the Board of Directors, Member of the Investment Committee of Abdullatif Alissa Holding Group Company.	Inside the Kingdom	Closed Joint Stock
				2019 - 2022 Board Member and Member of the Executive Committee Al Akaria.	Inside the Kingdom	Listed Joint Stock
				2009 - 2013 Board Member of Al-Araby Heavy Equipment Company.	Inside the Kingdom	Closed Joint Stock
				2015 - 2018 Board Member of Al-Jazirah Home Appliance Company.	Inside the Kingdom	Limited Liability
				2013 - 2014 Board Member of SABB Takaful Company.	Inside the Kingdom	Listed Joint Stock
				2012 - 2014 Board Member of Saudi Home loans Company.	Inside the Kingdom	Closed Joint Stock
				2015 - 2020 Board Member of Fiberglass Oasis Company.	Inside the Kingdom	Closed Joint Stock
				2019 - 2022 Member of Risk Committee of Saudi Ground Services Co.	Inside the Kingdom	Listed Joint Stock
				2014 - 2021 Board Member of Manafa Investment Co.	Inside the Kingdom	Limited Liability

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
				2020 - 2024 Board Member and Member of Governance Committee Thiqah.	Inside the Kingdom	Limited Liability
				2019 - 2025 Board Member, Member of Executive Committee, and Member of Risk & Governance Committee of Saudi Chemical.	Inside the Kingdom	Listed Joint Stock
				2018-2018 Managing Director of Manafa Investment Co.	Inside the Kingdom	Limited Liability
				2014- 2018 Chief Executive Officer of Directors of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.	Inside the Kingdom	Closed Joint Stock
				2013- 2014 General Manager of Corporate Banking Services at The Saudi British Bank.	Inside the Kingdom	Listed Joint Stock
				2004-2013 Deputy General Manager of Corporate Banking at Arab National Bank.	Inside the Kingdom	Listed Joint Stock
				2002- 2004 Manager of commercial banking in Central Region at The Saudi British Bank.	Inside the Kingdom	Listed Joint Stock
				1998- 2002 Senior Corporate Relations Manager at Arab National Bank.	Inside the Kingdom	Listed Joint Stock
				1996- 1998 Corporate Relations Manager at The Saudi British Bank.	Inside the Kingdom	Listed Joint Stock
				2022 - 2024 Board Member - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock
				2020 Member of the Board of Directors - Aqalat Real Estate Company.	Inside the Kingdom	Closed Joint Stock

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
Mr. Naif Abdulkareem AlAbdulkareem	(2020) - Chief Executive Officer of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(1995-1997) Credit Relations -Arab Bank.	Inside the Kingdom	Listed Joint Stock
	(2021) Member of the Nomination and Remuneration Committee - Member of the Executive Committee - Board Member of Aljazira Capital Company.	Inside the Kingdom	Listed Joint Stock	(2001 - 2004) Credit Relations Manager - Riyad Bank.	Inside the Kingdom	Listed Joint Stock
	(2021) Managing Director of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2004 - 2011) Regional Manager of Retail Banking - Ahli Bank.	Inside the Kingdom	Listed Joint Stock
	(2021) Member of the Executive Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2012 -2012) Head of Private Banking - SABB Bank.	Inside the Kingdom	Listed Joint Stock
	(2022) Board Member - Member of the Executive Committee and Member of the Investment Committee of Aljazira Takaful Taawuni Company.	Inside the Kingdom	Listed Joint Stock	(2012-2013) Head of Private Banking & Wealth Management- SABB Bank.	Inside the Kingdom	Listed Joint Stock
	(2023) Chairman of the Board of Directors of Saudi Credit Bureau (SIMAH).	Inside the Kingdom	Listed Joint Stock	(2014-2014) General Manager of Branches & Wealth Management - SABB Bank.	Inside the Kingdom	Listed Joint Stock
				(2015 - 2019) General Manager Retail Banking & Wealth Management - SABB Bank.	Inside the Kingdom	Listed Joint Stock
				(2012-2018) Chairman of the Board of Directors - SABB Insurance Agency.	Inside the Kingdom	Listed Joint Stock
				(2014-2017) Member of the Board of Directors - Member of the Executive Committee - SANID.	Inside the Kingdom	Listed Joint Stock
				(2016-2018) Board Member - Executive Committee Member - SABB Takaful.	Inside the Kingdom	Listed Joint Stock
				(2017-2019) Member of the Board of Directors - HSBC Saudi Arabia.	Inside the Kingdom	Closed Joint Stock

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
				(2017-2020) Member of the Board of Directors of Saudi Credit Bureau (SIMAH).	Inside the Kingdom	Limited Liability
				June 2019-October 2020 Deputy Managing Director, Retail Banking & Wealth Management- SABB Bank.	Inside the Kingdom	Public Joint Stock
				(2020- 2023) Member of Executive Committee - Member of the Nomination and Remuneration Committee of Saudi Credit Bureau (SIMAH).	Inside the Kingdom	Limited Liability

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
Mr. Sultan Abdulaziz AlHamidi	2025) Board Member - the Future Work Company and member of the Audit Committee.	Inside the Kingdom	Listed non-joint stock company	No past memberships		
	(2025) Board Member - Member of the Risk Committee Aljazira Bank.	Inside the Kingdom	Listed Joint Stock			
	(2024) Board Member - Member of the Audit Committee of Small and Medium Enterprises General Authority.	Inside the Kingdom	Government			
	(2024) Vice Chairman of the Board& Chairman of Executive Committee of National Entrepreneurship Institute.	Inside the Kingdom	Non-profit Organization			
	(2024) Chairman of the Board of Directors of Saudi Fund of Small and Medium Enterprises.	Inside the Kingdom	Listed non-joint stock company			

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
	(2024) Board Member - Directors of the Social Development Bank and member of the Executive Committee.	Inside the Kingdom	Government			
	(2022) Member of the Board of Directors & Chairman of the Nominations and Remuneration Committee at Saudi Chemical Company Holding.	Inside the Kingdom	Listed Joint Stock			
	Board Member of the World Savings and Retail Banking Institute (WSBI).	Outside the Kingdom	Non-profit Organization			

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Mr. Mohammed Abdulkrem Al Nafea	2023 Member of the Board of Makkah Construction & Development Company	Inside the Kingdom	Listed Joint Stock	No past memberships		
	2025 Member of the Board of Directors & Chairman of Risk Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock			
	Board Member of The First Avenue Company. Audit Committee Member.	Inside the Kingdom	Listed Joint Stock			
	Board Member of National Gas and Industrialization Company and Executive and Investment Committee Member.	Inside the Kingdom	Listed Joint Stock			

Name	Names of the companies in which members of the Bank Board hold present board membership or management positions	In /out of the Kingdom	Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc.)	Names of companies in which members of the Bank Board held past board membership or management positions	In /out of the Kingdom	Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc.)
Mr. Saad Ibrahim AlMushawah	(2010) Member of the Audit Committee in Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock	(1985-2003) Head of the lending team of the Saudi Industrial Development Fund.	Inside the Kingdom	Government
	(2016) Member of the Board of Directors of Qassim Cement.	Inside the Kingdom	Listed Joint Stock	(2003-2019) Chief Executive Officer of Gulf Union Foods Company.	Inside the Kingdom	Closed Joint Stock
	(2023) Member of Audit Committee - Methanol Chemicals Company.	Inside the Kingdom	Listed Joint Stock	(2013-2016) Member of the Board of Directors, Chairman of the Audit Committee of Aljazira Takaful Company.	Inside the Kingdom	Listed Joint Stock
	(2021) Member of Audit Committee - Durra Sugar Co.	Inside the Kingdom	Closed Joint Stock	(2014-2016) Member of the Audit Committee of Alissa Industries.	Inside the Kingdom	Closed Joint Stock
	(2022) Board Member and Chairman of the Audit Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2017-2023) Member of the Supervisory Board - Audit Committee Member of the Center for Building Productive Families (Jana) - one of the branches of Sulaiman Al-Rajhi Finance Corporations.	Inside the Kingdom	Private
	(2021) Member of the Board of Directors & Chairman of the Nomination and Remuneration Committee at Abdullah Al Othaim Markets Company.	Inside the Kingdom	Listed Joint Stock	(2019-2023) Member of Audit Committee of Fawaz AlHokair Company.	Inside the Kingdom	Listed Joint Stock
	(2023) Member of the Audit Committee at Alwatania Agricultural Company (Al Rajhi Endowments.	Inside the Kingdom	Limited Liability (Sole Proprietorship)	(2019-2024) Member of the Board of Managers of Creative Closets Company.	Inside the Kingdom	Limited Liability
	(2023) Member of Nomination Committee - King Abdullah Humanitarian Foundation.	Inside the Kingdom	Private	(2020-2021) Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock
	(2023) Board Member - Soybean Crushing Company and Derivatives Limited - Soya.	Inside the Kingdom	Limited Liability	(2020-2022) Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.	Inside the Kingdom	Government
	(2019) Member of the Audit Committee for AL Aseel Company.	Inside the Kingdom	Listed Joint Stock	(2022-2023) Board Member of National Food Industries Company Limited.	Inside the Kingdom	Limited Liability (Sole Proprietorship)

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	(2024) Member of the Audit Committee and Member of ExCom at Al Watania Poultry.	Inside the Kingdom	Limited Liability (Sole Proprietorship)	(Jan 2025 - Sep 2025) Chairman of Nomination & Remuneration Committee at Aljazira Bank.	Inside the Kingdom	Listed Joint Stock
	(Jan 2025) Chairman of Nomination & Remuneration Committee at AL Aseel Company.	Inside the Kingdom	Listed Joint Stock	(2021-2024) Audit Committee Member at Qassim Cement Company.	Inside the Kingdom	Listed Joint Stock
	(2025) Member of Audit Committee at TOPIAN Company.	Inside the Kingdom	Limited liability	(2023-2025) Board Member at Alwatania Agricultural Company (Al Rajhi Endowments).	Inside the Kingdom	Limited Liability (Sole Proprietorship)
	(2025) Board Member, Chairman of Audit Committee and Chairman of Nomination Committee at Al Watania Poultry (Egypt	Outside the Kingdom	Limited Liability (Sole Proprietorship)	(2024-2025) Board Member at Al Watania Poultry.	Inside the Kingdom	Limited Liability (Sole Proprietorship)
	(2025) Member of Audit Committee at Ports Development Company.	Inside the Kingdom	Closed Joint Stock Company			
	(2025) External Member of Creative Closets Company.	Inside the Kingdom	Limited liability			

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Mr. Abdulaziz Muteb AlRasheed	2023 Part-time consultant - Ministry of Industry and Mineral Resources.	Inside the Kingdom	Government Institution	Board Member - General Authority for Statistics.	Inside the Kingdom	Government Institution
	2025 Member of the Board of Directors and member of executive Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	Board Member - National Center for Privatization.	Inside the Kingdom	Government Institution
	Member of the Board of Directors of Dinar.	Inside the Kingdom	Closed Joint Stock	Board Member - General Authority of Zakat and Tax.	Inside the Kingdom	Government Institution
	Member of the Board and member of the Nomination and Remuneration Umm ALQura for Development & Construction.	Inside the Kingdom	Closed Joint Stock	Board Member - General Real Estate Authority.	Inside the Kingdom	Government Institution

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	Board Member - Al Mawarid Manpower Company.	Inside the Kingdom	Listed Joint Stock	Board Member - Saudi Food and Drug Authority.	Inside the Kingdom	Government Institution
				Board Member - Saudi Commission for Tourism and National Heritage.	Inside the Kingdom	Government Institution
				Board Member - General Authority for Competition.	Inside the Kingdom	Government Institution
				Board Member - Saudi Export Development Authority.	Inside the Kingdom	Government Institution
				Board Member - Industrial Clusters Program.	Inside the Kingdom	Government Institution
				Board Member - Saudi International Trade Authority.	Inside the Kingdom	Government Institution
				Board Member - Asian Infrastructure Investment Bank.	Outside the Kingdom	Intergovernmental Organization
				Board Member - Global Infrastructure Hub.	Outside the Kingdom	Company Limited by Guarantee
				Member of the Makkah Region Council.	Inside the Kingdom	Government Institution
				Board Member - Makkah Region Development Authority.	Inside the Kingdom	Government Institution
				Member of the Hail Region Council.	Inside the Kingdom	Government Institution
				Board Member - Hail Region Development Authority.	Inside the Kingdom	Government Institution
				Board Member - Health Cluster of Hail Region.	Inside the Kingdom	Government Institution
				Board Member - Umm Al Qura for Development and Construction Company.	Inside the Kingdom	Closed Joint Stock
				Member of the Founding Health Council for the Northern Region.	Inside the Kingdom	Founding Council

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Mr. Abdulmohsen Mohammad AlShaikh	2018 Chairman of Al Nour Real-Estate Fund -Bloom Investment.	Inside the Kingdom	Mixed Joint Stock Company	1995-2001 White & Case Company at Lawyer and Consultant.	Inside the Kingdom	Legal Consultations
	2025 Member of the Board of Directors and member of the risk Committee of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	2001-2008 Owner- Law Office of Abdulmohsen Al-Alshaikh	Inside the Kingdom	Solo Partnership
				2008-2015 Chief of Legal and Compliance - Saudi Stock Exchange, Tadawul.	Inside the Kingdom	Government Institution
				2015-2017 Chief of Regulatory and Oversight - Saudi Stock Exchange, Tadawul.	Inside the Kingdom	Government Institution

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Mr. Ibrahim Abdulaziz AlShaia	(2016) Member of the Board of Directors of Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2010-2013) Member of the Audit Committee - Allianz Saudi Fransi Cooperative Insurance Company	Inside the Kingdom	Closed Joint Stock
	(2016) Chairman of the Audit Committee from outside the Board of Hassana Investment Company.	Inside the Kingdom	Closed Joint Stock	(2011-2015) Member of the Board of Directors of Al-Safwa Cement Company.	Inside the Kingdom	Closed Joint Stock
	(2020) Member of the Executive Committee - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2013-2015) Chairman of the Audit Committee - Al-Safwa Cement Company.	Inside the Kingdom	Closed Joint Stock
	(2022) Chairman of the Audit Committee from outside the Board of Premium Residency Portal.	Inside the Kingdom	Government Entity	(2018-2020) Member of the Risk Committee - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock
	(2025) Member of the Nomination and Remuneration Committee - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock	(2021-2024) Chairman of the Audit Committee - Raidah Investment Company.	Inside the Kingdom	Closed Joint Stock
				(2019-2024) Member of the Board of Directors - Masdr Data Solutions.	Inside the Kingdom	Closed Joint Stock
				(2020-2024) Chairman of the Nomination and Remuneration Committee - Aljazira Bank.	Inside the Kingdom	Listed Joint Stock

Statement of Shareholders General meetings held during the fiscal year 2025 and the names of attending directors

During the year 2025, the bank held a meeting for the General Assembly of Shareholders on April 28, 2025, The agenda items for each assembly included the following:

Extraordinary General Assembly on April 28, 2025:

1. Reviewing and discussing the Board of Directors Annual Report for the fiscal year ending 31 December 2024.
2. Reviewing and discussing the Financial Statements for the year ending 31 December 2024.
3. Voting on the External Auditor's Report for the year ending 31 December 2024.
4. Voting on releasing the Board members from their liability for the fiscal year ending 31 December 2024.
5. Voting on appointing the Bank's External Auditors among the candidates based on the Audit Committee recommendation as to examine, review and audit the financial statements for the second, third quarter along with 2025-year-end financials and the first quarter for the year 2026 and determining their fees.
6. Voting on the Board of Directors' recommendation to increase the Bank's capital by Granting Shares according to the following:

   - The Bank's capital before the increase is (10,250,000,000) million Saudi riyals, divided into (1,025,000,000) ordinary shares.
   - The Bank's capital after the increase is (12,812,500,000) million Saudi riyals, divided into 1,281,250,000)) ordinary shares.
   - The total amount of the increase is (2,562,500,000) million Saudi Riyals.
   - Percentage of Capital Increase: 25%.
   - The reason for the capital increase: The increase is aimed to strengthen the Bank's financial position which will contribute to enable the bank to achieve its strategic goals.
   - Method of capital increase: The increase will be made by capitalizing an amount of (2,562,500,000) million Saudi riyals from the statutory reserve account and retained earnings account in equal proportion, by granting 1 share for every 4 shares.
   - Eligibility Date: If the clause is approved, the eligibility date for the bonus shares for the bank's shareholders who own the shares will be on the day of the extraordinary general assembly registered in the bank's shareholder register with the Securities Depository Center Company (the Depository Center) at the end of the second trading day following the entitlement date. In the event that there are fractional shares, they will be collected in one portfolio for all shareholders, sold at the market price, and then their value distributed to the shareholders entitled to the grant, each according to his share, within a period not exceeding 30 days from the date of determining the shares owed to each shareholder.
   - Voting on amending Article (7) of the Bank's bylaws related to the Capital (attached).
7. Voting on the payment of (9,390,000) million ﷼ as remunerations and compensations to the Members of the Board of Directors for the period from 1st January 2024 to 31st December 2024.
8. Voting to authorize the Board of Directors to distribute interim dividends to the shareholders on semi-annual or quarterly basis, against the fiscal year 2025.
9. Voting to delegate the Board of Directors with the authority of the Extraordinary General Assembly with the license mentioned in Section (1) of Article (27) of the Companies Law, for a one-year period effective upon the AGM approval date or up to ending of the authorized Board term, whichever is earlier, in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
10. Voting on the participation of the Board Member Mr. Mohammed Saad BinDawood in a business competing with the bank's business (attached).
11. Voting on the participation of the Board Member Mr. Abdulaziz Muteb Alrasheed in a business competing with the bank's business (attached).
12. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Personal Dinar Insurance Policy. These transactions in 2024 amounted to 42,683,983 million ﷼ and was done without any preferential treatment. (attached)
13. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Mortgage Insurance Policy. These transactions in 2024 amounted to 79,830,162 million ﷼ and was done without any preferential treatment. (attached)
14. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Group Life Insurance Policy. These transactions in 2024 amounted to 1,784,938 million ﷼ and was done without any preferential treatment. (attached)
15. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Staff Credit Cover Policy. These transactions in 2024 amounted 382,397 thousand ﷼ and was done without any preferential treatment. (attached)
16. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Property All Risk. These transactions in 2024 amounted to 56,205 thousand ﷼ and was done without any preferential treatment. (attached)
17. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Banker Blanket bond. These transactions in 2024 amounted to 5,407,904 million ﷼ and was done without any preferential treatment. (attached)
18. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Directors and Officers Liability Insurance. These transactions in 2024 amounted to 1,101,662 million ﷼ and was done without any preferential treatment. (attached)

19. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Return on time deposits investments. These transactions in 2024 amounted to 7,778,505 million ﷼ and was done without any preferential treatment. (attached)
20. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Claims received. These transactions in 2024 amounted to 26,505,326 million ﷼ and was done without any preferential treatment. (attached)
21. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Commission received. These transactions in 2024 amounted to 113,115 thousand ﷼ and was done without any preferential treatment. (attached)
22. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Dividends received. These transactions in 2024 amounted to 5,813,096 million ﷼ and was done without any preferential treatment. (attached)
23. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Purchase of MoF sukuks through ajb. These transactions in 2024 amounted to 9,000,000 million ﷼ and was done without any preferential treatment. (attached)
24. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Purchase of MoF sukuks through ajb. These transactions in 2024 amounted to 33,515,537 million ﷼ and was done without any preferential treatment. (attached)
25. Voting on the businesses and contracts that will take place between the Bank and Aljazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of Aljazira Cooperative Takaful Company. These contracts are related to Additional investment in AJT shares. These transactions in 2024 amounted to 76,217,925 million ﷼ and was done without any preferential treatment. (attached)
26. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Financing income earned on money market placements. These transactions in 2024 amounted to 111,195,023 million ﷼ and was done without any preferential treatment. (attached)
27. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Return on time and call deposit investments. These transactions in 2024 amounted to 27,827,585 million ﷼ and was done without any preferential treatment. (attached)
28. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Service Level Agreement. These transactions in 2024 amounted to 1,150,000 million ﷼ and was done without any preferential treatment. (attached)
29. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Fees and commission income. These transactions in 2024 amounted to 281,563 thousand ﷼ and was done without any preferential treatment. (attached)
30. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related Custody fee expense. These transactions in 2024 amounted to 6,043,040 million ﷼ and was done without any preferential treatment. (attached)
31. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Asset management and investment advisory fee. These transactions in 2024 amounted to 1,292,333 million ﷼ and was done without any preferential treatment. (attached)
32. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Transaction advisory for acquisition of investments. These transactions in 2024 amounted to 5,362,000 million ﷼ and was done without any preferential treatment. (attached)
33. Voting on the businesses and contracts that will take place between the Bank and Aljazira Capital Company which is considered a Related Party as Mr. Naif Al-Abdulkareem the CEO & MD of the bank, has an indirect interest in it being member of the board directors of Aljazira Capital Company. These contracts are related to Rent and building related expense. These transactions in 2024 amounted to 4,004,767 million ﷼ and was done without any preferential treatment. (attached)

The Bank took into account announcing the General Assembly Meeting results on Tadawul and the Bank's websites on corresponding 29 April 2025.

The table below shows board director's attendance of the meeting:

SN	Name	1st. GAM 28/04/2025
1	**Eng. Abdul Majeed bin Ibrahim Al Sultan**	✓
2	**Mr. Mohammed bin Saad BinDawood**	✓
3	**Mr. Naif bin Abdulkareem Al Abdulkareem**	✓
4	**Mr. Ibrahim Abdulaziz Alshaia**	✓
5	**Mr. Abdulaziz Muteb Alrasheed**	✓
6	**Mr. Mohammed Abdulkrem Alnafea**	✓
7	**Mr. Saad bin Ibrahim Al Mushawah**	✓
8	**Mr. Abdulmohsen Mohammed Alsheikh**	✓
9	**Mr. Sultan Abdulaziz Alhamidi**	X

Management Committees

The governance framework of Aljazira Bank is based on the structure of the board of directors, 5 board sub-committees and 15 management committees. The governance structure is also based on a series of governance empowerment factors which ensure achievement of required clarity and good discipline of governance, namely: Institutional values, design of organizational structure, Procedures and policies, bank's matrix of authorities as well as effective communication at internal and external levels. Aljazira Bank formed the following management committees to undertake specific tasks and responsibilities. Membership of these committees is restricted to the bank's employees and officials who are directly involved in the business of these committees:

1. Management Credit Committee
2. Micro small and medium enterprises Committee
3. Asset and Liabilities Committee
4. Transformation & Innovation Steering Committee
5. IT Steering Committee
6. Business Continuity Committee
7. Management Risk Committee
8. Market Risk Policy Committee
9. Product Policy Review Committee
10. Anti-Fraud High Level Committee
11. Information Security Management Committee
12. Fraud Control Committee
13. Real Estate Committee
14. Special Assets Credit Committee (SACC)
15. Procurement Committee

Number and dates of Board meetings held in the last fiscal year, and attendance record detailing names of attending directors

As per the bank's articles of association, the board shall hold 4 meetings per year at least. In the year 2025, the Board held 7 meetings. The table below reflects the meetings held and member's attendance record:

SN	Name	1st Meeting 28/01/2025	2nd Meeting 04/02/2025	3rd Meeting 23/04/2025	4th Meeting 20/05/2025	5th Meeting 23/07/2025	6th Meeting 22/10/2025	7th Meeting 16/12/2025	Attendance Rate
1	**Eng. Abdul Majeed bin Ibrahim Al Sultan**	✓	✓	✓	✓	✓	✓	✓	100%
2	**Mr. Mohammed bin Saad BinDawood**	✓	✓	✓	✓	✓	✓	✓	100%
3	**Mr. Naif bin Abdulkareem Al Abdulkareem**	✓	✓	✓	✓	✓	✓	✓	100%
4	**Mr. Ibrahim Abdulaziz Alshaia**	✓	✓	✓	✓	✓	✓	✓	100%
5	**Mr. Abdulaziz Muteb Alrasheed**	✓	✓	✓	✓	✓	✓	✓	100%
6	**Mr. Mohammed Abdulkrem Alnafea**	✓	✓	x	✓	✓	✓	✓	86%
7	**Mr. Saad bin Ibrahim Al Mushawah**	✓	✓	✓	✓	✓	✓	✓	100%
8	**Mr. Abdulmohsen Mohammed Alsheikh**	✓	✓	✓	✓	✓	✓	✓	100%
9	**Mr. Sultan Abdulaziz Alhamidi**	✓	✓	✓	✓	✓	✓	✓	100%

Details of any arrangements or agreement under which any director of the board or senior executive of the bank has waived any remuneration or right

The Bank is not aware of any arrangements or agreements for the waiver by any of the directors of the board or senior executives of any of their rights to any remuneration.

Details of any arrangements or agreement under which any shareholder of the bank has waived any right to dividends

The Bank is not aware of any arrangements or agreements for the waiver by any of the bank shareholders of any of their rights to any dividends.

Actions taken by the Board to notify its members - particularly non-executives - of shareholders suggestions and comments regarding the bank and its performance

In line with the relevant supervisory directives, and as a general rule, the bank is keen to facilitate shareholders exercise of their statutory rights relating to shares, including submission of suggestions and feedback regarding the bank and its performance. In line with the bank's practices, the board answered shareholders inquiries raised at the General Assembly meetings held in 2025, or through the shareholders' unit of the bank. The board reviews such feedback and comments and takes the appropriate actions in this regard.

Directors and its committees Senior Executives Remunerations

Compensation Policy

The Bank has adopted a comprehensive remuneration and compensation policy for the members of the Board of Directors, its committees, and executive management. The policy is structured in accordance with the directives of the relevant supervisory authorities, the principles of sound corporate governance applicable to banks operating in the Kingdom of Saudi Arabia, and the Remuneration and Compensation Rules issued by the Saudi Central Bank (SAMA), and Corporate Governance Regulations and the Implementing Regulations of the Companies Law for Listed Joint Stock Companies Act relating to listed joint-stock companies issued by CMA, in line with the Bank's Articles of Association. The Chairman of the Board receives a fixed annual remuneration of ﷼ 850,000, while each member of the Bank's Board of Directors receives a fixed annual remuneration of ﷼ 650,000 for their membership on the Board and participation in its activities.

In the year 2025, none of the members of the board or subcommittees have performed any work of technical or advisory nature, and therefore they did not get any consideration or special benefits in respect thereof. Executive management Compensation are determined by linking them to performance indicators and in accordance with the annual evaluation conducted in this regard.

The table below shows the remunerations and compensations paid to the members of the Board of Directors, members of its committees and senior executives of the Bank during the year. Kindly note there is no material differences between policy and what is already paid.

Board Remuneration

For the year ending 31, Dec 2025																	
	Fixed remunerations								Variable remunerations								
Name	Specific Amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total		Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	End of service award	Aggregate Amount	Expenses Allowence
First: Independent Directors																	
Mr. Mohammed bin Saad BinDawood	1,050,000	50,000	65,000				1,165,000									1,165,000	
Mr. Saad bin Ibrahim Al Mushawah	1,057,260	50,000	35,000				1,142,260									1,142,260	
Mr. Abdulmohsen Mohammed Alsheikh	850,000	50,000	45,000				945,000									945,000	
Mr. Sultan Abdulaziz Alhamidi	850,000	50,000	45,000				945,000									945,000	
Total	3,807,260	200,000	190,000				4,197,260									4,197,260	
Second: Non-Executive Directors																	
Eng. Abdul Majeed bin Ibrahim Al Sultan	1,050,000	50,000	70,000			200,000	1,370,000									1,370,000	40,150.97
Mr. Ibrahim Abdulaziz Alshaia	1,050,000	50,000	65,000				1,165,000									1,165,000	12,905.00
Mr. Abdulaziz Muteb Alrasheed	850,000	50,000	50,000				950,000									950,000	
Mr. Mohammed Abdulkrem Alnafea	850,000	45,000	40,000				935,000									935,000	
Total	3,800,000	195,000	225,000			200,000	4,420,000									4,420,000	53,055.97
Third: Executive Directors																	
Mr. Naif bin Abdulkareem Al Abdulkareem	850,000	50,000	50,000				950,000									950,000	
Total	850,000	50,000	50,000				950,000									950,000	

*The framework of the compensation and remuneration policy for the members of the Board of Directors and its subcommittees, as well as the executive management, which was approved by the Extraordinary General Assembly in its meeting No. (67) held on December 11, 2024, states the following: "Board members receive compensation for membership and attendance at meetings, based on the condition that the total compensation amount for each member does not exceed (1,200,000) one million two hundred thousand Saudi Riyals. The Chairman of the Board and the Chairman of the Audit Committee are exempt from this."

Committees Members Remuneration

For the year ending 31, Dec 2025

	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending meetings	Total
Executive Committee Members			
Mr. Abdulmajeed Ibrahim AlSultan	200,000	50,000	250,000
Mr. Naif Abdulkareem AlAbdulkareem	200,000	50,000	250,000
Mr. Mohammed Saad Bindawood	200,000	50,000	250,000
Mr. Ibrahim Abdulaziz Alshaia	200,000	50,000	250,000
Mr. Abdulaziz Muteb Alrasheed	200,000	50,000	250,000
Total	1,000,000	250,000	1,250,000
Audit Committee members			
Mr. Saad Ibrahim Almushawah	250,000	30,000	280,000
Mr. AbuBaker Ali Bagabir	200,000	30,000	230,000
Mr. Fawzi Ibrahim Alhobayb	200,000	30,000	230,000
Total	650,000	90,000	740,000
Remuneration and Nomination Committee Members			
***Mr. Saad Ibrahim Almushawah**	157,260	5,000	162,260
Mr. Mohammed Saad Bindawood	200,000	15,000	215,000
Mr. Ibrahim Abdulaziz Alshaia	200,000	15,000	215,000
Mr. Abdullah Ibrahim Alhagbani	200,000	15,000	215,000
Total	757,260	50,000	807,260

*** Mr. Saad Al Mushawah membership end from NRC committee at 15/10/2025**

	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending meetings	Total
Risk Committee Members			
Mr. Mohammed Abdulkrem Alnafea	200,000	40,000	240,000
Mr. Abdulmohsen Mohammed Alsheikh	200,000	45,000	245,000
Mr. Sultan Abdulaziz Alhamidi	200,000	45,000	245,000
Mr. Faisal Abdullah AlJasir	200,000	45,000	245,000
Mr. Wael Ahmed Fattouh	200,000	45,000	245,000
Total	1,000,000	220,000	1,220,000
Sustainability and Social Responsibility Committee Members (Khair Al-Jazira Le Ahl Al-Jazira)			
Eng. Abdulmajeed bin Ibrahim Al Sultan	200,000	20,000	220,000
Mr. Abdulaziz bin Ibrahim Al Hadlaq	200,000	20,000	220,000
Dr. Fahd bin Ali Al Elayan	200,000	20,000	220,000
Mr. Mohammed Abdulaziz AlMassad	200,000	20,000	220,000
Total	800,000	80,000	880,000
Shariah Committee Members			
Dr. Mohammed bin Waleed Al Swaidan	300,000	12,000	312,000
Dr. Raja bin Menahi Al Marzoqi	300,000	12,000	312,000
Dr. Mohammed bin Khalid Al Nashwan	300,000	12,000	312,000
Mr. Lahem bin Hamad Al-Nasser	300,000	12,000	312,000
Total	1,200,000	48,000	1,248,000

Remunerations of Senior Executives

For the year ended 31 December 2025

Senior Executives	Fixed remunerations				Variable remunerations						End-of-service award	Total remunerations for Board executives, if any	Aggregate Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
5 Senior executives including CEO and Senior Finance Officer	15,831,996	465,000	-	16,296,996	1,800,000	-	12,835,000	2,574,000	1,200,000	18,409,000	799,268	-	35,505,264

Internal Audit Group

The Bank's Internal Audit Group performs independent audit and evaluating the control processes across the Bank, covering all businesses and functions. The group uses standardized internal audit methodologies in providing reasonable assurance and independent opinion in relation to assessment of governance, risks and internal control systems including the submission of recommendations and follow up to optimize the internal control systems' efficacy and enhance awareness of the efficiency and importance of the control environment. The Chief Audit Executive manages the Internal Audit group, and the Audit Committee has an oversight responsibility for ensuring that the group's objectives are achieved.

Internal Audit Group pursues a risk-based approach in the planning and execution of audit engagements on risk-based prioritization. The scope of the internal audit activity encompasses all aspects of internal control systems, governance and risk management frameworks.

The Internal Audit Group maintains a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activities in addition to an external assessment conducted by an independent qualified body on a periodic basis for conformance with the Institute of Internal Auditors standards.

Annual result Review of the Effectiveness of Internal Control Procedures

Being a financial institution, the Bank gives high importance to the internal control environment.

At the Bank, effective internal control procedures are in place across the organization by applying the principle of three lines of defense. This is adopted based on their suitability to the work patterns of the bank taking into consideration industry best practices and international standards applicable in the banking and financial industry and by contracting with international organizations to provide advisory services to evaluate and optimize the efficiency of control systems, and their effectiveness is continuously monitored and tested by the control functions in the Bank, and additionally tested by the independent external auditors and regulatory inspection team.

The Board of Directors and its committees as well as the executive management play a vital role in the enhancement of internal control environment through direct supervision of the functions of the bank's control groups such as Compliance and Risk groups. The internal control process relies basically on the efficacy of the control systems in the bank. The effective internal control increases confidence in the financial reports and audit processes.

The results of the annual audit of the effectiveness of the internal control procedures of the Bank have reflected good and acceptable levels of controls.

Audit Committee opinion of the adequacy of the bank's internal control systems

During 2025, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems, including the financial statements, risk, compliance and internal audit reports.

The committee's discussions and resolutions are documented in the minutes of the meetings and issues that require attention are brought to the Board of Directors.

During the year, members of the Audit Committee held meetings with the heads of internal audit group, risks group, Credit Risk Management group (including Special Assets management division) compliance and anti-financial crimes group, Finance group and external auditors, where the Committee was briefed on the latest developments on issues requiring the committee's attention. The Committee also received internal audit reports, regulatory and supervisory reports, as well as the letters of external auditors made to the management during the year and reviewed the management's action plans for the issues raised.

The audit committee also reviewed the effectiveness of the internal control system, procedures for compliance with the Bank's internal policies and relevant regulatory and legal requirements in Saudi Arabia, and whether the management has fulfilled its duties in establishing an effective internal control system and seek independent confirmation by the internal audit for assessment of the adequacy and effectiveness of such internal controls.

The Audit Committee confirms to the Board of Directors and shareholders that, to their best knowledge and in all material respects, the bank's internal control system that includes the financial control systems and risk management systems is adequate and reasonably effectively implemented. The committee also confirms that the recommendations relating to appointment, dismissal, assessment or fixing of the fees of the auditors were approved by the Board.

Retail Banking Group

Aljazira Bank continued throughout 2025 to strengthen its position in Retail Banking and Wealth Management by delivering a banking experience that is closer to customers' needs—combining accessibility, advanced digital channels, and an expanded range of solutions tailored to different segments. This was reflected in the Bank's stronger market presence, with a market share of 3.2%, alongside 31% year-on-year growth in new account openings, underscoring the attractiveness of the Bank's offerings, its ability to attract new segments, and its continued expansion of the customer base. Across channels and distribution, the Bank maintained service delivery through a nationwide network of 73 branches, 565 ATMs, and more than 26,249 point-of-sale (POS) terminals, ensuring easy access to services, broader geographic coverage, and greater flexibility for customers.

Wealth Growth

The time deposits portfolio recorded 5% growth by the end of Q4 2025 compared to 2024. As part of reinforcing the Bank's position as the "preferred choice" for wealth customers, the two core customer tiers—Premium and Wealth—achieved year-on-year growth of 24.3% and 18.7%, respectively, in Q4 2025 versus 2024. In line with the Bank's digital wealth growth direction, the Bank launched the Commodities Investment Account, enabling customers to review and subscribe to the service easily without visiting a branch, supported by multi-currency availability and a distinctive customer experience that contributed noticeably to higher deposits and supported growth in the customer base seeking digital investment solutions. The Bank also advanced the development of its Customer Relationship Management (CRM) capabilities, enhancing customer experience by enabling Bank staff to access a comprehensive 360-degree view of customer information and provide proactive service based on a deeper understanding of customer needs.

Financing

On the financing front, the Bank continued to enhance its operating model by automating the Loan Origination System (LOS) for personal finance and cards, which contributed to improving the quality of credit reporting, increasing sales, and reducing the time required to review customer applications from days to less than hours—and soon instant—for both cards and personal Finance . This was complemented by enhanced dashboards and reporting, positively supporting growth in the financing portfolio for these products. In leasing finance, the Bank launched programs with competitive offerings, including agreements with strategic agencies, in addition to strengthening after-sales services—driving 92% growth in the leasing finance portfolio by the end of Q4 2025 compared to the 2024 closing.

Digital Banking and Customer Experience

In support of the Bank's refreshed brand identity, the Bank redesigned its mobile app user interfaces with customer needs in mind to deliver a more personalized experience. This was reflected in a clear increase in customer satisfaction, with the Bank's app ranking among the highest locally, scoring 4.8 on Google Play and 4.7 on the Apple App Store. The Bank also launched its e-store, offering a wide range of service providers—including gaming platforms, telecom operators, and shopping merchants—enhancing accessibility and expanding customer options within an integrated digital experience. To further boost engagement and awareness, the Bank introduced interactive services such as the Steps Challenge during the holy month of Ramadan, in addition to a digital interactive competition during Eid Al-Adha that is based on completing specific tasks and then receiving a random reward.

In digital payments, the Bank expanded partnerships with e-commerce companies to more than seven partners, ensuring multiple payment options to meet diverse customer requirements. Aljazira Bank was also the first locally to launch Google Pay. The Bank is among the institutions with the highest consistent usage of digital channels relative to customer base size among Saudi banks. Furthermore, Aljazira Bank is among the first to launch Open Banking Account Aggregation, enabling a deeper understanding of customer needs and allowing customers to monitor their accounts in one place without switching between other banks' apps, alongside the launch of more than 40 new digital services during the period.

Awards

Finally, Aljazira Bank received several awards in recognition of its excellence, including Digital Banker awards for Best Digital Account Opening Experience and Best Retail Banking in the Kingdom, in addition to the Outstanding Innovation in Customer Service award. The Bank also received the Best User Experience in the Kingdom award from the Customer Experience Association, covering banks, companies, and government entities.

Private Banking and Wealth Management

The Private Banking and Wealth Management Division serves the high-net-worth Individuals segment by providing a comprehensive array of private Shariah-compliant banking services and products.

The Division devotes all of its experience and capabilities to deliver & achieve the financial goals and objectives of its customers in a professional and timely manner. The Division serves its customers through 3 centers located in Riyadh, Jeddah and Al Khobar. These centers offer all services and banking transactions needed by HNW individuals through highly qualified Saudi cadres.

In an effort to grow and develop the Division's services in light of the intense competition locally and to capture a larger segment of wealth client, private companies and endowments, and in order to provide comprehensive and diversified services in wealth management, the Division has cooperated with AJC to provide more investment products and services to its customers.

Through its partnership with AJC, the Division supports developing shariah compliant products in wealth management platform. A number of specialized funds in the field of alternative assets have been offered to private banking clients which contributed to the diversification and development of their investments.

To strengthen our relationship with our existing customers, the Division participates in events that are of interest to strategic customers, for example, the Division sponsored one of Saudi Polo Federation tournaments in Al Ula and a Gala Dinner hosting strategic customers and Bank's executive management. The event aims at reinforcing the trust and cooperation between the Bank's and its strategic customer base.

Fawri Remittance Business

Despite the challenges experienced across the remittance market during 2025—driven by intensified competition, the entry of additional fintech propositions, and margin pressure—Fawri responded decisively by repositioning its operating model and reinforcing its standing as one of the most trusted and widely used remittance service providers in the Kingdom of Saudi Arabia.

By the end of Q4 2025, Fawri delivered solid progress in remittances by increasing reliance on digital channels and enhancing the customer journey for money transfers through Aljazira Bank's digital platforms, supported by highly competitive pricing. This was further strengthened through the reactivation of the strategic partnership with MoneyGram, in parallel with the successful launch of the new Fawri app, which was redesigned and enhanced with additional services—contributing to a significant uplift in app store ratings from 3.0 to 4.8.

The new Fawri app enables customers to transfer funds quickly, pay bills, and access selected government-related services through a seamless, user-friendly digital experience and competitive fees. These enhancements supported higher engagement levels and growth in transaction volumes, while further advancing the shift toward digital servicing.

On the physical network side, Fawri centers maintained their relevance in a competitive environment while taking targeted actions to improve operational efficiency. During the year, the operations of 11 centers were consolidated into other locations, with customers guided toward digital channels or nearby centers better positioned to serve them. As a result, the number of Fawri centers reached 24 centers nationwide by year-end.

Fawri continues to work closely with key partners to preserve and develop strategic relationships—particularly through products and services delivered via RIA, correspondent banking partners, and other established channels.

Looking ahead, Fawri will continue serving all customer segments with a strong focus on digital transformation, strengthening customer experience across all sales and service channels, and further enhancing efficiency and resilience in a fast-evolving remittance landscape.

Enterprise Risk Management Group

During the year 2025, Aljazira Bank continued its drive to focus on strengthening the risk management culture and ensuring the same is institutionalized on an enterprise-wide basis. With this objective set forth, management remained committed to ensuring that the Bank adopts best-in-class risk management practices supported by the necessary infrastructure in terms of people, operations, processes, and systems.

The priority has been to strengthen the Enterprise Risk Management function with core emphasis on the following:

1. Building a robust architecture and risk strategy to facilitate not only the current business strategy but also to adapt to the changing business landscape and environment.

2. Continuous investment in and development of risk analytics capabilities and technology to lay a strong foundation for the Risk Data Warehouse. In this regard, the Bank has upgraded and continues to invest in relevant technology infrastructure in line with Basel Committee on Banking Supervision (BCBS) 239 guidelines. The ultimate vision of the Bank is to develop a state-of-the-art Risk Data Warehouse serving as the single source of truth for all risk data and analytics needs.
3. Delineation of approval and review processes, ensuring that risk approvers and reviewers remain independent, with the objective of strict adherence to the Credit Committee culture and the minimum four-eyes principle.
4. The Enterprise Information Security function, in line with the Bank's mission and strategy as well as SAMA's Cyber Security Framework, continued its efforts to strengthen and protect information and information systems to ensure the confidentiality, integrity, and availability of all information are commensurate with mission needs, information value, and associated threats.
5. Alignment and strategizing of the capital adequacy process in sync with the Bank's strategic direction. The Internal Capital Adequacy Assessment Plan (ICAAP) goals are continually rationalized in accordance with the existing strategic focus and business plan on an annual basis. Capital adequacy assessment has been carried out in accordance with the nature, size, and complexity of the Bank's business model, supported by detailed documentation.
6. The Bank has also developed its Internal Liquidity Adequacy Assessment Plan (ILAAP) framework in accordance with regulatory mandates. ILAAP primarily focuses on the Bank's liquidity risk assessment, governance structure, associated strategies, and contingency arrangements to address both foreseeable and unforeseen liquidity events.
7. Risk appetite is set by the Board as the degree and type of risk the Bank is prepared to accept in pursuit of its strategy, while giving due consideration to the interests of stakeholders. The Board-approved Risk Appetite Statement (RAS) defines the overarching risk-taking parameters through risk appetite and risk tolerances. As part of the annual strategy review and capital planning process, the Enterprise Risk Management Group (ERMG) undertakes an independent review of the Bank's strategy and considers how identified risks, individually or in aggregate, may impact the Bank's risk profile and risk appetite.
8. Refining and strengthening the stress testing framework in line with best practices, SAMA, and Basel guidelines, enabling the Bank to conduct regulatory stress testing across various risk parameters and scenarios. The results of stress testing are used as valuable feedback for business and capital planning on a forward-looking basis.
9. Ensuring that the Bank remains compliant as a financial institution under IFRS 9. Risk Management, as a key stakeholder, governs financing policies and is responsible for regularly reviewing and revising the Bank's credit policies, guidelines, and processes to ensure credit risk is managed within the Bank's risk appetite criteria and that credit-related losses are minimized.
10. Implementation of an operational risk policy and framework compliant with the recommendations of the Basel Committee and SAMA. This framework promotes a culture of risk awareness and loss prevention across the Bank and defines how operational risks are identified, assessed, mitigated, monitored, and reported.
11. Ensuring thorough validation and calibration of the Bank's credit risk rating models and scorecards to maintain their forecasting capability in assessing the default risk of prospective and existing customers. The Bank has been at the forefront of successfully validating and implementing recalibrated risk rating models.

Corporate and Institutional Banking Group (CIBG)

The continued implementation of Vision 2030 has materially advanced the Kingdom's economic transformation agenda, reinforcing diversification efforts and creating substantial opportunities within the Financial Services Industry.

The associated Vision Realization Programs (VRPs) have played a pivotal role in strengthening regulatory frameworks, enhancing market infrastructure, and enabling greater private-sector participation,

positioning the industry as a key contributor to national economic objectives.

In parallel, the sector is undergoing a structural shift driven by rapid fintech expansion, regulatory support for innovation, and sustained migration toward digital banking channels. This transition has elevated customer expectations, increased operational efficiency, and introduced new competitive dynamics, underscoring the need for continued investment in digital capabilities, risk management, and scalable technology platforms.

CIBG's strategic direction remains closely aligned with the Vision Realization Programs (VRPs), which continue to support the growth trajectory and reinforce our competitive position in the market.

Through this alignment, we have broadened our Shariah-compliant product suite, strengthened digital banking capabilities, and ensured that our contribution remains integral to the Vision 2030 pillars of a vibrant society, a thriving economy, and an ambitious nation.

Despite ongoing global economic uncertainty, CIBG has successfully exceeded its strategic objectives. This was achieved through a disciplined execution, expansion of our customer base, and the delivery of differentiated Shariah-compliant products and services that have measurably improved the customer experience.

Furthermore, the strategic partnerships established through our innovative banking propositions have played a critical role in advancing our performance. These collaborations have enhanced customer value, increased Share of Wallet (SOW), and contributed to stronger profitability and a solid Risk-Adjusted Return on Assets (ROA) position.

Corporate Banking Group (CBG)

CBG achieved total asset growth of 16% in 2025, reflecting robust performance in both Funded & non-Funded assets, and strong fee generation, which reinforced our market positioning and strengthened client engagement. This growth was supported by targeted customer acquisition, the pursuit of attractive financing opportunities, the rollout of new and innovative product offerings, and increased cross-selling effectiveness.

The portfolio remains well diversified, guided by a disciplined underwriting framework that incorporates macroeconomic considerations and sector-level risk appetite. This approach has enabled the Group to maintain a sound asset quality, minimize impairment exposure, and support sustainable expansion aligned with our strategic objectives.

Specialized Finance Division (SFD)

The Specialized Finance Division (SFD) continues to serve as a catalyst for high-impact growth, delivering sophisticated financing solutions to the Kingdom's largest corporates and sovereign-linked entities. With a mandate that extends beyond traditional lending, SFD partners with leading regional and global banks to structure and participate in landmark syndicated transactions, supporting major economic developments aligned with Vision 2030's VRPs.

Leveraging extensive sectoral expertise, SFD plays a pivotal role by designing project finance structures, managing agency functions, and leading complex syndication arrangements, reinforcing the Bank's reputation as a trusted advisor in delivering solutions for transformative national projects.

In 2025, SFD maintained its upward trajectory, achieving a 38% growth in total assets—reflecting the division's disciplined execution, strategic market positioning, and continued success in capturing high-quality syndicated and project finance opportunities across priority sectors.

Commercial Banking Services (CBS)

In 2025, CBS achieved a significant 23% growth in total assets.

MSMEs are a vital driver of economic development and the foundation of the Kingdom's economy. Aljazira Bank is committed to promoting the growth and success of Micro, Small & Medium Enterprises (MSMEs) through Commercial Banking Services by offering a comprehensive array of banking solutions and products tailored to the special needs of MSMEs operating in all industries and sectors.

Financial Institution (FI)

The Financial Institutions "FI" plays a key role in strengthening ajb's wholesale banking capabilities by deepening relationships with domestic and international banks and enhancing the Bank's connectivity to global financial markets.

FI supports smooth liquidity flows, cross-border trade, and institutional transaction needs, while also enabling CIBG, Retail, Private Banking, and Treasury through its expertise and network.

In 2025, FI reinforced its position as a preferred partner bank in the Kingdom by advancing trade finance, cash management, and remittance services.

FI also introduced several new Shariah-compliant products, expanding ajb's offering and further enhancing value for counterparties.

FI delivered outstanding results for the year, with total exposure rising by 47% and fee income increasing by 43%; growth driven by stronger institutional activity, higher trade line utilization, and deeper correspondent partnerships.

As FI continues to expand its global relationships and responds to rising demand for Shariah-compliant solutions, FI remains well positioned to support ajb's long-term strategy and contribute meaningfully to sustainable, fee-based growth.

Public Sector Unit (PS)

The Public Sector Unit is dedicated to supporting the successful delivery of Vision 2030 by identifying and pursuing strategic business opportunities across Government & Semi-Government entities, development funds under National Development Fund "NDF" umbrella, and the Public Investment Fund (PIF) along with its subsidiaries.

In line with its growing mandate, the Public Sector Unit has also begun extending structured credit facilities to its clients. This approach strengthens ajb's role in enabling government-linked institutions to execute their strategic initiatives while maintaining prudent risk management.

Through these combined efforts, the unit continues to support the broader public-sector ecosystem in achieving its objectives and advancing national transformation priorities.

Global Transaction Services (GTS)

Global Transaction Services (GTS) Unit provides advanced technology platforms designed to support and enhance the operational efficiency of Corporate Banking and Financial Institutions clients across the Kingdom.

The Unit focuses on delivering innovative, cost-effective transaction banking solutions. Its offers include corporate electronic channels such as Aljazira Business in addition to payroll solutions, cash collection and delivery services.

In addition to its core services, the Unit supports the full range of products available to the Group's clients in coordination with the relevant bank departments, including Business-to-Business (B2B) services, Point of Sale (POS) solutions, the electronic payment gateway, and the corporate credit card.

Micro, Small and Medium size Enterprises (MSMEs)

Current Definition of Micro, Small, and Medium Enterprises: Customers at Aljazira Bank have been classified in accordance with the Bank's internal policies and criteria, fully aligned with the standards of the Saudi Central Bank (SAMA), as follows:

Entity Type	Annual Revenues (Sales) ﷼ MM	Number of Employees (Full Time)*
Micro Small	0 to 3	01 to 05
Small	3 to 40	06 to 49
Medium	40 to 200	50 to 249

*Aljazira Bank considers Annual revenue as the main criteria, however, if this criterion is not available, then the number of full-time employees becomes the main criteria for segmenting MSME clients.

Initiatives for MSMEs taken by the Bank

- Expansion of the sales team across three regions, enhancing reach into other provinces and cities.
- Setting special criteria for accepting credit grants for small and medium enterprises in order to speed up the approval process
- Introducing a dedicated call center to serve all Micro, small and medium enterprises.
- Establishing a new sales unit that acts as a central unit for receiving and reviewing all referrals of SME clients and following up on NTB leads provided by the bank's Strategic partners such as Development Fund under the umbrella of National Development Fund "NDF"
- Applying specific fields in the bank's core operating system to distinguish and classify customer segments, banking relationships and SME customers.
- Continuous development of special training programs for relationship managers, specialized in customer relationship management and credit risk.
- Launching of the Point of Sale Financing Program, targeting small and medium enterprises in general.
- In the final stages of launching the new "Aamal" program, which is a set of integrated banking and financial solutions that specifically meet the needs of SME clients.
- Established strategic partnerships with Monshaat, SME Bank, the Tourism Development Fund (TDF), and the Cultural Development Fund (CDF) to enhance collaboration and drive SME growth initiatives.
- SME continued to enhance its product suite with the launch of the new POS Financing product V5 and the introduction of Payroll Financing. Alongside the upcoming rollout of Contractor Financing and Working Capital facilities.
- SME achieved a robust growth of over 250% in its Kafalah-guaranteed portfolio, underscoring its strong partnership with the SME sector and focus on expanding access to financing.
- The Bank recorded a 23% year-on-year increase in SME assets, driven by strong business development efforts and enhanced product offerings tailored to the SME segment.
- The Bank advanced its digital transformation through the successful rollout of platforms including Credit Lens, Dashboard, and Aljazira Business app, with upcoming initiatives focused on further enablement, automation, and stronger control frameworks.
- The SME Division established a specialized Products Team focused on driving innovation, accelerating time-to-market, and ensuring robust monitoring of product performance and effectiveness.
- SME continued to strengthen its performance culture through the introduction of a performance-linked incentive scheme, ensuring alignment between individual contributions and organizational goals.

MSMEs unit and staff

MSMEs are managed by our Commercial Banking Services division within the Corporate & Institutional Banking Group (CIBG). Currently, CBS has more than 45 dedicated staff members serving our valued MSME clients.

Number of training and workshop for staff and customers:

Number of trainings for Staff	121
Number of trainings for Customer	-

Finances, Commitments and Contingencies granted to micro, small and medium enterprises:

	2025			
	Micro	Small	Medium	Total
Finance to MSMEs on BS	1,022,443	1,666,488	4,923,709	7,612,640
Finance to MSMEs off BS	81,678	753,035	1,176,586	2,011,299
On BS MSMEs Finance as a % on Total BS Finance	0.9%	1.5%	4.4%	6.9%
Off BS MSMEs Finance as a % on Total BS Finance	0.1%	0.7%	1.1%	1.8%
Number of Finance on and Off	301	1,312	575	2,188
Number of Customers for Finance	228	820	170	1,218
Number of Finance guaranteed by Kafalah program (on & Off)	2	35	14	51
Amount of Finance guaranteed by Kafalah program (on & Off)	159	65,133	39,939	105,231
	2024			
	Micro	Small	Medium	Total
Finance to MSMEs on BS	798,274	1,037,951	4,361,989	6,198,214
Finance to MSMEs off BS	82,700	1,432,587	918,103	2,433,390
On BS MSMEs Finance as a % on Total BS Finance	0.8%	1.1%	4.5%	6.4%
Off BS MSMEs Finance as a % on Total BS Finance	0.1%	1.5%	0.9%	2.5%
Number of Finance on and Off	316	1,262	549	2,127
Number of Customers for Finance	245	809	204	1,258
Number of Finance guaranteed by Kafalah program (on & Off)	4	36	12	52
Amount of Finance guaranteed by Kafalah program (on & Off)	898	50,578	30,110	81,586

Treasury Group

Strategic Resilience and Value Creation

In 2025, the Treasury Group successfully navigated a complex macroeconomic landscape to deliver net income growth of 41% year-on-year. Acting as a key strategic partner to the Bank's business lines, Treasury played a central role in safeguarding liquidity and capital while actively supporting the Bank's ambitious asset growth.

Operating Environment & Strategy

The year was defined by heightened regional geopolitical tensions and persistent market volatility driven by a "higher-for-longer" profit rate environment. Despite delayed monetary easing by central banks, Treasury demonstrated exceptional agility. We balanced our role as the custodian of the Bank's financial strength with a proactive approach. By ensuring robust capital adequacy and optimizing funding mix, we enabled the Bank to pursue growth opportunities without compromising our conservative risk appetite.

Strengthening the Capital Base

The highlight of the year was the Bank's decisive entry into the international capital markets. Treasury led the successful launch of Aljazira Bank inaugural international Tier 1 Sukuk program, totaling USD 1.5 billion.

The first tranche of this program was a landmark transaction. It not only established a scalable platform for future capital needs but also attained significant demand from global investors—a testament to the international market's confidence in the Bank's credit profile and strategy. Within the domestic market, Treasury reinforced the Bank's financial resilience through the successful issuance of 1 billion in Tier I capital Sukuk under the existing additional Tier I Sukuk program.

Dynamic Balance Sheet Management

In a year of fluctuating rates, asset liability management adopted a proactive optimization approach, implementing forward-looking hedging strategies and strengthened scenario analysis to safeguard the Bank's net profit margin.

To diversify funding sources and reduce concentration risk, Treasury executed strategic repurchase agreements (repos) with global counterparties. These transactions secured long-term, cost-efficient funding, ensuring that our profit rate exposure remained strictly within risk limits while preserving the liquidity required for lending growth.

Record Performance in Sales & FX

The FX business line achieved outstanding results, surpassing revenue targets and recording year-on-year growth of 27%.

We expanded our market share by focusing extensively on all clients' segments and combining competitive pricing with superior execution and strong counterparty network, and by launching internal reward campaigns which resulted positively in our FX Income.

Partnering for Growth

Treasury continued to deepen its integration with the Retail and Corporate Banking Groups. Moving beyond a transactional relationship, we adopted a consultative "One Bank" approach. By jointly analyzing client needs, we unlocked new cross-selling opportunities and delivered tailored risk management products that drove mutual growth for the Bank and its customers.

Developing the Saudi Capital Market

As a committed Primary Dealer appointed by the National Debt Management Center (NDMC), Treasury played a vital role in the development of the local financial ecosystem, aligned with Vision 2030's Financial Sector Development Program.

We significantly expanded our market-making capabilities, deepening relationships with brokers and institutional investors to enhance liquidity in the primary and secondary debt markets.

Technology & Infrastructure

To future-proof our operations, we successfully completed a major upgrade of the Treasury Core System. This investment has modernized our architecture, resulting in faster processing speeds, real-time risk reporting, and enhanced operational efficiency. We remain committed to continuous digital transformation to maintain a competitive edge in an increasingly automated trading environment.

Outlook

Looking ahead, Treasury remains focused on optimizing the Bank's asset-liability positioning to drive shareholder value. We will continue to diversify funding sources, support potential future Sukuk issuances, and roll out advanced financial products. With a robust balance sheet and a modernized operating platform, the Group is well-positioned to capitalize on emerging market opportunities in the coming year.

Human Capital and Corporate Support Group

Human Capital Group

The Human Capital and Corporate Support Group launched an ambitious and tangible action plan aimed at enhancing the organizational culture to create a better work environment. This was achieved by strengthening and providing the skills required to support Aljazira Bank's strategy, which led to a noticeable improvement in the targeted "Daily Operational Efficiency" indicator. The Group also committed to strengthening internal governance by developing existing policies and procedures and raising awareness levels across all employees.

In 2025, the Human Capital, Strategy and Corporate Support Group at Aljazira Bank reinforced its commitment to developing Saudi talent as a cornerstone of the Bank's strategic vision. Through targeted initiatives such as the "Future Leaders Program," the "techMal Program," as well as programs focused on Data Management and Cybersecurity, we attracted, nurtured, and developed national talent to build a strong foundation for the Bank's future. During the year, our employees collectively completed 15,673 training man-days, reflecting our commitment to strengthening a culture of continuous learning. Flagship programs delivered in partnership with leading institutions, such as the Elevate Program in collaboration with INSEAD and the AI Champions Program in collaboration with Thunderbird, enabled our leadership cadres to advance the Bank's strategic objectives.

Furthermore, we continued the pioneering "Rawaabet" Business Mentorship Program, enabling employees to benefit from senior management's expertise. We also continued the "Badge Your Expertise" (BYE) initiative, supporting employees in obtaining specialized professional certifications.

To further promote innovation, we launched the "Design Thinking Ambassadors Program," which targeted employees across all levels of the Bank. Strategic partnerships were also established with esteemed institutions such as the Governance Center and the Bahrain Institute of Banking and Finance, with the aim of aligning educational initiatives with the Bank's vision. These efforts not only enhance Aljazira Bank's position as an employer of choice for top talent but also ensure that we remain at the forefront of excellence.

To enhance productivity, an electronic learning center was launched via a secure cloud-based platform in partnership with Knowledge City. Through this platform, we offer more than 4,000 e-learning courses accessible anytime and anywhere, providing greater flexibility for employees in managing their work schedules.

Staff ethical and professional principles:

All employees have a high sense of responsibility towards their work in accordance with the bank's values. This matter is not limited to the bank's employees only, as all customers, shareholders, and regulatory authorities appreciate Aljazira Bank's high professionalism in all their dealings. This is in accordance with the regulatory frameworks that aim to maintain a high level of professionalism and lay the foundations according to which Aljazira Bank employees perform their duties. This makes the bank safe from financial crimes, bribery and corruption.

Aljazira Bank is eager to keep up with all of its policies and procedures because it recognizes the significance of demonstrating the work frameworks for its employees in order to prevent any penalties or violations that could be imposed against the bank or the employee. This policy established the bank's values and standards for internal and external transactions under a variety of conditions and occasion-specific frameworks, including but not limited to the "Code of Conduct." This is due to Aljazira Bank's strong commitment to safeguarding the interests and assets of its stakeholders.

Logistics Services

A specialized department responsible for providing all services and logistical support to Aljazira Bank, including ensuring security standards, a clean environment, and facility services for employees and customers across all bank buildings. Additionally, it ensures the safety and security of employees, customers, and assets while guaranteeing business continuity.

Properties Management

Properties Management Division, with mandatory specialization, provides all needed technical services that contribute to achieve strategic goals and aspirations of the various bank businesses in the field of Real Estate, its management, the preservation of the bank's rights therein, matters related to Real Estate Affairs in general and Mortgages in particular, including Clearing, Updating, valuation, Liquidation process, and what requires to follow-up with the judicial authorities and working to comply with them. "AMAN - Real estate Investment & Development".

In addition to Design and Engineering management, which deals with engineering surveys, site selection, design, and supervision of their implementation according to engineering specifications that comply with the bank's requirements and creating the appropriate environment for use through its buildings and branches.

Procurement and Contract Management

The Procurement and Contracts Management Department underwent a reorganization of its administrative structure to cover four main divisions: Vendor Management, Procurement Management, Technical Contracts Management, and Lease Contracts Management. This restructuring played a pivotal role in achieving many of the bank's objectives in financial year 2025.

Strategy And Transformation Group

The Strategy & Transformation Group plays a pivotal role within Aljazira Bank. This group, Comprising various functions such as the Strategy Division, the Fintech & Strategic Partnerships unit and the Transformation Division. These are at the forefront of shaping our bank's future and driving our mission of enriching lives through financial well-being.

1. The Strategy Department is the cornerstone of Bank Al Jazira's forward-looking agenda, driving the bank's mission to enrich lives through financial well-being. It is structured into two specialized units: the Corporate Strategy Unit and the Fintech & Strategic Partnerships Unit, each playing a unique yet complementary role in ensuring the bank's sustained growth and competitive positioning.

2. The Fintech & Strategic Partnerships Department drives the bank's innovation agenda by building financial ecosystem, integrating emerging technologies, and expanding market reach through fintech collaborations. The unit ensures regulatory compliance while fostering strategic alliances that enhance products and customer experiences.

3. The Transformation Department is tasked with catalyzing & enabling the change needed to achieve the strategic goals across the organization. It oversees, plan and comprehensive transformations initiatives, encompassing people, processes, and technology. Its agile approach ensures that the bank remains adaptable in a fast moving and regulated environment. This division has been instrumental in improving operational efficiency and customer experience.

Marketing and Customer Excellence Group

Marketing Department

In 2025, the Marketing & Customer Excellence Group led the official launch of Aljazira Bank's new brand identity under the theme "Wealth Grows Here" through internal and external launch events, marking a key milestone in the Bank's transformation journey. The identity was rolled out progressively across branches, digital channels, and communication materials, supported by a robust brand governance framework to ensure consistency in messaging and experience. These efforts represented the core of the Group's work during the year, translating the Bank's strategic evolution into a clear and confident market presence. The accompanying launch campaign extended the brand's reach across 72 local and international platforms, achieving an audience reach of more than 18 million and reinforcing a strong, consistent presence among key stakeholders.

The department also strengthened the Bank's brand visibility through participation in more than 12 exhibitions and conferences across the business and financial services ecosystem, including major platforms such as Cityscape, Biban, Money20/20, Riyadh International Book Fair, Job Fair, and Momentum, alongside other leading industry events. These participations expanded engagement with diverse audiences and reinforced the Bank's presence in influential platforms aligned with its strategic focus areas.

Furthermore, the Marketing department delivered a portfolio of integrated marketing campaigns that collectively generated over 86 million impressions and more than 2.3 million engagements, reflecting the effectiveness of these initiatives in supporting digital and marketing objectives and strengthening the Bank's positioning as a leading financial institution.

Customer Excellence Department

The Bank continued to advance its customer excellence agenda by enhancing its customer experience framework through the launch of Customer Excellence Indices for both Retail and Corporate Banking for 2026, alongside the implementation of measurement and improvement programs. These initiatives included mystery shopping across branches, customer satisfaction studies, the redesign of selected customer journeys, the introduction of a rewards framework focused on frontline staff, and the establishment of clear governance through policies and procedures to ensure the sustainability of continuous customer experience improvement.

Shariah Group

Shariah Quality

Shariah quality is represented by the extent to which the bank adheres to the Shariah controls derived from Islamic Shariah provisions, in addition to the quality of application, through:

Shariah Compliance:

The Shariah Compliance Department's mission is to review the submitted application and refer it to the Shariah Committee for further review. It also ensures the bank's compliance with the fatwas issued and decisions approved by the Committee, implements corrective and extension procedures when necessary to address non-compliance, and monitors compliance to avoid recurrence. Shariah compliance also encompasses all the bank's Islamic banking operations and product programs, including procedures, policies, advertising campaigns, contracts, agreements, and banking products that comply with the Shariah Committee's decisions, from the product structuring stage to the stage of offering them to customers.

Shariah Audit:

Shariah auditing is a fundamental pillar that ensures the bank's adherence to Islamic Shariah principles in all its transactions and financial products. Through its Shariah Audit Department, the Shariah Group aims to foster trust between the bank and its clients by ensuring that all the bank's activities, programs, and services comply with Shariah standards approved by the bank's Shariah Committee.

This is achieved through rigorous examination and review processes encompassing all the bank's operations and those of its subsidiaries, to verify full compliance with Shariah principles. Periodic reports are prepared and submitted to the Shariah Committee, outlining the audit findings, observations, and recommendations necessary to enhance compliance further.

The Shariah audit process is based on a professional methodology that relies on carefully selected samples in accordance with international auditing standards. This ensures the accuracy of the results, the objectivity of the evaluation, and contributes to improving the efficiency of the Shariah control system within the bank.

Governance

During the year, the Shariah Group continued to implement the Shariah governance framework issued by the Saudi Central Bank within the bank to ensure full compliance with regulatory requirements.

The following list of products and services approved by the Shariah Committee:

1. Point of Sale Financing Program.
2. Cardless cash withdrawal service.
3. Personal Banking Experience Product.
4. Local Equity Investment Product.
5. Fixed Income Sukuk Product.
6. Linking bank cards to Apple Wallet for payments.
7. Murabaha Investment agreement with STC.
8. cross-border remittance service agreement with Thunes company.
9. Salary Advance Service Policy.
10. Repurchase Agreement (Repo) Product.
11. Murabaha Investment agreement with SNB.
12. Waad Product.
13. Investment account opening service and data linking with Aljazira Capital.
14. Low Limit Credit Card Product.
15. 15. Aljazira's Bank Tier 1 Capital Sukuk Program.
16. Electronic account opening linking service via the Saudi Business Center.
17. Commodity swap product.
18. International money transfer service via (NEOM).
19. Gold trading product.
20. Repurchase Agreement (Repo) Product with Goldman Sachs.
21. Shariah advertising guidelines.

Services and Products

The Shariah Group believes that innovation and development derived from the Islamic Shariah Rules is an essential requirement to promote the Islamic banking industry so as to be able to grow, compete and meet the accelerating and renewable market requirements. To this effect, the group permanently cooperates with other business groups within the bank to innovate and develop their tools and services and helps in the automation of a lot of their processes to facilitate customer's transactions and enable them to achieve utmost investment of their time and avoid human errors as far as possible.

The group is aware that maintaining the Bank's leading position in the Islamic banking industry, requires collection of information and preparation of reports and surveys about Islamic banking market and products, extent of customers' satisfaction and aspects of competition, points of strength and weaknesses and customers' expectations. The Research Department of Shariah Group continued to collect and analyze data and information, prepare various reports, particularly on Islamic finance in the Kingdom of Saudi Arabia. In this context, three reports on Islamic finance activity in the Saudi market have been updated and prepared on the Islamic finance activities in the Saudi market, namely:

1. Islamic banking in the Saudi market,
2. Sukuk in the Saudi Market,
3. Insurance sector in Saudi market.

Publication of Books and Academic Research Papers

The Shariah Group has adopted a plan to spread knowledge through publishing and distribution of books and academic research papers which cater for the financial aspects, particularly the Islamic finance issues. Such published books and academic research papers are distributed to Specialists, interested people, educational and financial institutions free of charge, namely:

- Contemporary fiqh offshoots of Finance's and debts' riba in money,
- The settlement of debt by set-off.
- The guarantee with compensation.
- The zakah of commercial papers.
- The forward.
- Lexicon of Financial and Economic Terms in the language of Fiqh Scholars.
- The open Banking.
- The sharing economy in electronic platforms.

As part of its cooperation with scientific bodies, the Shariah Group concluded a scientific partnership with the Saudi Fiqh Association which resulted in the publishing a book named: "The ownership partnership and its contemporary developments", as a contribution to enhancing the knowledge in the financial sector.

As part of its efforts to disseminate knowledge, the Shariah Group:

- Held a seminar entitled "Developments in the Islamic Finance Industry" in February 2025.
- Participated in the Riyadh International Book Fair in 2025, distributing the Shariah Group's publications free of charge to interested parties.

Support to Islamic financial Industry

The Bank, through its Shariah Group, continues its support to infra-structure organizations of Islamic Financial Industry, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Council General of Islamic Banks and Financial Institutions (CIBAFI), Council of Islamic Financial Services (IFSB), based on the bank's belief in the importance of supporting such institutions to enable them to develop Islamic Financial Industry and achieve standardization. The Shariah Group participated in many of the conferences and workshops that were organized by such entities remotely via the electronic channels to cope with the latest developments in the Islamic finance industry.

The efforts of the Bank's Shariah Group have reflected positively on how the community and customers look at the bank and have also enhanced the level of confidence in the bank as an Islamic bank.

Our excellence and leadership in the Islamic banking industry is due to the Bank's compliance, in all its businesses aspects, with the principles and rules of Islamic Shariah as well as with the decisions and advice of their honor the scholars, members of the bank's Shariah Board.

Technology & Operations Group

In 2025, the Technology & Operations Group continued to support the bank's strategy by enabling business growth, strengthening operational resilience, and accelerating digital and data-driven innovation.

The Group delivered critical systems that supported the launch and expansion of business products across multiple domains, while building state-of-the-art, highly resilient infrastructure designed to support scalability, security, and advanced analytics, including Generative AI. In parallel, the Group invested in national talent development through fresh graduate programs and reinforced digital leadership through techMAL Garage, delivering innovative digital offerings to the business.

Operational excellence was further demonstrated through strong portfolio quality, reflected in a continued reduction in Non-Performing Loans (NPLs). Collectively, these achievements reinforce the Group's role as a strategic enabler of the bank's objectives, balancing growth, resilience, innovation, and operational discipline.

Digital Channels

During 2025, the Group delivered several strategic digital products that enhanced both retail and corporate banking capabilities. Key launches included AlJazira Aamal, the new Fawri application, and Thrift Saving Plan applications, improving customer accessibility, engagement, and digital experience.

In addition, a broad portfolio of B2B digital services was delivered to support corporate and institutional clients. These services enabled corporate teams to enrich their offerings to customers, streamline operations, and attract new clients, strengthening Aljazira Bank's position as a digitally enabled partner for the corporate market.

Data & AI

Building on the data platform established in 2024, the Group focused in 2025 on value realization and adoption. The modern data platform was actively leveraged to enable self-service reporting and analytics, empowering business teams with faster access to trusted data and reducing dependency on manual reporting cycles.

In parallel, the Bank implemented AI models focused on business development and customer acquisition, which contributed to increased sales and enhanced customer retention. At the infrastructure level, a comprehensive and AI/GenAI-ready environment was strengthened, ensuring these capabilities can be developed and scaled securely while remaining fully aligned with regulatory requirements and business needs.

Operational Resilience

Operational resilience remained a key focus area in 2025. The Group implemented a robust, fully automated disaster recovery environment, covering critical platforms and validated through comprehensive production readiness testing. This significantly enhanced the bank's ability to withstand disruptions, recover services within defined objectives, and maintain uninterrupted operations.

In parallel, resilience capabilities were strengthened through improvements in infrastructure reliability, automation, monitoring, and recovery processes, ensuring higher availability and operational stability across core and digital platforms. These initiatives collectively reinforced the bank's resilience posture and its ability to support continuous business operations in line with regulatory and business expectations.

Major Platform & Infrastructure Upgrades

In 2025, the Group executed major platform and technology upgrades to ensure systems remain current, secure, and aligned with modern architecture standards.

Key upgrades included the core banking platform, treasury core systems, and the broader technology infrastructure stack, all of which were modernized to the latest supported technologies. These upgrades enhanced system stability, performance, and scalability, while laying a strong foundation for future digital innovation and business growth.

Customer Enablement

The Group launched an advanced CRM platform that enables end-to-end customer journey orchestration, improved call center efficiency, and integration with digital asset-based products.

This platform delivers a unified, data-driven customer experience, providing business teams with a comprehensive customer view and enabling more personalized, consistent, and efficient customer engagement across retail, corporate, and branch channels.

Non-Performing Loans (NPLs)

In 2025, the Non-Performing Loan ratio was reduced from 1.21% in December 2024 to 1.03% as of December 2025, reflecting stronger portfolio management, enhanced monitoring capabilities, and effective operational controls. This performance reinforces Aljazira Bank's position among the leading banks in asset quality within the Saudi banking sector.

PMO & Performance Division

While 2024 focused on defining and piloting the PMO operating model, 2025 focused on fully operationalizing it across the Technology & Operations Group. The model was embedded into day-to-day execution, providing end-to-end visibility, consistent governance, and stronger control over the project portfolio. This enabled clearer oversight of project performance, improved coordination across stakeholders, and ensured alignment with bank-wide priorities, KPIs, and delivery commitments.

In parallel, the PMO & Performance Division played a critical role in driving financial discipline, particularly in supporting the Group's software OPEX reduction commitments. Through enhanced portfolio governance, cost transparency, and tighter execution controls, software OPEX was reduced from ﷼ 112M in December 2024 to ﷼ 90M by December 2025, representing a major milestone toward achieving the Board-approved target of ﷼ 80M in 2026.

Technology & Operations Governance

In 2025, the Technology & Operations Governance Team continued to play a critical role in strengthening governance, regulatory compliance, and operational oversight.

The team actively supported the GRC practice within TOG, ensuring that audit and regulatory findings were effectively tracked, addressed, and closed through clear ownership and timely corrective actions. A strong focus was placed on ensuring full compliance with the SAMA IT Governance Framework (ITGF), providing oversight, guidance, and independent assurance that TOG practices align with regulatory expectations.

In the area of Business Continuity and Operational Resilience, the team played a key role in managing business continuity activities and coordinating closely with IT teams during disaster recovery testing, ensuring readiness, regulatory compliance, and controlled execution. In parallel, the team ensured that all policies, procedures, and practices within TOG remained current, consistent, and aligned with evolving regulatory and operational requirements.

The Governance Team also provided an independent view on IT operational KPIs, in line with SAMA ITGF requirements, strengthening transparency, performance oversight, and management reporting. In addition, the team efficiently governed the change management process, enabling smooth implementation of technology changes while minimizing service disruption and operational risk.

techMAL Garage Division

In 2025, techMAL Garage continued to act as the Group's digital innovation engine, building on the successful launch of the retail mobile application and its strong market reception. The retail application achieved top ratings on both the Apple App Store and Google Play Store, reflecting high customer satisfaction and product quality.

Building on this momentum, the Garage successfully launched the corporate digital platform under the AlJazira Business brand, covering both mobile and desktop channels, and further expanded the bank's digital footprint through the launch of the Fawri application. These deliveries reinforced the Garage's ability to execute complex, customer-facing digital products fully in-house and at scale.

As a demonstration of speed and execution capability, techMAL Garage designed, developed, and launched the Thrift Saving Plan application for corporate customers and their employees in less than three months. This achievement eliminated the need to engage third-party vendors, resulting in significant cost avoidance, retaining intellectual property internally, and accelerating time-to-market.

Following the successful implementation of DevOps practices within the Garage, the team also played a key role in supporting the rollout of DevOps ways of working across other IT teams, contributing to broader improvements in delivery speed, collaboration, and operational efficiency across the Technology & Operations Group.

Data Management Division

In 2025, the Data and AI Team focused on realizing business value from the modern data platform by enabling broad adoption of self-service reporting and analytics across the bank. Working closely with business groups, the team delivered high-quality, governed data marts to support self-service reporting. Retail was fully enabled, with self-service capabilities currently being extended to Corporate, Treasury, and Finance, improving data accessibility, decision-making speed, and reporting efficiency.

The team also made significant advances in Artificial Intelligence, delivering five high-impact AI use cases focused on enhancing customer experience and supporting business growth. In parallel, the Data and AI Team established a robust infrastructure for Generative AI, positioning the bank to safely and effectively onboard more advanced AI use cases from the business.

These initiatives were underpinned by a clearly defined AI strategy and operating model, developed by the team to ensure structured adoption, governance, and scalability of AI capabilities across the organization.

In addition, the team successfully completed fresh graduate programs, strengthening national talent development. New joiners demonstrated strong innovation capabilities, including achieving first-place wins in the bank's internal hackathon, further reinforcing the team's role as a driver of data and AI innovation.

Information Technology Division

In 2025, the Information Technology Division played a central role in delivering the bank's transformation agenda, acting as a key enabler of operational resilience, digital growth, and enterprise-wide change initiatives.

A major focus area was operational resilience, where the Division delivered a fully automated, like-for-like disaster recovery environment, mirrored with production in both capacity and capabilities. This significantly improved recovery time objectives (RTO) and successfully demonstrated the ability to run full peak-day operations from the disaster recovery site, materially strengthening the bank's resilience posture.

In parallel, Information Technology delivered critical platform upgrades, including the core banking and treasury core platforms, and completed the migration of the technology infrastructure to new, modern platforms. These initiatives established a scalable and secure foundation to support digital enablement and future business growth.

The Division delivered a wide range of business-enabling systems and releases that supported growth, including B2B services, consumer asset products, and the technology backbone enabling techMAL Garage to launch multiple digital channels and applications. Information Technology also played a key role in implementing the bank rebranding program, ensuring seamless execution across channels and systems with minimal service disruption.

As part of the broader transformation agenda, the Division led the full rollout of the CRM platform across branches and the call center, enabling consistent customer journeys and fully digitalized finance origination for personal finance and credit cards. The foundation for the new integration layer and Payments Hub was established, with core components deployed to production. In parallel, the CRM platform was piloted for the Corporate Group, delivering Customer 360 capabilities and a digital relationship manager workbench.

In addition, the bank successfully enabled Google Pay as part of its digital payments roadmap, positioning Aljazira Bank among the first batch of banks in KSA and further strengthening its digital wallet ecosystem.

The Information Technology Division also matured quality practices across testing and IT service management, improving platform stability, enhancing change quality, and supporting reliable service delivery at scale.

Banking Operations Division

In 2025, the Bank Operations Division continued to drive operational excellence, portfolio quality improvement, and cost efficiency, building on its ongoing journey of process optimization and automation. The Division modernized its automation landscape by migrating to newer RPA technologies, improving agility in automation delivery, reducing operating costs, and enabling faster response to business and operational needs.

The Division also delivered strong and measurable improvements in asset quality across key portfolios. Non-performing loans were reduced across multiple segments, including:

- Real Estate NPLs, reduced from ﷼ 170 million to ﷼ 130 million
- Credit Card NPLs, reduced from ﷼ 124 million to ﷼ 115 million
- Personal Finance NPLs, reduced from ﷼ 185 million to ﷼ 160 million

These improvements contributed to the overall reduction in the bank's NPL ratio from 1.21% in December 2024 to 1.03% by December 2025, reflecting stronger portfolio management, enhanced monitoring capabilities, and effective operational controls.

In parallel, the Division achieved a significant reduction in provisioning requirements, with provisions reduced from ﷼ 58 million in 2023 to ﷼ 28 million in 2025, directly supporting improved profitability and balance sheet strength. Collectively, these outcomes reinforce Aljazira Bank's position among the leading Saudi banks in asset quality, while demonstrating the direct financial impact of disciplined operational execution.

Digital Transformation program

In 2025, the Digital Transformation Office focused on strengthening digital transformation governance, ensuring that transformation initiatives were delivered in a coordinated, controlled, and strategically aligned manner, while remaining fully embedded within the Technology & Operations organization.

The DTO played a critical role in cross-dependency management and conflict resolution across complex, multi-domain initiatives, providing structured governance mechanisms to manage interdependencies between IT, techMAL Garage, Data Management, Operations, and business stakeholders. This approach ensured synchronized execution, reduced delivery risks, and maintained alignment across transformation streams.

A strong emphasis was placed on architecture governance, ensuring that digital initiatives adhered to agreed enterprise architecture principles and were aligned with both the bank strategy and IT strategy. Through this discipline, the DTO ensured consistency, scalability, and long-term value realization from digital investments.

The Office also led the development of the AI strategy and operating model, working closely with delivery groups to define clear ownership, governance, resourcing, and operating models for AI and data-driven initiatives. This ensured that AI capabilities were developed and adopted in a structured and sustainable manner, aligned with business priorities and regulatory expectations.

Critically, the DTO successfully embedded transformation delivery within the IT Division, techMAL Garage, and Data Management teams, while retaining a cross-group digital transformation governance and oversight role. This model avoided the creation of a centralized or "shadow IT" function and ensured that digital transformation became an integral part of business-as-usual operations across the Group.

Sustainability & Social Responsibility Group

Stemming from the Bank's role as an economic institution that firmly believes in its active responsibility toward sustainability and social responsibility, and guided by its slogan "Enriching Lives through Financial Well-Being", and in line with its commitment to contributing effectively to the objectives of Saudi Vision 2030, the Bank continued, through its "Khair Aljazira Le Ahl Aljazira" program, to implement projects and initiatives that generate positive economic, social, and environmental impact. These initiatives were delivered through strategic partnerships with governmental, private, and non-profit entities across various regions of the Kingdom.

Sustainability Domain

During the year, the Bank issued its third Sustainability Report for 2024, reflecting its commitment to transparent disclosure of a comprehensive set of Environmental, Social, and Governance (ESG) indicators. The Sustainability & Social Responsibility Group at Aljazira Bank designed specialized questionnaires covering sustainability-related practices across the Bank's various business units, in addition to conducting gap analyses and addressing requirements identified in previous reports in line with applicable standards.

Strengthening engagement and communication with stakeholders, and actively involving them in addressing material topics of interest, played a critical role in the report's success, contributing positively to the Bank's reputation among customers and shareholders alike.

The Group also worked to reinforce a culture of sustainability within the Bank through diverse awareness messages, conservation posters, and continuous electronic communications. Several international awareness days were celebrated, most notably World Environment Day, in both Riyadh and Jeddah. Activities included promoting bicycle use along Jeddah Corniche and tree planting in one of Riyadh's public parks, with strong voluntary participation from Bank employees.

Aljazira Bank contributes to spreading sustainability concepts and promoting practices that lead toward a sustainable future by supporting the Sustainability Dialogue Forum organized by the Corporate Sustainability Association. In parallel, the Training Department supported awareness efforts by delivering sustainability training programs to all employees, in addition to organizing two external awareness seminars on recent ESG practices for relevant colleagues.

The Sustainability & Social Responsibility Group installed recycling bins in the Bank's main buildings to increase recycling rates and promote sustainable employee behavior. In addition, a high-efficiency Reverse Vending Machine (RVM) was installed for employees and customers to recycle plastic and aluminum containers in exchange for reward points, in cooperation with the Saudi Investment Recycling Company. This initiative aims to promote environmental sustainability by encouraging positive recycling behaviors, reducing waste volumes, and lowering carbon emissions, serving as a practical model for supporting the circular economy in alignment with the Kingdom's vision.

The Bank also participated as a member of the working group stemming from the EBAC Committee at the Saudi Central Bank, focusing on ESG standards and establishing a new workstream related to ESG data to develop a reliable and standardized dataset.

Additionally, the Bank implemented several programs aimed at raising community awareness on environmental preservation, including sponsoring afforestation initiatives and the "Environmental Protection: A Commitment and a Promise" initiative in the Al-Baha region. The Bank also launched a Green Direction campaign to finance electric vehicles and supported the installation of EV charging stations at its main buildings.

Social Responsibility Domain

The Bank delivers a wide range of programs serving communities across all regions of the Kingdom through the following tracks:

Youth Empowerment and Development

Believing that youth represent the cornerstone of future development, the Bank continued in 2025 to implement training programs and initiatives aimed at developing their skills, preparing them for the labor market, and enabling them to contribute effectively to national development.

In partnership with specialized institutes and organizations, the Bank launched several initiatives focused on developing youth's scientific and professional skills. These included the Professional Skills Development Program, which equips participants with essential technical and vocational competencies. Coinciding with the Year of Handicrafts, the Bank implemented the "Murooth" (Heritage) project to promote traditional crafts.

In alignment with digital transformation trends, the Bank also launched multiple programs, including a youth and female training initiative in artificial intelligence skills, aimed at empowering participants to leverage modern technologies to develop sustainable solutions that serve society and advance the national economy.

Empowerment of Persons with Disabilities

As part of its social responsibility commitment, the Bank continued to support persons with disabilities through specialized rehabilitation, training, and empowerment programs. These included the "Creative Kitchen" project for visually impaired women, the "Step Toward Therapy" project for individuals with speech and language disorders, and integration initiatives such as the "Tuwaiq Training Center" for children with disabilities.

The Bank also provided accessible transportation and supported employment opportunities for persons with disabilities through the "My Profession" Employment Forum.

Non-Profit Sector Empowerment

Recognizing the importance of the non-profit sector in supporting national development and social cohesion, the Bank continued in 2025 to empower this sector through strategic partnerships and impactful initiatives aimed at strengthening institutional sustainability and enhancing operational efficiency.

In this context, the Bank established a strategic partnership with the Ehsan Platform, ensuring transparent, digital, and sustainable delivery of support to beneficiaries. The Bank also implemented the "Professional Empowerment of Associations" project to enhance administrative and leadership capabilities within non-profit organizations.

To empower national talent, the Bank launched the "Youth Empowerment for the Non-Profit Sector" initiative, focused on preparing specialized professional cadres capable of managing social programs and projects efficiently. The Bank also supported several associations through furnishing and equipping facilities to enhance service quality and workforce capabilities.

These efforts reflect the Bank's firm commitment to supporting the non-profit sector as a key pillar of sustainable development and its belief in community partnerships as a foundation for a more balanced and humane future.

Innovation and Entrepreneurship

During 2025, the Bank continued to promote innovation and entrepreneurship through several flagship initiatives, including the 10th edition of the "Innovators" Program, focused on Game Programming and Development, enabling participants to acquire advanced technical skills.

To foster scientific innovation among younger generations, the Bank launched the 4th edition of the "Creators" Program, dedicated to Artificial Intelligence for children. The Bank also supported the establishment of innovation labs and training halls for specialized associations across multiple regions of the Kingdom.

Distinguished Engagements

The Bank remains committed to strengthening its societal role through impactful projects and broad strategic partnerships spanning the public, private, and non-profit sectors, aligned with its vision of achieving sustainable social and developmental impact.

Among targeted initiatives, the Bank supported the Fund for Martyrs, Injured, Prisoners, and Missing Persons, honoring those who made great sacrifices in defense of the Kingdom.

In collaboration with the Literature, Publishing, and Translation Commission, the Bank participated with a dedicated pavilion at the Riyadh International Book Fair 2025, distributing its publications free of charge—a pioneering initiative that received strong engagement.

Building on its extensive experience in social responsibility, the Bank presented several working papers at conferences and forums, sharing its successful CSR journey. The Bank also actively marked key occasions, including Social Responsibility Day on March 23, through stakeholder engagement, social media interaction, Ramadan Iftar gatherings for beneficiaries with disabilities, and other related events.

Qard Hasan (Benevolent Loan) Portfolio

The Bank continued to support productive families through its Benevolent Loan Portfolio, recognizing their pivotal role in sustainable development and local economic growth. This support enabled families to launch and expand projects, improve income levels, and enhance self-sufficiency.

In 2025, the portfolio reached ﷼ 15,000,000, benefiting more than 700 families.

Conclusion

During the year, the Bank implemented more than 130 community projects across over 55 cities and governorates, benefiting more than 27,800 individuals. In recognition of this excellence, the Bank received several awards, including:

- Corporate Social Responsibility Award - Ministry of Human Resources and Social Development
- Highest Number of Social Initiatives Award - Ministry of Human Resources and Social Development

Through these initiatives, the Bank reaffirms its commitment to being a key partner in comprehensive national development and a proactive contributor to advancing society in line with the objectives of Saudi Vision 2030.

Credit Management Group

The Credit Management Group (CMG) plays a central role in safeguarding the Bank's creditasset quality and ensuring the sound management of credit risk across all business segments. CMG is responsible for maintaining prudent credit standards, enhancing portfolio resilience, and supporting sustainable growth through disciplined risk oversight aligned with the Bank's risk appetite and regulatory requirements.

Through robust governance, proactive monitoring, and effective early intervention, CMG contributes directly to capital preservation, portfolio stability, and informed credit decision-making.

Scope of Responsibilities

CMG's mandate spans the full credit lifecycle and covers Wholesale, MSME, Retail, Special Asset Management (SAM), Quality Assurance (QA), and Early Warning Systems (EWS). This centralized oversight ensures consistency in credit risk assessment, monitoring, and escalation across the Bank.

Wholesale, MSME, and Retail Credit Oversight

CMG reviews and assesses credit proposals to ensure alignment with approved credit policies, risk appetite, and sectoral concentration limits. This function provides independent challenge, enhances credit quality at origination, and supports balanced portfolio growth.

Ongoing portfolio reviews enable early identification of emerging risks, facilitating timely corrective actions and informed engagement with business units.

Early Warning System (EWS)

The Early Warning System categorizes accounts into Good, Watch, and Worry classifications, enabling proactive identification of deteriorating credit trends. This framework strengthens the Bank's ability to intervene early, mitigate potential losses, and manage transfers to Special Asset Management in a controlled and timely manner.

The EWS framework enhances transparency, accountability, and escalation discipline across the credit portfolio.

Special Asset Management (SAM)

Special Asset Management is responsible for managing stressed and non-performing exposures with the objective of maximizing recoveries and minimizing credit losses. The unit adopts a structured approach to restructuring, remediation, and enforcement, balancing commercial viability with risk containment.

Through active engagement and tailored resolution strategies, SAM contributes to stabilizing asset quality and protecting shareholder value.

Quality Assurance (QA)

The Quality Assurance function provides independent validation of credit processes, documentation, and compliance with internal policies and regulatory standards. QA reviews enhance control effectiveness, identify process gaps, and support continuous improvement across credit functions.

This oversight reinforces governance integrity and strengthens the Bank's overall risk control framework.

Forward-Looking Focus

Going forward, CMG will continue to enhance its analytical capabilities, strengthen early risk identification, and further align credit risk oversight with the Bank's strategic growth priorities.

The group oversees and consists of the following areas

Wholesale Credit - Oversees all credit related to the Corporate Banking Group (Large Corporates, Syndication, Financial Institutions, Public Sector, etc.) and the Private Banking Group.

MSME Credit - Oversees all credit related to the MSME segment and its associated products.

Retail Credit - Involved in assessing, approving, and managing retail-related products, as well as policy management.

Special Assets Management - Responsible for handling distressed or non-performing loans, restructuring debt, and maximizing recovery.

Quality Assurance - Monitors the overall credit portfolio to ensure alignment with the set credit policy. It also includes a technical team to monitor financed projects and an Early Warning System (EWS) unit.

Over the past few years, the group has accomplished several initiatives, including:

- Diversification of the finance portfolio, introduction of credit dashboards/reporting, and improvement in turnaround time for approvals.
- Leveraging technical expertise to monitor and assess financed projects.
- Strengthening the EWS function to adopt a "Worry, Watch & Good" strategy.
- Activating the restructuring unit to ensure the timely transfer of troubled accounts.
- Introducing the Internal Control Forum to monitor and manage exceptions.

Ensuring that credit decision systems are continuously updated and upgraded, leveraging existing data to improve credit decisions

Aljazira Capital (AJC)

Aljazira Capital (AJC), a leading Saudi Capital Markets Institution licensed by the Saudi Capital Market Authority, provides a comprehensive range of investment services, including brokerage, asset and wealth management, investment banking, and custody services to retail and institutional clients.

In 2025, AJC continued to advance its strategic objective of becoming a leading diversified investment and wealth management house in Saudi Arabia. The focused execution of strategic initiatives over recent years translated into strong and tangible outcomes, particularly across the Wealth and Asset Management and Securities businesses. AJC remained committed to diversifying its income streams, strengthening recurring revenues, and prudently deploying its capital across attractive investment opportunities, while continuing to adapt its brokerage offering to evolving market dynamics.

The successful execution of these strategic priorities was reflected in AJC's record financial performance for the year. Total revenues reached ﷼ 752.8 million, representing an increase of 31.8 % compared to the prior year. Net income before Zakat and income tax amounted to ﷼ 388.2 million, reflecting a 48.7% growth over 2024. This performance underscores the resilience of AJC's diversified business model amid a more challenging market environment.

The capital markets landscape in 2025 was shaped by mixed global conditions and increased volatility. While global markets delivered positive returns, the Saudi equity market experienced subdued performance, influenced by pressures in the energy sector and lower average oil prices. As a result, the Tadawul All Share Index (TASI) recorded a decline in trading activity, with average daily traded value decreasing by 30.6% year-on-year to ﷼ 5,209.8 million.

Against this drop, brokerage revenues declined to ﷼ 61.3 million, reflecting lower market volumes compared to the prior year. However, this impact was partially mitigated by the strong performance of the margin finance business, which recorded a 9.4 % increase in revenues to ﷼ 190.6 million, supported by healthy growth in finance portfolio. AJC continued to

invest in enhancing its brokerage capabilities through improvements to its digital platforms and customer experience, reinforcing its position as a preferred broker for its target client segments.

The Wealth and Asset Management business delivered exceptional growth in 2025, acting as a key driver of overall performance. Revenues increased by 52.2% to ﷼ 257.1 million, primarily driven by the successful launch and strong demand for real estate investment funds. During the year, AJC surpassed the milestone of ﷼ 12 billion in Real Estate Assets under Management, benefiting from favorable market conditions and robust investor appetite. Total Assets under Management reached ﷼ 28.4 billion, reflecting continued growth across equity products, alternative investment funds, and other investment solutions.

The Investment Banking division successfully completed several equity and debt issuance transactions, contributing ﷼ 21.2 million to total revenues. In parallel, disciplined deployment of AJC's own capital into high-yielding opportunities through principal investments generated ﷼ 153.8 million in revenue. This strong contribution further highlights the effectiveness of AJC's capital allocation strategy and income diversification efforts.

The consistent execution of AJC's strategic vision continues to support its progression toward becoming a recognized and prominent asset and wealth management house in Saudi Arabia. At the same time, AJC remains focused on sustaining its position as the broker of choice by delivering reliable, innovative, and high-quality trading experience for its clients.

In recognition of its achievements, AJC received several industry awards during 2025, including:

- The Leading Equity Research House in Capital Markets (The Global Economics)
- The Most Innovative Investment House in Shariah-Compliant Investments (The Global Economics)
- The Most Innovative Shariah-Compliant Fund - AlJazira Evergreen Private Credit Fund - Saudi Arabia 2025 (International Finance Awards)
- The Most Innovative Real Estate Fund Manager - Saudi Arabia 2025 (International Finance Awards)

Future Plans

Aljazira Bank is focused on enriching lives through financial wellbeing. To enable us to deliver on this purpose, In 2025 the Bank identified a set of key plans and priorities as follows:

1. Creating Distinctive Value Propositions by:

- Being a boutique bank that is retail affluent focused.
- Focus on smart growth and targeted sectors for CIBG
- Bringing together the power of One Aljazira Bank

2. Building a Thriving Organization by:

- Operating with excellence.
- Positively impacting our planet and communities through our ESG and CSR agenda.
- Building a learning organization.

3. Growing Digitally by:

- Increasing our digital transformation investments and upgrading our offerings to improve customer experience.
- Targeted Partnerships with Fintech's to differentiate our value propositions and distribution models.
- Commercializing our efforts through customer acquisition and retention.

Overall, these priorities will drive a set of outcomes which are to:

- Improve our economic health - bringing our financial ratios (C/I, CoF, RoA, RoE and Cross-Sell) in-line with peers.
- Address our organizational health (Culture, Values and being the Preferred Employer of Top Talents); and
- Drive an improved customer experience (Net Promoter Score - NPS) through our brand, customer journeys and digital experiences.

Awards and Certifications

During 2025, ajb has received the following awards and recognitions locally and Internationally which reflects the banks integrity, professionalism and efforts in providing its valuable clients an exceptional products and services:

- Top 100 Listed Companies in the Middle East - Forbes
- Top 50 Most Valuable Saudi Arabian Brands - Brand Finance
- Digital CX - Account Opening and Customer Onboarding; Outstanding Customer Service Innovation; Outstanding Growth of MSME Clients; Best Retail Bank Saudi Arabia - Digital Banker
- Prominent Role and Active Contribution in Supporting the Neighborhood Centers Association in Makkah Region - Neighborhood Centers Association
- Misk Incubator for Initiatives and Misk Accelerator for Impact - Misk
- Certified Innovation Organization (CInOrg) - Global Innovation Institute (GInI)
- Payment Card Data Security Standard (PCI DSS) Version 4 Certification - PCI DSS
- Best Islamic Financing Bank (GTS category) - GTR (Global Trade Review) - CIBG
- Deal of the Year 2025 - Middle East & Africa Award for Flynas Deal - Airline Economics
- ISO Certifications:
  - o ISO 14001 Environmental Management
  - o ISO 9001 Quality Management
  - o ISO 45001 Occupational Health and Safety
- Corporate Social Responsibility Award (Corporate Category); Highest Number of Impactful CSR Projects - Ministry of Human Resources and Social Development
- Kafalah Excellence in Performance Award 2025 - Kafalah Program
- Best User Experience Award 2025 - SaudiCXA
- Excellence Award in the Corporate Governance Index 2025 - King Faisal University
- Prominent Role in Supporting & Enabling the Entrepreneurship Ecosystem in Saudi Arabia - Ministry of Human Resources and Social Development
- Data & AI Excellence Award - Informatica
- Strategic Partner of the Year for Handicrafts - Cultural Development Fund

Gratitude

The Board of Directors of Aljazira Bank extends its profound appreciation to the wise leadership of the Kingdom of Saudi Arabia, under the stewardship of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, for their visionary leadership and steadfast support in advancing the Kingdom's financial and economic development.

The Board also acknowledges, with sincere appreciation, the continued guidance and constructive oversight provided by the Saudi Central Bank, the Capital Market Authority, the Ministry of Finance, and the Ministry of Commerce, whose regulatory frameworks and collaboration play a vital role in fostering a resilient, stable, and progressive financial sector.

Furthermore, the Board wishes to express its gratitude to the Bank's shareholders and customers for their trust and confidence, which remain fundamental to the Bank's growth and long-term success. Special recognition is extended to the Bank's executive management and employees, whose professionalism, dedication, and commitment continue to drive performance, innovation, and sustainable value creation.

Together, these collective contributions reinforce Aljazira Bank's mission and strengthen its role in supporting the Kingdom's economic ambitions under Saudi Vision 2030.

Consolidated Financial Statements And Auditors' Report For The Year Ended December 31, 2025

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Independent auditor's report to the Shareholders of Aljazira Bank (A Saudi Joint Stock Company)

Report on the audit of the financial statements

Our opinion

We have audited the consolidated financial statements of aljazira bank (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 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, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 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 issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

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), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

As at December 31, 2025, the gross financing of the Group was Saudi Riyals ("﷼") 113.03 billion (2024: ﷼ 99.442 billion) against which an expected credit loss ("ECL") allowance of ﷼ 2.167 billion (2024: ﷼ 2.529 billion) was maintained.

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:
   - exposures with a significant increase in credit risk ("SICR") since their origination; and
   - individually impaired / defaulted exposures.

   The Group has also applied additional judgments to identify and estimate the likelihood of borrowers that may have experienced SICR.
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 the assessment of the financial condition of the counterparties, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages.
3. The need to apply post model overlays using expert credit judgment to reflect all relevant risk factors that might not have been captured by the ECL model.

Application of these judgments and estimates results in greater estimation uncertainty and the associated audit risk around ECL calculation as at December 31, 2025.

Refer to the material accounting policies note 3 (c)(v) for the impairment of financial assets; note 2 (c)(i) which contains the disclosure of critical accounting judgements, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Group; note 7 which contains the disclosure of impairment against financing; and note 32.2 for details of credit quality analysis and key assumptions and

factors considered in the determination of ECL.

How our audit addressed the key audit matter

1. We obtained and updated our understanding of management's assessment of ECL allowance against financing which includes the Group's internal rating model, accounting policy and model methodology including any key changes made during the year.
2. We compared the Group's accounting policy for ECL allowance and the ECL methodology with the requirements of International Financial Reporting Standard 9 'Financial Instruments' (IFRS 9).
3. We assessed the design and implementation, and tested the operating effectiveness of the key controls (including relevant "IT" general and application controls) over:
   - the ECL model, including governance over the model, and any model updates performed during the period, including approval of the respective oversight committee of key inputs, assumptions and post model adjustments, if any.
   - the classification of financing into stages I, 2 and 3 and 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.
4. For a sample of customers, we assessed:
   - the internal ratings determined by management based on the Group's internal rating model and considered these assigned, ratings in light of customer's individual specific information, external market conditions and available industry information. We also assessed that these were consistent with the ratings used as input in the ECL model; and
   - management's calculation of ECL.
5. For selected customers, we evaluated management's assessment of recoverable cash flows, including the impact of collateral, where applicable, and other sources of repayment, if any.
6. We assessed the appropriateness of the Group's criteria for the determination of SICR and identification of "default" and "individually impaired" exposures, and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the staging classification of the Group's financing portfolio.
7. We assessed the governance process implemented and the qualitative factors considered by the Group when applying any overlays or making any

adjustment to the output from the ECL model, due to data or model limitations or otherwise.

8. We assessed the reasonableness of the underlying assumptions used by the Group in the ECL model including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios.
9. We tested the completeness and accuracy of data supporting the ECL calculations as at December 31, 2025.
10. Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights as well as assumptions used in post model overlays.
11. We assessed the adequacy of disclosures in the consolidated financial statements.

Other information included in the Group's 2025 annual report

Management is responsible for the other information in the Group's 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. The 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 IFRSs that are endorsed in the Kingdom of Saudi Arabia, the applicable requirements of the Regulations 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.

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 internal control 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 control.
- 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.
- 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 purposes 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 to communicate with 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 of the current period 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 while performing our audit procedures, nothing has come to our attention that causes us to believe that the Bank is 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.

PricewaterhouseCoopers
Certified Public Accountants

Waleed A. Alhidiri
Certified Public Accountant
License Number 559

KPMG Professional Services Company
Certified Public Accountants

Ebrahim Oboud Baeshen
Certified Public Accountant
License Number 382

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025 AND 2024

	Notes	**2025 ﷼'000**	2024 ﷼'000
			Restated (note 43)
ASSETS			
Cash and balances with Saudi Central Bank (SAMA)	4	**7,059,209**	6,583,790
Due from banks and other financial institutions, net	5	**6,025,771**	6,697,117
Investments, net	6	**38,967,880**	36,406,356
Positive fair value of Shari'ah compliant derivatives	11	**96,183**	151,737
Financing, net	7	**110,862,169**	96,912,496
Other assets	8	**927,024**	645,696
Investment in an associate	9	**336,713**	323,716
Other real estate, net	7 (g)	**126,000**	139,717
Property, equipment, intangibles and right of use assets, net	10	**1,523,025**	1,258,076
Total assets		**165,923,974**	149,118,701
LIABILITIES AND EQUITY LIABILITIES			
Due to banks, Saudi Central Bank and other financial institutions	12	**23,912,230**	19,309,333
Customers' deposits	13	**115,395,315**	108,186,514
Negative fair value of Shari'ah compliant derivatives	11	**180,907**	164,999
Subordinated Sukuk	14	**2,007,489**	2,005,918
Other liabilities	15	**2,653,204**	2,037,607
Total liabilities		**144,149,145**	131,704,371

	Notes	**2025 ﷼'000**	2024 ﷼'000
			Restated (note 43)
EQUITY			
Share capital	16 (a)	**12,812,500**	10,250,000
Treasury shares	16 (b)	**(81,768)**	-
Statutory reserve	17	**802,412**	1,707,276
Other reserves	18	**(578,763)**	(880,833)
Retained earnings		**2,070,448**	2,462,887
Equity attributable to ordinary shareholders of the Bank		**15,024,829**	13,539,330
Tier 1 Sukuk	19	**6,750,000**	3,875,000
Total equity		**21,774,829**	17,414,330
Total liabilities and equity		**165,923,974**	149,118,701

Engr. Abdulmajeed Al-Sultan
Chairman

Naif Al Abdulkareem
CEO and Managing Director

Hani Noori
Chief Financial Officer

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

	Notes	**2025 ﷼'000**	2024 ﷼'000
Income from investments and financing	21	**8,597,185**	7,978,793
Return on deposits and financial liabilities	21	**(5,597,533)**	(5,344,371)
Net financing and investment income		**2,999,652**	2,634,422
Fees from banking services - income	22	**1,135,823**	1,085,666
Fees from banking services - expense	22	**(401,834)**	(481,605)
Fees from banking services, net		**733,989**	604,061
Exchange income, net		**284,298**	224,066
Net gain on fair value through statement of income (FVIS) financial instruments	23	**171,890**	44,641
Dividend income	24	**251,955**	192,681
Net (loss) /gains on derecognition of financial assets at fair value through other comprehensive income (FVOCI) - debt		**(3,828)**	3,457
Net loss on derecognition of financial assets at amortised cost		**(10,301)**	(6,464)
Other operating income	25	**36,679**	82,533
Total operating income		**4,464,334**	3,779,397
Salaries and employee-related expenses	38	**1,261,146**	1,126,100
Rent and premises-related expenses		**60,052**	57,861
Depreciation and amortisation	10	**177,583**	183,815
Other general and administrative expenses	26	**809,745**	702,694
Other operating expenses		**29,102**	46,320
Total operating expenses before impairment charge		**2,337,628**	2,116,790
Impairment charge for financing and other financial assets, net	7(e)	**353,744**	317,460
Impairment reversal for other real estate	-	**-**	(42,571)
Total operating expenses		**2,691,372**	2,391,679
Net operating income		**1,772,962**	1,387,718
Share in net income of an associate	9	**12,871**	16,901
Net income for the year before zakat and income tax		**1,785,833**	1,404,619
Zakat and income tax:			
Zakat	28	**(267,145)**	(165,281)
Income tax	28	**(13,144)**	(8,384)
Net income for the year		**1,505,544**	1,230,954
Basic and diluted earnings per share (expressed in ﷼ per share) - restated	27	**1.00**	0.81

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

	Notes	**2025 ﷼'000**	2024 ﷼'000
Net income for the year		**1,505,544**	1,230,954
Other comprehensive income / (loss):			
Items that that are, or may be reclassified to consolidated statement of income in subsequent years:			
Cash flow hedges:			
- Effective portion of change in the fair value	18	**(48,518)**	17,178
- Net amount reclassified to consolidated statement of income	18	**(30,152)**	(10,149)
Net changes in fair value of investments classified as at FVOCI- debt	18	**318,057**	(328,367)
Items that will not be reclassified to consolidated statement of income in subsequent years:			
Net changes in fair value of investments classified as at FVOCI- equity	18	**50,363**	89,115
Re-measurement losses on employee benefit obligation	18	**(8,040)**	(17,685)
Share in other comprehensive income of an associate	18	**6,675**	984
Total other comprehensive income / (loss) for the year		**288,385**	(248,924)
Total comprehensive income for the year		**1,793,929**	982,030

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Hani Noori
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

2025	Notes	Share capital ﷼'000	Treasury shares ﷼'000	Statutory reserve ﷼'000	Other reserves ﷼'000	Retained earnings ﷼'000	Total shareholders' equity ﷼'000	Tier 1 Sukuk ﷼'000	Total Equity ﷼'000
Balance at January 1, 2025		**10,250,000**	**-**	**1,707,276**	**(1,093,466)**	**2,462,887**	**13,326,697**	**3,875,000**	**17,201,697**
Impact of restatement	43	**-**	**-**	**-**	**212,633**	**-**	**212,633**	**-**	**212,633**
Balance at January 1, 2025-restated		**10,250,000**	**-**	**1,707,276**	**(880,833)**	**2,462,887**	**13,539,330**	**3,875,000**	**17,414,330**
Net income for the year		**-**	**-**	**-**	**-**	**1,505,544**	**1,505,544**	**-**	**1,505,544**
Other comprehensive income for the year		**-**	**-**	**-**	**288,385**	**-**	**288,385**	**-**	**288,385**
Total comprehensive income for the year		**-**	**-**	**-**	**288,385**	**1,505,544**	**1,793,929**	**-**	**1,793,929**
Issue of bonus shares	16	**2,562,500**	**-**	**(1,281,250)**	**-**	**(1,281,250)**	**-**	**-**	**-**
Transfer to statutory reserve	17	**-**	**-**	**376,386**	**-**	**(376,386)**	**-**	**-**	**-**
Purchases for employees share plan		**-**	**(83,190)**	**-**	**-**	**-**	**(83,190)**	**-**	**(83,190)**
Employee share-based plan reserve		**-**	**-**	**-**	**14,892**	**-**	**14,892**	**-**	**14,892**
Share based payment transactions		**-**	**1,422**		**(1,207)**	**(215)**	**-**	**-**	**-**
Tier 1 sukuk issued	19	**-**	**-**	**-**	**-**	**-**	**-**	**2,875,000**	**2,875,000**
Tier 1 Sukuk issuance cost		**-**	**-**	**-**	**-**	**(10,866)**	**(10,866)**	**-**	**(10,866)**
Tier 1 Sukuk related costs		**-**	**-**	**-**	**-**	**(229,266)**	**(229,266)**	**-**	**(229,266)**
Balance at December 31, 2025		**12,812,500**	**(81,768)**	**802,412**	**(578,763)**	**2,070,448**	**15,024,829**	**6,750,000**	**21,774,829**

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Hani Noori
Chief Financial Officer

2024	Notes	Share capital ﷼'000	Treasury shares ﷼'000	Statutory reserve ﷼'000	Other reserves ﷼'000	Retained earnings ﷼'000	Total shareholders' equity ﷼'000	Tier 1 Sukuk ﷼'000	Total Equity ﷼'000
Balance at January 1, 2024		8,200,000	-	3,449,537	(844,399)	1,735,356	12,540,494	3,875,000	16,415,494
Impact of restatement	43	-	-	-	212,633	-	212,633	-	212,633
Balance at January 1, 2024-restated		8,200,000	-	3,449,537	(631,766)	1,735,356	12,753,127	3,875,000	16,628,127
Net income for the year		-	-		-	1,230,954	1,230,954	-	1,230,954
Other comprehensive loss for the year		-	-	-	(248,924)	-	(248,924)	-	(248,924)
Transfers to retained earnings on disposal of FVOCI equity investments	18	-	-	-	(143)	143	-	-	-
Total comprehensive income for the year		-	-	-	(249,067)	1,231,097	982,030	-	982,030
Issue of bonus shares		2,050,000	-	(2,050,000)	-	-	-	-	-
Transfer to statutory reserve	17	-	-	307,739	-	(307,739)	-	-	-
Tier 1 Sukuk related costs		-	-	-		(195,827)	(195,827)	-	(195,827)
Balance at December 31, 2024		10,250,000	-	1,707,276	(880,833)	2,462,887	13,539,330	3,875,000	17,414,330

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

	Notes	2025 ﷼'000	2024 ﷼'000
Net income for the year before zakat and income tax		**1,785,833**	1,404,619
OPERATING ACTIVITIES			
Adjustments to reconcile net income to net cash (used in) / generated from operating activities:			
Net gain on FVIS financial instruments		**(169,247)**	(42,915)
Depreciation and amortisation	10	**177,583**	183,815
Dividend income	24	**(251,955)**	(151,499)
Loss on investments held at amortised cost and FVOCI, net		**14,129**	3,007
Net (gain) / loss on disposal of property and equipment		**(374)**	305
Provision for end of service benefit obligations	30	**52,531**	35,839
Impairment charge for financing and other financial assets, net	7(e)	**353,744**	317,460
Reversal of impairment charge for other real estate		**-**	(42,571)
Share in net income of an associate	9	**(12,871)**	(16,901)
Return on subordinated sukuk		**141,984**	157,645
Employee share-based plan reserve		**14,892**	-
Operating income before changes in operating assets and liabilities		**2,106,249**	1,848,804
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		**(75,231)**	(756,321)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		**21,095**	(925,785)
Investments held at FVIS		**(311,051)**	(727,575)
Positive fair value of Shari'ah compliant derivatives		**55,554**	70,771
Financing		**(14,329,141)**	(16,426,744)
Other real estate		**13,717**	401,840
Other assets		**(281,328)**	(206,683)
Net increase / (decrease) in operating liabilities:			
Due to banks and other financial institutions	-	**4,602,897**	4,323,600
Customers' deposits		**7,208,801**	14,132,113
Negative fair value of Shari'ah compliant derivatives		**15,908**	17,938
Other liabilities		**413,793**	118,606
		(558,737)	1,870,564
Zakat and income tax paid		**(173,181)**	(191,447)
End of service benefits paid	30	**(29,568)**	(37,157)
Net cash (used in) / generated from operating activities		**(761,486)**	1,641,960
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments held at amortised cost and FVOCI		**3,203,807**	4,226,697
Purchase of investments held at amortised cost and FVOCI		**(4,931,994)**	(5,450,158)
Dividend received		**251,955**	151,499
Additional investment in an associate	9	**-**	(76,270)
Dividend received from an associate	9	**6,549**	6,549
Acquisition of property and equipment	10	**(342,353)**	(252,641)
Proceeds from sale of property and equipment		**618**	18
Net cash used in from investing activities		**(1,811,418)**	(1,394,306)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024 (continued)

	Notes	2025 ﷼'000	2024 ﷼'000
FINANCING ACTIVITIES			
Issue of Tier 1 Sukuk	19	**2,875,000**	-
Purchase of treasury shares		**(83,190)**	-
Payment of sukuk related transaction costs		**(10,866)**	-
Payment of return on Tier 1 sukuk		**(227,414)**	(203,435)
Payment of return on Tier 2 sukuk	29.1	**(140,414)**	(156,073)
Dividends paid	29.1	**(14,652)**	(3,676)
Payment for principal portion of lease liabilities	29.1	**(74,707)**	(97,960)
Net cash generated from / (used in) financing activities		**2,323,757**	(461,144)
Net change in cash and cash equivalents		**(249,147)**	(213,490)
Cash and cash equivalents at the beginning of the year		**2,789,806**	3,003,296
Cash and cash equivalents at the end of the year	29	**2,540,659**	2,789,806
Income from investments and financing received during the year		**8,298,350**	7,729,120
Return on deposits and financial liabilities paid during the year		**5,474,855**	5,313,334
Supplemental non-cash information			
Net changes in fair value of cash flow hedges and transfers to the consolidated statement of income		**(78,670)**	7,029

Engr. Abdulmajeed Al-Sultan
Chairman

Naif Al Abdulkareem
CEO and Managing Director

Hani Noori
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL

These financial statements comprise the financial statements of aljazira bank (the "Bank", "ajb") and its subsidiaries (collectively referred to as the "Group"). aljazira bank is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia and formed pursuant to Royal Decree number 46/M dated Jumad Al-Thani 12, 1395H (June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of The National Bank of Pakistan's branches in the Kingdom of Saudi Arabia under commercial registration number 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The Bank operates through its 73 branches (2024: 73 branches) and 24 Fawri Remittance Centres (2024: 38 Fawri Remittance Centres) in the Kingdom of Saudi Arabia and employed 2,505 staff as of December 31, 2025 (2024: 2,326 staff).

The Bank's Head Office is located at the following address:

Aljazira Bank
7724 King Abdulaziz Road - Al-Shatea District
Jeddah 23513 - 3551
P.O. Box 6277, Jeddah 21442
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of Shari'ah compliant (non-interest based) banking products and services comprising of Murabaha, Istisna'a, Ijarah, Tawaraq, Musharaka, Wa'ad Fx and Sukuk which are approved and supervised by an independent Shariah Committee established by the Bank. The Bank's shares are listed on Saudi Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The details of the Bank's subsidiaries are as follows:

	Country of incorporation	Nature of business	Ownership (direct and indirect) December 31, 2025	Ownership (direct and indirect) December 31, 2024
Subsidiaries				
AlJazira Capital Company (AJC)	Kingdom of Saudi Arabia	Brokerage, margin financing and asset management	100%	100%
Aman Development and Real Estate Investment Company	Kingdom of Saudi Arabia	Holding and managing real estate collaterals on behalf of the Bank	100%	100%
Aman Insurance Agency Company	Kingdom of Saudi Arabia	Acting as an agent for bancassurance activities on behalf of the Bank. The company has been liquidated during current year	-	100%
AlJazira Securities Limited	Cayman Islands	Carry out Shari'ah compliant derivative and capital market transactions	100%	100%
BAJ Sukuk Tier 1 Limited	Cayman Islands	Trustee for issuance of Tier 1 capital certificates	100%	100%

The Group invests in structured entities with the objective to resell the investment in a short period after the establishment. Structured entities are consolidated when the relationship between the Group and the structured entity indicates that the Group has power over the relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure. In other cases, the Group may sponsor or have exposure to such entities but not consolidate the entities.

Certain structured entities that meet the above criteria have been consolidated in these consolidated financial statements. The consolidated structured entities are individually immaterial, and their inclusion does not have a material impact on the Group's financial position, financial performance or cash flows.

The details of the Bank's associate is as follows:

	Country of incorporation	Nature of business	Ownership (direct and indirect) December 31, 2025	Ownership (direct and indirect) December 31, 2024
Associate				
AlJazira Takaful Ta'awuni Company	Kingdom of Saudi Arabia	Fully Shari'ah compliant protection and saving products	**33.08%***	33.08%

*This includes the Bank's standalone shareholding of 29.36% (31 December 2025: 22.31%) and AJC's shareholding of 3.72% (31 December 2024: 3.72%)

2. BASIS OF PREPARATION

a) Basis of preparation

i) Statement of compliance

These consolidated financial statements of the Group as at and for the year ended 31 December 2025 and 31 December 2024, respectively, have been prepared;

- in accordance with the IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and
- in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank.

ii) Basis of measurement and presentation

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held as Fair Value through Income Statement (FVIS), Fair Value through Other Comprehensive Income (FVOCI), Other Real Estate and liabilities for employee benefit obligations carried at present values of future cashflows calculated using Projected Unit Credit Method. In addition, financial assets or liabilities that are hedged in a fair value hedging relationship are adjusted to record changes in fair value attributable to the risks that are being hedged.

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

iii. Functional and presentation currency

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

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of all the subsidiaries of the Bank is the Saudi Arabian Riyal (﷼) except for AlJazira Securities Limited whose functional currency is US Dollars.

b) Basis of consolidation

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

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.

i) Subsidiaries

Subsidiaries are entities which are controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To meet the definition of control, all the following three criteria must be met:

a) the Group has power over an entity;

b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and

c) the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and cease to be consolidated from the date on which the control is transferred from the Bank. The results of subsidiaries acquired or disposed of during the year, if any, are included in the consolidated statement of income from the date of the acquisition or up to the date of disposal, as appropriate.

ii) Non-controlling interests

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the Bank in its subsidiaries and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the Bank's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Bank's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv) Investment in an associate

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

Equity-accounted value represents the cost-plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains / (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associates. 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 recognises the amount in 'share in net income / (loss) of an associate' in the consolidated statement of income.

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 allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

c) Critical accounting judgments, estimates and assumptions

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

The Group has made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 December 2024 about future events that the Group believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events

frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

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 are as follows:

i Business model assessment (note 3(c)(i)(a))

ii. Assessments whether contractual cash flows are solely payments of principal and profit (SPPI) (note 3(c)(i)(b))

iii. Classification of financial assets (note 3(c)(i))

iv. Impairment losses on financial assets (note 2(c)(i))

v. Fair value measurement (note 2(c)(ii))

vi. Determination of control over investees (note 2(c)(iv))

vii. Employee benefit obligation (note 2(c)(vi))

viii. Depreciation and amortisation (note (3)(l))

ix. Government grant (note 3(i))

x. Judgement of equity vs liability for Tier 1/2 Sukuk (note 2(c)(vii))

xi. Lease liability (note (3)(r))

i) Impairment losses on financial assets

The measurement of expected credit loss (ECL) under IFRS 9 across all categories of financial assets requires judgment, in particular, for 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 that are considered accounting judgments and estimates include:

1. the selection of an estimation technique or modelling methodology, covering below key judgments and assumptions:

- 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 (SICR) 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
- Overlays

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

ii. Fair value of financial instruments

The Group measures the financial instruments, such as derivatives, financial instruments held at fair value through income statement (FVIS) and fair value through other comprehensive income (FVOCI), at their fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortized cost are disclosed in note 6 (d) and note 36 (b).

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 in the principle or, in its absence, the most advantageous market to which the Group has access at that date. The Fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses the valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data
- Level 3 – Inputs that are unobservable. This category include all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

iii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

Other real estates are revalued through independent real estate evaluators on a periodic basis and any unrealised losses on revaluation are recognised in the consolidated statement of income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iv) Determination of control over investment funds

The Group acts as Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

v) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group and the Bank have the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

vi) Employee Benefit Obligation

The Group operates an end of service benefit plan (the plan) for its employees based on the prevailing Saudi Labour laws. The liability for the plan is estimated in accordance with International Accounting Standard (IAS) 19 - Employee Benefits as endorsed in the Kingdom of Saudi Arabia, by a qualified actuary based on various assumptions. The key assumptions used to estimate the plan liability at the year end, are disclosed in note 30 to these consolidated financial statements.

vii) Judgement of equity vs liability for Tier 1/2 Sukuk

The determination of equity classification of Tier 1 Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Group classifies as part of equity the Tier 1 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 Bank. The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity under retained earnings.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Change in accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024. Based on the adoption of new policies for Treasury shares and share based payments as detailed in note 3(n) & (o) and new standards, interpretations and in consideration of current economic environment, the following accounting policies and treatments are applicable effective 1 January 2025 replacing, amending or adding to the corresponding accounting policies set out in 2024 annual consolidated financial statements.

i) New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, the management has assessed that the amendments have no significant impact on the Group's consolidated financial statements.

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

ii) Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments and revisions which are not yet effective. The Group has opted not to early adopt these pronouncements, and the management does not expect these to have a significant impact on the consolidated financial statements of the Group except for IFRS 18 for which the management is currently assessing the impact.

Standard, interpretation, amendments	Description	Effective date
Accounting Standards		
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	January 1, 2026
Annual improvements to IFRS - Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	January 1, 2026
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. The management is currently assessing the impact of IFRS 18.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

b) Trade date accounting

All regular-way purchases and sales of financial assets are initially recognised and derecognised on the trade date, i.e. the date that the Group becomes a party to the contractual provisions of the instrument. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

c) Financial assets and financial liabilities

i) Classification of financial assets

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

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:

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) 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.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

Income is recognised on an effective yield basis for debt instruments measured subsequently at amortised cost. Commission income is recognised in the consolidated statement of income.

Debt instruments that are measured at amortised cost are subject to impairment.

Financial assets at FVOCI

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

a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) 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.

Equity instruments: On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in consolidated other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Investments in debt instruments as FVOCI are initially measured at fair value plus transaction costs. These are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and recycled to consolidated statement of income at the time of sale. Income from investments and financing and foreign exchange gains and losses are recognised in consolidated statement of income.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, these are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserves. Gains and losses on such equity instruments are never reclassified to the consolidated statement of income and no impairment is recognised in the consolidated statement of income. Investments in unquoted equity instruments are measured at fair value. The cumulative gains or losses will not be reclassified to the consolidated statement of income on disposal of the investments.

On initial recognition the Group designates all investments in equity instruments that are not FVIS as FVOCI.

Dividends on these investments in equity instruments are recognised in the consolidated statement of income when the Group's right to receive the dividend is established, unless the dividend clearly represent a recovery of part of the cost of the investment.

Financial asset at FVIS

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVIS (for example: equity held for trading and debt securities classified neither as amortised cost nor FVOCI).

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.

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.

Financial assets at FVIS are measured at fair value at the end of each reporting period, with any gains or losses arising on measurement recognised in the consolidated statement of income.

Commission income on debt instruments as FVIS is included in the consolidated statement of income.

Dividend income on investments in equity instruments as FVIS is recognised in the consolidated statement of income when the Group's right to receive the dividend is established.

a) 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, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the 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;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the 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 FVIS because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

b) Assessments whether contractual cash flows are solely payments of principal and Profit (SPPI)

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 lending risks associated with the principal amount outstanding during a particular period and other basic lending 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.

Designation at fair value through income statement

At initial recognition, the Group may designate certain financial assets at FVIS if this designation eliminates or significantly reduces an accounting mismatch, which would otherwise rise.

ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortized cost or FVIS. The Group classifies its financial liabilities, other than financial guarantees and credit related 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 Yield Rate (EIR).

All money market deposits, customer deposits, term financing, subordinated sukuks and other debt securities in issue 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 income statement or the Group has opted to measure a liability at fair value through income statement as per the requirements of IFRS 9. A liability is classified at FVIS if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities classified as FVIS using fair value option, if any, after initial recognition, for such liabilities, changes in fair value related to changes in own credit risk are presented separately in OCI and all other fair value changes are presented in the consolidated statement of income.

Amounts in OCI relating to own credit are not recycled to the consolidated statement of income even when the liability is derecognized and the amounts are realized.

Financial guarantees and credit related commitments that Group choose to measure at fair value through income statement (FVIS) will have all fair value movements recognized in consolidated statement of income.

Designation at fair value through income statement

The Group may designate certain financial liabilities as FVIS in either of the following circumstances:

a) the liabilities are managed, evaluated and reported internally on a fair value basis; or

b) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

iii) Derecognition

Financial assets

The Group derecognises a financial asset, such as a financing to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financings are classified as Stage 1 for ECL measurement purposes, unless the new financing is deemed to be POCI.

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, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss. Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any 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.

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.

In certain transactions, the Group 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.

Financial liabilities

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

iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized with the difference recognized as a de-recognition gain or loss 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:

a) 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

b) Other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset using the original effective profit rate of the asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in 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.

Financial liabilities

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

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

v) Impairment

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

- financial assets that are debt instruments carried at amortised cost or FVOCI;
- lease / Ijarah receivables;
- financial guarantee contracts issued; and
- credit related commitments issued.
- bank balances

No impairment loss is recognized on FVOCI equity 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 (other than lease receivables) on which credit risk has not increased significantly since their initial recognition

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Group considers a debt security 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 instruments for which 12-month ECL 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 instruments'. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which the lifetime ECL are recognized and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the 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 credit related 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 present value of the difference between expected payments to reimburse the holder and any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective profit rate or an approximation thereof;
- POCI assets: a credit-adjusted effective profit rate
- Ijarah receivables: the discount rate used in measuring Ijarah receivables.

- Undrawn credit related commitments: the effective profit rate, or an approximation thereof, that will be applied to the financial asset resulting from the credit related 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.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL 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 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 yield rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost, debt and financial assets carried at FVOCI and lease receivables are credit impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the sukuk yields.
- the rating agencies' assessments of creditworthiness.
- the country's ability to access the capital markets for new debt issuance.
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt 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 intent, 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 Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. ECL estimation is based on 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 Group's expectations, the period over which the Group calculates the ECL for facilities within these products as per the actual remaining maturity of the facilities for stage 2 and 3 customers, and capped to twelve month maturity for stage 1 customers. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products, primarily based on delinquency-based criteria.

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. The calculation of ECL, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for commercial and consumer products.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- credit related commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the credit related 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 under "other liabilities"; and
- 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. Impairment losses are recognised in consolidated statement of income and changes between the amortised cost of the assets and their fair value are recognised in OCI.

Write-off

Financing and debt securities are written off (either partially or fully) when there is no reasonable expectation of recovering a financial asset in its entirely or a portion thereof. This is generally the case when the Group determines that the borrower 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. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

Recoveries of amounts previously written off are recognised when the cash is received and are included in "Impairment charge for financing and other financial assets, net" in the 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 consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as professional evaluators or based on housing price indices.

d) Financial guarantees, letters of credit and financing commitments

Financial guarantees' are contracts that require the Group 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.

The premium received is recognised in the income statement in Fees from banking services on a straight line basis over the life of the guarantee.

Financing commitments and letters of credit' are firm commitments under which, over the duration of the commitments, the Group 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 on in the statement of financial position.

Financial guarantees issued or commitments to provide loan at a below market applicable profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principle of IFRS 15. Other loan commitments issued

are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognized.

The Group has issued no credit related commitments that are measured at FVIS. For other credit related commitments the Group recognizes loss allowance as a provision under "other liabilities".

e) Derivative financial instruments and hedge accounting

Derivative financial instruments including forward rate agreements, profit rate swaps and profit rate options (both written and purchased) are initially measured at their fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value in the consolidated statement of financial position. The transaction costs associated with these agreements are recognised in the consolidated statement of income.

All derivatives are carried at their fair value as assets, where the fair value is positive, and as liabilities, where the fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow models and 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 includes those derivatives, which do not qualify for hedge accounting.

ii) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

a) the host contract is not an asset in the scope of IFRS 9;

b) the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and

c) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value with all changes in fair value recognized in consolidated statement of income unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

iii) Hedge Accounting

As permitted by the IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships to manage exposures to profit rates and foreign currencies. In order to manage risks, the Group applies hedge accounting for transactions that meet specific criteria.

For the purpose of hedge accounting, hedges are classified into following two categories:

a) Fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, (or assets or liabilities in case of portfolio hedging), or an unrecognised firm commitment or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss; and

b) Cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

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. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognized in the statement of income in 'net gain on FVIS financial instruments'. 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.

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, changes in fair value of the derivative are recognised immediately in the consolidated statement of income together with change in the fair value of the hedged item attributable to the hedged risk under non-trading gains / losses in the consolidated statement of income.

For hedged items measured at amortised cost, where the fair value hedge of a profit bearing financial instrument ceases to meet the criteria for hedge accounting or is sold, exercised or terminated, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the effective yield rate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated statement of income.

Cash Flow Hedges

For designated and qualifying cash flow hedging, the portion of the gain or loss on the hedging instrument that is determined to be an effective portion is recognised directly under "other reserve" in consolidated statement of comprehensive income and the ineffective portion, if any, is recognised in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves, are transferred to the consolidated statement of income in the same period in which the hedged item affects the consolidated statement of income. However, if the 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 reclassifies into the consolidated statement of income as a reclassification adjustment the amount that is not to be recognized.

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 recognised in other comprehensive income from the period when the hedge was effective is transferred from equity to statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affects the statement of income, the net cumulative gain or loss recognised in consolidated statement of comprehensive income is transferred immediately to the consolidated statement of income.

In accordance with risk management policies, the Group manages its cash flow profit rate risk on an entity-wide basis as well as variability of profit rate on Wakala floating rates notes. The Group designate profit rate swaps as hedging instrument against the cash flow risk resulting from a change in profit rates that occurs up to the repricing of the swap.

The Group first assesses forecasting of the "net cash flow" exposures from existing yield bearing assets and liabilities, including the rollover of short-term assets and short-term liabilities. This is mainly achieved through yield sensitivity gap. During forecasting of the net cash flows, the Group take into account historic information and market trends for withdrawal of deposits, yield rates and refinancing's and repricing's. The net cash flows are then compared with existing hedging positions to provide a basis for considering whether adjustment of the hedging relationship should be made.

The notional amounts of the profit rate swaps that are outstanding at the analysis date are included in each of the periods in which the profit rate swaps are outstanding to assess the impact of the outstanding profit rate swaps on the identified cash flow exposures. While a portion of the forecast transaction is no longer being hedged, the profit rate swap is not de-designated, and it continues to be a hedging instrument for the remaining transactions in the series that have not occurred. However, if the next forecast transaction does not occur until specified period, the remaining after the repricing of the profit rate swap, is not hedged.

The Group designates the hedging relationship in a manner that also consider the extent to which ineffectiveness is expected to be recognised for accounting purposes. The hedged exposure percentage is computed as the ratio of the notional amount of the receive-fixed, pay-variable swaps that are outstanding divided by the gross exposure. The effective portion of the gain or loss on the hedging instrument is initially recognized directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in "Net gain on fair value through statement of income (FVIS) financial instruments". For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves are transferred to the consolidated statement of income in the same period in which the hedge transactions affect the consolidated statement of income.

f) Foreign Currencies

Transactions in foreign currencies are translated into Saudi Arabian Riyals (﷼) 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 ﷼ at exchange rates prevailing at the reporting date.

Foreign exchange gains or losses from settlement of transactions and translation of year end monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Translation gains or losses on non-monetary items carried at fair value are included as part of the fair value adjustment either in the consolidated statement of income or in other comprehensive income depending on the underlying financial asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of 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.

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.

g) Offsetting financial instruments

Financial assets and financial liabilities are offset and reported net in the consolidated statement of financial position when there is a legally currently enforceable right to set off the recognised 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 set off 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.

h) Revenue / expense recognition

Income from investments and financing and Return on deposits and financial liabilities

Revenue and expenses related to profit bearing financial instruments are recognized in consolidated statement of income using the effective yield method. The 'effective yield rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective yield rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective yield rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective yield rate includes transaction costs and fees and points paid or received that are an integral part of the effective yield rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Measurement of amortized cost

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective yield method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating revenue and expenses related to profit bearing financial instruments, the effective yield rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, income from investments and financing income is calculated by applying the effective yield rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of income from investments and financing income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, income from investments and financing is calculated by applying the credit-adjusted effective yield rate to the amortized cost of the asset. The calculation of profit does not revert to a gross basis, even if the credit risk of the asset improves.

When the Group enters into a profit rate swap to change profit from fixed to floating (or vice versa), the amount of revenue and expenses related to profit bearing financial instruments is adjusted by the net profit on the swap to the extent the hedge is considered to be effective.

Exchange income / (loss)

Exchange income / (loss) is recognised when earned / incurred as disclosed in note 3(f).

Fees from banking services

Fee income and expense from banking services that are integral to the effective yield rate on a financial asset or financial liability are included in the effective yield rate.

Other fee income from banking services - including account servicing fees, investment management fees, sales commission, placement fees and syndication fees - is recognised as the related services are performed. If a credit related commitment is not expected to result in the draw-down of a financing, then the related credit related commitment fee is recognised on a straight-line basis over the commitment period.

Other fee expense on banking services relate mainly to transaction and service fees, which are expensed as the services are received.

Rendering of services

The Group provides various services to its customers. 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 share trading and fund management, trade finance, corporate finance and advisory, remittance and other banking services, should be recognized over the time when services are rendered i.e. when performance obligation is satisfied. Whereas for free services related to credit card, the Group recognizes revenue over the period of time.

Customer Loyalty Program

The Bank offers customer loyalty program (reward points / air miles herein referred to as "reward points"), which allows card members to earn points that can be redeemed for certain partner outlets. The Bank allocates a portion of transaction price (interchange fee) to the reward points awarded to card members, based on the relative standalone selling price. The amount of revenue allocated to reward points is deferred and released to the income statement when reward points are redeemed.

The cumulative amount of contract liability related to unredeemed reward points is adjusted over time based on actual experience and current trends with respect to redemption.

Net gain on fair value through statement of income (FVIS) financial instruments

Net income from other financial instruments at FVIS relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships, financial assets and financial liabilities designated as at FVIS and non-trading assets mandatorily measured at FVIS. The line item includes fair value changes, financing and investment income, dividends and foreign exchange differences.

Dividend income

Dividend income is recognised when the right to receive income is established. 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.

Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

i) Government grant

The Group recognizes a government grant related to income, if there is a reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant. The benefit of a government deposit at a below-market rate of profit is treated as a government grant related to income. The below-market rate deposit is recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the deposit determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. Government grant is recognised in statement of consolidated income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant is intended to compensate. The grant income is only recognised when the ultimate beneficiary is the Group. Where the customer is the ultimate beneficiary, the Group only records the respective receivable and payable amounts.

j) Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated statement of financial position as the Group retains substantially all the risk and rewards of the ownership and are measured in accordance with related accounting policies for investments designated as FVIS, FVOCI and amortised cost, whichever is applicable. The transactions are treated as collateralised financing and counterparty liabilities and amounts received under these agreements are included in "Due to banks and other financial institutions", or "customers' deposits", as appropriate. The difference between the sale and repurchase price is treated as Return on deposits and financial liabilities and is accrued over the life of the repo agreement using the effective yield rate.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in "cash and balances with SAMA", "due from banks and other financial institutions" or "financing", as appropriate. The difference between the purchase and resale price is treated as income from investments and financing and is accrued over the life of the reverse repo agreement using the effective yield rate.

k) Other real estate and repossessed assets

The Group Bank, in the ordinary course of business, acquires certain real estate against settlement of due financing. Such real estate is considered as assets held for sale and are initially stated at the current fair value of the related properties, less any costs to sell (if material). No depreciation is charged on such real estate. Rental income from other real estate is recognised in the consolidated statement of income.

Subsequent to initial recognition, any subsequent write down to fair value, less costs to sell, are charged to the consolidated statement of income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognised in the statement of income. Gains or losses on disposal are recognised in the statement of income.

l) Property and equipment

Property and equipment are measured at cost less accumulated depreciation / amortisation and accumulated impairment loss. Changes in the expected useful life are accounted by changing the period or method, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the group. On-going repairs and maintenance are expensed as incurred.

Freehold land is not depreciated. The cost of property and equipment is depreciated / amortised using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	33 to 40 years
Leasehold improvements	10 to 24 years or over the lease period, whichever is shorter
Furniture, equipment and vehicles	4 to 10 years
Computer softwares and automation projects	4 to 10 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in consolidated statement of income.

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Bank purchases the Bank's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Bank as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the owners of the Bank.

Shares held by the Bank are disclosed as treasury shares and deducted from contributed equity.

n) Treasury shares

These are recorded at cost and presented as a deduction from the equity as adjusted for any transaction cost, dividends and gains or losses on sale of such shares. Subsequent to their acquisition, these are carried at the amount equal to consideration paid.

These stocks are acquired by the Bank with the approval of SAMA, primarily for discharging its obligation under its employee share-based payment plan.

o) Share based payments

The Bank offers its eligible employees an equity-settled share-based payment plan as approved by Saudi Central Bank. As per the plan, eligible employees of the Bank are offered stocks to be withheld out of their annual bonus payments.

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

p) Deposits, debt securities issued and subordinated liabilities

When the Group designates a financial liability as at FVIS, the amount of change in the fair value of the liability that is attributable to changes in its own credit risk is presented in consolidated other comprehensive income (OCI) as a liability credit reserve. On initial recognition of the financial liability, the Group assesses whether presenting the amount of change in the fair value of the liability that is attributable to credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. This assessment is made by using a regression analysis to compare:

a) the expected changes in the fair value of the liability related to changes in the credit risk; with

b) the impact on profit or loss of expected changes in fair value of the related instruments.

q) Provisions

Provisions (other than provisions for credit losses) are recognised when a reliable estimate can be made by the Group for a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources, embodying economic benefits will be required to settle the obligation. The Group receives legal claims in the ordinary course of business. Management makes judgments in assigning the risk that might exists in such claims. It also sets appropriate provisions against probable losses. The claims are recorded or disclosed, as appropriate, in the consolidated financial statements based on the best estimate of the amount required to settle the claim.

r) Accounting for leases

i. Where the Group is the lessee

Right of use asset / lease liabilities

On initial recognition, at inception of the contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Group and the Group can direct the usage of such assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities for lease modifications. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. Right-of-use assets are subject to impairment.

Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

ii. Where the Group is the lessor

When assets are transferred under a finance lease, including assets under Islamic lease arrangement (Ijarah) the present value of the lease payments is recognised as a receivable and disclosed under "financing, net". The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

s) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents includes notes and coins on hand, balances with SAMA excluding statutory deposits, and due from banks and other financial institutions with original maturity of three months or less which are subject to insignificant risk of changes in their fair values. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position

t) Employees' benefits

Defined unfunded benefit plan

End-of-service benefits as required by Saudi Arabia

Labour Law, are required to be provided based on the employees' length of service.

The Group's net obligations in respect of defined unfunded benefit plan ("the obligations") is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognized past service costs. The discount rate used is the market yield on high quality corporate sukuks at the reporting date that have maturity dates approximating the terms of the Group's obligations. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method to determine the Group's present value of the obligations.

The defined benefit liability comprises the present value of defined benefit obligations as adjusted for any past service cost not yet recognized and any unrecognized actuarial gains/losses. The liability is included in 'other liabilities' in the consolidated statement of financial position.

Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

u) Zakat and income tax

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Bank and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made.

Withholding tax

Withholding tax is withheld from payments made to non-resident vendors for services rendered and goods purchased according to the tax law applicable in Saudi Arabia and are directly paid to the ZATCA on a monthly basis.

Value Added Tax (VAT)

Output VAT related to revenue is payable to tax authorities on the earlier of:

(a) collection of receivables from customers or

(b) delivery of services to customers.

Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

VAT that is not recoverable is charged to the statement of income as expense

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized.

Zakat

The Group is subject to Zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Zakat 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.

4. Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and, accordingly, are not included in the consolidated financial statements.

The financial statements of investment management mutual funds are not included in these consolidated financial statements of the Group. Transactions with the Funds' are disclosed under related party transactions. The Group's share of these Funds', if any, are included in FVIS investments.

w) Profit sharing investment account (PSIA)

The Bank offers Unrestricted and Restricted Investment Accounts based on fully shari'ah compliant concept.

In Mudaraba, the Bank (Mudarib) manages Investment Account Funds (IAH) along with its own share of investment, to an unrestricted joint investment pool. Funds from this unrestricted joint investment pool are utilized to provide financing to customers under Islamic modes and to invest in other Shari'ah compliant investments opportunities. Such information is available for all customers at Bank's website, branches, and call centre.

Under Wakala arrangement, Bank accepts funds from investors as Wakeel and invests in Shari'ah compliant assets. Wakeel is entitled to a fixed fee as a lump sum or percentage of fund provided. Expected profit pay-out is mentioned to investors upfront while any return generated in excess of expected profit is retained by the Bank as Wakeel. Wakeel should bear the loss in case of Wakeel's default, negligence or violation of any terms and conditions of the Wakala agreement, otherwise the loss would be borne by the investor or Muwakil.

The Bank maintains necessary reserves as required by SAMA.

Any profits accrued out of the investment are shared between the two parties on a pre-agreed basis, while loss (if any) is borne by the Investor (Rab-ul-Maal). Operating expenses incurred by the Bank are not charged to investment account. In case of the loss resulting from the transactions in a jointly financed investment, such loss shall first be deducted from undistributed profits, if any. Any excess of such loss shall be deducted from Investment Risk Reserve (IRR).

Any remaining of such loss shall be deducted from the total balance of fund available in the pool, as at that date, in the respective ratio of the Bank's and IAH's respective contribution to the fund.

The investment risk reserve is deducted from customer's share after allocating the Mudarib share of profit as per the approved policy in order to cater against future losses of equity of unrestricted investment accountholders. Investment risk reserve will revert to the investment accountholders as per terms and conditions of Mudaraba contract.

The profit equalization reserve is the amount the Bank appropriates in excess of the profit to be distributed to equity of unrestricted accountholders before allocating the Mudarib share of income to maintain a certain level of return. Profit equalization reserve will revert to owner equity and unrestricted investment accountholders. Unrestricted investment accountholders are commingled with Bank funds for investment, no priority is granted to any party for the purpose of investments and distribution of profits. The administration expenses are only charged on the Bank expenses.

x) Shari'ah compliant (non-interest based) banking products

The Bank offers its customers Shari'ah compliant (non-interest based) banking products, which are approved by its Shariah Committee, as follows:

Murabaha is an agreement whereby the Bank sells to a customer a commodity or an asset, which the Bank has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.

Ijarah is an agreement whereby the Bank, acting as a lessor, purchases or constructs an asset for lease according to the customer request (lessee), based on the customer's promise to lease the asset for an agreed rent and specific period that could end by transferring the ownership of the leased asset to the lessee.

Musharaka is an agreement between the Bank and a customer to contribute to a certain investment enterprise or the ownership of a certain property resulting in the acquisition by the customer of the full ownership. The profit or loss is shared as per the terms of the agreement.

Tawaraq is a form of Murabaha transactions where the Bank purchases a commodity and sells it to the customer. The customer sells the underlying commodity at spot and uses the proceeds for financing requirements.

Wa'ad Fx is an agreement whereby a client in consideration for the payment of a fee agrees to enter into one or series of trades. One party (promisor) gives a commitment as unilateral undertaking to a second party (promisee).

Istisna'a is an agreement between the Bank and a customer whereby the Bank sells to the customer a developed asset according to agreed upon specifications, for an agreed upon price.

Sukuk are Islamic instruments which represents an individual proportionate ownership interest in an asset and corresponding right to the income streams generated by the asset.

All Shari'ah compliant (non-interest based) products are accounted for using International Financial Reporting Standards and in conformity with the accounting policies described in these consolidated financial statements.

4. CASH AND BALANCES WITH SAUDI CENTRAL BANK (SAMA)

	2025 ﷼'000	2024 ﷼'000
		Restated (note 43)
Cash in hand	**541,422**	688,914
Wakala placement with SAMA	**494,948**	-
Other balances	**518,153**	465,421
Cash and cash equivalents (note 29)	**1,554,523**	1,154,335
Statutory deposit with SAMA	**5,504,686**	5,429,455
Total	**7,059,209**	6,583,790

In accordance with the Article 7 of the Banking Control Law and regulations issued by the Saudi Central Bank (SAMA), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its demand, time and other deposit liabilities, calculated on monthly averages at the end of each reporting period (see note 35). The statutory deposit with SAMA is not available to finance the Bank's day-to-day operations and therefore is not part of cash and cash equivalents.

5. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS, NET

	2025 ﷼'000	2024 ﷼'000
Current accounts	**986,136**	404,794
Money market placements	**5,048,789**	6,300,560
	6,034,925	6,705,354
Less: impairment allowance (note (b) below)	**(9,154)**	(8,237)
Total	**6,025,771**	6,697,117

The money market placements represent funds placed on Shari'ah compliant (non-interest based) basis as follows.

	2025 ﷼'000	2024 ﷼'000
Money market placements - Commodity murabaha	**4,026,851**	3,534,191
Money market placements - Wakala	**1,021,938**	2,766,369
	5,048,789	6,300,560

a) The following table explains changes in gross carrying amount of the due from banks and other financial institutions to help explain their significance to the changes in the loss allowance for the same portfolio.

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2025	(؋'000)			
Gross carrying amount as at 1 January 2025	**6,529,519**	**175,835**	**-**	**6,705,354**
Transfer to 12-month ECL	**3,131**	**(3,131)**	**-**	**-**
Transfer to lifetime ECL not credit -impaired	**(846)**	**846**	**-**	**-**
New financial assets originated	**517,590**	**-**	**-**	**517,590**
Financial assets derecognised during the period other than write-offs	**(2,595,662)**	**-**	**-**	**(2,595,662)**
Other movements	**1,407,071**	**572**	**-**	**1,407,643**
Gross carrying amount as at 31 December 2025	**5,860,803**	**174,122**	**-**	**6,034,925**
2024				
Gross carrying amount as at 1 January 2024	5,565,366	134,034	-	5,699,400
Transfer to lifetime ECL not credit -impaired	(521)	521	-	-
New financial assets originated	3,434,430	186	-	3,434,616
Financial assets derecognised during the period other than write-offs	(350)	-	-	(350)
Changes in accrued profit	(5,313)	1,181	-	(4,132)
Other movements	(2,464,093)	39,913	-	(2,424,180)
Gross carrying amount as at 31 December 2024	6,529,519	175,835	-	6,705,354

Other movements reflect changes in exposures for customers who remained in the same stage during the year.

b) An analysis of changes in Impairment allowance for due from banks and other financial institutions is, as follows:

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2025	(؋'000)			
Impairment allowance as at 1 January 2025	**2,053**	**6,184**	**-**	**8,237**
Transfer to 12-month ECL	**4**	**(4)**	**-**	**-**
Transfer to lifetime ECL not credit -impaired	**(1)**	**1**	**-**	**-**
Net re-measurement of loss allowance	**1,488**	**19**	**-**	**1,507**
New financial assets originated	**158**	**-**	**-**	**158**
Financial assets that have been derecognized	**(748)**	**-**	**-**	**(748)**
Impairment allowance as at 31 December 2025	**2,954**	**6,200**	**-**	**9,154**
2024				
Impairment allowance as at 1 January 2024	2,907	4,719	-	7,626
Transfer to lifetime ECL not credit -impaired	(2)	2	-	-
Net re-measurement of loss allowance	(1,867)	1,463	-	(404)
New financial assets originated	1,016	-	-	1,016
Financial assets that have been derecognized	(1)	-	-	(1)
Impairment allowance as at 31 December 2024	2,053	6,184	-	8,237

The credit quality of due from banks and other financial institutions is managed using reputable external credit rating agencies. For credit quality of outstanding exposure by rating category refer note 32.2.

6. INVESTMENTS, NET

a) As of 31 December 2025 and 2024, investments were classified as follows:

	2025 ৳'000	2024 ৳'000
		Restated (note 43)
Held at FVIS	**2,734,915**	2,254,618
Held at FVOCI	**14,000,663**	13,067,871
Held at Amortised Cost	**22,241,528**	21,093,972
Allowance for impairment	**(9,226)**	(10,105)
Held at Amortized Cost, net	**22,232,302**	21,083,867
Total	**38,967,880**	36,406,356

b) As of 31 December 2025 and 2024, details of investments by type are as follows:

	2025 ৳'000		
	Domestic	International	Total
i. FVIS			
Mutual funds	**314,589**	**1,791,344**	**2,105,933**
Equities - quoted	**38,300**	**-**	**38,300**
Equities - unquoted	**542,434**	**26,528**	**568,962**
Convertible debt instrument	**-**	**21,720**	**21,720**
	895,323	**1,839,592**	**2,734,915**
ii. FVOCI			
Equities - unquoted	**278,979**	**1,880**	**280,859**
Fixed rate Sukuk - equities	**2,287,156**	**212,636**	**2,499,792**
Floating rate Sukuk - equities	**707,649**	**-**	**707,649**
Fixed rate Sukuks	**9,945,629**	**-**	**9,945,629**
Floating rate Sukuks	**570,714**	**-**	**570,714**
	13,790,127	**214,516**	**14,004,643**
Allowance for impairment	**(3,980)**	**-**	**(3,980)**
	13,786,147	**214,516**	**14,000,663**
iii. Amortised cost			
Fixed rate Sukuks	**18,437,714**	**382,707**	**18,820,421**
Floating rate Sukuks	**3,421,107**	**-**	**3,421,107**
	21,858,821	**382,707**	**22,241,528**
Allowance for impairment	**(8,854)**	**(372)**	**(9,226)**
	21,849,967	**382,335**	**22,232,302**
Total	**36,531,437**	**2,436,443**	**38,967,880**

	2024 ৳'000		
	Domestic	International	Total
i. FVIS			
Mutual funds	166,845	1,581,302	1,748,147
Equities - quoted	17,264	-	17,264
Equities - unquoted	460,000	22,589	482,589
Convertible debt instrument	-	6,618	6,618
	644,109	1,610,509	2,254,618
ii. FVOCI			
Equities - unquoted	282,478	1,429	283,907
Fixed rate Sukuk - equities	2,093,206	206,172	2,299,378
Floating rate Sukuk - equities	700,000	-	700,000
Fixed rate Sukuks	9,496,067	-	9,496,067
Floating rate Sukuks	290,366	-	290,366
	12,862,117	207,601	13,069,718
Allowance for impairment	(1,847)	-	(1,847)
	12,860,270	207,601	13,067,871
iii. Amortised cost			
Fixed rate Sukuks	16,187,728	382,707	16,570,435
Floating rate Sukuks	3,412,116	-	3,412,116
Wakala floating rate notes	1,111,421	-	1,111,421
	20,711,265	382,707	21,093,972
Allowance for impairment	(9,733)	(372)	(10,105)
	20,701,532	382,335	21,083,867
Total	34,205,911	2,200,445	36,406,356

c) The composition of investments net of related ECL, if any, as quoted and unquoted is as follows:

	Quoted ৳'000	Unquoted ৳'000	Total ৳'000
2025			
Sukuk investments-debt-Fixed rate	**26,814,481**	**1,944,368**	**28,758,849**
Sukuk investments-debt-Floating rate	**2,117,467**	**1,868,349**	**3,985,816**
Wakala floating rate notes	**-**	**-**	**-**
Sukuk investments - Equities-Fixed rate	**856,086**	**1,643,706**	**2,499,792**
Sukuk investments - Equities-Floating rate	**-**	**707,649**	**707,649**
Equities	**38,300**	**849,821**	**888,121**
Mutual funds	**314,589**	**1,791,344**	**2,105,933**
Convertible debt instrument	**-**	**21,720**	**21,720**
Total investments	**30,140,923**	**8,826,957**	**38,967,880**
2024			
Sukuk investments-debt-Fixed rate	23,957,012	2,102,661	26,059,673
Sukuk investments-debt-Floating rate	2,117,839	1,580,388	3,698,227
Wakala floating rate notes	1,110,553	-	1,110,553
Sukuk investments - Equities-Fixed rate	836,124	1,463,254	2,299,378
Sukuk investments - Equities-Floating rate	-	700,000	700,000
Equities	17,264	766,496	783,760
Mutual funds	166,845	1,581,302	1,748,147
Convertible debt instrument	-	6,618	6,618
Total investments	28,205,637	8,200,719	36,406,356

d) The analysis of unrealized gains and losses and the fair values of investments carried at amortised cost are as follows:

	Carrying value ﷼'000	Gross unrealized gains ﷼'000	Gross unrealized losses ﷼'000	Fair value ﷼'000
2025				
Sukuk investments	**22,232,302**	**89,319**	**(715,302)**	**21,606,319**
Wakala floating rate notes	**-**	**-**	**-**	**-**
Total	**22,232,302**	**89,319**	**(715,302)**	**21,606,319**
2024				
Sukuk investments	19,973,314	19,608	(970,676)	19,022,246
Wakala floating rate notes	1,110,553	-	(1,211)	1,109,342
Total	21,083,867	19,608	(971,887)	20,131,588

e) The analysis of the Group's investments by nature of counterparty is as follows:

	2025 ﷼'000	2024 ﷼'000
		Restated
Government and quasi Government	**30,299,842**	28,386,256
Corporate	**4,856,603**	4,259,715
Banks and other financial institutions	**3,811,435**	3,760,385
Total	**38,967,880**	36,406,356

Certain sukuk investments (disclosed in note 6(c)) are quoted in different markets but are not actively traded.

Mutual funds domiciled in the Kingdom of Saudi Arabia (disclosed in note 6(b)) with underlying investments outside the Kingdom of Saudi Arabia are classified under the "International" category.

Sukuk and wakala floating rate investments include ﷼ 5.79 billion (2024: ﷼ 10.83 billion), which have been pledged under repurchase agreements with other banks. The market value of such investments is ﷼ 5.64 billion (2024: ﷼ 9.89 billion).

f) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at amortised cost:

	Credit loss allowance				Gross carrying amount			
Investments at Amortised Cost	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
	﷼'000							
At 1 January 2025	**10,105**	**-**	**-**	**10,105**	**21,093,972**	**-**	**-**	**21,093,972**
New originated or purchased	**535**	**-**	**-**	**535**	**319,780**	**-**	**-**	**319,780**
Derecognised during the year	**(1,224)**	**-**	**-**	**(1,224)**	**(3,036,065)**	**-**	**-**	**(3,036,065)**
Other movements	**(190)**	**-**	**-**	**(190)**	**3,863,841**	**-**	**-**	**3,863,841**
At 31 December 2025	**9,226**	**-**	**-**	**9,226**	**22,241,528**	**-**	**-**	**22,241,528**
At 1 January 2024	10,070	-	-	10,070	20,529,749	-	-	20,529,749
New originated or purchased	2,106	-	-	2,106	6,146,648	-	-	6,146,648
Derecognised during the year	(2,655)	-	-	(2,655)	(5,477,749)	-	-	(5,477,749)
Other movements	584	-	-	584	(104,676)	-	-	(104,676)
At 31 December 2024	10,105	-	-	10,105	21,093,972	-	-	21,093,972

Other movements reflect changes in exposures for instruments which remained in the same stage during the year.

g) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at FVOCI:

	Credit loss allowance				Gross carrying amount			
Investments at FVOCI - Debt	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
	﷼'000							
At 1 January 2025	**1,847**	**-**	**-**	**1,847**	**9,786,433**	**-**	**-**	**9,786,433**
New originated or purchased	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derecognised during the year	**(21)**	**-**	**-**	**(21)**	**(198,143)**	**-**	**-**	**(198,143)**
Other movements	**2,154**	**-**	**-**	**2,154**	**928,053**	**-**	**-**	**928,053**
At 31 December 2025	**3,980**	**-**	**-**	**3,980**	**10,516,343**	**-**	**-**	**10,516,343**
At 1 January 2024	1,624	-	-	1,624	9,795,972	-	-	9,795,972
New originated or purchased	107	-	-	107	305,484	-	-	305,484
Derecognised during the year	-	-	-	-	-	-	-	-
Other movements	116	-	-	116	(315,023)	-	-	(315,023)
At 31 December 2024	1,847	-	-	1,847	9,786,433	-	-	9,786,433

Other movements reflect changes in exposures for instruments which remained in the same stage during the year.

7. FINANCING, NET

Consumer includes financing to individuals for personal needs, while "Others" primarily comprises financing extended to staff.

Commercial include financing to corporate, medium and small sized business and institutional customers while "Others" primarily comprises financing extended to individuals.

a) Financing, net comprised the following:

	Performing	Non-performing	Gross financing	Allowance for impairment	Financing, net
2025	**৳'000**				
Commercial Financing	**72,436,239**	**930,979**	**73,367,218**	**(1,858,689)**	**71,508,529**
Corporate	**50,622,431**	**695,377**	**51,317,808**	**(1,364,999)**	**49,952,809**
MSME	**7,450,778**	**161,862**	**7,612,640**	**(336,343)**	**7,276,297**
Others	**14,363,030**	**73,740**	**14,436,770**	**(157,347)**	**14,279,423**
Consumer Financing	**39,428,712**	**233,680**	**39,662,392**	**(308,752)**	**39,353,640**
Personal Finance	**11,776,824**	**46,588**	**11,823,412**	**(115,804)**	**11,707,608**
Real Estate	**23,443,112**	**134,233**	**23,577,345**	**(103,680)**	**23,473,665**
Auto lease	**3,073,153**	**3,344**	**3,076,497**	**(18,468)**	**3,058,029**
Credit cards	**837,653**	**42,244**	**879,897**	**(66,961)**	**812,936**
Others	**297,970**	**7,271**	**305,241**	**(3,839)**	**301,402**
Total	**111,864,951**	**1,164,659**	**113,029,610**	**(2,167,441)**	**110,862,169**

	Performing	Non-performing	Gross financing	Allowance for impairment	Financing, net
2024	**৳'000**				
Commercial Financing	**62,952,157**	**910,885**	**63,863,042**	**(2,213,105)**	**61,649,937**
Corporate	44,745,469	597,319	45,342,788	(1,372,907)	43,969,881
MSME	5,950,346	247,868	6,198,214	(752,593)	5,445,621
Others	12,256,342	65,698	12,322,040	(87,605)	12,234,435
Consumer Financing	**35,287,269**	**291,192**	**35,578,461**	**(315,902)**	**35,262,559**
Personal Finance	10,929,302	60,134	10,989,436	(113,277)	10,876,159
Real Estate	21,680,808	170,192	21,851,000	(115,570)	21,735,430
Auto lease	1,600,764	1,256	1,602,020	(10,584)	1,591,436
Credit cards	787,212	50,724	837,936	(71,896)	766,040
Others	289,183	8,886	298,069	(4,575)	293,494
Total	**98,239,426**	**1,202,077**	**99,441,503**	**(2,529,007)**	**96,912,496**

Comparative figures have been disaggregated to align with the current year's presentation. Commercial Financing, previously presented as a single category, has been separated into Corporate, Micro, Small and Medium Enterprises (MSME) and Others exposures. Similarly, Consumer Financing, previously presented as a single category, has been further disaggregated into Personal Finance, Real Estate and Auto Lease. Additionally, Consumer Financing has been combined with Credit Cards and Others.

b) Financing, net represents Shari'ah compliant products in respect of Murabaha agreements, Ijarah, Istisnaa'a, Musharaka and Tawarraq. The above comprise of shari'ah approved balances as follows:

	Tawarraq	Murabaha	Ijarah	Qard Alhasan / others	Gross financing	Allowance for impairment	Financing, net
2025	৳'000						
Commercial Financing	**59,163,476**	**10,027,712**	**1,834,121**	**2,341,909**	**73,367,218**	**(1,858,689)**	**71,508,529**
Corporate	**40,368,183**	**8,176,441**	**1,594,430**	**1,178,754**	**51,317,808**	**(1,364,999)**	**49,952,809**
MSME	**7,220,081**	**-**	**11,492**	**381,067**	**7,612,640**	**(336,343)**	**7,276,297**
Others	**11,575,212**	**1,851,271**	**228,199**	**782,088**	**14,436,770**	**(157,347)**	**14,279,423**
Consumer Financing	**2,264,429**	**30,835,866**	**6,234,451**	**327,646**	**39,662,392**	**(308,752)**	**39,353,640**
Personal Finance	**3,572**	**11,785,348**	**-**	**34,492**	**11,823,412**	**(115,804)**	**11,707,608**
Real Estate	**1,371,312**	**19,050,256**	**3,155,777**	**-**	**23,577,345**	**(103,680)**	**23,473,665**
Auto lease	**-**	**-**	**3,076,497**	**-**	**3,076,497**	**(18,468)**	**3,058,029**
Credit cards	**879,897**	**-**	**-**	**-**	**879,897**	**(66,961)**	**812,936**
Others	**9,648**	**262**	**2,177**	**293,154**	**305,241**	**(3,839)**	**301,402**
Total	**61,427,905**	**40,863,578**	**8,068,572**	**2,669,555**	**113,029,610**	**(2,167,441)**	**110,862,169**

	Tawarraq	Murabaha	Ijarah	Qard Alhasan / others	Gross financing	Allowance for impairment	Financing, net
2024	৳'000						
Commercial Financing	**51,602,493**	**8,033,550**	**1,882,293**	**2,344,706**	**63,863,042**	**(2,213,105)**	**61,649,937**
Corporate	36,355,182	5,923,619	1,882,293	1,181,694	45,342,788	(1,372,907)	43,969,881
MSME	5,304,686	136,675	-	756,853	6,198,214	(752,593)	5,445,621
Others	9,942,625	1,973,256	-	406,159	12,322,040	(87,605)	12,234,435
Consumer Financing	**1,452,148**	**28,522,379**	**5,290,288**	**313,646**	**35,578,461**	**(315,902)**	**35,262,559**
Personal Finance	3,021	10,970,497	-	15,919	10,989,437	(113,277)	10,876,160
Real Estate	611,177	17,551,555	3,688,268	-	21,851,000	(115,570)	21,735,430
Auto lease	-	-	1,602,020	-	1,602,020	(10,584)	1,591,436
Credit cards	837,936	-	-	-	837,936	(71,896)	766,040
Others	14	327	-	297,727	298,068	(4,575)	293,493
Total	**53,054,641**	**36,555,929**	**7,172,581**	**2,658,352**	**99,441,503**	**(2,529,007)**	**96,912,496**

c) An analysis of changes in ECL allowance and gross carrying amounts in total and by each class of financial instrument is, as follows:

	Credit loss allowance				Gross carrying amount			
Gross Financing	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
	﷼'000							
At 1 January 2025	**317,382**	**282,012**	**1,929,613**	**2,529,007**	**93,437,785**	**2,571,824**	**3,431,894**	**99,441,503**
Transfers:								
- to 12-months	**5,686**	**(3,746)**	**(1,940)**	**-**	**560,695**	**(556,706)**	**(3,989)**	**-**
- to lifetime	**(10,500)**	**29,632**	**(19,132)**	**-**	**(1,941,530)**	**2,247,513**	**(305,983)**	**-**
- to credit-impaired	**(36,188)**	**(47,311)**	**83,499**	**-**	**(217,085)**	**(285,355)**	**502,440**	**-**
New originated or purchased	**124,833**	**-**	**-**	**124,833**	**25,182,052**	**-**	**-**	**25,182,052**
Derecognised during the year	**(32,060)**	**(8,325)**	**(447,535)**	**(487,920)**	**(9,580,645)**	**(200,667)**	**(1,091,870)**	**(10,873,182)**
Other movements	**(31,690)**	**(11,585)**	**940,153**	**896,878**	**(439,242)**	**(501,575)**	**920,485**	**(20,332)**
Changes in profit accrual	**-**	**-**	**-**	**-**	**194,926**	**-**	**-**	**194,926**
Write-offs	**-**	**-**	**(895,357)**	**(895,357)**	**-**	**-**	**(895,357)**	**(895,357)**
At 31 December 2025	**337,463**	**240,677**	**1,589,301**	**2,167,441**	**107,196,956**	**3,275,034**	**2,557,620**	**113,029,610**

Gross Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
	৳'000							
At 1 January 2024	256,078	250,907	2,285,547	2,792,532	76,337,327	3,332,655	3,903,451	83,573,433
Transfers:								
- to 12-months	56,291	(41,764)	(14,527)	-	889,925	(796,507)	(93,418)	-
- to lifetime	(2,119)	8,446	(6,327)	-	(779,324)	834,861	(55,537)	-
- to credit-impaired	(372)	(33,317)	33,689	-	(46,661)	(673,580)	720,241	-
New originated or purchased	93,837	2,012	7,982	103,831	22,900,247	187,320	16,506	23,104,073
Derecognised during the year	(28,770)	(4,069)	(75,167)	(108,006)	(8,412,339)	(167,211)	(388,475)	(8,968,025)
Other movements	(57,563)	99,797	283,921	326,155	2,313,941	(145,714)	(85,369)	2,082,858
Changes in profit accrual	-	-	-	-	234,669	-	-	234,669
Write-offs	-	-	(585,505)	(585,505)	-	-	(585,505)	(585,505)
At 31 December 2024	317,382	282,012	1,929,613	2,529,007	93,437,785	2,571,824	3,431,894	99,441,503

Other movements reflect changes in exposures for customers who remained in the same stage during the period.

	Credit loss allowance				Gross carrying amount			
Commercial Financing	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
	﷼'000							
At 1 January 2025	**177,349**	**279,274**	**1,756,482**	**2,213,105**	**58,399,170**	**2,323,170**	**3,140,702**	**63,863,042**
Transfers:								
- to 12-months	**2,752**	**(2,752)**	**-**	**-**	**472,372**	**(472,372)**	**-**	**-**
- to lifetime	**(6,471)**	**24,263**	**(17,792)**	**-**	**(1,537,721)**	**1,840,548**	**(302,827)**	**-**
- to credit-impaired	**(14,433)**	**(46,989)**	**61,422**	**-**	**(102,255)**	**(267,998)**	**370,253**	**-**
New originated or purchased	**35,787**	**-**	**-**	**35,787**	**11,624,138**	**-**	**-**	**11,624,138**
Derecognised during the year	**(9,460)**	**(7,455)**	**(434,807)**	**(451,722)**	**(4,534,794)**	**(112,997)**	**(1,050,826)**	**(5,698,617)**
Other movements	**451**	**(11,940)**	**923,877**	**912,388**	**3,803,360**	**(471,454)**	**933,452**	**4,265,358**
Changes in profit accrual	**-**	**-**	**-**	**-**	**164,166**	**-**	**-**	**164,166**
Write-offs	**-**	**-**	**(850,869)**	**(850,869)**	**-**	**-**	**(850,869)**	**(850,869)**
At 31 December 2025	**185,975**	**234,401**	**1,438,313**	**1,858,689**	**68,288,436**	**2,838,897**	**2,239,885**	**73,367,218**

Commercial Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
	﷼'000							
At 1 January 2024	170,933	248,423	2,081,701	2,501,057	46,322,028	3,109,871	3,538,746	52,970,645
Transfers:								
- to 12-months	43,869	(40,998)	(2,871)	-	805,014	(738,847)	(66,167)	-
- to lifetime	(1,696)	6,307	(4,611)	-	(669,904)	721,345	(51,441)	-
- to credit-impaired	(47)	(32,970)	33,017	-	(13,715)	(659,014)	672,729	-
New originated or purchased	36,936	865	2,975	40,776	11,394,229	95,151	5,441	11,494,821
Derecognised during the year	(13,490)	(3,369)	(50,456)	(67,315)	(4,061,969)	(86,780)	(326,906)	(4,475,655)
Other movements	(59,156)	101,016	253,540	295,400	4,395,800	(118,556)	(74,887)	4,202,357
Changes in profit accrual	-	-	-	-	227,687	-	-	227,687
Write-offs	-	-	(556,813)	(556,813)	-	-	(556,813)	(556,813)
At 31 December 2024	177,349	279,274	1,756,482	2,213,105	58,399,170	2,323,170	3,140,702	63,863,042

Consumer Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
	﷼'000							
At 1 January 2025	**140,033**	**2,738**	**173,131**	**315,902**	**35,038,615**	**248,654**	**291,192**	**35,578,461**
Transfers:								
- to 12-months	**2,934**	**(994)**	**(1,940)**	**-**	**88,323**	**(84,334)**	**(3,989)**	**-**
- to lifetime	**(4,029)**	**5,369**	**(1,340)**	**-**	**(403,809)**	**406,965**	**(3,156)**	**-**
- to credit-impaired	**(21,755)**	**(322)**	**22,077**	**-**	**(114,830)**	**(17,357)**	**132,187**	**-**
New originated or purchased	**89,046**	**-**	**-**	**89,046**	**13,557,914**	**-**	**-**	**13,557,914**
Derecognised during the year	**(22,600)**	**(870)**	**(12,728)**	**(36,198)**	**(5,045,851)**	**(87,670)**	**(41,044)**	**(5,174,565)**
Other movements	**(32,141)**	**355**	**16,276**	**(15,510)**	**(4,242,602)**	**(30,121)**	**(12,967)**	**(4,285,690)**
Changes in profit accrual	**-**	**-**	**-**	**-**	**30,760**	**-**	**-**	**30,760**
Write-offs	**-**	**-**	**(44,488)**	**(44,488)**	**-**	**-**	**(44,488)**	**(44,488)**
At 31 December 2025	**151,488**	**6,276**	**150,988**	**308,752**	**38,908,520**	**436,137**	**317,735**	**39,662,392**

	Credit loss allowance				Gross carrying amount			
Consumer Financing	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (Life time ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
	﷼'000							
At 1 January 2024	85,145	2,484	203,846	291,475	30,015,299	222,784	364,705	30,602,788
Transfers:								
- to 12-months	12,422	(766)	(11,656)	-	84,911	(57,660)	(27,251)	-
- to lifetime	(423)	2,139	(1,716)	-	(109,420)	113,516	(4,096)	-
- to credit-impaired	(325)	(347)	672	-	(32,946)	(14,566)	47,512	-
New originated or purchased	56,901	1,147	5,007	63,055	11,506,018	92,169	11,065	11,609,252
Derecognised during the year	(15,280)	(700)	(24,711)	(40,691)	(4,350,370)	(80,431)	(61,569)	(4,492,370)
Other movements	1,593	(1,219)	30,381	30,755	(2,081,859)	(27,158)	(10,482)	(2,119,499)
Changes in profit accrual	-	-	-	-	6,982	-	-	6,982
Write-offs	-	-	(28,692)	(28,692)	-	-	(28,692)	(28,692)
At 31 December 2024	140,033	2,738	173,131	315,902	35,038,615	248,654	291,192	35,578,461

d) Movements in allowance for impairment are as follows:

	Commercial	Consumer	Total
2025		৳'000	
Opening ECL allowance as at 1 January 2025	**2,213,105**	**315,902**	**2,529,007**
Impairment charge for the year	**575,902**	**95,881**	**671,783**
Bad debts written off during the year	**(850,869)**	**(44,488)**	**(895,357)**
Recoveries / reversals of amounts previously provided	**(79,449)**	**(58,543)**	**(137,992)**
Balance at the end of the year	**1,858,689**	**308,752**	**2,167,441**
2024			
Opening ECL allowance as at 1 January 2024	2,501,057	291,475	2,792,532
Impairment charge for the year	394,848	131,533	526,381
Bad debts written off during the year	(556,813)	(28,692)	(585,505)
Recoveries / reversals of amounts previously provided	(125,987)	(78,414)	(204,401)
Balance at the end of the year	2,213,105	315,902	2,529,007

The contractual amount outstanding on financial assets that were written off during the year ended December 31, 2025 and that are still subject to enforcement activity is ৳ 686.09 million (2024: ৳ 572.97 million).

e) Net impairment charge for financing and other financial assets for the year in the consolidated statement of income is as follows:

	2025 ৳'000	2024 ৳'000
Impairment charge for financing for the year	**671,783**	526,381
(Recoveries) / (reversals) of amounts previously provided	**(137,992)**	(204,401)
Recoveries from debts previously written off	**(154,324)**	(26,830)
Net charge for impairment in respect of due from banks and other financial institutions	**917**	611
Net impairment charge for ECL in respect of investments	**1,254**	258
Net impairment (reversal) / charge for ECL in respect of non-funded financing and credit related commitments	**(27,894)**	21,441
Impairment charge for financing and other financial assets, net	**353,744**	317,460

f) Economic sector risk concentrations for the financing and allowance for impairment are as follows:

	Performing ৳'000	Non performing ৳'000	Allowance for impairment ৳'000	Financing, net ৳'000
2025				
Government and quasi Government	**7,820,990**	**-**	**(29,741)**	**7,791,249**
Banks and other financial institutions	**5,004,578**	**-**	**(8,099)**	**4,996,479**
Manufacturing	**2,928,713**	**14,502**	**(160,257)**	**2,782,958**
Mining and quarrying	**1,077,419**	**-**	**(82)**	**1,077,337**
Electricity, water, gas and health services	**140,191**	**-**	**(487)**	**139,704**
Building and construction	**3,536,371**	**560,050**	**(516,259)**	**3,580,162**
Commerce	**26,097,284**	**219,240**	**(602,180)**	**25,714,344**
Transportation and communication	**708,047**	**-**	**(2,496)**	**705,551**
Services	**4,864,225**	**64,420**	**(304,780)**	**4,623,865**
Consumer financing and credit cards	**39,131,004**	**226,409**	**(304,913)**	**39,052,500**
Share trading	**2,494,122**	**-**	**-**	**2,494,122**
Others	**18,062,007**	**80,038**	**(238,147)**	**17,903,898**
Total	**111,864,951**	**1,164,659**	**(2,167,441)**	**110,862,169**

	Performing ৳'000	Non performing ৳'000	Allowance for impairment ৳'000	Financing, net ৳'000
2024				
Government and quasi Government	7,641,829	-	(9,435)	7,632,394
Banks and other financial institutions	3,585,753	-	(5,850)	3,579,903
Agriculture and fishing	255,521	-	(176)	255,345
Manufacturing	2,991,456	54,189	(567,769)	2,477,876
Mining and quarrying	1,134,220	-	(107)	1,134,113
Electricity, water, gas and health services	42,838	2,920	(592)	45,166
Building and construction	2,673,745	488,125	(449,106)	2,712,764
Commerce	21,182,522	214,926	(523,947)	20,873,501
Transportation and communication	544,366	-	(466)	543,900
Services	3,706,872	79,908	(304,320)	3,482,460
Consumer financing and credit cards	34,998,415	282,305	(311,327)	34,969,393
Share trading	2,189,175	-	-	2,189,175
Others	17,292,714	79,704	(355,912)	17,016,506
Total	98,239,426	1,202,077	(2,529,007)	96,912,496

g) Other real estate, net

	2025 ﷼'000	2024 ﷼'000
Balance at the beginning of the year	**139,970**	542,004
Additions during the year	**7,457**	991
Disposals during the year	**(21,174)**	(403,025)
Gross balance at the end of the year	**126,253**	139,970
Provision for unrealised revaluation losses (note (i) below)	**(253)**	(253)
Net balance at the end of the year	**126,000**	139,717

(i) This represents impairment charge booked in respect of unrealised losses on certain properties which were acquired by the Bank in prior years in satisfaction of claims against the financing customers. The amount was calculated based on revaluations conducted by the independent real estate evaluators.

8. OTHER ASSETS

	2025 ﷼'000	2024 ﷼'000
		Restated (note 43)
Advances, prepayments and other receivables	**430,562**	224,595
Margin deposits against financial instruments	**75,760**	2,028
VAT and tax related receivables	**45,845**	77,199
Others	**374,857**	341,874
Total	**927,024**	645,696

9. INVESTMENT IN AN ASSOCIATE

Investment in an associate represents the investment made by the Group in AlJazira Takaful Ta'awuni Company ("ATT"). The Group effectively holds 33.08% (2024: 33.08%) shareholding in ATT.

The share of total comprehensive income in an associate represents the Group's share in the total comprehensive income of ATT and was based on the latest available financial information of ATT for the period ended 30 September 2025. ATT is listed with Saudi Stock Exchange (Tadawul) and the market value of the investment in ATT as of 31 December 2025 was ﷼ 243.85 million (2024: ﷼ 359.34 million) based on Saudi Stock Exchange (Tadawul) market price.

The following table summarises the latest available financial information of ATT based on latest available financial statements:

	2025 ﷼'000	2024 ﷼'000
Total assets	**3,108,970**	3,062,708
Total liabilities	**2,115,747**	2,109,102
Total shareholders' equity	**992,981**	953,690
Proportion of the Group's ownership	**33.08%**	33.08%
Carrying amount of the investment	**336,713**	323,716
Revenue (underwriting, investment and other income)	**75,682**	76,788
Other operating expenses	**(32,134)**	(14,975)
Total profit for the year before zakat and income tax	**43,548**	61,813
The Group's share of profit for the year	**14,404**	16,901

The following table summarises the movement of the investment in associate during the year:

	2025 ﷼'000	2024 ﷼'000
Balance at the beginning of the year	**323,716**	243,011
Share in profit for the year before zakat and income tax	**14,404**	16,901
Share of zakat and income tax	**(1,533)**	(6,901)
Share of other comprehensive income	**6,675**	984
Additional Investment during the year	**-**	76,270
Dividend received	**(6,549)**	(6,549)
Balance at the end of the year	**336,713**	323,716

10. PROPERTY, EQUIPMENT, INTANGIBLES AND RIGHT OF USE ASSETS, NET

	2025 ﷼'000	2024 ﷼'000
Property and equipment, net (note a)	**893,312**	758,346
Right of use assets, net (note b)	**215,519**	206,953
Intangible assets (note c)	**414,194**	292,777
Total	**1,523,025**	1,258,076

a) Property and equipment, net

	Land and buildings ﷼'000	Leasehold improvements ﷼'000	Furniture, equipment and vehicles ﷼'000	Capital work in progress ﷼'000	Total ﷼'000
Cost					
At 1 January 2024	**254,028**	**557,320**	**668,346**	**198,269**	**1,677,963**
Additions during the year	**-**	**3,586**	**7,180**	**159,519**	**170,285**
Transfers during the year	**-**	**28,204**	**45,333**	**(74,774)**	**(1,237)**
Disposals during the year	**-**	**-**	**(977)**	**-**	**(977)**
At 31 December 2024	**254,028**	**589,110**	**719,882**	**283,014**	**1,846,034**
Additions during the year	-	997	5,519	176,808	183,324
Transfers during the year	-	1,513	17,033	(18,546)	-
Disposals during the year	-	-	(41,410)	-	(41,410)
Transfers/Adjustments	-	114	766	13,604	14,484
At 31 December 2025	254,028	591,734	701,790	454,880	2,002,432
Accumulated depreciation					
At 1 January 2024	11,284	410,929	607,114	-	1,029,327
Charge for the year	2,083	29,895	27,436	-	59,414
Disposals	-	-	(932)	-	(932)
Transfers/Adjustments	-	(16)	(105)	-	(121)
At 31 December 2024	**13,367**	**440,808**	**633,513**	**-**	**1,087,688**
Charge for the year	**1,836**	**27,541**	**33,320**	**-**	**62,697**
Disposals	**-**	**-**	**(41,166)**	**-**	**(41,166)**
Transfers/Adjustments	**-**	**(19)**	**(80)**	**-**	**(99)**
At 31 December 2025	**15,203**	**468,330**	**625,587**	**-**	**1,109,120**
Net book value					
At 31 December 2025	**238,825**	**123,404**	**76,203**	**454,880**	**893,312**
At 31 December 2024	240,661	148,302	86,369	283,014	758,346

b) Right of use assets, net

	Land and buildings ৳'000	Office Equipment ৳'000	Vehicles ৳'000	Total ৳'000
Cost				
At 1 January 2024	679,068	7,103	1,918	688,089
Additions during the year	63,801	13,457	1,150	78,408
At 1 January 2025	**742,869**	**20,560**	**3,068**	**766,497**
Additions during the year	**99,443**	**-**	**980**	**100,423**
At 31 December 2025	**842,312**	**20,560**	**4,048**	**866,920**
Accumulated depreciation				
At 1 January 2024	457,263	7,102	1,636	466,001
Charge for the year	86,226	6,729	588	93,543
At 1 January 2025	**543,489**	**13,831**	**2,224**	**559,544**
Charge for the year	**87,888**	**3,364**	**605**	**91,857**
At 31 December 2025	**631,377**	**17,195**	**2,829**	**651,401**
Net book value				
At 31 December 2025	**210,935**	**3,365**	**1,219**	**215,519**
At 31 December 2024	199,380	6,729	844	206,953

৳ 31.65 million (2024: ৳ 31.25 million) have been recognised in respect of short term and low value leases and is included in rent and premises related expenses & Other general and administrative expenses in the consolidated statement of income.

Majority of the Right of use assets comprise of rented branches and ATM locations which have been leased by the Group for varying terms from the landlords and will be vacated and handed over to the owners unless extended for another term based on mutual consent. The Group is responsible for maintenance and insurance of these assets during the lease term. The Group does not have any buy back option as part of the rental contracts to purchase these assets. The Group has the right to terminate some of these contracts by giving advance notice and in some cases may be required to pay part of remaining contractual payments as penalty.

c) Intangible assets

	Computer softwares ৳'000	Work in progress ৳'000	Total ৳'000
Cost			
At 1 January 2024	418,131	201,432	619,563
Additions during the year	22	82,334	82,356
Transfers during the year	101,180	(101,180)	-
Disposals	-	(276)	(276)
Transfers/Adjustments	-	1,236	1,236
At 1 January 2025	**519,333**	**183,546**	**702,879**
Additions during the year	**327**	**130,365**	**130,692**
Transfers during the year	**24,436**	**(24,436)**	**-**
Transfers/Adjustments	**172**	**13,681**	**13,853**
At 31 December 2025	**544,268**	**303,156**	**847,424**
Accumulated amortisation			
At 1 January 2024	379,122	-	379,122
Charge for the year	30,858	-	30,858
Transfers/Adjustments	122	-	122
At 1 January 2025	**410,102**	**-**	**410,102**
Charge for the year	**23,029**	**-**	**23,029**
Transfers/Adjustments	**99**	**-**	**99**
At 31 December 2025	**433,230**	**-**	**433,230**
Net book value			
At 31 December 2025	**111,038**	**303,156**	**414,194**
At 31 December 2024	109,231	183,546	292,777

11. SHARI'AH COMPLIANT DERIVATIVES

In the ordinary course of business, the Group utilizes the following Shari'ah compliant derivative financial instruments for both trading and strategic hedging purposes

11.1 Nature/type of derivatives held

a) Swaps

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) Options (Wa'ad Fx)

Foreign exchange options are transactions, whereby a client, in consideration for the payment of a fee agrees to enter into one or a series of trades in which one party (promisor) gives a commitment as a unilateral undertaking, to a second party (promisee).

An option can be a unilateral promise or combination of promises. The Group enters into the option depending on the client's risk profile, whereby the client may promise to buy, sell or buy and sell a currency with or without conditions for hedging its exposure.

11.2 Purpose of derivatives

a) Held for trading purposes

Most of the Group's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers in order, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profiting from, price differentials between markets or products.

b) Held for hedging purposes

The Group uses Shari'ah compliant derivatives for hedging purposes in order to reduce its exposure to profit rate risk and foreign exchange risk.

The Group has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Group'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 within the guidelines issued by Saudi Central Bank.

As part of its financial asset and liability management, the Group uses Shari'ah compliant derivatives for hedging purposes in order to adjust its own exposure to currency and profit rate risk. This is generally achieved by hedging specific transactions.

Cash flow hedges

The Group is exposed to variability in future cash flows on non-trading assets and liabilities which bear profit rate risk. The Group uses profit rate swaps as hedging instruments to hedge against these profit rate risks. Below is the schedule indicating as at December 31, the periods when the hedged cash flows (profit receipts / payments) are expected to occur and when they are expected to affect the consolidated statement of income:

	Within 1 year	1-3 years	3-5 years	Over 5 years
2025 ﷼'000				
Cash inflows (assets)	**79,875**	**203,056**	**184,604**	**389,589**
Cash outflows (liabilities)	**(63,393)**	**(111,541)**	**(107,956)**	**(168,908)**
Net cash outflow	**16,482**	**91,515**	**76,648**	**220,681**
2024 ﷼'000				
Cash inflows (assets)	97,224	162,917	62,440	61,940
Cash outflows (liabilities)	(96,192)	(160,682)	(173,607)	(409,029)
Net cash outflow	1,032	2,235	(111,167)	(347,089)

The gains on cash flow hedges on disposal / amortisation of previously discontinued hedging relationship, reclassified to the consolidated statement of income during the year are as follows:

	2025 ﷼'000	2024 ﷼'000
Income from investments and financing	**54,694**	35,783
Return on deposits and financial liabilities	**(24,542)**	(25,634)
Net gains on cash flow hedges reclassified to the consolidated statement of income	**30,152**	10,149

	2025 ﷼'000	2024 ﷼'000
Balance at the beginning of the year	**38,319**	31,290
Gains from change in fair value recognised directly in equity, net (effective portion)	**(48,518)**	17,178
Gains removed from equity and transferred to consolidated statement of income	**(30,152)**	(10,149)
Balance at the end of the year	**(40,351)**	38,319

Cashflow hedge reserve as of year-end include unrealised loss of ﷼ 104.55 million (2024: unrealised loss of ﷼ 16.56 million) on outstanding hedges and a realised gain of ﷼ 64.20 million (2024: realised gain of ﷼ 54.88 million) related to terminated hedges.

Fair value loss on cash flow hedges amounting to ﷼ 48.52 million (2024: gain of ﷼ 17.18 million) included in the consolidated statement of comprehensive income comprised of net unrealized loss of ﷼ 87.99 million (2024: unrealized loss of ﷼ 89.23 million) and realized gain of ﷼ 39.47 million (2024: net realised gain of ﷼ 106.40 million) on termination of hedge relationship.

During the current and prior years, the Group terminated certain of its profit rate swaps used for cash flows hedges. However, the gain / (loss) would continue to be classified in consolidated statement of comprehensive income as the related hedge items are still outstanding. In accordance with the IFRS as endorsed in KSA requirements, the gain / (loss) will be reclassified to consolidated statement of income in the period when the cash flows pertaining to hedged items will affect the consolidated statement of income i.e. when profit receipts / payments impact the consolidated statement of income which is over the remaining maturity of financial instrument / hedge items.

11.3 Details of shar'iah compliant derivatives

The table below sets out the positive and negative fair values of the Group's derivative financial instruments, together with their notional amounts. The notional amounts, which provide an indication of the volume of transactions outstanding at the year end, do not necessarily reflect the amount of future cash flows involved. The notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk.

	Notional amounts by term to maturity							
	Positive fair value	Negative fair value	Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years	Monthly average
2025 ﷼'000								
Held for trading:								
Options	**1,901**	**1,901**	**588,833**	**-**	**-**	**588,833**	**-**	**1,088,833**
Currency swaps	**2,531**	**1,214**	**3,508,936**	**1,033,936**	**2,475,000**	**-**	**-**	**4,046,657**
Currency forwards	**53**	**47**	**77,966**	**77,966**	**-**	**-**	**-**	**39,357**
Profit rate swaps	**62,747**	**52,296**	**5,894,689**	**1,197,030**	**-**	**3,330,747**	**1,366,912**	**6,262,646**
Cross currency profit rate swaps	**6,216**	**459**	**1,875,000**	**-**	**1,875,000**	**-**	**-**	**1,875,000**
Held as cash flow hedges:								
Profit rate swaps	**22,735**	**124,990**	**5,351,250**	**-**	**-**	**897,000**	**4,454,250**	**3,633,958**
Total	**96,183**	**180,907**	**17,296,674**	**2,308,932**	**4,350,000**	**4,816,580**	**5,821,162**	**16,946,451**

	Notional amounts by term to maturity							
	Positive fair value	Negative fair value	Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years	Monthly average
2024 ﷼'000								
Held for trading:								
Options	19,636	19,636	1,188,832	-	600,000	538,530	50,302	1,185,920
Currency swaps	1,175	3,516	3,168,750	1,331,250	1,837,500	-	-	3,418,760
Currency forwards	199	149	82,529	82,529	-	-	-	249,919
Profit rate swaps	73,630	65,104	5,650,087	-	1,822,500	2,326,998	1,500,589	5,985,863
Cross currency profit rate swaps	411	2,020	1,875,000	-	-	1,875,000	-	1,875,000
Held as cash flow hedges:								
Profit rate swaps	56,686	74,574	5,137,500	500,000	-	2,450,000	2,187,500	3,817,577
Total	151,737	164,999	17,102,698	1,913,779	4,260,000	7,190,528	3,738,391	16,533,039

Held for trading profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to ﷼ 7.73 million (2024: ﷼ 8.40 million) and accrued payable amounting to ﷼ 7.73 million (2024: ﷼ 8.40 million) respectively. Held as cash flow hedge profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to ﷼ 22.74 million (2024: ﷼ 35.26 million) and accrued payable amounting to ﷼ 20.44 million(2024: ﷼ 36.59 million) respectively.

All the derivative products in the above table are Shari'ah approved.

During the years ended on December 31, 2025 and December 31, 2024, the Bank's cash flow hedging relationships met the hedge effectiveness requirements under IFRS, and no material hedge ineffectiveness was recognized in Statement of Income.

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.

	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Description of hedged items (﷼ '000) 2025					
Floating rate investments	2,070,000	Cash flow	Profit rate swap	6,994	51,221
Floating rate deposits	3,281,250	Cash flow	Profit rate swap	15,742	73,770
Description of hedged items (﷼ '000) 2024					
Floating rate investments	2,450,000	Cash flow	Profit rate swap	20,932	62,213
Floating rate deposits	2,687,500	Cash flow	Profit rate swap	35,754	12,361

Currently the Bank is exposed to SAIBOR and SOFR rates on its hedging positions.

12. DUE TO BANKS, SAUDI CENTRAL BANK AND OTHER FINANCIAL INSTITUTIONS

	2025 ﷼'000	2024 ﷼'000
Current accounts	**340,077**	296,103
Money market deposits from banks and other financial institutions (refer note 12.1)	**17,932,704**	8,440,523
Repurchase agreement financing	**5,639,449**	10,572,707
Total	**23,912,230**	19,309,333

12.1 This balance includes profit free deposits received during financial year 2020 from SAMA with gross amount of ﷼ Nil (2024: ﷼ 1.47 billion) with varying maturities in order to support the Bank in its implementation of various regulatory relief packages given by the government in response to COVID-19.

The above comprise of Shari'ah approved balances as follows:

	2025 ৳'000	2024 ৳'000
Current accounts	**340,077**	296,103
Commodity murabaha	**4,380,810**	2,543,650
Wakala	**15,725,436**	7,054,443
Wa'ad	**3,465,907**	9,415,137
Total	**23,912,230**	19,309,333

13. CUSTOMERS' DEPOSITS

	2025 ৳'000	2024 ৳'000
Demand - Finance	**32,046,487**	34,564,643
Saving and call deposits	**13,654,158**	11,114,104
Customers' time investments	**67,398,888**	60,193,863
Other - Finance	**2,295,782**	2,313,904
Total	**115,395,315**	108,186,514

The above comprise of Shari'ah approved customer deposits as follows:

	2025 ৳'000	2024 ৳'000
Demand - Qard	**32,046,487**	34,564,643
Saving and call deposits- Wakala	**13,654,158**	11,114,104
Customers' time investments - Murabaha	**32,175,832**	27,758,619
Customers' time investments - Wakala	**35,223,056**	32,435,244
Other - Qard	**2,295,782**	2,313,904
Total	**115,395,315**	108,186,514

Other customers' deposits include ৳ 907.11 million (2024: ৳ 1,075.45 million) of margins held for irrevocable contingencies and commitments.

The above includes foreign currency deposits as follows:

	2025 ৳'000	2024 ৳'000
Demand	**935,139**	987,952
Customers' time investments	**3,796,037**	5,346,221
Other	**40,480**	53,887
Total	**4,771,656**	6,388,060

The foreign currency deposits are mainly in US Dollars to which the ৳ is pegged. Accordingly, the sensitivity with respect to foreign currency risk is not material.

14. SUBORDINATED SUKUK

On 8 December 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of ﷼ 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on 8 December and 8 June each year until 8 December 2031, on which date the Sukuk will expire.

The Bank has a call option which can be exercised on or after 8 December 2026 on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Exchange (Tadawul).

15. OTHER LIABILITIES

	2025 ﷼'000	2024 ﷼'000
Accounts payable	**882,890**	678,982
Employee benefit obligations (refer note 30)	**340,436**	309,433
Lease Liability - discounted (note a below)	**203,537**	177,821
Loss allowance for credit related commitments and contingencies (refer note 20(c)(iii))	**323,358**	351,252
Dividend payable	**48,282**	62,934
AlJazira Philanthropic Program (note b below)	**8,989**	4,953
Others	**845,712**	452,232
Total	**2,653,204**	2,037,607

a) The maturity analysis of lease liabilities based on contractual undiscounted cash flows is as follows:

	2025 ﷼'000	2024 ﷼'000
Less than one year	**77,603**	65,957
One to five years	**112,725**	108,494
More than five years	**46,827**	26,902
Total undiscounted lease liabilities at December 31	**237,155**	201,353
Lease liabilities included in the consolidated statement of financial position at December 31	**203,537**	177,821
Current	**67,991**	58,082
Non-Current	**135,546**	119,739

b) During 2006, aljazira bank announced the allocation of ﷼ 100 million to community services and charitable contributions directed to the local community throughout the Kingdom. The Bank's Board of Directors recognizes the importance of this vital role in serving the community and contributing to supporting this noble goal. The Bank allocated this amount to social responsibility programs, which contributes to sustainable development.

A committee emanating from the Board of Directors has been formed under the name of "Sustainability and Social Responsibility Committee" to develop, follow up and supervise the strategic plan for the Bank's social initiatives, and this committee consists of members from the Board of Directors and the executive management, also uses other independent members who are knowledgeable and experienced in social responsibility-related fields in order to enhance the quality of programs and offer strategic guidance.

16. SHARE CAPITAL & TREASURY SHARES

a) Share Capital:

The shareholders of the Bank in their Extra Ordinary General Assembly Meeting held on 28 April 2025 approved the increase in the Bank's share capital from ﷼ 10.25 billion to ﷼ 12.8 billion (increase of ﷼ 2.56 billion) through the issuance of bonus shares to shareholders of the Bank in the ratio of one share for every four shares held. The legal formalities relating to the increase in share capital completed during second quarter of 2025. Accordingly, the authorized, issued and fully paid share capital of the Bank consists of 1,281.25 million shares of ﷼ 10 each (2024: 1,025 million shares of ﷼ 10 each).

The ownership of the Bank's share capital is as follows:

	2025	2024
Saudi shareholders	**82.41%**	85.11%
Non-Saudi shareholder - National Bank of Pakistan (NBP)	**3.70%**	3.70%
Non-Saudi shareholders - others	**13.89%**	11.19%

b) Treasury Shares

The Extraordinary General Assembly Meeting held on 11 December 2024, approved the Employee Share Plan for which 4.5 million shares (pre-bonus issue) were to be purchased as treasury shares for allocating them to the Employee Share Plan. The Bank completed the purchase of these shares during the first quarter of 2025.

	2025	2024
	Number of shares	
Beginning of the year	**-**	-
Acquired (adjusted for bonus shares)	**5,625,000**	-
Vested	**(96,154)**	-
Cancelled	**-**	-
End of the year	**5,528,846**	-

17. STATUTORY RESERVE

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, ﷼ 376.39 million has been transferred from net income (2024: ﷼ 307.74 million). The statutory reserve is not available for distribution.

18. OTHER RESERVES

	Cash flow hedges ﷼' 000	Fair value reserve - FVOCI debt ﷼'000	Fair value reserve - FVOCI equity ﷼'000	Actuarial gains (note 30) ﷼'000	Employees share-based plan reserve ﷼'000	Share in OCI of associate ﷼'000	Total ﷼'000
2025							
Balance at beginning of the year - restated	**38,319**	**(1,187,941)**	**226,281**	**31,691**	**-**	**10,817**	**(880,833)**
Net change in fair value	**(48,518)**	**318,057**	**50,363**	**-**	**-**	**6,675**	**326,577**
Reclassified to consolidated statement of income (note 11.2(b))	**(30,152)**	**-**	**-**	**-**	**-**	**-**	**(30,152)**
Actuarial losses on employee benefit obligation (note 30.1 (d))	**-**	**-**	**-**	**(8,040)**	**-**	**-**	**(8,040)**
Employee share based plan reserve	**-**	**-**	**-**	**-**	**14,892**	**-**	**14,892**
Share based payment transactions	**-**	**-**	**-**	**-**	**(1,207)**	**-**	**(1,207)**
Net movement during the year	**(78,670)**	**318,057**	**50,363**	**(8,040)**	**13,685**	**6,675**	**302,070**
Balance at the end of the year	**(40,351)**	**(869,884)**	**276,644**	**23,651**	**13,685**	**17,492**	**(578,763)**

	Cash flow hedges ﷼' 000	Fair value reserve - FVOCI debt ﷼' 000	Fair value reserve - FVOCI equity ﷼' 000	Actuarial gains (note 30) ﷼'000	Share in OCI of associate ﷼' 000	Total ﷼' 000
2024	**Restated**					
Balance at beginning of the year	31,290	(859,574)	(75,324)	49,376	9,833	(844,399)
Impact of restatement (note 43)	-	-	212,633	-	-	212,633
Balance at beginning of the year - restated	31,290	(859,574)	137,309	49,376	9,833	(631,766)
Net change in fair value	17,178	(328,367)	89,115	-	984	(221,090)
Transfers to retained earnings on disposal	-	-	(143)	-	-	(143)
Reclassified to consolidated statement of income (note 11.2(b))	(10,149)	-	-	-	-	(10,149)
Actuarial losses on employee benefit obligation (note 30.1 (d))	-	-	-	(17,685)	-	(17,685)
Net movement during the year	7,029	(328,367)	88,972	(17,685)	984	(249,067)
Balance at the end of the year	38,319	(1,187,941)	226,281	31,691	10,817	(880,833)

19. TIER 1 SUKUK

During the current year, the Bank issued cross border Tier 1 Sukuk through a Shari'ah compliant arrangement amounting to ﷼ 1.875 billion (denominated in US Dollars). This issuance forms part of the Bank's USD 1.5 billion Additional Tier 1 Capital Sukuk Programme. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.5% per annum from date of issue up to September 2030 and is subject to reset every 5 years.

During the first quarter of the current year, the Bank also completed the issuance of an ﷼-denominated additional Tier 1 sukuk of ﷼ 1 billion (which is part of additional Tier 1 Capital Sukuk Programme of ﷼ 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.3% per annum from date of issue up to January 2030 and is subject to reset every 5 years.

As part of the additional Tier 1 Capital Sukuk Programme of ﷼ 5 billion, the Bank had also completed during year 2023, the issuance of an ﷼-denominated additional Tier 1 sukuk of ﷼ 2 billion by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6% per annum from date of issue up to June 2028 and is subject to reset every 5 years.

Additionally, during the year 2021, the Bank issued cross border Tier 1 Sukuk (the "Sukuk) through a Shari'ah compliant arrangement amounting to ﷼ 1.875 billion (denominated in US Dollars). This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 3.95% per annum from date of issue up to June 2026 and is subject to reset every 5 years.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

20. COMMITMENTS AND CONTINGENCIES

a) Legal proceedings

As at December 31, 2025, there were legal proceedings of routine nature outstanding against the Group. No significant provision has been made as related professional legal advice indicated that it is unlikely that any significant loss will eventually arise.

b) Capital commitments

As at December 31, 2025, the Group had capital commitments of ﷼ 154.44 million (2024: ﷼ 276.22 million) in respect of premises and IT related projects.

c) Credit related commitments and contingencies

The primary purpose of these instruments is to ensure that funds are available to customers as required.

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as financing. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the related commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate and, therefore, have significantly less credit 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 customers.

Commitments to extend credit represent the unused portion of authorisations to extend credit, principally in the form of financing, guarantees and letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss, which cannot be readily quantified, is expected to be considerably less than the total unused commitments as 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 the commitments could expire or terminate without being funded.

i) The contractual maturity structure for the Group's credit related commitments and contingencies are as follows:

	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
2025			৳'000		
Letters of credit	**2,709,072**	**1,076,213**	**547,618**	**-**	**4,332,903**
Letters of guarantee	**12,197,537**	**3,273,435**	**262,842**	**36,161**	**15,769,975**
Acceptances	**1,330,997**	**-**	**-**	**-**	**1,330,997**
Irrevocable commitments to extend credit	**48,842**	**6,015**	**1,072,119**	**975,626**	**2,102,602**
Total	**16,286,448**	**4,355,663**	**1,882,579**	**1,011,787**	**23,536,477**
Allowance for impairment					**(323,358)**
Net exposure					**23,213,119**
2024					
Letters of credit	1,544,225	792,054	543,839	-	2,880,118
Letters of guarantee	9,471,687	2,504,007	224,809	23,050	12,223,553
Acceptances	1,108,259	-	-	-	1,108,259
Irrevocable commitments to extend credit	-	104,620	561,278	1,426,431	2,092,329
Total	12,124,171	3,400,681	1,329,926	1,449,481	18,304,259
Allowance for impairment					(351,252)
Net exposure					17,953,007

Due to the nature of the contingent liabilities and credit commitment, it is probable that the guarantees and commitments could be called in the less than three months bucket, being the earliest period in which the guarantees could be called, and commitments could be drawn.

The outstanding unused portion of commitments as at December 31, 2025, which can be revoked unilaterally at any time by the Group, amounts to ৳ 6.92 billion (2024: ৳ 5.64 billion).

ii) The following table explains changes in gross carrying amount of the credit related commitments and contingencies to help explain their significance to the changes in the credit loss allowance for the same portfolio.

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2025		৳'000		
Gross carrying amount as at 1 January 2025	**17,283,933**	**486,381**	**533,945**	**18,304,259**
Transfer to 12-month ECL	**17,859**	**(16,583)**	**(1,276)**	**-**
Transfer to lifetime ECL not credit - impaired	**(436,873)**	**436,873**	**-**	**-**
Transfer to lifetime ECL credit - impaired	**(122,348)**	**-**	**122,348**	**-**
New financial assets originated	**5,514,272**	**171,348**	**-**	**5,685,620**
Financial assets derecognised during the year	**(837,175)**	**(116,559)**	**(174,341)**	**(1,128,075)**
Other movements	**(4,277)**	**719,574**	**(40,624)**	**674,673**
Gross carrying amount as at 31 December 2025	**21,415,391**	**1,681,034**	**440,052**	**23,536,477**

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2024	৳'000			
Gross carrying amount as at 1 January 2024	13,187,483	48,116	519,682	13,755,281
Transfer to 12-month ECL	46,078	(44,772)	(1,306)	-
Transfer to lifetime ECL not credit - impaired	(127,236)	127,236	-	-
Transfer to lifetime ECL credit - impaired	(28,475)	(1,178)	29,653	-
New financial assets originated	5,148,474	5,000	-	5,153,474
Financial assets derecognised during the year	(1,008,259)	(685)	(14,078)	(1,023,022)
Other movements	65,868	352,664	(6)	418,526
Gross carrying amount as at 31 December 2024	17,283,933	486,381	533,945	18,304,259

Other movements mainly represent changes in exposures for customers where there has been no change in the stage during the year.

iii) An analysis of changes in allowance for impairment for credit related commitments and contingencies is as follows:

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2025	৳'000			
ECL as at 1 January 2025	**52,487**	**2,059**	**296,706**	**351,252**
Transfer to 12-month ECL	**712**	**(74)**	**(638)**	**-**
Transfer to lifetime ECL not credit - Impaired	**(1,031)**	**1,031**	**-**	**-**
Transfer to lifetime ECL credit impaired	**(530)**	**-**	**530**	**-**
Net re-measurement of loss allowance	**(18,276)**	**10,526**	**72,303**	**64,553**
New financial assets originated	**8,716**	**2,330**	**-**	**11,046**
Financial assets that have been derecognized	**(2,183)**	**(166)**	**(101,144)**	**(103,493)**
ECL as at 31 December 2025	**39,895**	**15,706**	**267,757**	**323,358**

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2024	﷼'000			
ECL as at 1 January 2024	44,753	301	284,757	329,811
Transfer to 12-month ECL	270	(232)	(38)	-
Transfer to lifetime ECL not credit - Impaired	(344)	344	-	-
Transfer to lifetime ECL credit impaired	(196)	(6)	202	-
Net re-measurement of loss allowance	(5,102)	1,640	19,889	16,427
New financial assets originated	15,270	38	-	15,308
Financial assets that have been derecognized	(2,164)	(26)	(8,104)	(10,294)
ECL as at 31 December 2024	52,487	2,059	296,706	351,252

iv) The analysis of commitments and contingencies by counterparty is as follows:

	2025 ﷼'000	2024 ﷼'000
Government and quasi government	**433,013**	759,482
Corporate	**14,050,630**	11,509,122
Banks and other financial institutions	**9,052,834**	6,035,655
	23,536,477	18,304,259
Allowance for impairment	**(323,358)**	(351,252)
Total	**23,213,119**	17,953,007

d) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases where the Group is the lessee are as follows:

	2025 ﷼'000	2024 ﷼'000
Less than 1 year	**21,363**	23,742
1 to 5 years	**41,433**	68,142
Total	**62,796**	91,884

21. NET FINANCING AND INVESTMENT INCOME

	2025 ﷼'000	2024 ﷼'000
Income from investments and financing		
Financing	**6,670,124**	5,856,180
Investments held at amortised cost	**974,042**	925,943
Investments held at FVOCI	**402,986**	380,506
Shari`ah compliant derivatives	**199,242**	376,579
Due from banks and other financial institutions	**350,791**	439,585
Total	**8,597,185**	7,978,793
Return on deposits and financial liabilities		
Customers` deposits	**4,121,598**	3,740,659
Due to banks and other financial institutions	**1,164,669**	1,107,031
Shari`ah compliant derivatives	**157,659**	331,951
Subordinated Sukuk	**141,984**	157,645
Finance cost on leased assets	**16,495**	11,591
Others	**(4,872)**	(4,506)
Total	**5,597,533**	5,344,371
Net financing and investment income	**2,999,652**	2,634,422

All of the Group's income from investments and financing and return on deposits and financial liabilities is from Shari`ah approved products.

Shari`ah-compliant derivatives income included above is measured on a basis other than the effective profit rate (EPR). Financing income includes income from Ijara (Auto Lease) contracts amounting to ﷼ 97.05 million (2024: ﷼ 47.73 million) which is as booked as per IFRS 16.

22. FEES FROM BANKING SERVICES, NET

	2025 ﷼'000	2024 ﷼'000
Fees from banking services - income		
Cards business	**381,030**	380,234
Mutual funds fees	**283,027**	188,095
Trade finance	**177,571**	147,736
Local share trading	**97,666**	171,684
Fees from remittance business	**63,345**	71,803
Investment banking and advisory fee	**19,905**	20,937
Financing related fees	**51,904**	35,555
International share trading	**18,300**	14,469
Others	**43,075**	55,153
Total fees from banking services	**1,135,823**	1,085,666
Fees from banking services - expense		
Cards related expenses	**(305,026)**	(348,936)
Brokerage fees	**(51,350)**	(90,478)
Mutual funds related expenses	**(23,287)**	(26,753)
Financing related expenses	**(18,802)**	(12,785)
International share trading	**(3,268)**	(2,616)
Remittance business fee expense	**(101)**	(37)
Total fees expense on banking services	**(401,834)**	(481,605)
Total	**733,989**	604,061

23. NET GAIN / (LOSS) ON FVIS FINANCIAL INSTRUMENTS

	2025 ৳'000	2024 ৳'000
Mutual funds	**85,870**	44,647
Equities and convertible debt instruments	**83,376**	(1,732)
Derivatives	**2,644**	1,726
Total	**171,890**	44,641

Net gain on FVIS financial instruments includes net unrealized gain of ৳ 197.62 million (2024: unrealised gain of ৳ 19.45 million).

24. DIVIDEND INCOME

	2025 ৳'000	2024 ৳'000
Investments - FVOCI	**176,402**	151,499
Investments - FVIS	**75,553**	41,182
Total	**251,955**	192,681

25. OTHER OPERATING INCOME

	2025 ৳'000	2024 ৳'000
Gain on sale of other real estate	**3,219**	68,077
Gain on sale of property and equipment	**564**	14
Others	**32,896**	14,442
Total	**36,679**	82,533

26. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	2025 ৳'000	2024 ৳'000
VAT and government related charges	**106,126**	72,859
Repair & maintenance, utilities and IT cost	**374,131**	342,138
Insurance cost	**46,235**	39,351
Legal, Professional and consultancy fee	**83,898**	77,291
Communication, publication and advertisement charges	**95,187**	53,248
Stationery and supplies	**35,758**	35,416
Travel and entertainment	**16,107**	14,235
Others	**52,303**	68,156
Total	**809,745**	702,694

26.1. Auditors' remuneration

Auditors' remuneration for the statutory audit of the Group's consolidated financial statements (including financial statements of the subsidiaries) for the year ended 31 December 2025 amounts to ﷼ 3.74 million (2024: ﷼ 2.76 million). Auditors' remuneration for the review of the Group's interim financial information for the year ended 31 December 2025 and provision of other statutory and related services amounts to ﷼ 1.19 million and ﷼ 1.12 million respectively. (2024: ﷼ ﷼ 1.03 million and ﷼ 0.42 million respectively)

27. EARNINGS PER SHARE

Basic earnings per share for the current and prior year is calculated by dividing the net income for the year attributable to common equity holders of the Bank (adjusted for Tier 1 sukuk related costs) by the weighted average number of ordinary shares outstanding. The weighted average number of shares have been retrospectively adjusted for prior year to reflect the effect of the changes in number of shares due to issue of bonus shares.

	2025 ﷼'000	2024 ﷼'000
Profit attributable to ordinary share holders (adjusted for Tier 1 sukuk related costs)		Restated
For basic and diluted earnings per share	**1,276,278**	1,035,127
Weighted-average number of ordinary shares after the adjustment of treasury shares		
	Shares	Shares
For basic and diluted earnings per share	**1,276,214,869**	1,281,250,000
Basic and diluted earnings per share (in ﷼)	**1.00**	0.81

The calculations of basic and diluted earnings per share are same for the Group.

28. ZAKAT AND INCOME TAX

	2025 ﷼'000	2024 ﷼'000
Zakat		
Current year	**189,567**	167,810
Prior year	**77,578**	(2,529)
	267,145	165,281
Income tax		
Current year	**13,144**	8,384
	13,144	8,384
Total	**280,289**	173,665

Status of assessments:

The Bank has submitted its objection to the General Secretariat of Tax Committees (GSTC) related to Zakat assessments for the years 2019 and 2021, amounting to ﷼ 77.57 million and ﷼ 65.5 million respectively. The Bank continues to contest this case as it has strong grounds.

As of 31 December 2025, the Bank has filed its Zakat and Income Tax returns with the Zakat, Tax, and Customs Authority (ZATCA) and has paid Zakat and Income Tax for the years up to and including 2024. Zakat and Income Tax assessments have been finalized up to the fiscal year 2018.

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	2025 ﷼'000	2024 ﷼'000
		Restated (noted 43)
Cash and balances with SAMA, excluding statutory deposit (note 4)	**1,554,523**	1,154,335
Due from banks and other financial institutions with original maturity of 90 days or less from the date of acquisition	**986,136**	1,635,471
Total	**2,540,659**	2,789,806

29.1 Below is a reconciliation of liabilities arising from financing activities:

	Subordinated Sukuk	Dividend Payable	Lease liabilities against right of use assets
2025		৳'000	
Balances as at 1 January 2025	**2,005,918**	**62,934**	**177,821**
Changes from financing cash flows			
Payment of return on Subordinate Sukuk	**(140,414)**	**-**	**-**
Payment of leased liability - principal	**-**	**-**	**(74,707)**
Dividend paid	**-**	**(14,652)**	**-**
Other changes			
Increase due to additions	**-**	**-**	**100,423**
Payment of leased liability - profit	**-**	**-**	**(16,495)**
Financing cost	**140,243**	**-**	**16,495**
Amortisation of transaction cost	**1,742**	**-**	**-**
Balances as at 31 December 2025	**2,007,489**	**48,282**	**203,537**

	Subordinated Sukuk	Dividend Payable	Lease liabilities against right of use assets
2024		৳'000	
Balances as at 1 January 2024	2,004,346	66,610	197,373
Changes from financing cash flows			
Payment of return on Subordinate Sukuk	(156,073)	-	-
Payment of leased liability - principal	-	-	(97,960)
Dividend paid	-	(3,676)	-
Other changes			
Increase due to additions	-	-	78,408
Payment of leased liability - profit	-	-	(11,591)
Financing cost	155,903	-	11,591
Amortisation of transaction cost	1,741	-	-
Other adjustments	1	-	-
Balances as at 31 December 2024	2,005,918	62,934	177,821

30. EMPLOYEE BENEFIT OBLIGATION

30.1 Defined Benefit obligation

a) General description

The Group operates an "End of Service Benefit Plan" for its employees based on the prevailing Saudi Labour Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

b) The amounts recognized in the consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2025 ﷼'000	2024 ﷼'000
Defined benefit obligation at the beginning of the year	**309,433**	293,066
Charge for the year	**36,658**	23,334
Finance cost	**15,873**	12,505
Benefits paid	**(29,568)**	(37,157)
Re-measurements	**8,040**	17,685
Defined benefit obligation at the end of the year	**340,436**	309,433

c) Amounts recognized in consolidated statement of income

	2025 ﷼'000	2024 ﷼'000
Current service cost	**36,658**	33,277
Past service cost	**-**	(9,943)
	36,658	23,334

d) Re-measurement gain recognised in consolidated other comprehensive income

	2025 ﷼'000	2024 ﷼'000
Changes in experience assumptions	**17,781**	(5,849)
Changes in demographic assumptions	**-**	569
Changes in financial assumptions	**(9,741)**	22,965
	8,040	17,685

e) Principal actuarial assumptions used in estimating the defined benefit obligation included:

	2025	2024
Discount rate	**5.15%**	5.35%
Expected rate of salary increase (long term)	**3.80%**	3.00%
Withdrawal rate	**13% up to 35 years and 9% for others**	13% up to 35 years and 9% for others
Average duration	**8.01 years**	6.72 years
Normal retirement age	**65 years**	65 years

f) The table below illustrates the sensitivity of the defined benefit obligation due to changes in the key assumptions and holding all other variables constant:

	Change in assumption	Increase in assumption	Decrease in assumption
2025			**﷼'000**
Discount rate	**1%**	**(26,102)**	**30,022**
Expected rate of salary increase	**1%**	**31,484**	**(27,824)**
Withdrawal rate	**10%**	**(1,637)**	**1,944**
2024			**﷼'000**
Discount rate	1%	(20,710)	23,570
Expected rate of salary increase	1%	24,910	(22,247)
Withdrawal rate	10%	(624)	776

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions are correlated.

g) Expected maturity analysis of undiscounted defined benefit obligation for the end of service plan is as follows:

	Less than a year	1-2 years	2-5 years	Over 5 years	Total
			﷼'000		
December 31, 2025	**32,064**	**28,683**	**81,576**	**417,485**	**559,808**
December 31, 2024	36,435	32,153	85,354	334,046	487,988

h) The expected contribution for next year amounts to ﷼ 54.83 million (2024: ﷼ 50.10 million) comprising of service cost and finance cost.

30.2Defined Contribution obligation

The Group makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was ﷼ 51.99 million (2024: ﷼ 45.54 million).

31. OPERATING SEGMENTS

The operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (Chief Executive Officer) in order to allocate resources to the segments and to assess their performance.

All of the Group's operations are based in the Kingdom of Saudi Arabia.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the consolidated statement of income. Segment assets and liabilities comprise operating assets and liabilities.

For management reporting purposes, the Group is organized into following main operating segments:

Personal banking

Deposit, credit and investment products for individuals.

Corporate banking

Financing, deposits and other credit products for corporate, small to medium sized business and institutional customers.

Treasury

Treasury includes money market, foreign exchange, trading and treasury services.

Brokerage and asset management

Group provides shares brokerage and asset management services to customers (this segment includes the activities of the Bank's subsidiary AlJazira Capital Company).

Others

Others include investment in associate, inter segment income and expense eliminations and gain on sale of other real estate.

The Group's total assets and liabilities and its income from operations and net income for the year by operating segment are as follows:

	Personal banking	Corporate banking	Treasury	Brokerage and asset management	Others	Total
2025			‘000			
Total assets	**50,493,881**	**58,676,385**	**51,637,409**	**4,779,660**	**336,639**	**165,923,974**
Total liabilities	**40,818,288**	**57,717,783**	**42,914,733**	**2,698,415**	**(74)**	**144,149,145**
Inter - segment profit / (loss)	**294,302**	**(271,680)**	**(22,622)**	**-**	**-**	**-**
Total operating income	**2,328,650**	**1,343,154**	**511,747**	**629,301**	**(348,518)**	**4,464,334**
of which:						
- Net financing and investment income	**1,796,136**	**1,021,632**	**47,262**	**134,622**	**-**	**2,999,652**
- Fees from banking services, net	**259,985**	**197,460**	**85**	**340,992**	**(64,533)**	**733,989**
- Net gain /(loss) on FVIS financial instruments	**60,188**	**15,527**	**25,026**	**74,544**	**(3,395)**	**171,890**
Total operating expenses	**(1,617,318)**	**(645,474)**	**(177,938)**	**(251,725)**	**1,083**	**(2,691,372)**
of which:						
- Impairment charge for financing and other financial assets, net	**(27,616)**	**(325,234)**	**(894)**	**-**	**-**	**(353,744)**
- Depreciation and amortisation	**(137,309)**	**(16,853)**	**(12,056)**	**(11,365)**	**-**	**(177,583)**
Share in net income of an associate	**-**	**-**	**-**	**1,839**	**11,032**	**12,871**
Net income before zakat and income tax	**711,332**	**697,680**	**333,809**	**379,415**	**(336,403)**	**1,785,833**

	Personal banking	Corporate banking	Treasury	Brokerage and asset management	Others	Total
2024			‘000			
Total assets	44,685,961	50,552,799	49,617,330	3,938,976	323,635	149,118,701
Total liabilities	43,727,176	52,491,559	33,279,798	2,205,919	(81)	131,704,371
Inter - segment profit / (loss)	582,223	19,847	(558,203)	-	(43,867)	-
Total operating income	2,081,817	1,203,802	404,576	441,775	(352,573)	3,779,397
of which:						
- Net financing and investment income	1,643,417	913,986	22,171	98,714	(43,866)	2,634,422
- Fees from banking services, net	232,490	164,153	87	275,255	(67,924)	604,061
- Net gain /(loss) on FVIS financial instruments	-	-	15,011	29,630	-	44,641
Total operating expenses	(1,530,824)	(501,602)	(162,867)	(197,487)	1,101	(2,391,679)
of which:						
- Impairment charge for financing and other financial assets, net	(53,328)	(263,262)	(870)	-	-	(317,460)
- Impairment reversal for other real estate	-	42,571	-	-	-	42,571
- Depreciation and amortisation	(142,990)	(16,997)	(13,244)	(10,584)	-	(183,815)
Share in net income of an associate	-	-	-	2,414	14,487	16,901
Net income before zakat and income tax	550,993	702,200	241,709	246,702	(336,985)	1,404,619

a) The Group's credit exposure by operating segment is as follows:

	Personal banking	Corporate banking	Brokerage and asset management	Treasury	Total
2025			৳'000		
Assets	**2,573,801**	**58,837,796**	**49,791,363**	**37,858,931**	**149,061,891**
Commitments and contingencies	**-**	**20,108,465**	**-**	**-**	**20,108,465**
Derivatives	**-**	**-**	**-**	**706,055**	**706,055**
2024					
Assets	44,379,691	50,287,374	2,257,913	37,553,088	134,478,066
Commitments and contingencies	-	15,608,803	-	-	15,608,803
Derivatives	-	-	-	664,660	664,660

Credit exposure comprises the carrying value of the consolidated assets excluding cash, property and equipment, other real estate, investment in equities and mutual funds and certain other assets. Additionally, the credit equivalent values of commitments, contingencies and derivatives are also included in the credit exposure.

32. FINANCIAL RISK MANAGEMENT

32.1 Credit Risk

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has set up Board Risk Committee (BRC) which has the responsibility to monitor the overall risk process within the Bank.

The BRC has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The BRC is responsible for supervising risk management decisions and monitoring risk levels and reviewing Risk Management reports / Dashboards on a regular basis. BRC is mandated to escalate to the Board any risk management issue which warrants attention of the Board of Directors of the Bank.

The Group manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in lending activities that lead to financing, and investment activities. There is also credit risk in off-balance sheet financial instruments, such as credit related commitments.

The Group assesses the probability of default of counterparties using internal rating tools. Also, the Group uses the external ratings, of the major rating agency, where available.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are monitored daily. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfil their obligation, and to control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group seeks to manage its credit risk exposure through diversification of financing activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or business. It also takes security when appropriate. The Group also seeks additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual financing.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

The Group regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The debt securities included in the investment portfolio are mainly sovereign risk. Analysis of investments by counter-party is provided in note 6. For details of the composition of financing refer to note 7. Information on credit risk relating to shari'ah compliant derivative instruments is provided in note 11 and for commitments and contingencies in note 20. The information on Bank's maximum credit exposure by business segment is given in note 31.

The Group's internal credit rating grading is as follows:

ajb Internal Grade	Description	Band	PD Lower Bound	PD Upper Bound	Mapping to Moodys Master Scale	Moody's Master Scale Mid-Point PD
1A	Superior	1	0.000%	0.010%	A2	0.0109%
2A	Excellent	2	0.010%	0.015%	A2	0.0109%
2B	Excellent		0.015%	0.023%	A2	0.0109%
2C	Excellent		0.023%	0.035%	A3	0.0389%
3A	Very Good	3	0.035%	0.053%	A3	0.0389%
3B	Very Good		0.053%	0.080%	Baa1	0.0900%
3C	Very Good		0.080%	0.120%	Baa1	0.0900%
4A	Good	4	0.120%	0.190%	Baa2	0.1700%
4B	Good		0.190%	0.280%	Baa2	0.1700%
4C	Good		0.280%	0.430%	Baa3	0.4200%
5A	Acceptable	5	0.430%	0.700%	Baa3	0.4200%
5B	Acceptable		0.700%	1.000%	Ba1	0.8700%
5C	Acceptable		1.000%	1.500%	Ba2	1.5600%
6A	Acceptable with Care	6	1.500%	2.300%	Ba2	1.5600%
6B	Acceptable with Care, Not Rated, Start Up		2.300%	3.500%	Ba3	2.8100%
6C	Acceptable with Care, Watch list		3.500%	5.000%	B1	4.6800%
7A	Special Attention	7	5.000%	8.000%	B2	7.1600%
7B	Special Attention		8.000%	12.000%	B3	11.6200%
7C	Special Attention		12.000%	100.000%	Caa1	17.3816%
8A	Default -Sub-Standard	8	100.000%	100.000%	C	100.0000%
9A	Default -Doubtful	9	100.000%	100.000%	C	100.0000%
9B	Default - Loss		100.000%	100.000%	C	100.0000%

32.2 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortized cost and FVOCI sukuk investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For credit related commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

December 31, 2025	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Due from banks and other financial institutions, net	﷼'000			
Investment grade	**5,849,717**	**-**	**-**	**5,849,717**
Non-investment grade	**9,277**	**173,952**	**-**	**183,229**
Unrated	**1,809**	**170**	**-**	**1,979**
	5,860,803	**174,122**	**-**	**6,034,925**
Allowance for ECL	**(2,954)**	**(6,200)**	**-**	**(9,154)**
Carrying amount	**5,857,849**	**167,922**	**-**	**6,025,771**
Financing to customers at amortized cost				
Low - fair risk	**107,196,956**	**-**	**-**	**107,196,956**
Watch list	**-**	**3,275,034**	**1,392,961**	**4,667,995**
Default	**-**	**-**	**1,164,659**	**1,164,659**
	107,196,956	**3,275,034**	**2,557,620**	**113,029,610**
Allowance for ECL	**(337,463)**	**(240,677)**	**(1,589,301)**	**(2,167,441)**
Carrying amount	**106,859,493**	**3,034,357**	**968,319**	**110,862,169**

Lifetime ECL credit impaired includes non-performing Financing. It also includes exposures that are now performing but have yet to complete the curing period to be eligible to be upgraded to a not-impaired category.

December 31, 2024	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Due from banks and other financial institutions, net	**'000**			
Investment grade	6,451,718	-	-	6,451,718
Non-investment grade	7,490	175,835	-	183,325
Unrated	70,311	-	-	70,311
	6,529,519	175,835	-	6,705,354
Allowance for ECL	(2,053)	(6,184)	-	(8,237)
Carrying amount	6,527,466	169,651	-	6,697,117
Financing to customers at amortized cost				
Low - fair risk	93,437,785	-	-	93,437,785
Watch list	-	2,571,824	2,229,817	4,801,641
Default	-	-	1,202,077	1,202,077
	93,437,785	2,571,824	3,431,894	99,441,503
Allowance for ECL	(317,382)	(282,012)	(1,929,613)	(2,529,007)
Carrying amount	93,120,403	2,289,812	1,502,281	96,912,496

a) The following table sets out information about the credit quality of financing to customers at amortized cost by class of financial instrument:

Consumer financing	December 31, 2025			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Financing to customers at amortized cost	**'000**			
Low - fair risk	**38,908,520**	**-**	**-**	**38,908,520**
Watch list	**-**	**436,137**	**84,055**	**520,192**
Default	**-**	**-**	**233,680**	**233,680**
	38,908,520	**436,137**	**317,735**	**39,662,392**
Allowance for ECL	**(151,488)**	**(6,276)**	**(150,988)**	**(308,752)**
Carrying amount	**38,757,032**	**429,861**	**166,747**	**39,353,640**

Consumer financing	December 31, 2024			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Financing to customers at amortized cost	﷼'000			
Low - fair risk	35,038,615	-	-	35,038,615
Watch list	-	248,654	-	248,654
Default	-	-	291,192	291,192
	35,038,615	248,654	291,192	35,578,461
Allowance for ECL	(140,033)	(2,738)	(173,131)	(315,902)
Carrying amount	34,898,582	245,916	118,061	35,262,559

Commercial financing	December 31, 2024			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Financing to customers at amortized cost	﷼'000			
Low - fair risk	58,399,170	-	-	58,399,170
Watch list	-	2,323,170	2,229,817	4,552,987
Default	-	-	910,885	910,885
	58,399,170	2,323,170	3,140,702	63,863,042
Allowance for ECL	(177,349)	(279,274)	(1,756,482)	(2,213,105)
Carrying amount	58,221,821	2,043,896	1,384,220	61,649,937

Commercial financing	December 31, 2025			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Financing to customers at amortized cost	﷼'000			
Low - fair risk	**68,288,436**	**-**	**-**	**68,288,436**
Watch list	**-**	**2,838,897**	**1,308,906**	**4,147,803**
Default	**-**	**-**	**930,979**	**930,979**
	68,288,436	**2,838,897**	**2,239,885**	**73,367,218**
Allowance for ECL	**(185,975)**	**(234,401)**	**(1,438,313)**	**(1,858,689)**
Carrying amount	**68,102,461**	**2,604,496**	**801,572**	**71,508,529**

The following table sets out information about the credit quality of debt investments.

December 31, 2025	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Debt investment securities at amortized cost	**₦'000**			
Low - fair risk	**22,241,528**	**-**	**-**	**22,241,528**
Allowance for ECL	**(9,226)**	**-**	**-**	**(9,226)**
Carrying amount	**22,232,302**	**-**	**-**	**22,232,302**
Debt investment securities at FVOCI				
Low - fair risk	**10,516,343**	**-**	**-**	**10,516,343**
Allowance for ECL	**(3,980)**	**-**	**-**	**(3,980)**
Carrying amount	**10,512,363**	**-**	**-**	**10,512,363**

December 31, 2024	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Debt investment securities at amortized cost	**₦'000**			
Low - fair risk	21,093,972	-	-	21,093,972
Allowance for ECL	(10,105)	-	-	(10,105)
Carrying amount	21,083,867	-	-	21,083,867
Debt investment securities at FVOCI				
Low - fair risk	9,786,433	-	-	9,786,433
Allowance for ECL	(1,847)	-	-	(1,847)
Carrying amount	9,784,586	-	-	9,784,586

The classification of investments in debt instruments as per their external ratings is as follows:

	2025 ৳'000	2024 ৳'000
Aa3	**10,789,604**	12,834,213
A2	**8,793,184**	7,063,658
A3	**846,987**	735,619
Baa1	**286,444**	-
Baa3	**1,525,309**	460,482
Debt investment securities at amortized cost	**22,241,528**	21,093,972
Aa3	**9,484,465**	9,337,827
A2	**160,551**	386,658
A3	**415,111**	10,098
Baa3	**456,216**	51,850
Debt investment securities at FVOCI	**10,516,343**	9,786,433

The following table sets out information about the credit quality of Commitments and contingencies.

Commitments and contingencies	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
December 31, 2025	**৳'000**			
Low - fair risk	**21,415,391**	**-**	**-**	**21,415,391**
Watch list	**-**	**1,681,034**	**79,169**	**1,760,203**
Default	**-**	**-**	**360,883**	**360,883**
	21,415,391	**1,681,034**	**440,052**	**23,536,477**
Allowance for ECL	**(39,895)**	**(15,706)**	**(267,757)**	**(323,358)**
Carrying amount (net of provision)	**21,375,496**	**1,665,328**	**172,295**	**23,213,119**
December 31, 2024				
Low - fair risk	17,283,933	-	-	17,283,933
Watch list	-	486,381	28,643	515,024
Default	-	-	505,302	505,302
	17,283,933	486,381	533,945	18,304,259
Allowance for ECL	(52,487)	(2,059)	(296,706)	(351,252)
Carrying amount (net of provision)	17,231,446	484,322	237,239	17,953,007

32.3 Amounts arising from ECL - Significant increase in credit risk ("SICR")

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.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group classifies it's financing into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1 (12 month ECL): When a financing is first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 financing also include facilities where the credit risk has improved and the financing has been reclassified from Stage 2.

Stage 2 (Life time ECL not credit impaired): When a financing has shown a significant increase in credit risk ("SICR") since origination, the Group records an allowance for the Lifetime ECL. Stage 2 financing also include facilities, where the credit risk has improved and the financing has been reclassified from Stage 3.

Stage 3 (Lifetime ECL credit impaired): Financing considered credit-impaired. The Group records an allowance for the Lifetime ECL.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit is subsequently recognised based on a credit-adjusted effective yield rate. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

a) Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

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. Significant increase in credit risk is also evaluated based on the credit monitoring framework, including decrease in internal rating and macroeconomic factors and is subject to management overrides.

As a backstop, 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 borrower.

The Group monitors the effectiveness of the criteria used to identify SICR by regular reviews to confirm that:

- the criteria are capable of identifying SICR 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 ECL from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each corporate exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of exposures involves use of the following data.

Corporate exposures	Retail exposures	All exposures
• Information obtained during periodic review of customer files - e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality management, and senior management changes. • Data from credit reference agencies, press articles, changes in external credit ratings • Quoted bond and credit default swap (CDS) prices for the borrower where available • Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.	• Internally collected data and customer behaviour - e.g. utilization of credit card facilities • Affordability metrics • External data from credit reference agencies including industry-standard credit scores	• Payment record - this includes overdue status as well as a range of variables about payment ratios • Utilization of the granted limit • Requests for and granting of forbearance • Existing and forecast changes in business, financial and economic conditions

b) Generating the term structure of PD

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 credit risk exposures analysed by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP growth, oil prices, real wages and unemployment rates. For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the credit risk managers and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

c) Definition of 'Default'

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the 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 borrower 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.

d) Modified financial assets

The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized and the renegotiated financing recognized as a new financing at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Group renegotiates financings to customers in financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Bank's forbearance policy, financing forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of profit payments and amending the terms of financing covenants. Both consumer and commercial financing are subject to the forbearance/remedial policy. The Bank Board Risk Committee regularly reviews reports on forbearance activities.

The following tables refer to modified financial assets where modification does not result in derecognition.

	2025 ﷼'000	2024 ﷼'000
Financial assets (with loss allowance based on lifetime ECL) modified during the year		
Gross carrying amount before modification	**136,072**	97,098
Loss allowance before modification	**(3,157)**	(6,085)
Net amortised cost before modification	**132,915**	91,013
Net modification gain	**-**	-
Net amortised cost after modification	**132,915**	91,013
Financial assets modified since initial recognition at a time when loss allowance was based on lifetime ECL		
Gross carrying amount of financial assets for which loss allowance has changed in the period from lifetime to 12-month ECL	**7,012**	69,661

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect profit and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a SICR and an expectation of forbearance may constitute evidence that an exposure is credit-impaired/in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/ in default or the PD is considered to have decreased such that the ECL reverts to being measured at an amount equal to 12-month ECL.

e) Incorporation of forward looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Bank Market Risk Policy Committee, Asset and Liability Committee ("ALCO") and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Saudi Arabia and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at December 31, 2025 included the following key indicators.

- GDP
- Oil prices
- Unemployment rates
- Real wages / inflation rate

Predicted relationships between the key indicators and default / loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 10 to 15 years. 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**			**Forecast calendar years used in 2024 ECL model**		
	2026	**2027**	**2028**	**2025**	**2026**	**2027**
GDP	**5,059.24**	**5,188.01**	**5,364.38**	3,636.36	3,730.11	3,863.18
Brent oil prices	**58.56**	**64.92**	**68.42**	68.83	66.85	68.57

The table below shows the sensitivity of change in economic indicators to the ECL computed under three different scenarios used by the Bank:

	Due from Banks and investments	Financing	credit related commitment and financial guarantees	Total
2025	৳'000			
Most likely	**22,360**	**2,167,441**	**323,358**	**2,513,159**
More optimistic (Baseline)	**21,644**	**2,133,182**	**311,490**	**2,466,316**
More optimistic (Upside)	**21,720**	**2,112,704**	**315,531**	**2,449,955**
More pessimistic (Downside)	**22,929**	**2,212,971**	**331,770**	**2,567,670**
2024				
Most likely	20,189	2,529,007	351,252	2,900,448
More optimistic (Baseline)	20,238	2,531,769	353,607	2,905,614
More optimistic (Upside)	20,205	2,459,636	344,460	2,824,301
More pessimistic (Downside)	20,298	2,608,264	362,593	2,991,155

The weightage for Baseline, Upside and Downside scenario is 40%, 30% and 30% respectively.

f) Measurement of ECL

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 and externally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. 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.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD for each line of business based on expert judgment and historical experience The Group has made an assessment of the data driven approaches for LGD. However, on account of data limitations and associated challenges, the Group uses regulatory LGD benchmarks, based on Basel guidelines and LGD estimates determined in line with National Credit Data Pooling Consortium report.

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 lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a credit related commitment or guarantee.

However, for retail overdrafts and credit card facilities that include both a financing and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits. Cancellation of the facility and/or turning the outstanding balance into a financing with fixed repayment terms.

The table below illustrates the sensitivity of ECL to key factors used in determining it as at the year-end:

Assumptions sensitized	**2025 ৳'000**	2024 ৳'000
Statement of income Impact		
Macro-economic factors:		
Decrease in $10 oil price per barrel	**196,069**	56,807
Decrease in $20 oil price per barrel	**233,221**	68,758
Decrease in GDP by 5%	**59,335**	53,096
Increase in inflation by 10%	**N/A**	N/A

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped based on shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- FTV (financing to value) ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The Grouping is subject to regular review to ensure that exposures within a particular Group remain appropriately homogeneous.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows:

	Exposure ৳'000	External benchmarks used	
		PD	LGD
Due from Banks and other financial institutions	**6,034,925**	Moody's / FITCH / S&P - lower of the two ratings for each bank is considered for assignment of Risk Weights under Standardised Approach	N/A

32.4 Ageing of financing (past due but not classified as Non-Performing Financing)

	Consumer financing	Commercial financing	Total
31 December 2025	**৳'000**		
From 1 day to 30 days	**1,141,206**	**28,706**	**1,169,912**
From 31 Days to 90 days	**289,790**	**347,738**	**637,528**
From 91 Days to 180 days	**-**	**329,624**	**329,624**
More than 180 days	**-**	**844,344**	**844,344**
Total financing	**1,430,996**	**1,550,412**	**2,981,408**
31 December 2024			
From 1 day to 30 days	868,912	542,521	1,411,433
From 31 Days to 90 days	316,427	141,348	457,775
From 91 Days to 180 days	5,354	20,169	25,523
More than 180 days	8,627	859,205	867,832
Total financing	1,199,320	1,563,243	2,762,563

32.5 Economic Sector risk concentration

Economic Sector risk concentration for the financing and allowance for impairment has been disclosed in note 7(f).

32.6 Collateral

The Group in the ordinary course of financing activities holds collaterals as security to mitigate credit risk in the financing. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial and consumer financings and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

The amount of collateral held as security for financing along with financing to collateral value percentage that are credit-impaired are as follows:

	2025 ৳'000	2024 ৳'000
Less than 50%	**1,045**	28,965
51-70%	**34,406**	36,393
More than 70%	**657,940**	764,554
Total	**693,391**	829,912

32.7 Maximum credit exposure

Maximum exposure to credit risk without taking into account any collateral and other credit enhancements is as follows:

	2025 ৳'000	2024 ৳'000
Assets		
Due from banks and other financial institutions (note 5)	**6,025,771**	6,697,117
Investments at FVOCI (note 6)	**10,512,363**	9,784,586
Investments at amortised cost (note 6)	**22,232,302**	21,083,867
Financing, net (note 7)	**110,862,169**	96,912,496
Other assets - margin deposits against financial instruments (note 8)	**75,760**	2,028
Total assets	**149,708,365**	134,480,094
Contingencies and commitments, net (note 20)	**23,213,119**	17,953,007
Derivatives - positive fair value (note 11)	**96,183**	151,737
Total maximum exposure	**173,017,667**	152,584,838

33. GEOGRAPHICAL CONCENTRATION

a) The distribution by geographical region for major categories of financial assets, financial liabilities, commitments and contingencies, and credit exposure are as follows:

2025	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Financial Assets	﷼'000						
Cash and balances with SAMA							
Cash in hand	**1,059,575**	**-**	**-**	**-**	**-**	**-**	**1,059,575**
Balances with SAMA	**5,999,634**	**-**	**-**	**-**	**-**	**-**	**5,999,634**
Due from Banks and other financial institutions							
Current accounts	**9**	**56,236**	**173,671**	**729,508**	**13,130**	**12,031**	**984,585**
Money market placements	**5,041,186**	**-**	**-**	**-**	**-**	**-**	**5,041,186**
Investments							
Held as FVIS	**1,552,799**	**26,858**	**2,134**	**1,153,124**	**-**	**-**	**2,734,915**
Held as FVOCI	**13,786,147**	**212,823**	**1,693**	**-**	**-**	**-**	**14,000,663**
Held at amortised cost	**21,849,967**	**-**	**382,335**	**-**	**-**	**-**	**22,232,302**
Positive fair value of derivatives							
Held for trading	**37,836**	**22,763**	**12,849**	**-**	**-**	**-**	**73,448**
Held as cash flow hedges	**-**	**9,094**	**13,641**	**-**	**-**	**-**	**22,735**
Financing, net							
Consumer Financing	**39,353,640**	**-**	**-**	**-**	**-**	**-**	**39,353,640**
Commercial Financing	**69,230,900**	**2,203,929**	**73,700**	**-**	**-**	**-**	**71,508,529**
Other assets	**696,452**	**65,088**	**14,872**	**-**	**-**	**-**	**776,412**
Investment in an associate	**336,713**	**-**	**-**	**-**	**-**	**-**	**336,713**
Total	**158,944,858**	**2,596,791**	**674,895**	**1,882,632**	**13,130**	**12,031**	**164,124,337**
Financial liabilities							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	**144,780**	**139,145**	**12,123**	**214**	**-**	**43,815**	**340,077**
Money market deposits	**17,641,190**	**26,278**	**-**	**-**	**-**	**265,236**	**17,932,704**
Repurchase agreement financing	**3,465,907**	**343,237**	**1,830,305**	**-**	**-**	**-**	**5,639,449**
Customer deposits							
Demand	**32,038,397**	**6,671**	**1,360**	**-**	**-**	**59**	**32,046,487**
Saving & call	**13,654,158**	**-**	**-**	**-**	**-**	**-**	**13,654,158**
Customers' time investments	**67,398,888**	**-**	**-**	**-**	**-**	**-**	**67,398,888**
Other	**2,283,031**	**9,654**	**2,340**	**-**	**-**	**757**	**2,295,782**
Negative fair value of derivatives							
Held for trading	**19,712**	**28,395**	**7,810**	**-**	**-**	**-**	**55,917**
Held as cash flow hedges	**-**	**47,118**	**77,872**	**-**	**-**	**-**	**124,990**
Subordinated Sukuk	**2,007,489**	**-**	**-**	**-**	**-**	**-**	**2,007,489**
Other liabilities	**1,714,530**	**-**	**-**	**-**	**-**	**-**	**1,714,530**
Total	**140,368,082**	**600,498**	**1,931,810**	**214**	**-**	**309,867**	**143,210,471**
Commitments and Contingencies							
Letters of credit	**2,355,205**	**680,372**	**225,988**	**705,000**	**-**	**366,338**	**4,332,903**
Letters of guarantee	**9,199,396**	**2,039,617**	**2,009,717**	**23,356**	**23,500**	**2,474,389**	**15,769,975**
Acceptances	**826,441**	**78,200**	**357,159**	**-**	**-**	**69,197**	**1,330,997**
Irrevocable commitments to extend credit	**1,986,595**	**-**	**116,007**	**-**	**-**	**-**	**2,102,602**
	14,367,637	**2,798,189**	**2,708,871**	**728,356**	**23,500**	**2,909,924**	**23,536,477**

Credit exposure (credit equivalent)							
Commitments and contingencies							
Letters of credit	**1,177,603**	**340,186**	**112,994**	**352,500**	**-**	**183,169**	**2,166,452**
Letters of guarantee	**9,199,396**	**2,039,617**	**2,009,717**	**23,356**	**23,500**	**2,474,389**	**15,769,975**
Acceptances	**826,441**	**78,200**	**357,159**	**-**	**-**	**69,197**	**1,330,997**
Irrevocable commitments to extend credit	**794,638**	**-**	**46,403**	**-**	**-**	**-**	**841,041**
Derivatives							
Held for trading	**160,165**	**230,493**	**28,397**	**-**	**-**	**-**	**419,055**
Held for hedging	**-**	**98,705**	**188,295**	**-**	**-**	**-**	**287,000**
	12,158,243	**2,787,201**	**2,742,965**	**375,856**	**23,500**	**2,726,755**	**20,814,520**

2024	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Financial Assets	﷼'000						
Cash and balances with SAMA							
Cash in hand	1,154,335	-	-	-	-	-	1,154,335
Balances with SAMA	5,429,455	-	-	-	-	-	5,429,455
Due from Banks and other financial institutions							
Current accounts	9	45,620	167,654	164,623	12,839	13,773	404,518
Money market placements	6,292,599	-	-	-	-	-	6,292,599
Investments							
Held as FVIS	1,067,238	18,839	1,875	1,166,666	-	-	2,254,618
Held as FVOCI	12,860,269	206,360	1,242	-	-	-	13,067,871
Held at amortised cost	20,701,532	-	382,335	-	-	-	21,083,867
Positive fair value of derivatives							
Held for trading	53,064	15,642	26,345	-	-	-	95,051
Held as cash flow hedges	8,571	32,294	15,821	-	-	-	56,686
Financing, net							
Consumer Financing	35,262,559	-	-	-	-	-	35,262,559
Commercial Financing	60,420,703	1,155,981	73,253	-	-	-	61,649,937
Other assets	543,837	-	2,028	-	-	-	545,865
Investment in an associate	323,716	-	-	-	-	-	323,716
Total	144,117,887	1,474,736	670,553	1,331,289	12,839	13,773	147,621,077

Financial liabilities							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	182,955	72,840	15,397	214	13	24,684	296,103
Money market deposits	6,981,592	649,958	-	-	444,687	364,286	8,440,523
Repurchase agreement financing	9,415,137	-	1,157,570	-	-	-	10,572,707
Customer deposits							
Demand	34,560,929	3,560	77	-	-	77	34,564,643
Saving & call	11,114,104	-	-	-	-	-	11,114,104
Customers' time investments	60,193,863	-	-	-	-	-	60,193,863
Other	2,287,367	10,309	3,906	-	-	12,322	2,313,904
Negative fair value of derivatives							
Held for trading	40,160	34,367	15,898	-	-	-	90,425
Held as cash flow hedges	32,500	23,250	18,824	-	-	-	74,574
Subordinated Sukuk	2,005,918	-	-	-	-	-	2,005,918
Other liabilities	1,210,750	-	-	-	-	-	1,210,750
Total	128,025,275	794,284	1,211,672	214	444,700	401,369	130,877,514
Commitments and Contingencies							
Letters of credit	2,149,331	389,433	4,448	-	-	336,906	2,880,118
Letters of guarantee	7,076,916	1,911,766	1,534,219	26,240	-	1,674,412	12,223,553
Acceptances	950,028	1,326	5,128	-	-	151,777	1,108,259
Irrevocable commitments to extend credit	1,950,510	-	141,819	-	-	-	2,092,329
	12,126,785	2,302,525	1,685,614	26,240	-	2,163,095	18,304,259

Credit exposure (credit equivalent)							
Commitments and contingencies							
Letters of credit	1,074,665	194,717	2,224	-	-	168,453	1,440,059
Letters of guarantee	7,076,916	1,911,766	1,534,219	26,240	-	1,674,412	12,223,553
Acceptances	950,028	1,326	5,128	-	-	151,777	1,108,259
Irrevocable commitments to extend credit	780,204	-	56,728	-	-	-	836,932
Derivatives							
Held for trading	163,461	177,593	88,463	-	-	-	429,517
Held for hedging	20,467	166,815	47,861	-	-	-	235,143
	10,065,741	2,452,217	1,734,623	26,240	-	1,994,642	16,273,463

Certain international mutual funds domicile in the Kingdom of Saudi Arabia that have been classified under international category in note 6(b) to these consolidated financial statements have been classified in the Kingdom of Saudi Arabia region for the purpose of this note.

Credit equivalent of commitments and contingencies is calculated according to SAMA's prescribed methodology.

b) The distributions by geographical concentration of non-performing financing and allowance for impairment are as follows:

	Non-performing financing, net		Allowance for impairment	
	2025 ﷼'000	2024 ﷼'000	**2025 ﷼'000**	2024 ﷼'000
Kingdom of Saudi Arabia				
Consumer financing	**233,680**	291,192	**308,752**	315,902
Commercial financing	**930,979**	910,885	**1,855,479**	2,211,435
GCC and Middle East	**1,164,659**	1,202,077	**2,164,231**	2,527,337
Commercial financing	**-**	-	**3,157**	1,596
Europe				
Commercial financing	**-**	-	**53**	74
Total	**1,164,659**	1,202,077	**2,167,441**	2,529,007

34. MARKET RISK

Market risk is the risk that the Group's earnings or capital, or its ability to meet business targets, will be adversely affected by changes in the level or volatility in market prices, such as profit rates, credit spreads (not relating to changes in the obligor's / issuer's credit standing), equity prices and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the Treasury division and include equity investments and mutual funds that are managed on a fair value basis.

The Board of Directors (BoD) approves market risk appetite for trading and non-trading activities. The Market Risk Policy Committee is responsible for the Market Risk Framework and under the delegated authority of the Board sets a limits framework within the approved market risk appetite. A daily market risk report details the Group's market risk exposures against agreed limits. This daily report is reviewed by the Treasurer and Chief Risk Officer. The market risk for the trading book is managed and monitored using Value at Risk (VaR) methodology and sensitivity analysis. The market risk for the non-trading book is managed and monitored using sensitivity analysis.

a) Market Risk - Trading Book

Market risk on trading mainly arises from the foreign currency exposures and changes in equity prices and the net asset values of mutual funds.

The Board has set limits for the acceptable level of risks in managing the trading book. In order to manage the market risk in trading book, the Group 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 Group uses historical methodology models to assess the possible changes in the market value of the trading book based on historical data. The VaR that the Group 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 use of 99% confidence level depicts that within a one-day horizon, losses exceeding VaR figure should occur, on average, not more than once every hundred days.

The VaR represents the risk of portfolios at the close of a business day, and it does not account for any losses that may occur beyond the defined confidence interval. The actual trading results however, may differ from the VaR calculations and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions.

To overcome the VaR limitations mentioned above, the Group also carries out stress tests of its portfolio to simulate conditions outside normal confidence intervals. The potential losses occurring under stress test conditions are reported regularly to the Bank's Board Risk Committee for their review.

The Group's VaR related information is as under.

	2025 ﷼'000	2024 ﷼'000
Foreign exchange rate		
Average VaR for the year	**320**	330

1. **Foreign Exchange Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows.

The Board has set limits on positions by currency. Positions are monitored daily to ensure positions are maintained within established limits.

At the end of the year, the Group has the following significant exposure in its trading book, denominated in foreign currencies as at December 31:

	2025 ﷼'000	2024 ﷼'000
US Dollar	**66,821**	1,297,013
Australian dollars	**30**	-
Pound Sterling	**61**	57,536
Hong Kong Dollar	**595**	-
Taiwan Dollar	**-**	588
UAE Dirhams	**501**	19,263
Indonesian Rupiah	**-**	2,376
South Korean Won	**-**	8,612
JPY	**11,955**	-
Euro	**213**	-

The table below indicates the extent to which the Group was exposed to currency risk at December 31, on its foreign currency positions. The analysis is performed for a reasonable possible movement of the currency rate against the Saudi Arabian Riyal with all other variables held constant, including the effect of hedging instrument, on the consolidated statement of income.

A negative amount in the table reflects a potential net reduction in consolidated statement of income, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

	2025		2024	
	Increase/ decrease in currency rate in %	**Effect on net income ﷼'000**	Increase/ decrease in currency rate in %	Effect on net income ﷼'000
Currency				
US Dollar	**± 0.19**	**127**	± 2.80	36,316
Australian dollars	**± 9.58**	**3**	-	-
Pound Sterling	**± 7.28**	**4**	± 2.72	1,565
Taiwan Dollar	**-**	**-**	± 3.23	19
Hong Kong Dollar	**± 0.83**	**5**	-	-
UAE Dirhams	**± 0.03**	**-**	± 0.50	96
Indonesian Rupiah	**-**	**-**	± 16.50	392
South Korean Won	**-**	**-**	± 6.41	552
Japanese Yen	**± 9.93**	**1,187**	-	-
Euro	**± 5.91**	**13**	-	-

2. Equity Price Risk

Equity price risk is the risk that the fair values of equities and mutual funds decrease as a result of changes in the levels of equity index and the value of individual stocks deriving the net asset value of the funds.

The financial instruments included in the FVIS portfolio are equity securities held by mutual funds owned by the Group. The Group manages the risk relating to the mutual funds by monitoring changes in net asset value of the mutual funds. The investments in equity securities and mutual funds held by the Group are managed by the Group in conjunction with professional investment advisors, and the equity price risk is monitored by the Group on a portfolio basis for each mutual fund. The effect on the consolidated statement of income as a result of a change in the fair value of mutual funds held under FVIS at December 31 due to reasonably possible changes in the underlying respective fund's net asset value, with all other variables held constant, is as follows:

	2025		2024	
	Increase / decrease in equity price %	**Effect on consolidated statement of income ﷼'000**	Increase / decrease in equity price %	Effect on consolidated statement of income ﷼'000
Portfolio				
Global Emerging Market Fund	**±12.57%**	**-**	±10.32%	255
AlJazira GCC Income Fund	**±11.49%**	**230**	± 3.97%	84
AlJazira Sukuk Fund	**±7.59%**	**2,464**	± 3.43%	1,245
Diversified Conservative Fund	**±12.84%**	**5,385**	± 0.58%	225
Aljazira Saudi Equities Fund	**±12.84%**	**1,390**	± 0.58%	44
Aljazira International Equities Fund	**±12.57%**	**1,917**	± 10.32%	1,327
AlJazira Private Equity Fund - E-commerce	**±12.57%**	**1,852**	±10.32%	-
AlJazira Private Equity Fund - Space Economy	**±12.57%**	**2,055**	±10.32%	-
Aljazira Ijarah Income Fund	**±12.84%**	**31,128**	±0.58%	-
AlJazira Real Estate Fund 3	**±12.84%**	**2,241**	±0.58%	-
AlJazira US Healthcare Income Fund	**±12.57%**	**1,913**	±10.32%	-
Others	**±5.00%**	**89,194**	± 5.00%	82,393

The effect on the consolidated statement of income as a result of a change in the fair value of equity instruments held at FVIS at December 31, 2025 due to reasonably possible changes in the following market index, with all other variables held constant, is as follows:

	2025		2024	
	Increase / decrease in index %	**Effect on consolidated statement of income ﷼'000**	Increase / decrease in index %	Effect on consolidated statement of income ﷼'000
Market index				
Tadawul	**12.84%**	**282**	0.58%	100

b) Market Risk - Non Trading Or Banking Book

Market risk on non-trading or banking positions mainly arises from the profit rate, foreign currency exposures and equity price changes.

i. Profit Rate Risk

Profit rate risk arises from the possibility that changes in profit rates will affect future cash flows or the fair values of financial instruments. The Group's Market Risk Policy Committee (MRPC) has established limits on the profit rate gap. Positions are monitored on a daily basis and reported regularly to senior management and MRPC to ensure positions are maintained within the established limits. In case of stressed market conditions, the asset-liability gap may be reported to MRPC more frequently.

The following table depicts the sensitivity due to reasonably possible changes in profit rates, with other variables held constant, on the Group's consolidated statement of income. The sensitivity of the income is the effect of the assumed changes in profit rates on the net financing and investment income for one year, based on the profit bearing non-trading financial assets and financial liabilities held as at December 31, 2025 including the effect of hedging instruments. All the non-trading book exposures are monitored and analysed in currency concentrations and relevant sensitivities are disclosed in local currency. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

	2025		2024	
	Increase / decrease in basis points	**Sensitivity of income from investments and financing ﷼'000**	Increase / decrease in basis points	Sensitivity of income from investments and financing ﷼'000
Currency				
SAR (﷼)	**± 25**	**± 646**	± 25	±138,035
USD	**± 25**	**± 14**	± 25	± 23,213
INR	**± 25**	**± 1**	± 25	± 2
PKR	**± 25**	**± 1**	± 25	± 1
AED	**± 25**	**± 25**	± 25	± 119

Currency	Increase in basis points	Sensitivity income from investments and financing	Sensitivity of equity				
			6 months or less	1 year or less	1-5 years or less	Over 5 years	Total
2025							
SAR (﷼)	**± 25**	**± 646**	**± 325**	**± 321**	**± 973**	**± 2,680**	**± 4,299**
USD	**± 25**	**± 14**	**± (5)**	**± 19**	**± 93**	**± 11**	**± 118**
INR	**± 25**	**± 1**	**± 1**	**± -**	**± -**	**± -**	**± 1**
PKR	**± 25**	**± 1**	**± 1**	**± -**	**± -**	**± -**	**± 1**
AED	**± 25**	**± 25**	**± 18**	**± 7**	**± 45**	**± 16**	**± 86**
2024							
SAR (﷼)	± 25	±138,035	±82,785	±55,250	±238,358	±180,846	±557,239
USD	± 25	± 23,213	±11,785	±11,428	±31,765	± 259	± 55,237
INR	± 25	± 2	± 2	± -	± -	± -	± 2
PKR	± 25	± 1	± 1	± -	± -	± -	± 1
AED	± 25	± 119	± 68	± 51	± 311	± 120	± 550

Profit rate 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 table below summarizes the Group's exposure to profit rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by the earlier of the contractual re-pricing or the 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	Within 3 months	3-12 months	1-5 years	Over 5 years	Non profit bearing	Total	Effective profit rate
Assets	﷼'000						
Cash and balances with SAMA							
Cash in hand	-	-	-	-	**1,059,575**	**1,059,575**	-
Balances with SAMA	**494,948**	-	-	-	**5,504,686**	**5,999,634**	**3.75%**
Due from Banks and other financial institutions							
Current accounts	-	-	-	-	**984,585**	**984,585**	**4.61%**
Money market placements	**2,362,208**	**2,496,939**	-	-	**182,039**	**5,041,186**	**5.86%**
Investments							
Held as FVIS	-	-	-	-	**2,734,915**	**2,734,915**	-
Held as FVOCI	**549,270**		**2,860,142**	**6,969,915**	**3,621,336**	**14,000,663**	**3.86%**
Held at amortised cost	**830,246**	**2,779,350**	**6,159,393**	**12,182,959**	**280,354**	**22,232,302**	**4.56%**
Positive fair value of derivatives							
Held for trading	-	-	-	-	**73,448**	**73,448**	-
Held as cash flow hedges	-	-	-	-	**22,735**	**22,735**	-

Financing, net							
Consumer Financing	929,708	538,581	14,939,387	22,519,622	426,342	39,353,640	5.42%
Commercial Financing	31,056,791	39,053,469	-	-	1,398,269	71,508,529	6.63%
Other assets	-	-	-	-	927,024	927,024	-
Investment in an associate	-	-	-	-	336,713	336,713	-
Other real estate, net	-	-	-	-	126,000	126,000	-
Property, equipment, software and right of use assets, net	-	-	-	-	1,523,025	1,523,025	-
Total assets	36,223,171	44,868,339	23,958,922	41,672,496	19,201,046	165,923,974	-
Liabilities and equity							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	-	-	-	-	340,077	340,077	-
Money market deposits	17,855,750	-	-	-	76,954	17,932,704	4.93%
Repurchase agreement financing	4,798,743	816,431	-	-	24,275	5,639,449	4.61%
Customer deposits							
Demand	-	-	-	-	32,046,487	32,046,487	
Saving & call	13,654,158	-	-	-	-	13,654,158	4.37%
Customers' time investments	56,579,224	10,011,954	112,200	-	695,510	67,398,888	5.29%
Other	-	-	-	-	2,295,782	2,295,782	-

Negative fair value of derivatives							
Held for trading	-	-	-	-	55,917	55,917	
Held as cash flow hedges	-	-	-	-	124,990	124,990	
Subordinated Sukuk	-	1,998,404	-	-	9,085	2,007,489	6.81%
Other liabilities	-	-	-	-	2,653,204	2,653,204	-
Equity	-	-	-	-	21,774,829	21,774,829	-
Total liabilities and Equity	92,887,875	12,826,789	112,200	-	60,097,110	165,923,974	-
Profit rate sensitivity of on consolidated statement of financial position gap	(56,664,704)	32,041,550	23,846,722	41,672,496	(40,896,064)	-	-
Profit rate sensitivity of off consolidated statement of financial position gap	22,043,750	780,000	(7,703,000)	(15,120,750)	-	-	-
Total profit rate sensitivity gap	(34,620,954)	32,821,550	16,143,722	26,551,746	(40,896,064)	-	-
Cumulative profit rate sensitivity gap	(34,620,954)	(1,799,404)	14,344,318	40,896,064	-	-	-

2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Non profit bearing	Total	Effective profit rate
Assets	﷼'000						
Cash and balances with SAMA							
Cash in hand	-	-	-	-	1,154,335	1,154,335	-
Balances with SAMA	-	-	-	-	5,429,455	5,429,455	-
Due from Banks and other financial institutions							
Current accounts	-	-	-	-	404,518	404,518	-
Money market placements	2,391,250	3,800,000	-	-	101,349	6,292,599	5.69%
Reverse repos	-	-	-	-	-	-	-
Investments							
Held as FVIS	-	3,993	-		2,250,625	2,254,618	-
Held as FVOCI	980,036	16,875	4,803,671	6,860,726	406,563	13,067,871	3.77%
Held at amortised cost	1,857,194	2,927,535	6,402,304	9,652,273	244,561	21,083,867	4.44%
Positive fair value of derivatives							
Held for trading	-	-	-	-	95,051	95,051	-
Held as cash flow hedges	-	-	-	-	56,686	56,686	-
Financing, net							
Consumer Financing	791,627	321,321	12,914,288	20,839,729	395,594	35,262,559	4.93%
Commercial Financing	27,474,880	26,187,620	6,702,231	51,104	1,234,102	61,649,937	7.21%
Other assets	-	-	-	-	645,696	645,696	-
Investment in an associate	-	-	-	-	323,716	323,716	-
Other real estate, net	-	-	-	-	139,717	139,717	-
Property, equipment, software and right of use assets, net	-	-	-	-	1,258,076	1,258,076	-
Total assets	33,494,987	33,257,344	30,822,494	37,403,832	14,140,044	149,118,701	-
Liabilities and equity							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	-	-	-	-	296,103	296,103	-
Money market deposits	4,401,000	2,545,000	-	-	1,494,523	8,440,523	5.39%
Repurchase agreement financing	9,732,568	797,269	-	-	42,870	10,572,707	5.32%
Customer deposits							
Demand					34,564,643	34,564,643	-
Saving & call	11,114,104	-	-	-	-	11,114,104	5.06%
Customers' time investments	34,983,824	24,543,033	82,450	-	584,556	60,193,863	5.77%
Other	-	-	-	-	2,313,904	2,313,904	-

Negative fair value of derivatives							
Held for trading	-	-	-	-	90,425	90,425	-
Held as cash flow hedges	-	-	-	-	74,574	74,574	-
Subordinated Sukuk	-	1,996,663	-	-	9,255	2,005,918	-
Other liabilities	-	-	-	-	2,037,607	2,037,607	-
Equity	-	-	-	-	17,414,330	17,414,330	-
Total liabilities and Equity	60,231,496	29,881,965	82,450	-	58,922,790	149,118,701	-
Profit rate sensitivity of on consolidated statement of financial position gap	(26,736,509)	3,375,379	30,740,044	37,403,832	(44,782,746)	-	-
Profit rate sensitivity of off consolidated statement of financial position gap	12,787,500	(250,000)	(3,650,000)	(8,887,500)	-	-	-
Total profit rate sensitivity gap	(13,949,009)	3,125,379	27,090,044	28,516,332	(44,782,746)	-	-
Cumulative profit rate	(13,949,009)	(10,823,630)	16,266,414	44,782,746			-
sensitivity gap	-	-	-	-	-	-	-

The effective profit rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument or an instrument carried at fair value.

3. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Bank's Board has set limits on positions by currency. Positions are monitored on a daily basis to ensure positions are maintained within established limits.

At the end of the year, the Group has the following significant net exposures denominated in foreign currencies as at December 31:

	2025 ﷼'000 Long / (Short)	2024 ﷼'000 Long /(Short)
USD	**1,377,431**	32,769
AUD	**4,279**	4,136
GBP	**-**	1,209
INR	**-**	8,625
PKR	**-**	2,852
AED	**33,749**	36,335
QAR	**5,101**	-
BHD	**3,602**	-
JPY	**2,375**	-
CHF	**1,679**	-

A long position indicates that assets in a foreign currency are higher than the liabilities in the same currency; the opposite applies to short position.

The table below indicates the currencies to which the Group has significant exposure as at December 31, 2025. The analysis is performed for a reasonable possible movement of the currency rate against the Saudi Arabian Riyal with all other variables held constant, including the effect of hedging instrument, on the consolidated statement of income. A negative amount in the table reflects a potential net reduction in consolidated statement of income, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

	2025			2024		
	Increase / decrease in currency rate in %	**Effect on net income ﷼'000**	**Effect on equity ﷼'000**	Increase / decrease in currency rate in %	Effect on net income ﷼'000	Effect on equity ﷼'000
Currency						
USD	**±0.05**	**±689**	**±689**	±0.05	±16	±16
AUD	**±0.05**	**±2**	**±2**	±0.05	± 2	± 2
GBP	**-**	**-**	**-**	±0.05	± 1	± 1
INR	**-**	**-**	**-**	±0.05	± 4	± 4
PKR	**-**	**-**	**-**	±0.05	± 1	± 1
AED	**±0.05**	**±17**	**±17**	±0.05	±18	±18
QAR	**±0.05**	**±3**	**±3**	-	-	-
BHD	**±0.05**	**±2**	**±2**	-	-	-
JPY	**±0.05**	**±1**	**±1**	-	-	-
CHF	**±0.05**	**±1**	**±1**	-	-	-

35. LIQUIDITY RISK

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they become due, both under normal and stressful conditions. Market disruptions or credit downgrades can cause liquidity risk, making certain sources of funding less readily available. To mitigate this risk, management has diversified its funding sources beyond its core deposit base, manages assets with a focus on liquidity, maintaining an appropriate balance of cash, cash equivalents, and readily marketable securities, and monitors future cash flows and liquidity on a daily basis. In addition, the Group has committed lines of credit that can be used to meet any liquidity needs.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Group maintains a statutory deposit with SAMA at 7% of total demand deposits and 4% of savings and time deposits. In addition to the statutory deposit, the Group also maintains liquid reserves of not less than 20% of the deposit liabilities, in the form of cash or assets that can be converted into cash within a period not exceeding 30 days. The Group has the ability to raise additional funds through repo facilities available with SAMA up to 98% of the value of debt securities issued by the government and 90% of the value of debt securities issued Ministry of Finance, Saudi Central Bank and or guaranteed by government.

In addition, the Group keeps a Liquidity Contingency Funding Plan (CFP) in place to provide guidance to senior management. The CFP establishes early warning indicators to alert management of impending stress, establishes responsibilities, and describes the approach management may take at various stages of crisis severity.

a) Analysis of financial liabilities by remaining undiscounted contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2025 and December 31, 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 consolidated statement of financial position. The contractual maturities of liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date and do not take into account the effective expected maturities as shown in note (b) below (maturity analysis of assets and liabilities for the expected maturities). Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history and liquidity risk management policy.

	On demand	within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Financial liabilities	﷼'000						
As at December 31, 2025							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	**340,077**	**-**	**-**	**-**	**-**	**-**	**340,077**
Money market deposits	**-**	**17,985,241**					**17,985,241**
Repurchase agreement financing	**-**	**3,857,597**	**605,943**	**478,231**	**1,242,151**	**-**	**6,183,922**
Customers' deposits							
Demand	**32,046,487**	**-**	**-**	**-**	**-**	**-**	**32,046,487**
Saving & call	**13,654,159**	**-**	**-**	**-**	**-**	**-**	**13,654,159**
Customers' time investments	**-**	**57,494,908**	**10,361,381**	**134,078**	**-**	**-**	**67,990,367**
Other	**2,295,782**						**2,295,782**
Negative fair value of derivatives							
Held for trading	**-**	**8,376**	**1,630**	**34,322**	**11,589**	**-**	**55,917**
Held as cash flow hedges	**-**	**20,440**	**-**	**2,726**	**101,824**	**-**	**124,990**
Subordinated Sukuk	**-**	**-**	**134,093**	**535,901**	**2,141,112**	**-**	**2,811,106**
Other liabilitiess	**-**	**30,918**	**46,685**	**112,725**	**46,827**	**2,449,667**	**2,686,822**
Total undiscounted financial liabilities	**48,336,505**	**79,397,480**	**11,149,732**	**1,297,983**	**3,543,503**	**2,449,667**	**146,174,870**
Shari'ah compliant derivatives	**-**	**1,729,170**	**4,484,991**	**3,482,001**	**5,742,268**	**-**	**15,438,430**

	On demand	within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Financial liabilities	﷼'000						
As at December 31, 2024							
Due to banks, Saudi Central Bank and other financial institutions							
Current accounts	296,103	-	-	-	-	-	296,103
Money market deposits	-	5,568,872	2,999,841	-	-	-	8,568,713
Repurchase agreement financing	-	9,856,920	522,809	342,070	-	-	10,721,799
Customers' deposits							
Demand	34,564,643	-	-	-	-	-	34,564,643
Saving & call	11,114,104	-	-	-	-	-	11,114,104
Customers' time investments	-	43,557,745	17,221,705	93,897	-	-	60,873,347
Other	2,313,904	-	-	-	-	-	2,313,904
Negative fair value of derivatives							
Held for trading	-	8,937	21,651	19,531	40,306	-	90,425
Held as cash flow hedges	-	36,593	-	-	37,981	-	74,574
Subordinated Sukuk	-	-	140,005	559,744	2,284,375	-	2,984,124
Other liabilitiess	-	13,194	52,763	108,494	26,902	1,859,786	2,061,139
Total undiscounted financial liabilities	48,288,754	59,042,261	20,958,774	1,123,736	2,389,564	1,859,786	133,662,875
Shari'ah compliant derivatives	-	1,944,704	3,199,068	6,240,401	3,157,403	-	14,541,576

The contractual maturity structure of the Group's credit-related contingencies and commitments are shown under note 20 (c).

b) Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. For presentation purposes demand /saving deposits and other on demand liabilities are included in "No fixed maturity" category.

2025	Within 3 Months	3-12 months	Within 1 year	1-5 years	Over 5 years	More than 1 year	No fixed maturity	Total
Assets				'000				
Cash and balances with SAMA								
Cash in hand	-	-	-	-	-	**-**	**1,059,575**	**1,059,575**
Balances with SAMA	494,948	-	**494,948**	-	-	**-**	**5,504,686**	**5,999,634**
Due from Banks and other financial institutions								
Current accounts	-	-	**-**	-	-	**-**	**984,585**	**984,585**
Money market placements	2,473,540	2,567,646	**5,041,186**	-	-	**-**	**-**	**5,041,186**
Reverse repos	-	-	**-**	-	-	**-**	**-**	**-**
Investments								
Held as FVIS	-	-	**-**	-	-	**-**	**2,734,915**	**2,734,915**
Held as FVOCI	9,008	596,829	**605,837**	6,144,053	6,969,914	**13,113,967**	**280,859**	**14,000,663**
Held at amortised cost	70,966	432,089	**503,055**	6,906,728	14,822,519	**21,729,247**	**-**	**22,232,302**
Positive fair value of derivatives								
Held for trading	10,162	7,078	**17,240**	36,686	19,522	**56,208**	**-**	**73,448**
Held as cash flow hedges	22,735	-	**22,735**	-	-	**-**	**-**	**22,735**
Financing, net								
Consumer financing	615,412	831,736	**1,447,148**	14,939,387	22,519,622	**37,459,009**	**447,483**	**39,353,640**
Commercial financing	19,121,136	14,401,150	**33,522,286**	29,123,517	8,862,726	**37,986,243**	**-**	**71,508,529**
Other assets	45,438	136,313	**181,751**	-	-	**-**	**745,273**	**927,024**
Investment in an associate	-	-	**-**	-	-	**-**	**336,713**	**336,713**

Other real estate, net	-	-	**-**	-	-	**-**	**126,000**	**126,000**
Property, equipment, software and right of use assets, net	-	-	**-**	-	-	**-**	**1,523,025**	**1,523,025**
Total assets	22,863,345	18,972,841	**41,836,186**	57,150,371	53,194,303	**110,344,674**	**13,743,114**	**165,923,974**
Liabilities								
Due to banks, Saudi Central Bank and other financial institutions								
Current accounts	-	-	**-**	-	-	**-**	**340,077**	**340,077**
Money market deposits	17,932,704	-	**17,932,704**	-	-	**-**	**-**	**17,932,704**
Repurchase agreement financing	3,811,369	539,409	**4,350,778**	288,671	1,000,000	**1,288,671**	**-**	**5,639,449**
Customer deposits								
Demand	-	-	**-**	-	-	**-**	**32,046,487**	**32,046,487**
Saving & call	-	-	**-**	-	-	**-**	**13,654,158**	**13,654,158**
Customers' time investments	57,210,367	10,071,742	**67,282,109**	116,779	-	**116,779**		**67,398,888**
Other	-	-	**-**	-	-	**-**	**2,295,782**	**2,295,782**
Negative fair value of derivatives								
Held for trading	8,376	1,630	**10,006**	34,322	11,589	**45,911**	**-**	**55,917**
Held as cash flow hedges	20,440	-	**20,440**	2,726	101,824	**104,550**	**-**	**124,990**
Subordinated Sukuk	-	9,085	**9,085**	-	1,998,404	**1,998,404**	**-**	**2,007,489**
Other liabilities	28,233	39,758	**67,991**	95,203	40,343	**135,546**	**2,449,667**	**2,653,204**
Total liabilities	79,011,489	10,661,624	**89,673,113**	537,701	3,152,160	**3,689,861**	**50,786,171**	**144,149,145**

2024	Within 3 Months	3-12 months	Within 1 year	1-5 years	Over 5 years	More than 1 year	No fixed maturity	Total
Assets				﷼'000				
Cash and balances with SAMA								
Cash in hand	-	-	**-**	-	-	**-**	**1,154,335**	**1,154,335**
Balances with SAMA	-	-	**-**	-	-	**-**	**5,429,455**	**5,429,455**
Due from Banks and other financial institutions								
Current accounts	-	-	**-**	-	-	**-**	**404,518**	**404,518**
Money market placements	2,439,715	3,852,884	**6,292,599**	-	-	**-**	**-**	**6,292,599**
Reverse repos	-	-	**-**	-	-	**-**	**-**	**-**
Investments								
Held as FVIS	-	3,993	**3,993**	-	-	**-**	**2,250,625**	**2,254,618**
Held as FVOCI	116,480	23,087	**139,567**	5,783,671	6,860,726	**12,644,397**	**283,907**	**13,067,871**
Held at amortised cost	333,748	582,312	**916,060**	8,248,772	11,919,035	**20,167,807**	**-**	**21,083,867**
Positive fair value of derivatives								
Held for trading	9,330	20,475	**29,805**	19,003	46,243	**65,246**	**-**	**95,051**
Held as cash flow hedges	35,369	-	**35,369**	-	21,317	**21,317**	**-**	**56,686**
Financing, net								
Consumer financing	482,703	614,473	**1,097,176**	12,914,302	20,839,729	**33,754,031**	**411,352**	**35,262,559**
Commercial financing	20,846,280	13,170,196	**34,016,476**	18,689,987	8,943,474	**27,633,461**	**-**	**61,649,937**
Other assets	49,451	148,354	**197,805**	-	-	**-**	**447,891**	**645,696**
Investment in an associate	-	-	**-**	-	-	**-**	**323,716**	**323,716**
Other real estate, net	-	-	**-**	-	-	**-**	**139,717**	**139,717**
Property, equipment, software and right of use assets, net	-	-	**-**	-	-	**-**	**1,258,076**	**1,258,076**
Total assets	24,313,076	18,415,774	**42,728,850**	45,655,735	48,630,524	**94,286,259**	**12,103,592**	**149,118,701**

Liabilities								
Due to banks, Saudi Central Bank and other financial institutions								
Current accounts	-	-	**-**	-	-	**-**	**296,103**	**296,103**
Money market deposits	5,552,286	2,888,237	**8,440,523**	-	-	**-**	**-**	**8,440,523**
Repurchase agreement financing	9,772,002	512,034	**10,284,036**	288,671	-	**288,671**	**-**	**10,572,707**
Customer deposits								
Demand	-	-	**-**	-	-	**-**	**34,564,643**	**34,564,643**
Saving & call	-	-	**-**	-	-	**-**	**11,114,104**	**11,114,104**
Customers' time investments	43,324,069	16,786,217	**60,110,286**	83,577	-	**83,577**	**-**	**60,193,863**
Other	-	-	**-**	-	-	**-**	**2,313,904**	**2,313,904**
Negative fair value of derivatives								
Held for trading	8,937	21,651	**30,588**	19,531	40,306	**59,837**	**-**	**90,425**
Held as cash flow hedges	36,593	-	**36,593**	-	37,981	**37,981**	**-**	**74,574**
Subordinated Sukuk	-	9,255	**9,255**	-	1,996,663	**1,996,663**	**-**	**2,005,918**
Other liabilities	10,935	47,147	**58,082**	96,536	23,203	**119,739**	**1,859,786**	**2,037,607**
Total liabilities	58,704,822	20,264,541	**78,969,363**	488,315	2,098,153	**2,586,468**	**50,148,540**	**131,704,371**

36. FAIR VALUE MEASUREMENT

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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 (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments"

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

a) The following table presents the Group's financial assets and liabilities that are measured at fair values:

		2025 (৳'000) Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
FVIS - Mutual funds	**2,105,933**	**-**	**102,467**	**2,003,466**	**2,105,933**
FVIS - Equities	**607,262**	**38,300**	**-**	**568,962**	**607,262**
FVIS - Convertible debt instrument	**21,720**	**-**	**-**	**21,720**	**21,720**
FVOCI - Equities	**280,859**	**-**	**-**	**280,859**	**280,859**
FVOCI - Sukuk - equity	**3,207,441**	**-**	**3,207,441**	**-**	**3,207,441**
FVOCI - Sukuk - debt	**10,512,363**	**-**	**10,512,363**	**-**	**10,512,363**
Shari`ah compliant derivatives	**96,183**	**-**	**96,183**	**-**	**96,183**
Total	**16,831,761**	**38,300**	**13,918,454**	**2,875,007**	**16,831,761**
Financial liabilities measured at fair value:					
Shari`ah compliant derivatives	**180,907**	**-**	**180,907**	**-**	**180,907**

		2024 (৳'000) Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
FVIS - Mutual funds	1,748,147	-	117,102	1,631,045	1,748,147
FVIS - Equities	499,853	17,264	-	482,589	499,853
FVIS - Convertible debt instrument	6,618	-	-	6,618	6,618
FVOCI - Equities	283,907	-	-	283,907	283,907
FVOCI - Sukuk - equity	2,999,378	-	2,999,378	-	2,999,378
FVOCI - Sukuk - debt	9,784,586	-	9,784,586	-	9,784,586
Shari`ah compliant derivatives	151,737	-	151,737	-	151,737
Total	15,474,226	17,264	13,052,803	2,404,159	15,474,226
Financial liabilities measured at fair value:					
Shari`ah compliant derivatives	164,999	-	164,999	-	164,999

Fair value of quoted investments is based on price quoted on the reporting date. Level 2 trading and hedging derivatives comprise foreign exchange, options and profit rate swaps. These foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Profit rate swaps and options are fair valued using forward profit rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

There were no changes in valuation techniques during the period.

There were no transfers between levels 1 and 2 during the year. New investments acquired during the year are classified under the relevant levels. Level 3 includes investment in unquoted equities which have been valued using a valuation model.

Reconciliation of Level 3 fair values

	Financial asset held at FVIS	Financial asset held at FVOCI
31 December 2025 - ৳'000		
Balance at 1 January 2025	**2,120,252**	**283,907**
Total gains/(losses) in the consolidated statement of income	**188,460**	**-**
Total gains/(losses) in the OCI	**-**	**(3,048)**
Purchases	**1,077,645**	**-**
Sales / redemption /maturities	**(792,209)**	**-**
Balance at 31 December 2025	**2,594,148**	**280,859**
31 December 2024 - ৳'000		
Balance at 1 January 2024	1,372,563	217,897
Total gains/(losses) in the consolidated statement of income	6,014	-
Total gains/(losses) in the OCI	-	66,010
Purchases	1,315,009	-
Sales / redemption /maturities	(573,334)	-
Balance at 31 December 2024	2,120,252	283,907

b) Following table represent fair values of financial assets and liabilities measured at amortised cost. There are no financial assets and liabilities that are measured as level 1 and level 3 fair value.

31 December 2025	Amortised cost	Level 2
Financial assets:		
Due from banks and other financial institutions, net	**6,025,771**	**6,039,909**
Investment held at amortised cost - net (note 6(d))	**22,232,302**	**21,606,319**
Financing, net	**110,862,169**	**111,505,245**
Total	**139,120,242**	**139,151,473**
Financial liabilities:		
Due to banks and other financial institutions	**23,912,230**	**26,710,746**
Customers' deposits	**115,395,315**	**116,229,463**
Subordinated Sukuk	**2,007,489**	**2,007,489**
Total	**141,315,034**	**144,947,698**

31 December 2024	Amortised cost	Level 2
Financial assets:		
Due from banks and other financial institutions, net	**6,697,117**	**6,706,393**
Investment held at amortised cost - net (note 6(d))	**21,083,867**	**20,131,588**
Financing, net	**96,912,496**	**97,309,690**
Total	**124,693,480**	**124,147,671**
Financial liabilities:		
Due to banks and other financial institutions	19,309,333	20,816,924
Customers' deposits	108,186,514	108,874,632
Subordinated Sukuk	2,005,918	2,005,918
Total	129,501,765	131,697,474

The fair value of the cash and balances with SAMA, other assets and other liabilities approximate to their carrying amount. The fair values of level 2 financial instruments are estimated as at December 31, 2025 at the current applicable yield curve taking into account the counterparty risks and applicable market rate.

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and Level 3 fair values at 31 December 2025 and 31 December 2024, as well as the significant unobservable inputs used.

Type	Accounting Classification	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund units	FVIS	Fair valued using the net asset value determined by the fund manager. The fund manager deploys various techniques for the valuation of underlying assets classified under level 3 of the respective fund's fair value hierarchy	Risk adjusted discount rates, marketability and liquidity discounts and control premiums	None
Equities	FVIS	Includes investment in unquoted equities which have been valued using a valuation model.	Risk Free Rate, Asset Volatility	Valuation is highly sensitive to changes in the asset volatility
Equities	FVOCI	Includes investment in unquoted equities which have been valued using a valuation model.	Revenue growth rate, terminal growth rate	Higher growth rates increase fair value, while lower growth rates reduce it.
Investment held at FVOCI - Sukuks (debt & equity)	FVOCI	Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate.	Not applicable	Not applicable
Forward exchange contracts (Wa'ad) and Profit rate swaps	FVIS	Forward exchange contracts (Wa'ad): Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves Profit rate swaps: The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves.	Not applicable	Not applicable

Due from banks and other financial institutions, Financing, Due to banks and other financial institutions, Customer Deposits	Amortised Cost	Market Data: Used observable market data inputs for yield curves. Fair value technique: The fair value is determined by discounting the future cash flows. A discounted cash flow is the product of: • The anticipated nominal magnitude and sign of a cash flow. • The accumulated discount over the amount of time remaining until the anticipated time of the cash flow, at a rate of discount. The fair value is determined only for the Customers' time investments.	Not applicable	Not applicable
Investment held at amortised cost - net	Amortised Cost	Fair valued using the quoted prices, where available or estimating present value by discounting cash flows using adjusted discount rate.	Not applicable	Not applicable

37. RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. The related party transactions are governed by the limits set by the Banking Control Law and regulations issued by Saudi Central Bank (SAMA) and approved by the board of directors and management. These transactions are carried out on terms similar to those with external customers/parties.

The balances as at December 31 resulting from such transactions included in the consolidated financial statements are as follows:

	2025 ﷼'000	2024 ﷼'000
Subsidiary companies*		
Investments	**500,980**	500,980
Customer deposits	**1,687,290**	2,389,506
Due from banks and other financial institutions	**2,400,930**	2,023,568
Due to banks and other financial institutions	**1,288,671**	291,019
Receivables and other assets	**144,199**	161,081
Payables and liabilities	**43,524**	30,623
Commitments and contingencies	**42**	98
Notional values of outstanding shari'ah compliant contracts	**4,142,944**	3,675,436
Outstanding Sukuk liability	**1,875,000**	1,875,000
Associate with significant influence		
Investments	**336,713**	323,716
Customer deposits	**240,811**	305,417
Contingencies and commitments	**7,280**	7,280
Sukuk liability	**160,000**	150,000
Directors, key management personnel, other major shareholders and their affiliates		
Financing	**2,383,466**	327,474
Customers' deposits	**144,553**	119,835
Contingencies and commitments	**7,864**	35,835

The above table includes the Financing amounting to ﷼ 2.31 billion, customers' deposits ﷼ 17.15 million and contingencies and commitments ﷼ 7.86 million pertaining to entities having common directorships or common key management personnel in accordance with regulations.

Other major shareholders represent shareholdings of more than 5% of the Bank's issued share capital.

Mutual Funds under subsidiary's management		
Investments	**972,065**	579,306
Customers' deposits	**369,505**	111,785

Income, expenses and other transactions with related parties included in the consolidated financial statements are as follows:

	2025 ৳'000	2024 ৳'000
Subsidiary companies*		
Income from investments and financing	**228,353**	283,294
Return on deposits and financial liabilities	**284,205**	289,565
Fees income	**27**	282
Fee expense	**8,684**	12,697
Income under shared service agreements	**1,150**	1,150
Reimbursement of building related expense	**6,399**	4,005
Reimbursement of expense to a subsidiary	**46**	39
Associate with significant influence		
Return on deposits and financial liabilities	**12,432**	7,779
Fees income	**484**	113
Insurance premium	**17,172**	131,247
Claims received	**31,721**	26,505
Investment in the sukuks issued by the Bank	**10,000**	-
Dividend received by Bank	**5,813**	5,813
Profit on the sukuks issued by the Bank	**9,315**	9,000
Participation in DMO sukuk auction for an associate	**-**	33,516
Purchase of shares of associate (ATT)	**-**	76,218
Directors, key management personnel, other major shareholders and their affiliates		
Income from investments and financing	**156,744**	20,959
Return on deposits and financial liabilities	**6,341**	4,106
Directors' remuneration	**17,630**	17,049
Operating expenses	**5,206**	5,432
Rent expense for branches	**782**	765

The above table includes the income from investment and financing amounting to ৳ 155 million and return on deposits and financial liabilities amounting to ৳ 0.4 million pertaining to entities having common directorships or common key management personnel in accordance with regulations.

Mutual Funds under subsidiary's management		
Return on deposits and financial liabilities	**7,503**	9,684
Investment in mutual funds	**112,500**	144,716

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

	2025 ৳'000	2024 ৳'000
Short-term employee benefits	**138,189**	133,687
Termination benefits	**30,950**	28,608

Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

*This is in addition to the requirements of IAS 24.

38. SALARIES AND EMPLOYEE RELATED EXPENSES

Categories of employees	Number of employees	Fixed compensation (on accrual basis) ﷼'000	Variable compensation (on cash basis) ﷼'000	Shares ﷼'000	Total ﷼'000
2025					
Senior executives that require SAMA no objection	**25**	**46,629**	**20,276**	**1,200**	**68,105**
Employees involved in control functions	**351**	**115,798**	**13,020**	**-**	**128,818**
Employees involved in risk taking activities	**48**	**63,525**	**17,415**	**-**	**80,940**
Other employees	**2,346**	**651,523**	**204,633**	**-**	**856,156**
Outsourced employees	**652**	**101,568**	**1,862**	**-**	**103,430**
Total	**3,422**	**979,043**	**257,206**	**1,200**	**1,237,449**
Variable compensation (accrual basis)		**246,705**			
Other employee related benefits		**35,398**			
Total salaries and employee-related expenses		**1,261,146**			

Categories of employees	Number of employees	Fixed compensation (on accrual basis) ﷼'000	Variable compensation (on cash basis) ﷼'000	Shares ﷼'000	Total ﷼'000
2024					
Senior executives that require SAMA no objection	24	45,147	23,849	-	68,996
Employees involved in control functions	364	114,101	12,212	-	126,313
Employees involved in risk taking activities	45	54,604	16,633	-	71,237
Other employees	2,156	549,346	153,389	-	702,735
Outsourced employees	619	96,059	1,461	-	97,520
Total	3,208	859,257	207,544	-	1,066,801
Variable compensation (accrual basis)		211,079			
Other employee related benefits		55,764			
Total salaries and employee-related expenses		1,126,100			

Control functions mainly include Enterprise Risk Management, Credit Management, Internal Audit, Finance, Compliance and Board Secretary & Governance, Shariah Groups. Employees involved in risk taking activities are Material Risk Takers.

38.1 Salient features of Compensation Policy

The Bank has developed a Senior Management Compensation & Benefits Policy based on the 'Banks Remuneration Rules' issued by SAMA as well as the guidelines provided by the Financial Stability Board and the Basel Committee on Banking Supervision in this respect. The policy was approved by the General Assembly and prioritizes the alignment of compensation with risk and offers a competitive and balanced mix of fixed and variable pay. The policy ensures that compensation reflects the probability and timing of earnings and their effect on the Bank's capital. It also aims to foster effective risk management, achieve financial stability and address the risks arising from the Bank's compensation practices. The Group considers all kinds of current and potential material risks and maintains a balance between general industry practices and Group-specific factors such as business model, financial condition, operating performance, market perception, business prospects and suitable managerial judgement, etc.

The Board of Directors of the Bank has established a Nomination and Remuneration Committee (the Committee) which consists of four members. The functions and duties of the committee focus on recommending nominations to the Board of Directors as per the approved policies and standards, performing annual reviews on the skills required for the membership of the board of directors, performing reviews of the board of directors 'structure and recommending those changes that could be carried out. The committee is also responsible for ensuring the independence of independent members and lack of any conflict of interests in case any director was a member in any other company's board, ensuring recommended appointment is commensurate with the proper skills and required qualifications, and development and review of remuneration for the directors and senior executives.

The Committee is also responsible to recommend to the Board of Directors the approval of the Bank's Compensation Policy and any amendments thereto, to ensure that the Bank's remuneration policies are in compliance with SAMA Rules, to periodically review the Bank's compensation policy, to evaluate practices by which compensation is paid, and to determine the performance bonuses for the Bank's employees based on the risk adjusted profit of the Bank.

The governance process ensures that the Compensation Policy is consistently applied and operates as intended. The Bank has established an oversight mechanism to regularly evaluate the design characteristics of compensation practices and their implementation to achieve the desired objectives.

The compensation and benefits program

The Compensation Policy is designed to attract, retain and motivate high performing and high potential employees. The Group's compensation policy is based on the nature of the job, market practices and jobholder's level of involvement in risk taking and controlling activities. The policy applies to all employees, including the executive management team and aims to link individual performance to the Group's overall achievements and financial soundness and results.

The Banks participates in Compensation and Benefits surveys conducted by independent third parties to get insights into the market pay levels. The Bank also conducts annual performance cycles that ensures that employees are appraised of their annual performance.

The distribution of compensation is composed of a mix of fixed and variable pay, allowances, periodic meritorious reward schemes and non-cash benefits in line with the standards and norms for the financial services industry in the Kingdom of Saudi Arabia.

According to labour law of the Kingdom of Saudi Arabia and Group's internal policies, staff end of services benefits is due for payment at the end of an employee's period of services. The end of service benefits outstanding at December 31, 2025 amounted to ﷼ 340.44 million (2024: ﷼ 309.43 million).

The compensation and benefits program is applicable to all regular (Headcount) Saudi national and expatriate employees of the Bank, and its subsidiaries within all applicable regulatory and corporate governance limitations.

- **Fixed compensation** includes salaries and wages, and job/position specific allowances and related benefits, which are fixed in employment contracts and are given irrespective of performance.
- **Variable compensation** includes performance bonuses, incentives and other variable performance related allowances which are not fixed by the employment contracts, and which vary from year to year, and have a direct correlation with individual, group and institutional performance success.

Performance management system

The Bank has adopted a framework to develop a clear link between variable compensation and performance. The framework is designed on the basis that the combination of meeting both financial performance and achievement of other non-financial factors would deliver a target bonus pool for the employees, prior to consideration of any allocation to business areas and employees individually.

The performance of all employees is evaluated against agreed targets using a KPI and Competency Scorecard methodology. Financial and non-financial metrics are used to measure performance against the objectives, which include profitability, expense control, customer satisfaction, quality assurance, employee development and engagement, sustainable business practices, lending guidelines, internal controls, compliance with regulations, and business systems and processes. Effective risk management is emphasized to maintain a strong and secure operating platform. The performance management methodology at the Bank focuses on the differentiation of individual performance and drives the variable reward strategy which encourages high performance within a risk compliant manner.

In line with SAMA Regulations, Material Risk Takers (MRTs) have a percentage of their variable compensation deferred and vested over a period of three (3) years. The MRTs are determined every year and approved by the Nomination and Remuneration Committee.

Risk-adjustment for variable pay schemes

The Bank has adopted a framework to develop a clear link between variable compensation and performance. The Bank has reviewed all its variable pay schemes, to ensure that any bonus pay pools have taken into account all relevant risks. The determination of bonus pools is based on appropriate performance factors adjusted for risk. The bonus pool for the Control functions have been ring fenced from short-term profits in alignment with SAMA regulations.

The Bank's subsidiaries have adopted a similar approach to remuneration and compensation practices as described above, including policies within a framework of prudent risk management.

38.2 Employees share-based plans

The Bank has following share-based payment plan outstanding at the end of the year. Significant features of the plans are as follows:

Nature of Plan	Equity Based Long Term Bonus Plan
Number of outstanding plans	1
Grant date	9 January 2025
Maturity date	2025, 2026, 2027& 2028
Number of shares granted on the grant date, adjusted for bonus share issue	1,631,282
Strike price per share at grant date adjusted for bonus share issue	13.416
Vesting period	0-3 Years
Vesting conditions	Employee remain in service
Method of settlement	Equity
Valuation model	Market value
Fair value per share on grant date adjusted for bonus share issue	14.484

The movement in weighted average price and in the number of shares in the employees share participation scheme is as follows:

	Weighted average exercise price (﷼)		Number of shares in scheme	
	2025	2024	**2025**	2024
Beginning of the year	13.416	-	-	-
Forfeited	13.416	-	(26,965)	-
Exercised/Expired	12.48	-	(96,154)	-
Granted during the year	13.36	-	1,631,282	-
End of the year	**13.416**	-	**1,508,163**	-

39. CAPITAL ADEQUACY

The Group actively manages its capital base to cover the risks inherent in its business. The adequacy of the Group'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 Group's eligible capital with its balance sheet assets, commitments and notional amount of derivatives at a weighted amount to reflect their relative risk. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to risk-weighted assets ("RWA") at or above 10.5 percent, including a capital conservation buffer (2.5 percent).

The Group monitors the adequacy of its capital using the methodology and ratios established by SAMA. Various committees have been established by the Bank which also monitor the capital adequacy.

The following table summarizes the Group's Pillar-I Risk Weighted Assets (RWA), Regulatory Capital and Capital Adequacy Ratios as per as per Basel III final reform issued by SAMA (circular number 44047144) effective from January 01, 2023

	2025		2024	
	Eligible capital ﷼'000	**Capital adequacy ratio %**	Eligible capital ﷼'000	Capital adequacy ratio %
Common Equity Tier 1 (CET 1) Capital	**15,065,179**	**12.28**	13,288,378	12.11
Additional Tier 1 (AT1) Capital	**6,750,000**		3,875,000	-
Tier I Capital	**21,815,179**	**17.78**	17,163,378	15.64
Supplementary capital (Tier 2)	**2,654,505**		2,616,245	
Core and supplementary capital (Tier 1 + Tier 2)	**24,469,684**	**19.94**	19,779,623	18.02

Common Equity Tier 1 capital of the Bank at the year-end comprises of share capital, statutory reserve, general reserves, other reserves, retained earnings and certain regulatory capital adjustments in accordance with the requirement of SAMA Basel III Framework. The other component of regulatory capital is Tier 2 capital, which comprises subordinated sukuk issued by the Group and eligible collective allowances.

A strong capital position is essential to the Group's business strategy and competitive position. The Group's capital strategy focuses on long-term stability, which aims to build and invest in core banking activities.

The Group seeks to maintain adequate levels of capital in order to:

- Optimize assets growth in target business segments to support its strategic objectives
- Support the underlying risks of the Bank's business;
- Be able to withstand capital demands under prevailing market and stress conditions.

Strategic business plans, ICAAP and ILAAP are drawn up annually covering at least three years horizon. This ensures that risks based on the Bank's Risk Appetite Framework & Policy are assessed and adequate levels of capital are maintained by the Group to support its growth. The above takes the following into account:

- Growth of core financing and investment business based on business plans of the various business units such as Corporate Banking (includes Commercial and SME Segment), Global Transactions Services, Financial Institutions, Retail Banking, Treasury and Private Banking;
- The funding structure and sources of funding, liabilities and equity, to support the asset growth taking into consideration the need to maintain strong liquidity position based on Basel III Liquidity Management guidelines;
- Maintenance of Regulatory capital requirements and Capital Adequacy Ratios.

For the purpose of calculating risk weighted assets, the Group uses the Standardized Approach for credit risk and market risk and the Basic Indicator Approach for operational risk. The Group's Risk Management Division is responsible for ensuring that the Group's capital adequacy ratios meet the minimum requirement specified by SAMA. The Group is required to submit Capital Adequacy Prudential Returns on quarterly basis to SAMA showing the capital position.

	2025 ৳'000	2024 ৳'000
Credit risk	**116,415,075**	103,418,920
Market risk	**1,046,111**	1,468,837
Operational risk	**5,228,814**	4,860,836
Total pillar-1 - risk weighted assets	**122,690,000**	109,748,593

As at 31 December 2025, the Bank is in compliance with all externally imposed capital requirements.

40. INVESTMENT MANAGEMENT AND BROKERAGE SERVICES

The Bank's subsidiary, AlJazira Capital Company offers investment management and advisory services to its customers, compliant with the principles of Shari'ah (non-interest based). These services include portfolio management on a discretionary and non-discretionary basis and management of investment funds in conjunction with professional investment advisors.

The Group also provides investment management and other services to AlJazira Takaful Ta'awuni Company.

Total assets under administration held by the Group related to its brokerage services business amounted to ৳ 47.7 billion (2024: ৳ 51.5 billion).

Assets held in a fiduciary capacity by the Group related to its asset and wealth management services business amounted to ৳ 28.4 billion (2024: ৳ 23.7 billion).

41. UNCONSOLIDATED ENTITIES

Unconsolidated structured entities are all structured entities that are not controlled by the Group. The Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and/or for specific investment opportunities. An interest in a structured entity is contractual or non-contractual involvement which creates variability of the returns of the Group arising from the performance of the structured entity.

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Group	Total assets	
			2025 ৳'000	2024 ৳'000
Public funds	To generate: • returns from trading in the units and / or periodic distributions from the funds. • fee from managing assets on behalf of third party investors. These funds are financed through the issue of units to investors.	Investments in units issued by the funds. Management and performance fee	**1,519,011**	1,491,219
Private funds	To generate: • returns from capital appreciation and / or periodic distributions from the funds. • fee from advisory services / managing assets on behalf of third party investors. These funds are financed through the issue of units / shares to investors.	Investments in units / shares issued by the funds. Advisory and management fee	**2,986,932**	4,785,475

The table below sets out an analysis of the carrying amounts of interest held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held. These interests are reported as investments at fair value through statement of income into these consolidated financial statements

	2025 ৳'000	2024 ৳'000
Public funds	**60,538**	100,331
Private funds	**587,923**	1,602,862
	648,461	1,703,193

The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. The Group earned a fee amounting to ৳ 155.88 million (2024: ৳ 65.7 million) from the structured entities it has sponsored, but in which the Group does not have an interest.

a) Analysis of PSIA income according to types of investments and their financing

As of December 31, 2025, all joint financing is funded by comingled pool which includes funds from Unrestricted Investment Accountholder (mainly Mudaraba).

Gross pool assets by type of contract:

	2025 ৳'000	2024 ৳'000
Tawarraq	**61,427,905**	53,054,641
Murabaha	**44,890,429**	40,090,120
Ijarah	**8,068,572**	7,172,581
Wakala	**1,516,886**	2,766,369
Sukuk	**35,965,312**	33,879,783
Qard Alhasan & Others	**2,669,555**	2,658,352
Total financing and investments	**154,538,659**	139,621,846

b) the basis for calculating and allocating profits between the bank and the IAHs;

Computation of Pool income is as follows:

৳'000	2025	2024
Pool Income from Financing	**4,905,858**	4,197,567
Income from Investments	**494,431**	562,610
Total Pool Income	**5,400,289**	4,760,177
Investment risk reserve (IRR) - (Mudaraba Reserve Account	**760,066**	602,890
Mudaraba Pool Income	**522,293**	432,903
Mudarib fee	**5,223**	4,329
Movement to or from IRR	**157,176**	155,001
Total amount paid to IAH Mudaraba	**297,173**	273,660
Profit allocation during the year	**359,894**	273,573
Total amount attributable to shareholders pool	**1,179,042**	1,146,240

The basis of allocating the profits between IAH and the Bank:

	IAH Share	Bank Share
Profit Sharing Allocation Percentages	**99%**	1%

c) the equity of the IAHs at the end of the reporting period

৳'000	2025	2024
Investment account holders balance before profit	**7,895,000**	4,895,000
Add: Profit for the IAH during the year	**517,070**	428,574
Less: Profit allocation during the year	**(359,894)**	(273,573)
Total value of Investment Account Holders after share of profits and before the fair value reserves	**8,052,176**	5,050,001
Share in fair value reserve	**(157,176)**	(155,001)
Total equity for Investment Account Holders	**7,895,000**	4,895,000

d) Basis for determining any IRR and the changes that have occurred in any of those reserves during the reporting period

Investment risk reserve / Mudaraba Reserve (IRR) is created by setting aside amounts out of the profit attributable to investment account holders, after deducing the Mudarib share, in order to cushion the effects of future investment losses on investment account holders. The IRR enables the Bank's to cover, fully or partially, unexpected losses on investments. Where the losses are fully covered, use of PER may enable a profit pay-out to be made to the IAH notwithstanding the loss.

With regard to IRR, IAH agree in advance in the contract that regulates their relationship with the Bank, on the proportion of their income that may be appropriated to each of these reserves. This amount is determined by the management of the Bank at their discretion. As per terms and conditions, in case of any shortfall the Bank has to first utilise any amount available in the Mudaraba Reserve and in case of any shortfall may (at its sole discretion) elect (but shall not be obliged) to make one or more payments from its own cash resources in order to cover such shortfall and the Bank will be entitled to recover such amounts at a later date from the Mudaraba Reserve. Investment risk reserve (IRR) are used to manage and mitigate below risk faced by the Bank.

Displaced commercial risk

Rate of return risk can give rise to displaced commercial risk. The Bank may be under pressure to pay a return that is above the rate earned on assets to match the competitors' rates. The Bank cannot provide their customers fixed guaranteed returns on their deposits or investments. Instead, they follow risk/return sharing model. However, in practice, investment account holders are likely to expect competitive returns. This lead to displaced commercial risk for the Banks. It is vital for the Banks to effectively manage their displaced commercial risk to be able to compete with their conventional counterparts. To mitigate displaced commercial risk, the Banks may decide to waive their portions of profits and thus dissuade investment account holders from withdrawing funds. However, the practice of foregoing part or all of shareholders' profits can adversely affect the Bank's own capital which can lead to insolvency in extreme cases.

43. RESTATEMENT AND COMPARATIVE FIGURES

During the current year, the financial statements have been restated and reclassified as set out below to reflect the impact of refinements in accounting presentation and classification.

i. The Bank corrected the valuation of its interest in an equity investment that is classified as investments at fair value through other comprehensive income (FVOCI) which was historically valued at cost and net assets value as at 31 December 2023 and 31 December 2024 respectively. As a result of using correct/appropriate valuation method, the fair value of the investment has increased by ﷼ 212.63 million as at 31 December 2023 and 31 December 2024. This adjustment is considered as correction of errors as per IAS 8 (Accounting policies, Changes in Accounting Estimates and Errors) and is material to the consolidated financial statements and accordingly the consolidated statement of financial position and consolidated statement of changes in equity have been restated.

ii. Following an enhanced interpretation of the contractual terms of the Share Purchase Agreement, the Group refined the classification of one of its investments. The investment, previously designated at fair value through other comprehensive income (FVOCI) under IFRS 9, was determined to require measurement at fair value through profit or loss (FVTPL). In accordance with IAS 8, the Group has retrospectively reclassified the carrying amount of ﷼ 460 million from FVOCI to FVIS. This restatement has no impact on the consolidated statement of financial position, consolidated statement of income and consolidated statement of changes in equity for the comparative year.

iii. During the year, following a review of balances held with cash management companies, certain amounts previously classified as "Other assets" were reclassified as "Cash and balances with SAMA," meeting the definition of cash and cash equivalents under IAS 7. Comparative information has been re-presented accordingly. This reclassification affected the consolidated statement of financial position and consolidated statement of cash flows, with no impact on consolidated statement of income and consolidated statement of changes in equity.

Accordingly, the Bank has restated the affected line items to reflect the cumulative impact of all restatements and reclassifications, such that the prior year financial information is presented on a consistent and comparable basis.

﷼'000	As previously presented	Impact of (i)	Impact of (ii)	Impact of (iii)	Restated balance
As at 31 December 2024					
Consolidated statement of financial position					
Cash and balances with SAMA	6,118,369	-	-	465,421	6,583,790
Investments, net	36,193,723	212,633	-	-	36,406,356
Other assets	1,111,117	-	-	(465,421)	645,696
Total assets	148,906,068	212,633	-	-	149,118,701
Other reserves	(1,093,466)	212,633	-	-	(880,833)
Equity attributable to shareholders of the Bank	13,326,697	212,633	-	-	13,539,330
Total equity	17,201,697	212,633	-	-	17,414,330
Total liabilities and equity	148,906,068	212,633	-	-	149,118,701
Consolidated statement of changes in equity					
Other reserves	(1,093,466)	212,633	-	-	880,833
Consolidated statement of Cashflows					
Net cash (used in) / generated from operating activities	1,916,975	-	(460,000)	184,985	1,641,960
Net cash used in from investing activities	(1,854,306)	-	460,000	-	(1,394,306)
Investments held at FVIS	(267,575)	-	(460,000)	-	(727,575)
Other assets	(391,668)	-	-	184,985	(206,683)
Purchase of investments held at amortised cost and FVOCI	(5,910,158)	-	460,000	-	(5,450,158)
Net change in cash and cash equivalents	(398,475)	-	-	184,985	(213,490)
Cash and cash equivalents at the beginning of the year	2,722,860	-	-	280,436	3,003,296
Cash and cash equivalents at the end of the year	2,324,385	-	-	465,421	2,789,806
Note 6 - Investments , net					
Held at FVIS	1,794,618	-	460,000	-	2,254,618
Held at FVOCI, net	13,315,238	212,633	(460,000)	-	13,067,871

As at 31 December 2024					
Consolidated statement of financial position					
Cash and balances with SAMA	5,840,693	-	-	280,436	6,121,129
Investments, net	34,442,290	212,633	-	-	34,654,923
Other assets	719,449	-	-	(280,436)	439,013
Total assets	129,550,777	212,633	-	-	129,763,410
Other reserves	(844,399)	212,633	-	-	(631,766)
Equity attributable to shareholders of the Bank	12,540,494	212,633	-	-	12,753,127
Total equity	16,415,494	212,633	-	-	16,628,127
Total liabilities and equity	129,550,777	212,633	-	-	129,763,410
Consolidated statement of changes in equity					
Other reserves	(844,399)	212,633	-	-	(631,766)

In addition, certain prior year amounts have been reclassified to align with the current year presentation. However, there was no impact of such reclassifications on the consolidated statement of income and consolidated statement of changes in equity.

44. EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors through their resolution dated 28 January 2026 approved a dividend payment of ﷼ 638.11 million equal to ﷼ 0.5 per share for the second half of 2025, net of zakat. The impact of this will be reflected in the consolidated financial statements for the year ending 31 December 2026.

45. BOARD OF DIRECTORS' APPROVAL

The consolidated financial statements were authorized for issue by the Board of Directors on 27 January 2026 (corresponding to 8th Shaban, 1447AH).

Conclusion

Decades of consistent presence have made Aljazira Bank what it is today, a name built on accumulated trust, and a track record shaped by deliberate choices. In 2025, that journey reached a deeper moment, where years of investment and transformation finally spoke for themselves.

The Bank advanced this year with clarity of purpose and discipline of execution, strengthening portfolio quality, broadening its client base, and translating digital investment into banking experiences that felt closer, smoother, and more human. Governance, Shariah principles, and sustainability held firm throughout, as they always have.

Beyond its business performance, Aljazira Bank reached thousands of families, young people, people with disabilities, and non-profit organizations through its community programs, rooted in the belief that a bank's true measure lies not only in what it earns, but in what it gives back.

The Bank enters the next chapter with a renewed identity, a tested business model, and a team committed to what comes next. The future, whatever it holds, belongs to those whose foundations are sound.

Here, where wealth grows.

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Aljazira Bank is under the supervision of Saudi Central Bank