Annual Report
2025

الأول
SAB

The Kingdom's leading international bank

100 years
of achievement and pride

The Custodian of the Two Holy Mosques

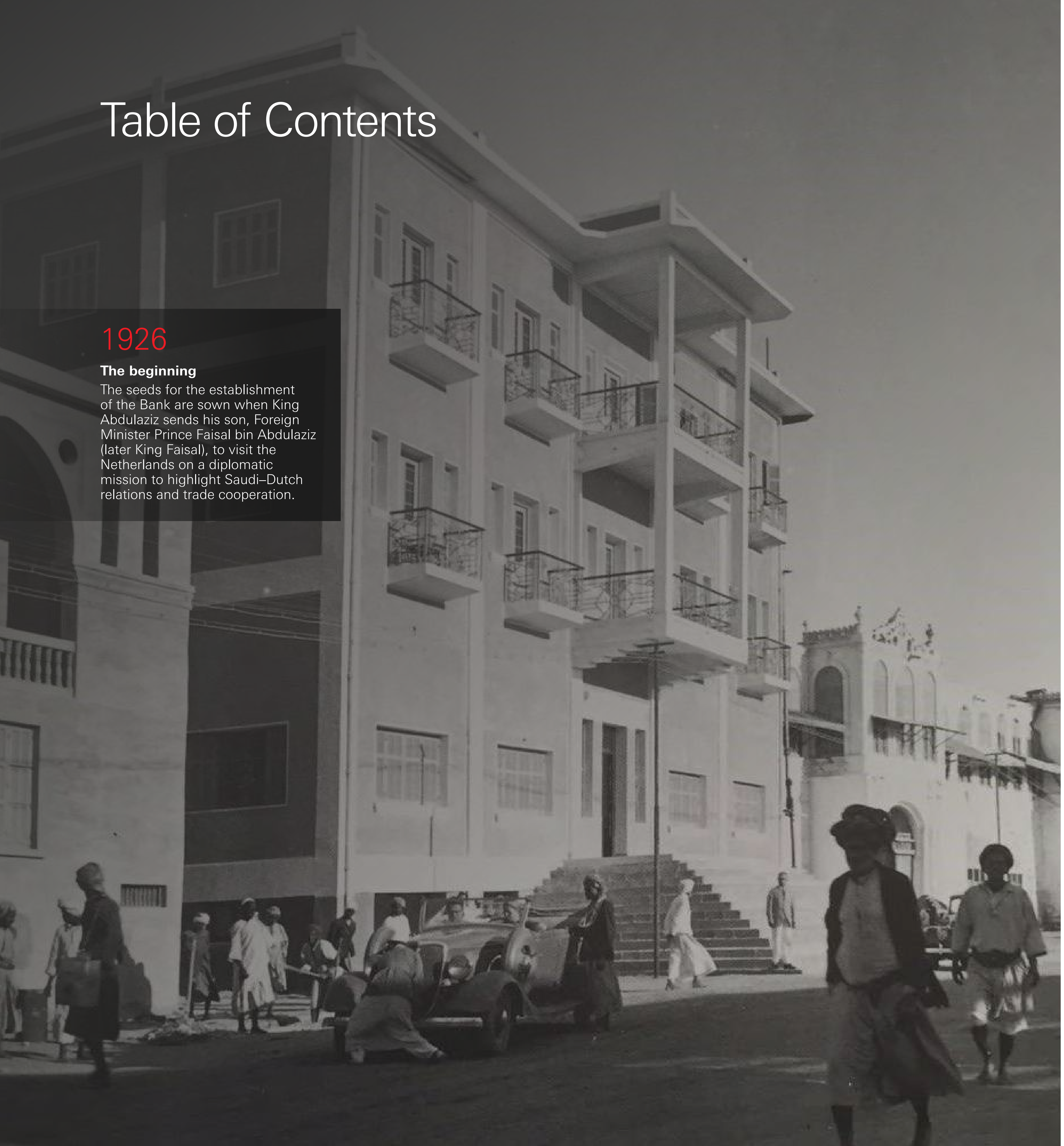
King Salman Bin Abdulaziz Al Saud

His Royal Highness

Mohammed Bin Salman Bin Abdulaziz Al Saud

Crown Prince and Prime Minister

Table of Contents



1926

The beginning

The seeds for the establishment of the Bank are sown when King Abdulaziz sends his son, Foreign Minister Prince Faisal bin Abdulaziz (later King Faisal), to visit the Netherlands on a diplomatic mission to highlight Saudi–Dutch relations and trade cooperation.

Awards

Euromoney

Best Bank in KSA

Best Digital Bank in KSA

Best Bank for ESG in KSA

Best Bank for Cash Management in Saudi Arabia

Best Private Bank and Best for UHNW in KSA

Euromoney Trade Finance Survey - #1 in Overall, Products, Tech

Global Finance

Best SME Bank in KSA

Best Trade Finance Bank in KSA

Best Bank for Sustainable Finance in KSA

Best Bank in KSA

Best Treasury and Cash Management Bank in KSA

Best UX Design in the Mid-East and KSA, Most Innovative Digital Bank in KSA

The Digital Banker

Outstanding SME Account Opening and Onboarding Initiative

Credit Card of the Year (Travel) - SAB Alfursan

Mortgage Product of the Year - Offplan Cash to Finance

MEED MENA Banking Awards

Excellence in Client Experience

The Banker

Best Bank in KSA

GTR

Best Bank for Receivables Finance

Global Banking and Finance

Most Innovative Banking Initiative - SAB Innovation Centre Saudi Arabia 2025

Excellence in Innovation - Corporate Innovation Saudi Arabia 2025

Middle East Banking AI and Analytics Summit

Best AI Driven Banking Institution and Best Use Case of Gen AI in Operational Efficiency - SAB Gen Next – Intelichat

Capital Markets Authority

Sustainability Programme

Global Brands Magazine

Best Banking Brand in KSA

Marketing Strategy and Innovation Summit and Awards 2025

Best in Customer-Centric Transformation

About SAB

Our vision

To bring a world of financial opportunities to an ambitious Kingdom

We enjoy a unique position as the leading international bank in the Kingdom of Saudi Arabia. We give our customers the highest quality service and an unmatched breadth and depth of experience and know-how from local and international best practice. Our strategic partnership with the HSBC Group, one of the world's leading financial institutions, positions us as a preferred banking partner. As a leader in key segments of the financial sector, we will be where the growth is in Saudi Arabia. Our staff will see SAB as the best place to work in Saudi Arabia, offering the best training and development, unparalleled access to international best practices, and the most progressive working standards in tune with the evolution of the Kingdom.

The merger between SABB and Alawwal Bank

The merger between Saudi British Bank (SABB) and Alawwal Bank, completed in June 2019, brought together two of Saudi Arabia's best established and most trusted financial institutions, and was a milestone moment for the Saudi capital market.

The merger was a compelling opportunity to create an institution with enhanced scale and balance sheet strength to support and play an instrumental role in the Vision 2030 economic transformation programme, supporting the financing of infrastructure projects, the development of the capital market, the prioritisation of public services and assets, and the creation and build out of new sectors of the economy.

The merged Bank has cemented its position as a top tier Saudi financial institution, with total revenue in 2025 amounting to ⃁ 14.7 bln, with more than 1.7 mln Retail customers and over 35k Corporate and Institutional customers. The combination of the two banks has created a substantial retail and wealth management business, with increased resources to innovate and connect with a young and tech-savvy customer base. SAB continues to be one of the leading corporate banks in the Kingdom and the Bank of Choice for international customers.

Our business

Today, the Bank has in issue ⃁ 29.1 bln of share capital and share premium, equating to 2,055 mln shares with a nominal value of ⃁ 10. SAB provides a comprehensive range of banking services to retail, corporate, and institutional customers throughout the Kingdom. SAB has maintained a long-standing strategic partnership with HSBC Group, one of the world's largest and most geographically diverse financial services corporations. The partnership has provided SAB with a vital competitive advantage, affording customers access to the best international services available in the Saudi market. HSBC Group currently retains a 31% stake in SAB.

35k	1.7 mln	⃁ 14.7 bln	⃁ 454.5 bln
Corporate and Institutional customers	Retail customers	Revenue	Total assets

Celebrating our centenary

2026 marks the centenary of Saudi Awwal Bank— a historic milestone. The Bank has worked together with the Kingdom and played a critical role in many of the economic developments over this time. SAB is an institution built on solid foundations and fundamentals. As the Kingdom navigates its transformation journey, and as capital markets deepen and mature, the Bank is positioned extremely well.

100 years

A Shared History of 100 Years

البنك الأول
Alawwal bank

1926
Netherlands Trading Society opens in Jeddah

1928
Assists the Kingdom in issuing its first independent currency

1939
Facilitates payment for first oil export

1977
Saudi Hollandi Bank established as a joint venture bank

2003
Issues first smart credit card in the Kingdom

2004
Issues first subordinated bond in the Kingdom

2016
Rebrands to Alawwal Bank - Bank of the Year in the KSA (The Banker)

2017
- Launches first digital branch
- IBDA Best Digital Bank in Saudi Arabia (Banker Middle East)

2018
Most Innovative Bank in KSA (Banker Middle East)

الأول
SAB

2019
Merger

1950
SABB's origins begin at a branch of BBME in Alkhobar

1978
Royal decree establishing SABB

1990
SABB's first ATM launched

1991
SABB's first credit card issued

2002
First Saudi bank to launch a home finance programme

2005
First Saudi bank to issue international bonds

2016
Best Bank in Saudi Arabia (Asiamoney)

2018
- Best Trade Finance Provider (Euromoney)
- Best Treasury and Cash Management Provider (Global Finance) SABB

ساب
SABB

At a Glance

Financial highlights

Total assets (⃁ mln)

'21	272,396
'22	315,565
'23	357,802
'24	400,603
'25	454,454

Loans and advances, net (⃁ mln)

'21	167,556
'22	183,132
'23	215,936
'24	259,346
'25	298,627

Net income after Zakat and income tax (⃁ mln)

'21	3,202
'22	4,826
'23	7,002
'24	8,070
'25	8,452

Customer deposits (⃁ mln)

'21	189,261
'22	222,412
'23	253,457
'24	267,011
'25	323,274

Shareholders' equity (⃁ mln)

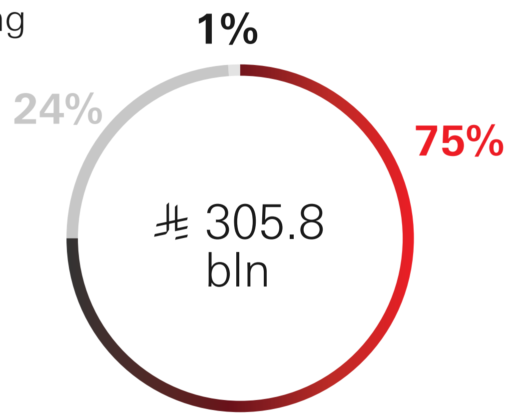
'21	52,926
'22	55,797
'23	59,075
'24	61,482
'25	66,952

Dividend per share (⃁)

'21	0.86
'22	0.91
'23	1.62
'24	2.0
'25	2.0

Customer lending
by business

Gross loans
CIB vs. WPB vs.
Capital Markets



- CIB
- WPB
- Capital Markets

⃁ 3.81
EPS

⃁ 14.7 bln
2025 revenue

14.5%
Return on tangible equity

⃁ 229 bln
Gross Corporate and Institutional loan portfolio

⃁ 75.2 bln
Gross retail loan portfolio

⃁ 42.4 bln
Mortgage portfolio

14.8%
CET 1 ratio

12.2%
Corporate lending market share

49%
Shareholding in HSBC SA, the leading investment bank in the Kingdom

24%
Trade market share

⃁ 305.8 bln
Gross customer loans

30.3%
Cost: Income ratio

1927

Supporting the pilgrims
More than 52,000 pilgrims arrive at Jeddah Port from the Dutch East Indies in 1927, representing 42% of all overseas pilgrims that year. In the newly established Bank they find a partner ready to serve their financial needs and support them in completing their pilgrimage.

Operational highlights

100
Total branches

4,105
Total employees

999
No. of ATMs

93.9%
Saudisation rate

ESG highlights

MSCI ESG rating
'AA'

⃁ 44 bln
of sustainable finance and investments by the end of 2025

900,000
trees planted as part of our commitment to the Saudi Green Initiative

2035
Operational net zero target

Colleague engagement (%)
95% participated in the employee experience survey

Females at Managing Director and Director levels (%)
25 women in Senior Management and 342 in Middle Management

1928

A currency is born

The Bank plays a key role in one of the most important events in the contemporary economic development of modern Saudi Arabia — the issuance of the first independent currency, the Saudi Riyal.

01 Bank Profile

Theme of the Year

A century of trust and progress

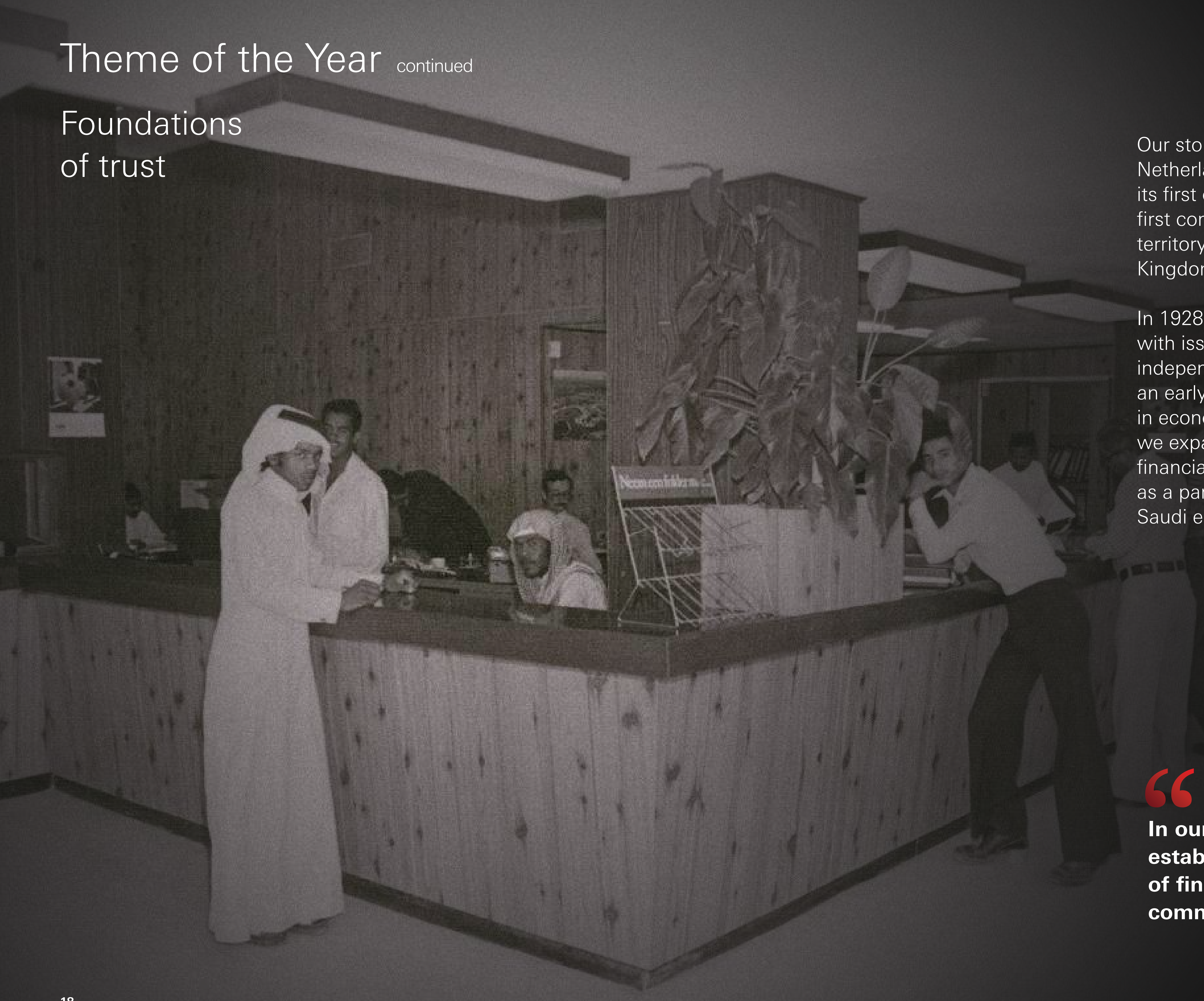
For a century, we have served the Kingdom with unwavering commitment to our customers, our communities and the institutions that shape economic and social progress.

From the beginnings of modern finance in this land to the evolving demands of a global digital economy, our purpose has stayed the same: to support confidence, facilitate growth, and deliver dependable banking that the nation can rely on today and in the decades ahead.

“Our strength lies in the trust we have built and the service we deliver every day, across generations.

Theme of the Year continued

Foundations of trust



Our story began in 1926, when the Netherlands Trading Society opened its first office in Jeddah, becoming the first commercial bank to operate in the territory that would soon become the Kingdom of Saudi Arabia.

In 1928, we assisted the government with issuing the Kingdom's first independent currency, the Saudi Riyal, an early expression of confidence in economic sovereignty. Over time, we expanded into new regions and financial services, deepening our role as a partner to emerging sectors of the Saudi economy.

> **"In our earliest days, we helped establish trust in the foundations of finance, currency, and commerce in this land.**

Theme of the Year continued

Partnering with a growing nation

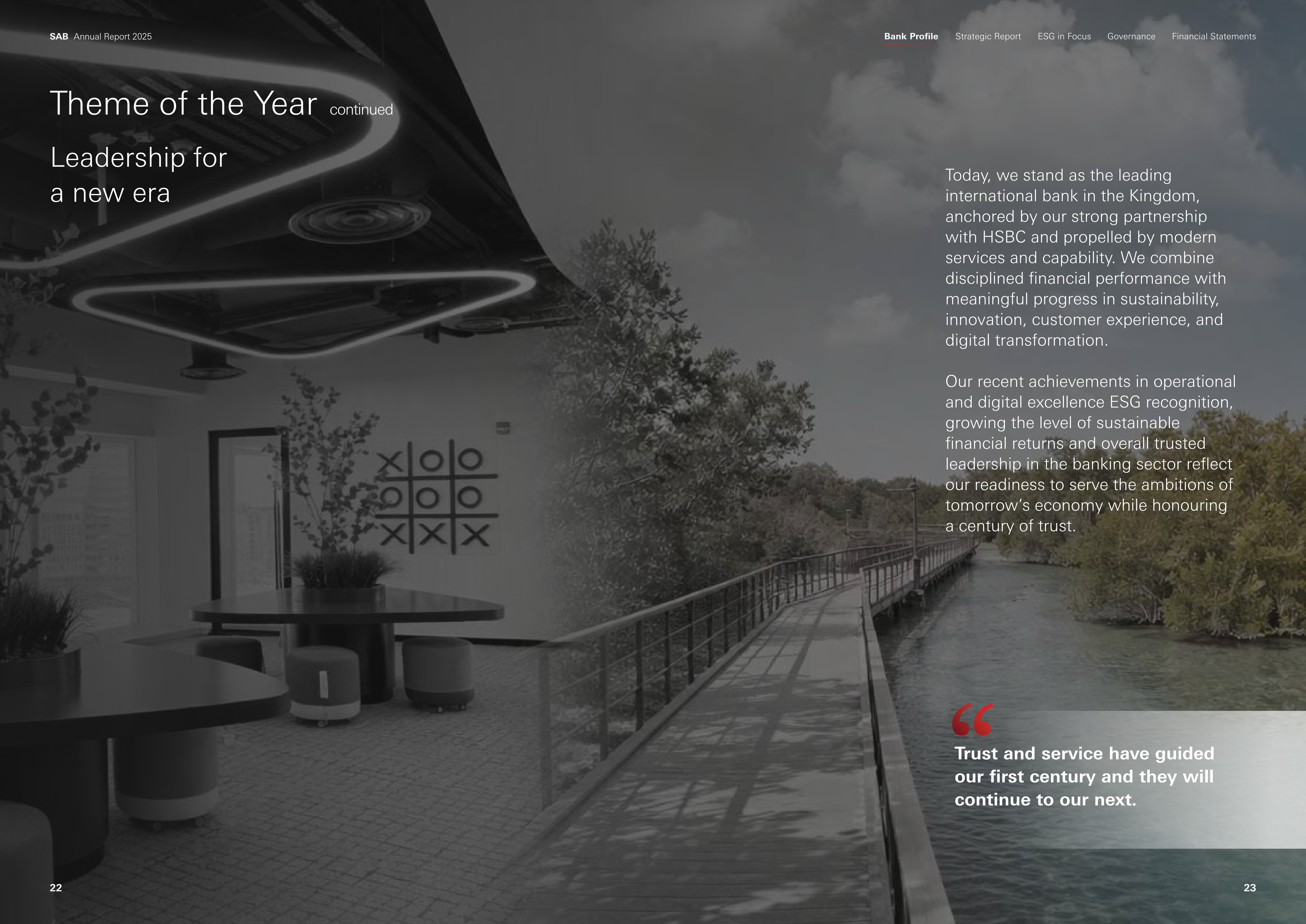
As the Kingdom's economy grew in scale and complexity, we expanded our services in tandem. Through infrastructure finance, trade facilitation, and deepening corporate capability, we supported pivotal economic chapters.

This period saw the development of broad branch networks, firsts in banking products, and foundational contributions to capital markets and customer-centric services. Across evolving economic eras, we showed up for the nation with stability, capability, and a commitment to long-term value.

> **We grew with the Kingdom, creating solutions that matched the needs of each economic era.**

Theme of the Year continued

Leadership for a new era



Today, we stand as the leading international bank in the Kingdom, anchored by our strong partnership with HSBC and propelled by modern services and capability. We combine disciplined financial performance with meaningful progress in sustainability, innovation, customer experience, and digital transformation.

Our recent achievements in operational and digital excellence ESG recognition, growing the level of sustainable financial returns and overall trusted leadership in the banking sector reflect our readiness to serve the ambitions of tomorrow's economy while honouring a century of trust.

> **Trust and service have guided our first century and they will continue to our next.**

Year in Review

Celebrating 100 years of purpose-driven progress, we translated long-standing strengths into tangible results in 2025, combining disciplined financial leadership with innovation, sustainability, and impact at scale. Our actions reflected continuity and momentum, reinforcing our role as a trusted partner to the Kingdom, its economy, and its people, while continuing to build the capabilities required for long-term value creation.

January

- Named Best Trade Finance Provider in Saudi Arabia for 2025 by Global Finance for the fifth consecutive year, reflecting our sustained market leadership and performance.
- Received the Corporate Innovation Award 2024 from Qorus for the second consecutive year, recognising our Innovation Excellence Initiative and its role in advancing financial innovation.

February

- Became the first bank in the Kingdom to win the Sustainability Program Award 2024 at the Capital Markets Forum, recognising leadership in ESG strategy and execution.
- Inaugurated the Prince Faisal bin Mishaal Centre for Native Plant Conservation and Propagation in Al-Qassim, supporting conservation, research, and education under the Saudi Green Initiative.

March

- Partnered with Visa and AC Milan Women to launch the She's Next in Football Initiative in Saudi Arabia, supporting female athletes through mentorship, training, and global exposure.

April

- Signed a ⃁ 2 bln credit facility with Saudi Binladin Group to support the development of King Fahd Sports City in Riyadh, reinforcing our role in financing national infrastructure.
- Executed the first off-balance-sheet end-to-end digital Islamic supply chain finance transaction in the Kingdom, delivering fully automated, Shariah-compliant processing.

May

- Inaugurated our Innovation Centre, accredited by the Global Innovation Institute, establishing a national hub for financial services innovation and co-creation.
- Completed the issuance of a USD 650 mln Additional Tier 1 green sukuk under our capital programme, supporting sustainable finance objectives.
- Named Best Bank for ESG in Saudi Arabia by Euromoney for the third consecutive year, reaffirming our leadership in sustainability.
- Recognised as Best Bank in Saudi Arabia for 2025 by Global Finance for the sixth consecutive year, reflecting sustained performance and strategic execution.
- Became the first bank in the Kingdom to introduce IDEMIA Secure Transactions' Tap to Activate solution, enabling secure and seamless card activation.
- Achieved the CIPS Procurement Excellence Gold Award, becoming the first Saudi organisation to reach this global standard in procurement.

June

- Won Best Innovation in Operational Excellence at CX Live Show 2025, recognising the impact of our Ops2.0 transformation programme.
- Joined the Ministry of Economy and Planning's Sustainability Champions Programme as a mentor, supporting organisations in advancing sustainability practices.

July

- Named Best Bank in Saudi Arabia for 2025 by Euromoney, recognising our financial performance, digital progress, and commitment to social responsibility.

August

- Became the first bank in the Kingdom to issue a labelled USD 1.25 bln Tier 2 green bond, reinforcing leadership in sustainable capital markets.

September

- Became the first bank in the Middle East and Africa and the 42nd entity globally to achieve ISO 20400 for sustainable procurement, strengthening ESG integration across our supply chain.

October

- Received Global Banking and Finance Review Awards for Most Innovative Banking Initiative and Excellence in Corporate Innovation, recognising the impact of our Innovation Centre and innovation culture.

November

- Announced a strategic partnership with WEConnect International to support women-owned businesses and advance inclusive economic growth.
- Launched Instant Account Opening for Small and Medium Enterprises (SMEs), enabling sole proprietors to open accounts through a fully digital, end-to-end process.

December

- Achieved an upgrade of our MSCI ESG rating to 'A', alongside improvements under Sustainalytics and S&P, reflecting progress across ESG metrics. During March 2026, this was further upgraded to 'AA'.
- Became the first bank in Saudi Arabia to achieve ICXS-2019 International Customer Experience Standard certification from BSI, reinforcing our commitment to service excellence.

20
25

SAB and Vision 2030

SAB's strategic positioning and competitive strengths ensure it will both contribute to and benefit from the national economic growth agenda, which is embodied in the government's Vision 2030 programme. The Vision is built on three themes.

A Vibrant Society

A vibrant society is vital to achieving the Vision and establishing a strong foundation for economic prosperity. The goal is to create a society in which every citizen enjoys a happy, fulfilling lifestyle complemented by a standard of living that provides a safe and secure environment for families, and access to world-class healthcare and education.

A Thriving Economy

A thriving economy provides opportunities for all by building an education system aligned with market needs to equip youth with the skills for the jobs of the future, creating economic opportunities for the entrepreneur and the small enterprise, as well as for the large corporation.

An Ambitious Nation

An ambitious nation applies efficiency and responsibility at all levels to deliver the Vision, including building an effective, transparent, accountable, enabling, and high-performing government.

Key themes for SAB

- Support the development of new sectors (e.g., entertainment, tourism, technology) and the development of major government projects.
- Support the privatisation programme to transfer a significant portion of government assets to the private sector, to improve economic efficiency.
- Develop key industries by localising manufacturing, developing adjacent oil and gas sectors, expanding mining, using renewable energy, and improving logistics infrastructure.
- Expanding contribution of SMEs to the economy, with the expectation of growth in bank lending to the sector.
- Increasing inflows of foreign direct investment and improving the flow of capital by advancing capital markets.
- Increasing the rate of savings and savings options for Saudi citizens.
- Improve the financial literacy of the population.
- Significant growth in home ownership and related financing.
- Build a digital economy by moving to a cashless society, increasing fintech presence and alternative banking opportunities.
- A clear focus on labour participation to improve employment opportunities for local citizens, women, those with disabilities, and improve the readiness of youth to enter the workplace.

Investment Case

Five reasons to invest in SAB

01

The leading international bank in the Kingdom

Our institution has developed into the leading international bank in the Kingdom through a deep understanding of the needs of our customers and a bespoke product suite that delivers intrinsic value. Our unique partnership with HSBC Group enables us to bring international connectivity to our customer base and aligns our approach with global best practice.

We are the ‘go-to’ bank for inbound and outbound multinational corporates and institutions operating into or from Saudi Arabia, and the number one bank in the Kingdom for trade.

02

Increased scale to support Vision 2030 growth aspirations

The Kingdom is navigating its path through undoubtedly its biggest economic transformation programme, bringing a wealth of opportunity to every family and enterprise domestically, but also playing to international opportunities.

Through our robust balance sheet and market-leading suite of products, we possess the scale and capability to support such an ambitious programme.

03

Proven financial strength and resilience

Historically, we have delivered top tier financial performance from a strong balance sheet, robust funding and liquidity dynamics, and a solid capital position.

Following the merger with Alawwal Bank, we have taken the necessary steps to protect our balance sheet and conservatively manage the provisioning of our portfolio. We are still in a position of strength to meet the demands of our customers.

04

Positioned for growth

We have successfully completed the integration of our two banks, following the creation of SAB from the merger of SABB with Alawwal Bank, and we have moved swiftly into investment and growth mode. Our strategy is growth focused and supported by a drive to digitise the banking platform and customer experience.

Our growth agenda aims to build on our strengths in our corporate franchise and provide a more enhanced retail provision to support the growing needs of our retail customers. Our long-term strategy, coupled with a core set of finance fundamentals and a robust economy, positions us well for growth.

05

A safe, sustainable, and dependable institution

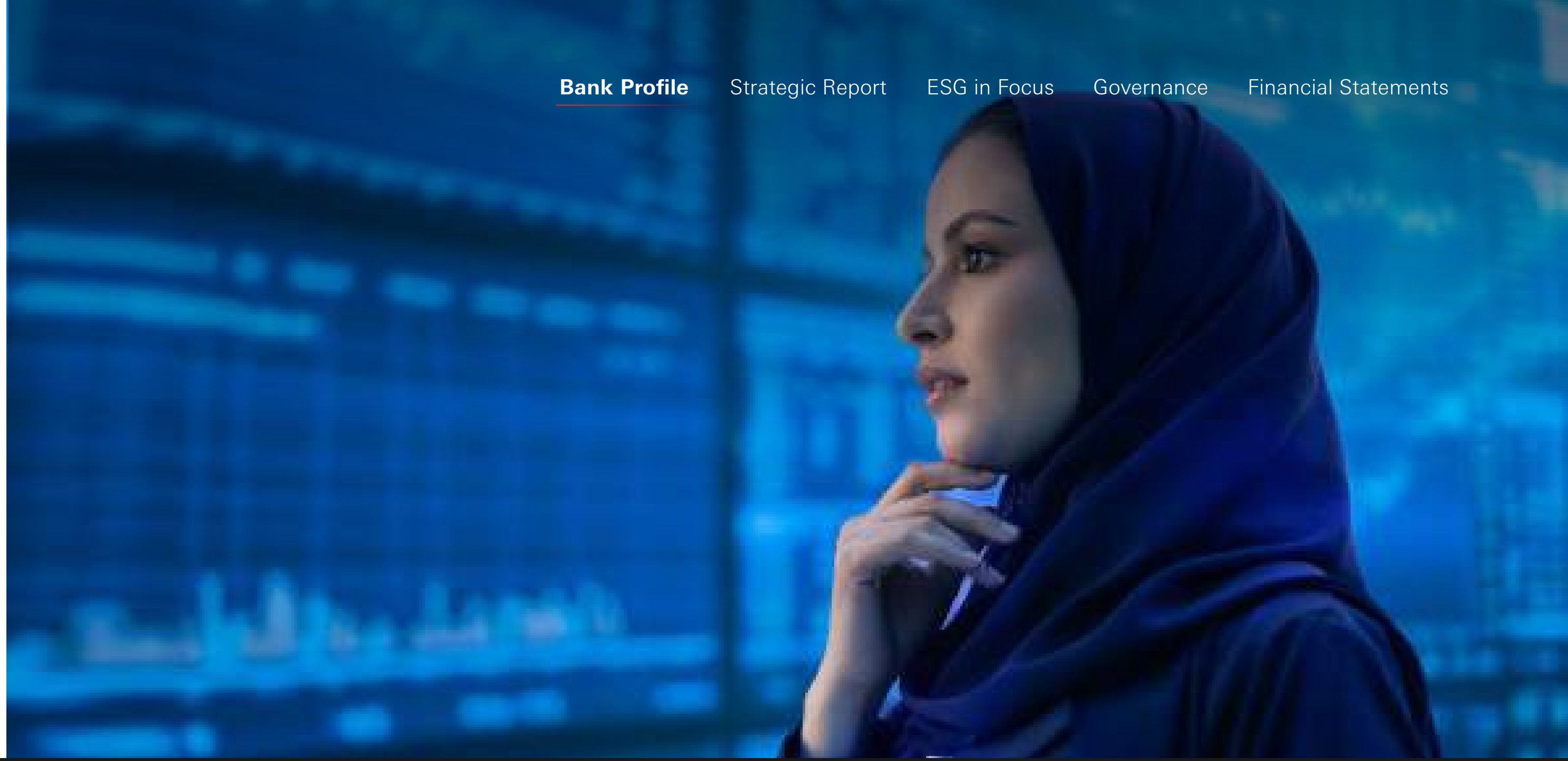
A robust approach to corporate governance is a key strength for any organisation and we ensure we adopt best practices in this field to create value for all of our stakeholders. The Board establishes the Bank’s strategy and risk appetite with the aim of achieving sustainable value and promoting a culture of openness and debate.

Our Board brings a successful balance of international banking best practices, together with local, commercial, and institutional insight and experience.

We conduct our business using a responsible and sustainable approach in line with our values, and our business decisions are made in the interests of all concerned stakeholders, including our customers, employees, shareholders, and our wider community.

Shareholders’ Information

Shareholders, investors, sellside, buyside, and credit analysts remain incredibly important stakeholders for the Bank. Since 2019, the Bank has forged a leading Investor Relations (IR) capability that is well respected within the local and international market. The IR team is incredibly supportive of the drive by the Tadawul Exchange to promote the Kingdom’s overall investment case and attended the key Saudi-focused or Tadawul-sponsored investor conferences globally during 2025.



Listing date:
02 October 1993

ISIN code:
SA0007879089

Number of shares issued:
2,055 mln

Exchange:
Tadawul

Currency:
⃁

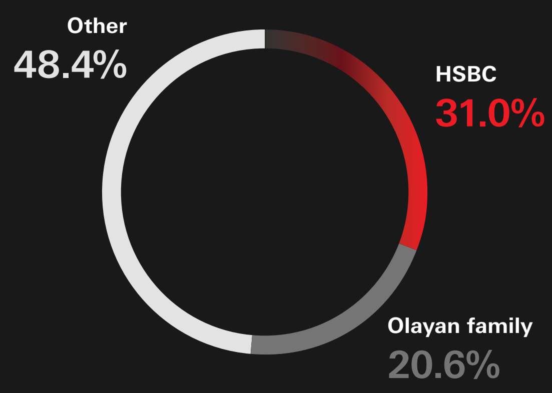
Market cap as at 31 December 2025:
⃁ 66.5 bln

Symbol:
1060

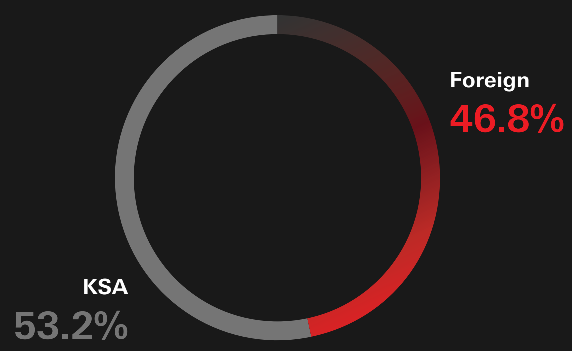
Industry:
Banking

Closing share price as at 31 December 2025:
⃁ 32.38

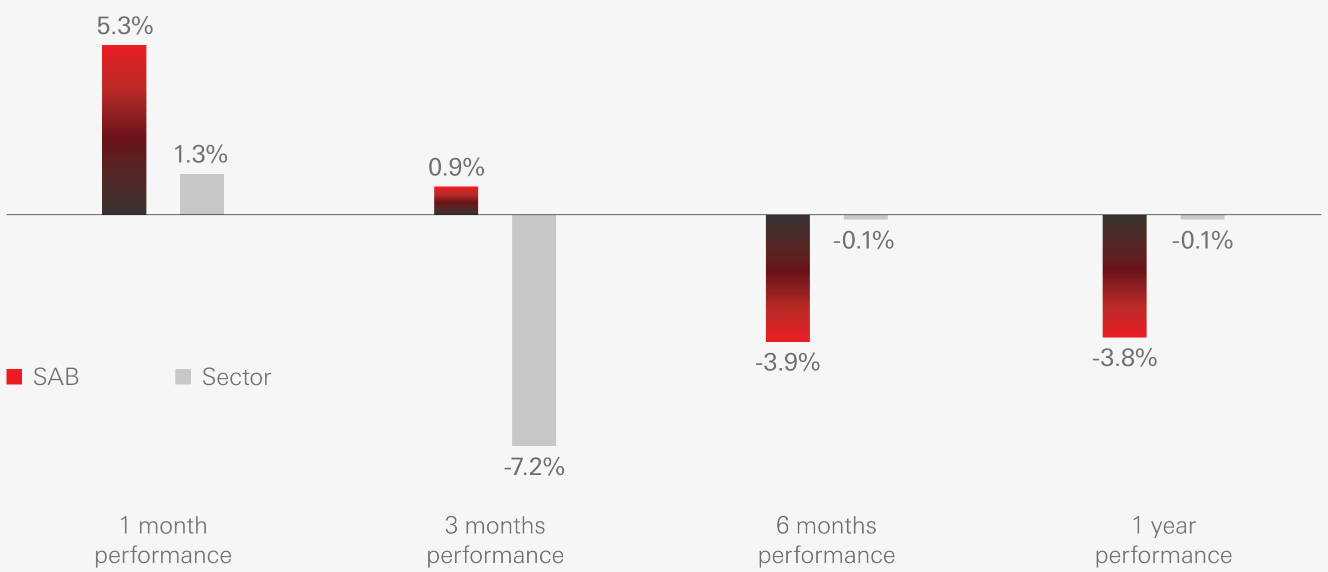
Major shareholders:



Shareholding by geography:



Share price performance vs. Saudi banks’ benchmark during 2025



Share price vs. banking sector indexed to 31 December 2024

Stakeholder Management

At SAB, we deeply appreciate the viewpoints of our stakeholders and prioritise active engagement with them to gather valuable insights and cultivate relationships that are beneficial for all parties involved. Stakeholders play a crucial role in our decision-making processes, particularly when it comes to identifying our material issues. Their feedback and perspectives guide us in shaping initiatives by focusing resources on initiatives that are the most impactful for us and our stakeholders.

In this section, we will detail our continuous efforts to strengthen connections with our stakeholders, showcasing the various methods we employ to facilitate dialogue and collaboration. We will also highlight significant engagements that occurred in 2025, illustrating how we have listened to and incorporated stakeholder input into our practices. By fostering open communication and transparency, we aim to ensure that our stakeholders feel valued and heard, ultimately driving our strategic commitment to mobilise finance to support the transition towards a more sustainable economy. Through these engagements, we not only enhance our understanding of stakeholder concerns, but also align our objectives with their expectations, paving the way for a more resilient and inclusive future.

Customers

Our customers are the reason we exist. They not only drive our revenue but also drive our business model and significantly influence our reputation in the market.

By actively listening to their needs and preferences, we gain invaluable insights that inform our product development and service enhancements. This customer-centric approach not only fosters loyalty and trust but also enables us to adapt to changing market dynamics effectively. Ultimately, prioritising customer engagement empowers us to deliver exceptional experiences, ensuring that we continue to thrive in a competitive landscape while meeting the evolving expectations of our clients. In 2025, our key engagement channels included:

- Client interactions conducted in our branches.
- Customer feedback collected via online and mobile banking platforms.
- Surveys to solicit feedback and address any complaints under our 'Voice of Customer' initiative.

We recognise that our customers prioritise protection of their personal data and that they are increasingly looking for seamless digital banking experiences that enhance convenience and accessibility. Furthermore, there is also an interest in sustainable finance options. These priorities guide our strategies and initiatives, ensuring we remain responsive to their needs and committed to delivering exceptional service while fostering trust and loyalty in our banking relationships.

Regulators

As we work towards the ambitious goals outlined in Vision 2030, we recognise that our regulators are among our most essential allies.

Their guidance and support are invaluable in helping us navigate the complexities of the regulatory landscape while aligning our strategies with national objectives. SAB operates under the framework of Saudi Arabian laws and regulations, which are enforced by authorities such as the Ministry of Commerce, the Saudi Central Bank (SAMA), the Capital Markets Authority, and the Zakat Tax and Customs Authority. Each of these entities plays a critical role in ensuring compliance, promoting transparency, and fostering a stable economic environment.

Our key channels of engagement were:

- Our participation in the ESG Bank Advisory Committee (EBAC) which we chair, under the supervision of SAMA. In 2025, the committee has made significant progress in the development of an ESG framework for the banking sector. A number of foundational deliverables were developed across the programme, with inputs from all member banks key to achieving this goal.
- We have been actively involved in the Corporate Sustainability Policy Development Working Group to support the development of sustainability reporting standards within the mandate of the Sustainable Development Steering Committee (SDSC) headed by the Ministry of Economy and Planning (MEP).

Stakeholder Management continued

Shareholders and investors

Shareholders are crucial to our success, supplying vital capital, connections, and expertise that enable us to create value in the market. As key stakeholders, they hold us accountable while providing essential insights and feedback that inform our strategies.

In return, we strive to deliver value to them. The outstanding results achieved in 2025 highlight our capacity to increase shareholder value, and we are committed to maintaining this momentum by further improving our performance. To ensure an ongoing dialogue with our investors and to solicit ideas, we engage with them via:

- Annual General Meeting
- Quarterly earnings calls
- Investor conferences
- Meetings with the analyst community
- Frequent in-person and virtual meetings with investors
- Communication material such as presentations, earning releases, and reports published on our website - fostering trust and loyalty in our banking relationships.

Employees

As our employees form the cornerstone of our success, we prioritise continuous investment in their skills and development, empowering them to unlock their full potential

Our sustainability graduate programme specifically targets young Saudi talent, providing them with professional pathways to grow and excel. Additionally, we implement various initiatives and policies to cultivate a nurturing, diverse, and innovative workplace that fosters collaboration and creativity. By actively engaging with our employees, we not only enhance job satisfaction and retention, but also drive organisational performance, ensuring that we remain a leader in the financial sector. In 2025, we actively communicated with our workforce through:

- Employee engagement survey
- Regular town hall discussions
- Volunteering opportunities
- Health awareness events
- Focus group discussions and resource groups

We understand that our employees place a high priority on training and development, along with diversity and inclusion in the workplace. We acknowledge their needs and are steadfast in cultivating an environment that empowers our workforce and supports their aspirations for growth and collaboration.

Business partners

Engagement with business partners is crucial for us as it enhances our ability to execute our strategic mandate effectively.

Collaborating with them allows us to align our initiatives with Vision 2030 and respond to market demands. These partnerships foster innovation, improve operational efficiency, and enhance our reputation in the financial sector. By leveraging the expertise and resources of our business partners, we can drive sustainable growth, improve our service offerings, and ultimately contribute to our financial performance and brand strength in a competitive landscape. In 2025, our key channels of engagement included:

- One-on-one meetings and engagements
- Conferences
- Contracts

Society and communities

Engagement with communities is essential for SAB as it reinforces our commitment to social responsibility and sustainable development.

As a leading financial institution in Saudi Arabia, we recognise our role in contributing to the well-being and prosperity of the communities we serve. By actively participating in community initiatives and supporting local projects, we foster positive relationships that enhance our reputation and strengthen our brand. Our efforts not only promote economic growth and social equity, but also align with our values, ensuring that we remain a trusted partner in building a brighter future for all stakeholders involved.

Suppliers and service providers

Engagement with suppliers and service providers ensures consistency and quality in the products and services we offer to our customers.

By partnering with reliable and competent suppliers, we enhance our operational efficiency and foster innovation, strengthening our competitive advantage. These partnerships enable us to access the latest technologies and best practices, which are crucial for delivering exceptional customer experiences. Furthermore, strong relationships with our suppliers support our commitment to sustainability, as we collaborate on initiatives that align with our environmental and social responsibility goals. In 2025, our main engagement channels included:

- Vendor assessments
- Personal meetings and engagements

We are dedicated to building robust and long-lasting supplier relationships that uphold the highest standards of integrity. We strive to advance sustainable practices throughout our supply chain, in line with our business partners' expectations.

Risk Overview

SAB has a consistently strong risk culture across the organisation, which is embedded throughout business units, and control functions. Ultimate accountability resides with the Board, which exercises active governance through its Board sub-committees. Clear communication, guidance, and online risk training is provided to all employees.

The Bank operates the principle that all staff are responsible for identifying and managing risk within the scope of their role, while providing effective oversight through an operational and resilience risk function, other risk stewards, and internal audits, as defined by the Three Lines of Defence model. Adherence to risk management is a key performance indicator (KPI) applied in the performance management of all Executive Management and staff across the organisation. A policy of consequence management is applied where failures occur. Additionally, for any operational incidents which occur the Bank has established a Rapid Event Escalation Protocol which ensures Senior Management are aware of the incident, root cause, and impact on the Bank within 24 hours of the identification of the incident. This ensures Senior Management are aware of the incidents to inform decision-making and ensure risks remain within the risk appetite.

A well-established risk governance and ownership structure ensures oversight of, and accountability for, the effective management of risk. The Board approves the Bank's risk management framework, plans, and performance targets, which include the establishment of Management-level risk governance committees, Bank-wide and business risk appetite statements, the delegation of authorities for acceptance of credit and other risks, and the establishment of effective control procedures.

The Risk Management Committee (RMC) is the key Management-level risk governance committee that supports the Board Risk Committee (BRC) in setting the Bank's overall risk appetite and managing the Bank's activities within it. The RMC reviews risk appetite, emerging risks, endorses risk policies and is chaired by the Chief Risk Officer. The Asset and Liability Committee (ALCO) reviews the risks associated with the Bank's balance sheet including asset and liability management, capital, liquidity, and funding.

Risk management tools

Risk appetite

Risk appetite is the articulation of the level and type of risks we are willing to accept in order to achieve our strategic objectives. The risk appetite provides a link between the businesses, risk, and finance. It enables Senior Management to make informed decisions on how to optimally allocate capital for strategic growth within acceptable risk levels, as well as support our monitoring of risk exposure. SAB's risk appetite statement is deployed at the Bank level for all key risk categories, and at the business level to document appropriate risk appetite and limits for major lines of business. SAB's risk appetite is reviewed and approved by the Board at least annually. The risk appetite is central to an integrated approach to risk, capital, and business management and supports the Bank in achieving its strategy.

Risk map

SAB maintains a risk map, covering an assessment of current and anticipated levels of risk across all financial and non-financial risk types as defined in the risk management framework. The risk map is reviewed by the RMC and any risk identified as being at an 'amber' or 'red' level is further investigated and actions are determined to mitigate the elevated level of risk. The risks identified as being 'amber' or 'red' are also escalated to the BRC.

Stress testing

To help assess financial impact, stress testing is used to inform the level of adequate capital and liquidity to withstand external shocks such as a global economic downturn or internal events such as a system failure. Stress testing results are also used by Management to inform risk mitigation actions and support appropriate allocation of financial resources. SAB maintains a wide-ranging stress testing programme including scenario analysis. Stress tests are conducted across the Bank in line with Management's requirements, as well as in line with the SAMA policy and directives. The stress scenarios may include adverse macroeconomic events, failures at country, sector, and counterparty levels, geopolitical events, as well as a variety of projected major operational risk events.

Emerging risks

We use an emerging risks process to provide a forward-looking view of risk issues with the potential to threaten the execution of our strategy or operations over the medium to long term. We proactively assess the internal and external risk environment, as well as review the themes identified across local and global regions. We update our top and emerging risks as necessary.

1st

line of defence

Ultimately responsible for managing the impact that conduct outcomes have on our customers and the financial markets in which we operate through the procedures, processes, controls, and technologies they manage. This includes the ability to measure the impact they have and to drive continuous learnings from root cause analysis.

2nd

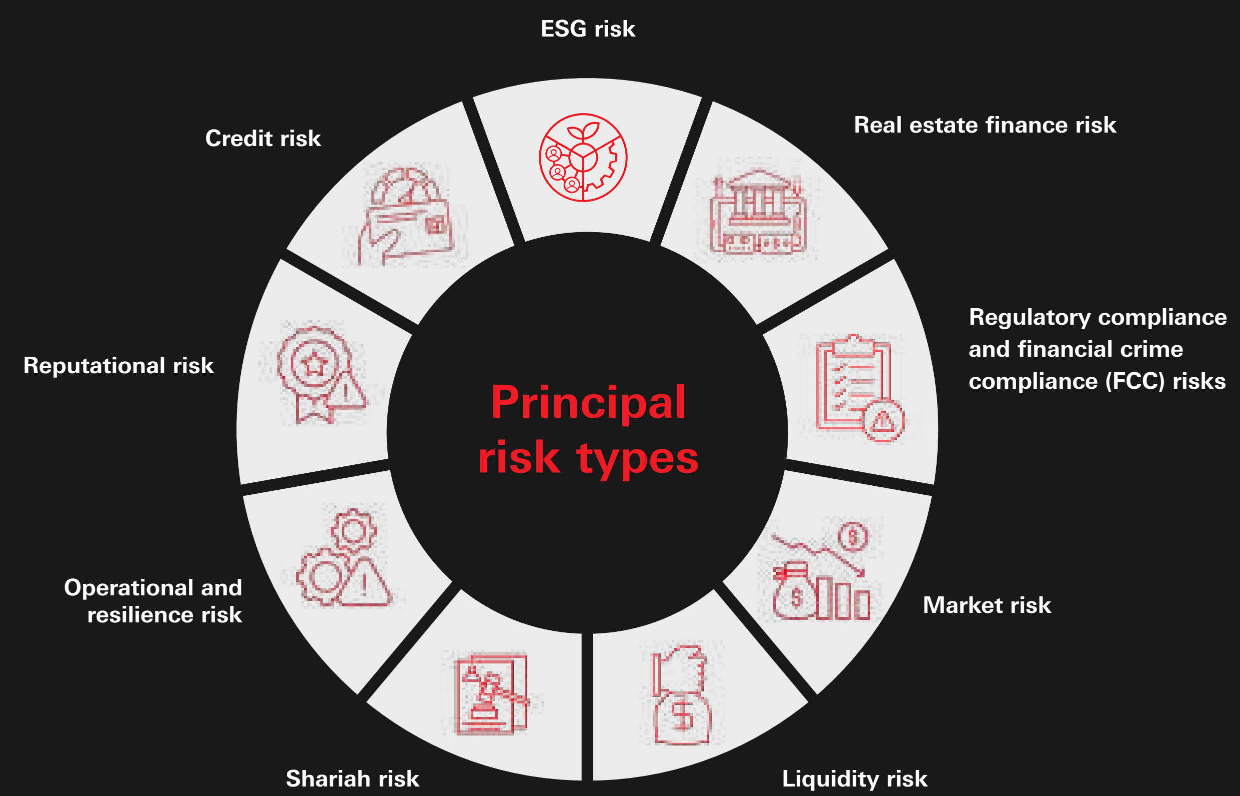
line of defence

Responsible for ensuring conduct outcomes are adequately considered in the oversight and management of all financial and non-financial risks, operational processes, and technologies, including within the risks they articulate and the control libraries they own.

3rd

line of defence

The Internal Audit Department (INA) helps the Board and Executive Management to protect the assets, reputation, and sustainability of SAB. The INA provides independent and objective assurance to Management and the Audit Committee as to whether our risk management, governance, and internal processes are designed and operating effectively.



1929

Registration in Makkah

The Bank (still the Netherlands Trading Society) is officially registered at Makkah Al Mukarrama and is certified on the 21st of the month of Ramadan 1347 AH (2 March 1929).

02

Strategic Report

Board Chair's Statement

Approaching a century of relevance and responsibility

"As we close 2025, **Saudi Awwal Bank stands on the threshold of a defining moment:** in 2026, we will mark one hundred years of service to the Kingdom.

Ms. Lubna S. Olayan
Board Chair

Longevity alone does not define an institution; rather, relevance and responsibility do. Our history is intertwined with that of the Kingdom. As early as 1928, when the first Saudi Arabian Riyal was issued, our predecessor institutions were supporting the Kingdom's emerging monetary foundations. In the decades that followed, we financed trade and infrastructure, supported the import of the Kingdom's early motor vehicles in 1929, introduced the first ATM in Saudi Arabia, and later pioneered internet banking in 2004.

At each stage of national development, the Bank has adapted. Now, as we approach our centenary, our sense of responsibility only deepens.

15%
Loan growth

14.5%
Return on tangible equity

A supportive national environment

The Kingdom's transformation continues at pace. Credit demand across the banking sector reached approximately 11.5% in 2025, underpinned by expected GDP growth of c. 4.1% and continued expansion in non-oil activities, which was 4.7% for the first nine months of 2025.

Overall unemployment was 3.4%, inflation remains comparatively contained, and investment momentum across tourism, infrastructure, energy, and real estate continues to reinforce the Kingdom's structural transformation.

Sustained growth and discipline

Within this context, SAB delivered a third consecutive year of faster-than-market growth. Our loan portfolio expanded by 15%, surpassing ⃁ 300 bln, nearly double since the launch of our strategy in 2021. Return on tangible equity (RoTE) reached 14.5% - almost double pre-strategy levels - while cost growth remained contained at approximately 4%. These results reflect disciplined execution, prudent risk management, and sustained operational focus.

Stewardship and sustainability

Sustainability remains embedded in our long-term approach. During 2025, SAB issued two green-labelled debt instruments totalling USD 1.9 bln and expanded its sustainable finance portfolio to ⃁ 45 bln, exceeding our original ambition of ⃁ 34 bln. In 2026, alongside our centenary, we will refresh our ESG framework in line with the next phase of the Bank's strategy.

Looking ahead to 2026

Our centenary will represent a century of partnership with the Kingdom and a renewed commitment to its future.

Since our merger and strategic reset in 2021, SAB has strengthened its foundations and sharpened its focus. As we enter 2026 - our hundredth year - we do so from a position of resilience and confidence, ready to support the next phase of Saudi Arabia's transformation while delivering sustainable value for our shareholders.

Our thanks

On behalf of the Board, I extend our sincere thanks to our customers, employees, management team, and shareholders for their continued trust. I also thank the Saudi Central Bank, Capital Markets Authority, and all other government agencies and ministries for their continued counsel and support. Finally, I want to acknowledge the strength of our partnership with HSBC, which enhances our international connectivity as the Kingdom deepens its engagement with global markets.

SAB approaches its second century focused, disciplined, and committed to responsible growth.

Managing Director's Message

A solid year of delivering our strategy

> "Another year of strong strategic execution delivered growth, improved customer and employee experience, and a solid set of financials for 2025. Investment in digital has continued, which further improves the ease with which our customers can bank with us and the efficiency of SAB, impacting our bottom line. Traditional leadership positions have been further strengthened and new leadership positions developed. 2025 has delivered in line with our plans we set at the start of the year - we are incredibly pleased.

Mr. Tony Cripps
CEO and Managing Director

Macroeconomic backdrop

The Kingdom's transformation and diversification journey continues to develop. GDP growth was c. 4.1%, with a rebound in oil activities, but more importantly a strong 4.7% growth in non-oil activities (for the first nine months of 2025) which was marginally higher than 2024, and now accounts for over half the economy. The aspiration of the Vision to get non-oil contribution of GDP up to 65% remains, and we are well on that path, and confidence remains high. The Kingdom's labour market is strong, incomes continue to rise, female participation in the workforce grows, and productivity gains are being delivered.

Clearly there is a re-prioritisation of some of the large projects, which we view as a solid sign of sensible planning and flexing economic plans. The transformation is far greater than a single giga project, and we are seeing increasing deliverables materialise with shorter deadlines. Oil price, in the short-term, remains a factor in the pace of delivery of the overall transformation and with the lower oil price, flexing the plans is a must and entirely sensible and responsible. We must not forget that the ultimate aim of the Vision is enhancing the quality of life for the Kingdom's population and growing an industrial base that will emerge ultimately as a regional powerhouse.

2025 was another proof-point of the success of the Vision and as new industries emerge, we will continue to support that growth from a financing perspective. Sector loan growth at 11.5% year-on-year remained resilient throughout 2025, even though it was impacted by the higher cost of liquidity and expected increases in capital requirements in 2026. However, underlying demand for credit remains strong, our pipeline remains strong, and with our enviable liquidity position we are ready to support the financing needs of our customers.

Leadership

We grew our loan book faster-than-market during 2025, although we actively moderated our pace during the year, given the prevailing persistent tight liquidity conditions. Growth was in line with projections laid out at the start of the year, and it was pleasing to see the Bank achieving those targets, underscoring our accuracy with forecasting.

⃁ 8.5 bln
Net income
Up 160% since launching the strategy

⃁ 42.4 bln
Mortgage portfolio

Our leadership in the corporate space, notably large and institutional customers, saw 15% growth during 2025, as we continued to capture a significant proportion of the international flows into the Kingdom, given our connection to HSBC. Mortgages remain at the centre of our retail strategy, where we have demonstrated leadership in capturing market share in mortgage origination, which averaged 13% during 2025, twice the level of our market share of mortgage stock - the portfolio is now ⃁ 42.4 bln, also double the level it was when we embarked on this strategy.

We maintained our leadership position in trade with 11% growth in balances maintaining our #1 positioning with 24% market share. Our strength derives from our partnership with HSBC, where we capture the inflow of a number of global corridors where HSBC exist. In order to cement our leadership here we have invested significantly in the digital ecosystem of trade, which will allow us to do more for our customers and offer a faster service. Our payments, liquidity, and cash management services remain unrivalled in the sector.

Digital

One of the key ingredients of the strategy we launched back in 2021 was to be 'alawwal' in customer experience - be number one. Continued investment in digital capability is simply a requirement for this - it's a 'hygiene factor': if we don't invest, we don't just lose our position, but we risk losing wider business opportunities. We therefore continue to automate products and services. Over 90% of our customers currently in our Corporate business are acquired digitally. Digital innovation drives operational effectiveness and with the digital improvements made in our mortgage business, we are now originating three times the level of mortgages that we did in 2021 and the number of people in that business has not changed. These actions are driving real benefit to the bottom line.

We continue to drive digital innovation through our enhanced FX services in our Treasury business, where we enjoyed a seven-fold increase in digital FX volumes during 2025, from seamlessly integrating channels and commercialising Treasury-as-a-Service into our digital FX platform.

Managing Director’s Message continued

Driving sustainable change

The global sustainability landscape is ever-evolving, influenced by a variety of dynamic social, political, and economic agendas. In the face of these changes, SAB’s commitment to ESG remains firm as it is clearly aligned with Saudi Arabia’s Vision 2030 and the Saudi Green Initiative. Progress on our Net Zero commitment continues as we cut operational and supply chain emissions through energy-efficiency retrofits, on-site renewable energy, and supplier engagement programmes. Simultaneously, we are actively offsetting balance sheet emissions, supported by the significant growth of our sustainable finance activity, where we exceeded our strategic targets by ⃁ 11 bln and ended 2025 with a total book of ⃁ 45 bln. We also concluded our inaugural labelled issuance in May 2025 as we issued a Green sukuk, raising USD 650 mln. This first issuance serves as a tribute to our name, ‘Awwal’, meaning ‘first’, representing a groundbreaking achievement as the first ‘green-labelled’ sukuk issuance in Saudi Arabia.

We understand that sustainability is not a SAB-specific agenda, but externally, we do lead engagements with SAMA’s ESG Banking Advisory Committee (EBAC) and support corporate clients in their sustainability journey as a designated Sustainability Champion by the Ministry of Economy and Planning (MEP).

Strategy translating to sustainable returns

SAB delivered another year of profit growth with 2025 profits reaching ⃁ 8.5 bln - a 160% increase from when we started the strategy. Growing profits is the key point - despite lower rates the Bank’s balance sheet construct now allows for continued profit expansion. This is in stark contrast to the Bank pre-strategy when our revenue and profits were beholden to changes in benchmark rates. We also leverage other sources to bolster our profitability, including fee income, disposals from our investment portfolio if the right environment exists, investment in our Wealth services, cost optimisation, and ensuring we maintain a lower-than-market cost-of-risk. All of this has resulted in a RoTE of 14.5% during 2025.

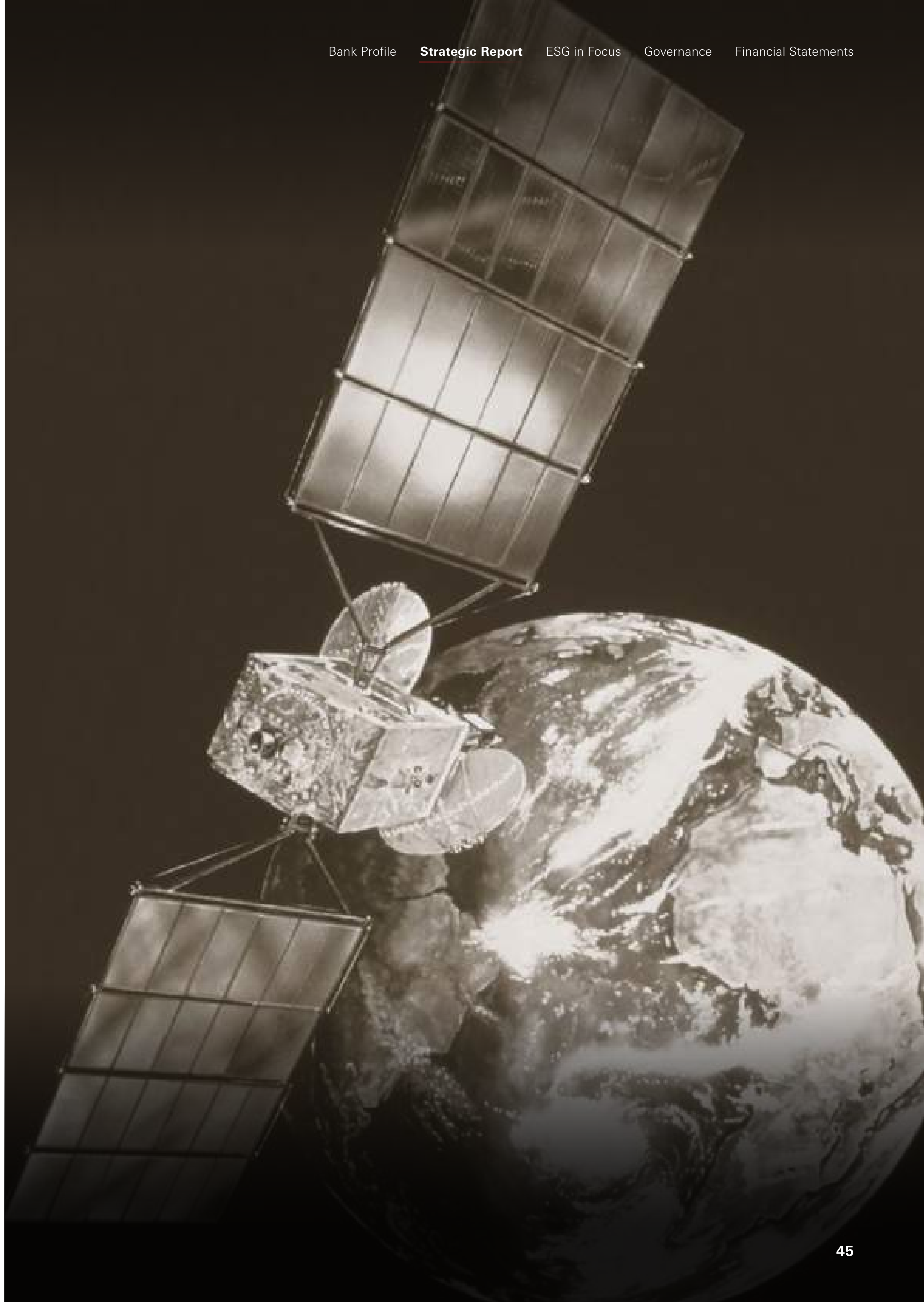
The past 100 years to the future

2025 was the penultimate year of our strategic window and 2026 represents the final year. 2025 results, to some degree, validate and almost brings a conclusion to our strategy and now we start the work to develop the next strategy and the next level of aspiration. The Management team - in fact our entire collection of employees - has seized the Bank that existed directly after the merger and transformed it to the leaner, more nimble, more agile, more digital enterprise that we currently recognise. The Bank has delivered these outcomes because of the strength and unity of all of our employees, the Senior Management team, and the Board. We are excited for the next phase that we will develop over the course of 2026.

Our differentiation in the banking space has not changed - we are still the leading international bank in the Kingdom. Our connectivity with HSBC is unparalleled and will only become more meaningful as Saudi Arabia continues its Vision and captures more international flows. Whilst we look at the future - which is incredibly exciting - it’s also a good time to look back and be proud of our achievements. 2026 marks the centenary of Saudi Awwal Bank - we are 100 years’ old! This is a historic milestone. We have worked hand-in-hand with the Kingdom and played a critical role in many of the economic developments over this time. We’re a bank built on solid foundations and fundamentals. As the Kingdom navigates its transformation journey, and as capital markets deepen and mature, we are positioned extremely well for the future.

Mr. Tony Cripps

CEO and Managing Director



Business Model

Our competitive edge

Rich history and legacy

We have a rich history, combining two of the most respected names in the Saudi banking sector, from Alawwal Bank.

- The very first bank in the Kingdom with Saudi British Bank.
- The only bank in the Kingdom with unrivalled international access.

Strong balance sheet

We have a strong balance sheet, with robust capital and liquidity positions, and capacity to help our customers, from our retail customers through to our larger, multinational, and institutional customers.

Our people's expertise

A key differentiator for us is the expertise that our committed employee base provides our customers. Their knowledge, empathy, and drive enable a relationship-focused approach to banking where the customer is truly at the heart of our decision-making.

Regulators and Central Bank

We have a close working relationship with SAMA, the Capital Markets Authority, Ministry of Finance, and all the other government ministries and agencies, with regular touchpoints, frank discussions, collaboration, and strong two-way relationships.

Tech and innovation

We pride ourselves on the level of innovation we bring to banking. Our Digital Office provides leadership across the Bank and brings together the ideas and solutions that allow our customers to benefit from a higher standard of products and options.

Shareholders and investors

We regularly communicate with our shareholders and the investor and analyst community through a variety of means, including quarterly results calls and attendance at a number of investor conferences, locally, regionally, and internationally.

Procurement partners

We work closely with our supply chain and procurement partners through regular meetings and collaboration points.

Access to an international network

We possess a partnership with HSBC, a universal global bank, which provides our customers with unrivalled international access, linking our corporate customers to HSBC's international network, allowing for inbound and outbound financing opportunities, and connecting our retail customers to the broader HSBC retail network.

How we add value

We support our customers with their everyday banking needs, including payments, foreign exchange (FX), cash management, long-term savings, and investments.

We support our customers with their lending needs, buying their first homes, remortgaging, developing businesses, helping with working capital, trade, and guarantees.

Value created for our stakeholders

Financial outputs: Balance sheet growth and generating profits, paying a sustainable dividend.

Supporting the various Vision 2030 programmes.

Driving customer aspiration.

Generating shareholder returns.

ESG commitment.

Developing our employees.

Strategy

At the start of the strategic plan in 2021, our initial focus was to establish a range of significant investments in the Bank to build up a platform that can weather the medium-term outlook and grow returns. We started to grow towards market levels in 2022 and then accelerated our growth in 2023 and 2024 leveraging the capacity we had built up in capital and liquidity. 2025 has seen a planned moderation in loan growth but we have continued to capture market share. As we enter 2026, the outlook grows uncertain as geo-political tensions heighten, but SAB has transformed its balance sheet to one that is less linked to benchmark rates, and is well-diversified both in terms of assets and liabilities. 2026 also marks the final year of our strategy and we approach the next strategic window with energy and excitement!

2025 strategic delivery

A key tenet of the strategy was restructuring the Bank's balance sheet to reduce our sensitivity to rates, which historically has been high. Our net special commission income margin sensitivity dropped from c. 10 basis points in 2021 to c. 1-3 basis points at the end of 2024. SAB entered 2025 in a much stronger position than in previous interest rate cycles, and this has clearly been evidenced by continued growth in quarterly revenue. However mild sensitivity still exists given the weighting of the corporate portfolio in the asset base, and therefore the expectation for 2025 was that lower rates would mean a more challenging revenue environment and therefore the Bank would flex its other levers to ensure profitable growth. With strong cost control and continued low cost-of-risk, and with revenue supported by faster-than-market loan growth, together with non-funds income, resulted in 5% revenue and profit growth for the Bank.

1931

A new home in the Holy City of Makkah

The Bank opens the doors of its first branch in Makkah under the astute management of Mr. Hussein Al Attas.

Medium-term outlook: 2024 to 2026

1 Grow sustainable returns in a changing environment

2 Sustainably gain market share in lending over the next three years

3 Be future-ready by leading in digital and ESG

The leading international bank in the Kingdom

A scale player in Corporate Banking and Treasury	**The Bank of Choice** for Wealth and internationally-minded customers
Focus: Core/Giga projects, trade, cash management, and SMEs	**Focus:** Wealth, mortgage, cards, and payments

Alawwal (the best) in **customer experience**

Alawwal (the best) in **employee experience**

Alawwal (the best) in **organisational efficiency**

Primary strategic targets by 2026	Other key financial metrics		
RoTE	Loans growth CAGR	Annual OPI growth	Cost-income ratio
15.5-16.5%	Low double-digit to low-teens	6-10%	30-32%

	Financial performance	Financial targets by 2026
RoTE	**14.5%** (14.8% before restating the equity investments)	**15.0-16.0%** (on a post AT1 coupon basis)
Loans growth (CAGR)	**15%** Faster than market growth	**Low double-digit to low-teens**
Annual OPI growth	**8%** CAGR growth between 2023 and 2025	**6-10%**
Cost-income ratio	**30.3%** Continued positive jaws	**30-32%**

Strategy continued

Core business drives overall performance

When we announced the medium-term outlook at the start of 2024, it was in recognition of the macro-environment that had shifted since launching the strategy in 2021. We flexed our strategy but the foundations of it were unchanged, our aspiration was to be the leading international Bank in the Kingdom by:

1. **Growing sustainable returns.**
2. **Sustainably growing market share.**
3. **Being future-ready by leading in digital and ESG.**

Coupled with this was to create an environment where we offered the best in customer experience for both retail and corporate customers, the best employee experience, and be the best bank for organisational efficiency.

Our original financial aspirations and progress against these are summarised in the infographic above and are discussed at great length in the entirety of this report. Critical developments we've made across the business, however, are often taken for granted, but these are the ingredients that allow us to drive the robust financial progress.

Our aspiration to sustain our leadership positions in Corporate Banking and Treasury for 2025 have been exceeded. We've maintained a strong level of corporate market share reaching 12.3% by the end of the year and often operating above these levels during 2025. Our international connection with the HSBC Group allows us to capture a significant proportion of the multinational inflow into the Kingdom and enables us to be the number one trade bank in the Kingdom where we capture nearly a quarter of the overall market, which is a significant contributor to our fee income. The trade business has been an area of investment for SAB during 2025, where the Bank has re-platformed much of the business in order to improve transaction speed, efficiency, and customer experience.

Digital developments have supported significant growth in our small but increasingly important SME business where during 2025 the Bank opened in excess of 1,000 accounts on a monthly basis with nearly 90% fully opened through digital and online channels.

The Bank also highlighted a concerted drive to be the Bank of Choice for Wealth and internationally-minded customers, with a focus on mortgages, cards, and payments and a deeper collaboration with our asset management business, SAB Invest. Mortgages has clearly been a success story for the Bank where, during 2025, the Bank captured 13% origination market share which remains more than two times the level of market share we hold of stock mortgages. Mortgages remain an instrumental part of the strategy and also supports our current drive to be less sensitive to benchmark interest rates.

We merge	We integrate	We invest	We grow and build returns			
2019	**2020**	**2021**	2022	2023	2024	2025
10% loan decline	2% loan growth	9% loan growth	9% loan growth	18% loan growth	20% loan growth	**15% loan growth**
64% NIBs	71% NIBs	81% NIBs	64% NIBs	55% NIBs	51% NIBs	**43% NIBs**
39.9% cost efficiency	47.5% cost efficiency	44.7% cost efficiency	37.9% cost efficiency	32.4% cost efficiency	30.6% cost efficiency	**30.3% cost efficiency**
5.4% NPL ratio	5.8% NPL ratio	4.6% NPL ratio	4.3% NPL ratio	3.5% NPL ratio	2.8% NPL ratio	**2.5% NPL ratio**
175bps CoR	102bps CoR	27bps CoR	24bps CoR	27bps CoR	23bps CoR	**24bps CoR**
7.7% RoTE	7.2% RoTE	7.7% RoTE	11.2% RoTE	15.0% RoTE[1]	15.6% RoTE[1]	**14.5% RoTE[1]**

Looking forward to 2026

As stated earlier, 2026 is the final year of our five-year strategic window. More importantly for the Management team and the entire Bank is the prospect of developing the next strategic window which started in early 2026. Looking back on 2025 clearly vindicates the strategy, with profits, returns, market share, employee and customer satisfaction all increasing; returns have doubled from the levels achieved in 2021, and so Saudi Awwal Bank eagerly awaits the next phase of success.

1. RoTE is calculated post AT1 coupon payment. During 3Q25, SAB revalued a small number of equity investments, which resulted in a ▲ 1.2 bln restatement of equity. 2023 and 2024 RoTE has been restated to provide a comparative.

Innovation

At SAB, innovation is at the core of everything we do. This has been a hallmark of the Bank for many years, aligned to our strategic priorities and values, enabling us to identify trends transforming the financial industry and respond proactively to evolving customer needs.

In 2025, SAB continued to accelerate the pace of innovation across the organisation - strengthening the Bank's position as one of the most innovative financial institutions in the Kingdom. This year's progress is evidenced by SAB's global accreditation as an Innovative Organisation - one of eleven national and international awards received during the year.

Innovation at SAB has progressed from capability building into institutional execution, operating as an embedded enterprise growth engine with structured governance, disciplined portfolio management, and clear pathways from experimentation to commercial deployment across the Bank.

Our innovation focus continues to be centred on three main disciplines:

01

Fostering an innovation culture

02

Innovation origination and experimentation through data, products,and payments

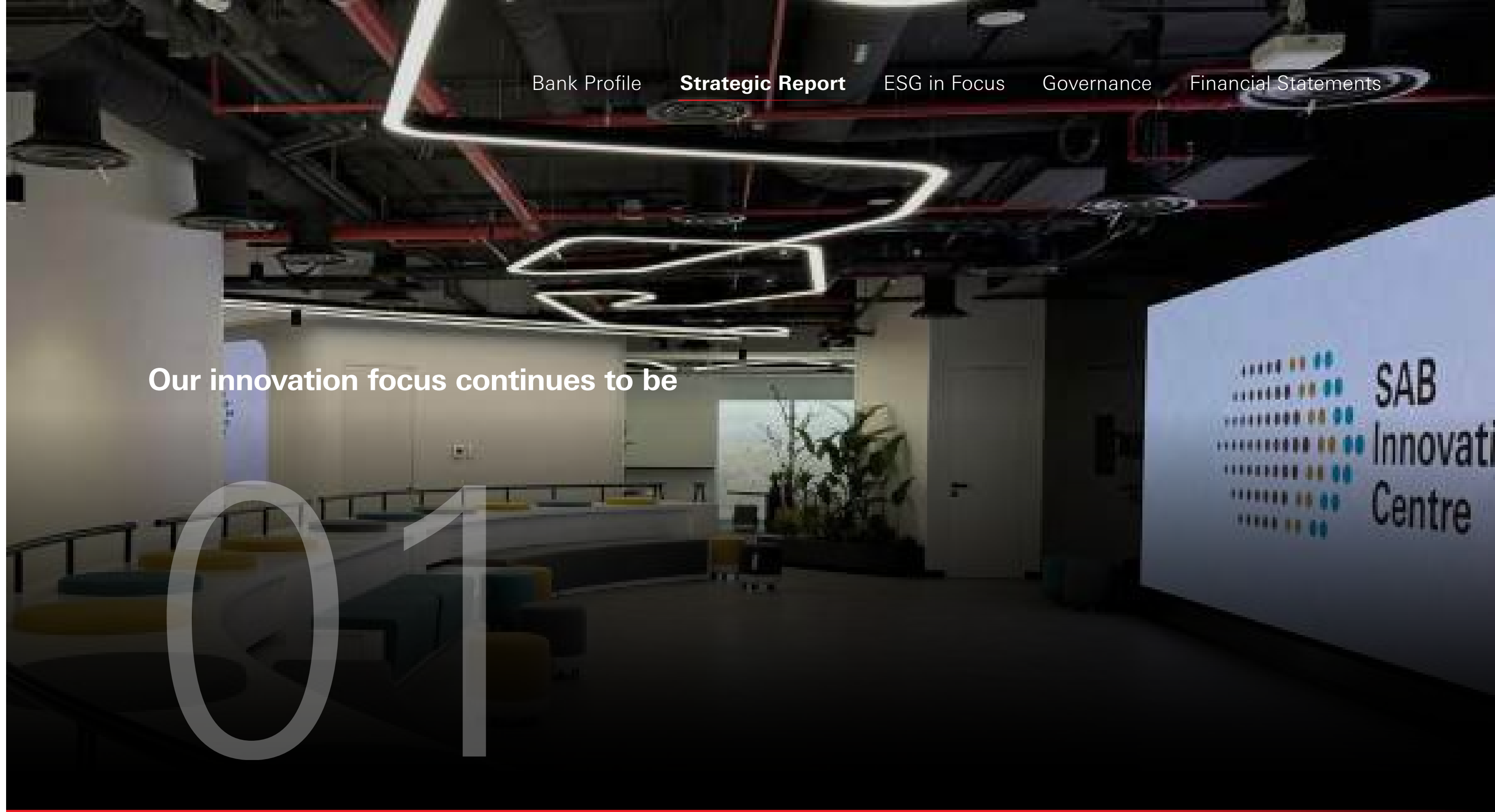
03

Accelerating fintech and new economy collaboration

Innovation Banking operates as SAB's enterprise growth engine, integrating internal capability development to accelerate the translation of emerging technologies into scalable business outcomes.

Throughout the year we achieved significant milestones in our innovation journey, including:

- The inauguration of SAB's Innovation Centre.
- A 25% uplift in our Innovation Maturity Index, reflecting stronger organisational capability across growth themes including Artificial Intelligence, Digital Channels, and Embedded Finance.
- More than 18 innovative ideas commercialised, representing a 6% conversion rate, exceeding global benchmarks.
- 29 strategic experiments completed, with 11 endorsed for commercialisation in 2026 across products, payments, and data-driven initiatives.
- Significant strategic investments in to the fintech ecosystem, accelerating the pace of innovation while strengthening SAB's strategic growth platforms and future capabilities.
- A significant rise in innovation-driven thought leadership, with 26 research publications shared across the organisation.



Our innovation focus continues to be

01

Fostering an innovation culture

This year SAB received global accreditation as an Innovative Organisation, placing the Bank among leading innovation-driven financial institutions internationally. The launch of SAB's Innovation Centre in April 2025 has rapidly become a nationally recognised asset, driving new ways of working across the organisation. Utilisation exceeded original expectations, reaching 79%, while employee engagement across innovation programmes significantly surpassed targets, reflecting the strong innovation culture embedded across the Bank and supported through strategic programmes focused on upskilling, enablement, and cross-functional collaboration. Through these efforts, SAB continues to set the benchmark for innovation capability development and enterprise experimentation across the Kingdom's banking sector.

The Innovation Centre serves as SAB's enterprise experimentation and co-creation platform and experimentation platform, accelerating the journey from concept validation to business scale across priority growth themes including SME enablement, Open Banking, Artificial Intelligence, Digital Assets, and Embedded Finance.

To support this progression, SAB has established an integrated innovation capability spanning ideation, acceleration, and experimentation. The 'Idea Bank' enables employees across the organisation to contribute and develop ideas aligned with strategic priorities. 'Xelerate' provides structured acceleration pathways to refine and mature concepts, while 'Xperiment' offers controlled environments to validate solutions through real-world experimentation. Together, these capabilities enable the Bank to translate ideas into validated initiatives that can be implemented at scale.

Collaboration across business lines and with external stakeholders has strengthened innovation capability and accelerated learning cycles across the organisation. Validated initiatives progress through structured governance into implementation, enabling disciplined transition from experimentation into production deployment and sustainable business outcomes.

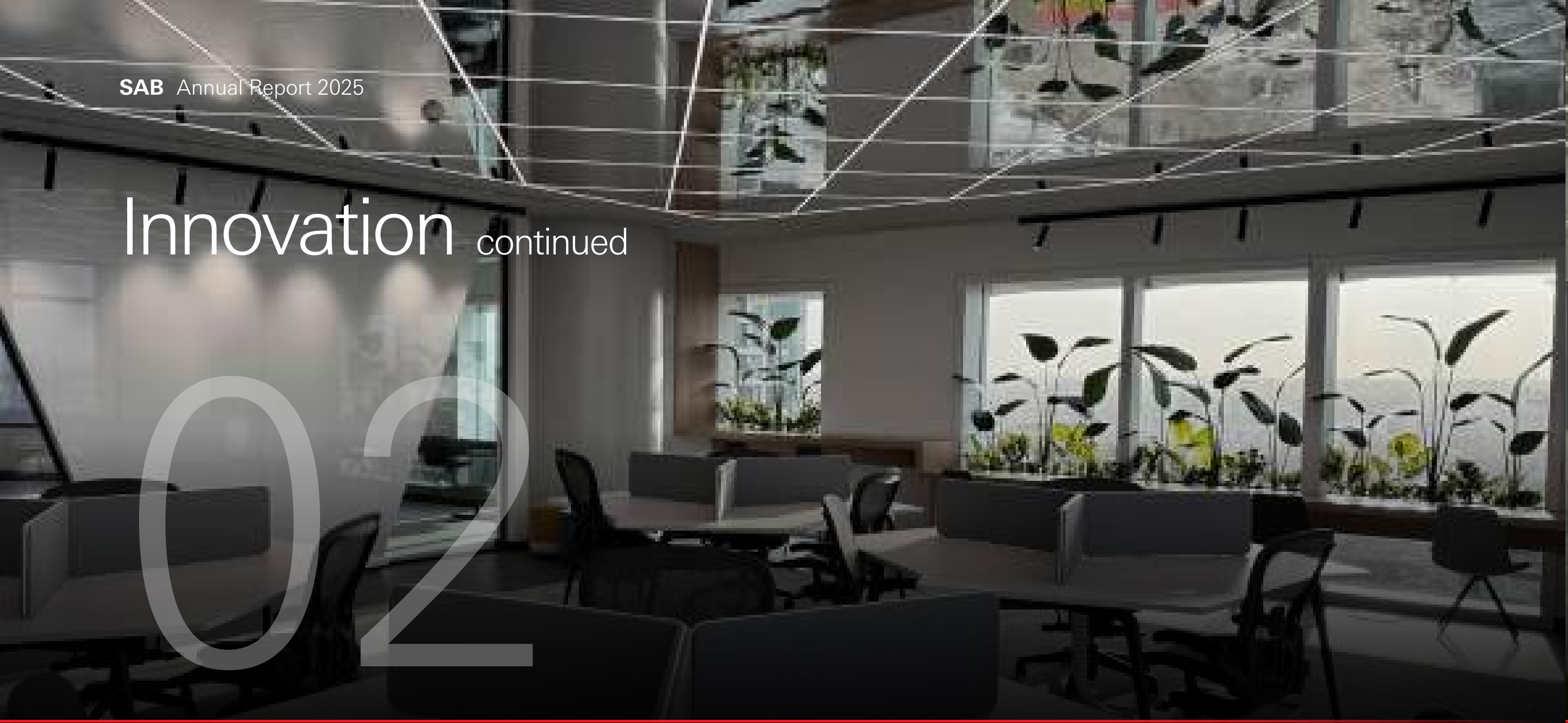
What does this mean to the Bank?

- SAB is strengthening its position as a national benchmark for innovation-led banking transformation.
- Expansion of innovation skills and certifications supporting future-ready capabilities.
- Increased cross-functional collaboration enabled by enterprise platforms.
- Higher conversion of ideas into commercial outcomes, reflecting increased process maturity.
- Faster validation and deployment of new concepts through structured experimentation environments.

What is the impact?

- Strong growth in employee participation across innovation programmes.
- Expansion of innovation skills and certifications supporting future-ready capabilities.
- Increased cross-functional collaboration enabled by enterprise platforms.
- Higher conversion of ideas into commercial outcomes reflecting process maturity.
- Faster validation and deployment of new concepts through structured experimentation environments.

Innovation continued



02

Innovation origination and experimentation through data, products, and payments

During 2025, SAB strengthened its ability to translate emerging technologies into scalable products and payments capabilities. The Bank's focus evolved from proof-of-concept experimentation into disciplined execution – validating use cases through controlled environments and progressing selected initiatives into implementation across customer segments.

Innovation across products and payments has centred on priority growth themes including Open Banking, SME enablement, advanced analytics and Artificial Intelligence, and next-generation financial infrastructure. These initiatives enhance customer propositions, improve transaction experiences, and enable new digital service models aligned with evolving market and regulatory expectations.

The Bank also advanced leadership in financial infrastructure innovation, including cross-border digital currency collaboration initiatives. SAB became the first bank in the Kingdom to successfully execute an experimental cross-border corridor between e⃁ and eHKD environments, reinforcing its role in shaping next-generation settlement capabilities. In parallel, the Bank progressed exploration of Shariah-compliant liquidity innovation through Islamic repo structures, supporting the evolution of Islamic financial markets infrastructure.

Innovation initiatives are governed through structured portfolio oversight and enterprise sponsorship, ensuring disciplined prioritisation, risk alignment, and repeatable pathways from validation to implementation while maintaining SAB's standards of governance, security, and digital trust.

What does this mean to the Bank?

> Products and payments innovation initiatives are transitioning from experimentation into implementation, enabling SAB to deploy new capabilities in structured and scalable manner.

> Modernisation of product and payments platforms is strengthening SAB's ability to deliver enhanced customer journeys and new digital services aligned with market and regulatory evolution.

> Open banking and platform-led propositions are strengthening SAB's ability to serve corporate and SME clients through enhanced connectivity and streamlined journeys.

> Emerging financial infrastructure experimentation positions SAB to participate in next-generation settlement and liquidity solutions in a controlled and compliant manner.

> Data and artificial intelligence capabilities continue to enhance decision-making, customer personalisation, and operational efficiency across business processes.

The Bank continues to explore emerging technologies, including next-generation cryptography and post-quantum readiness, to support long-term infrastructure resilience and future-ready risk management aligned with national and global standards.

Strategic positioning: SAB is building a future-ready bank where product innovation, payments modernisation, and data-driven capabilities operate as an integrated enterprise portfolio supporting sustainable growth, operational excellence, and resilient risk management.

What is the impact?

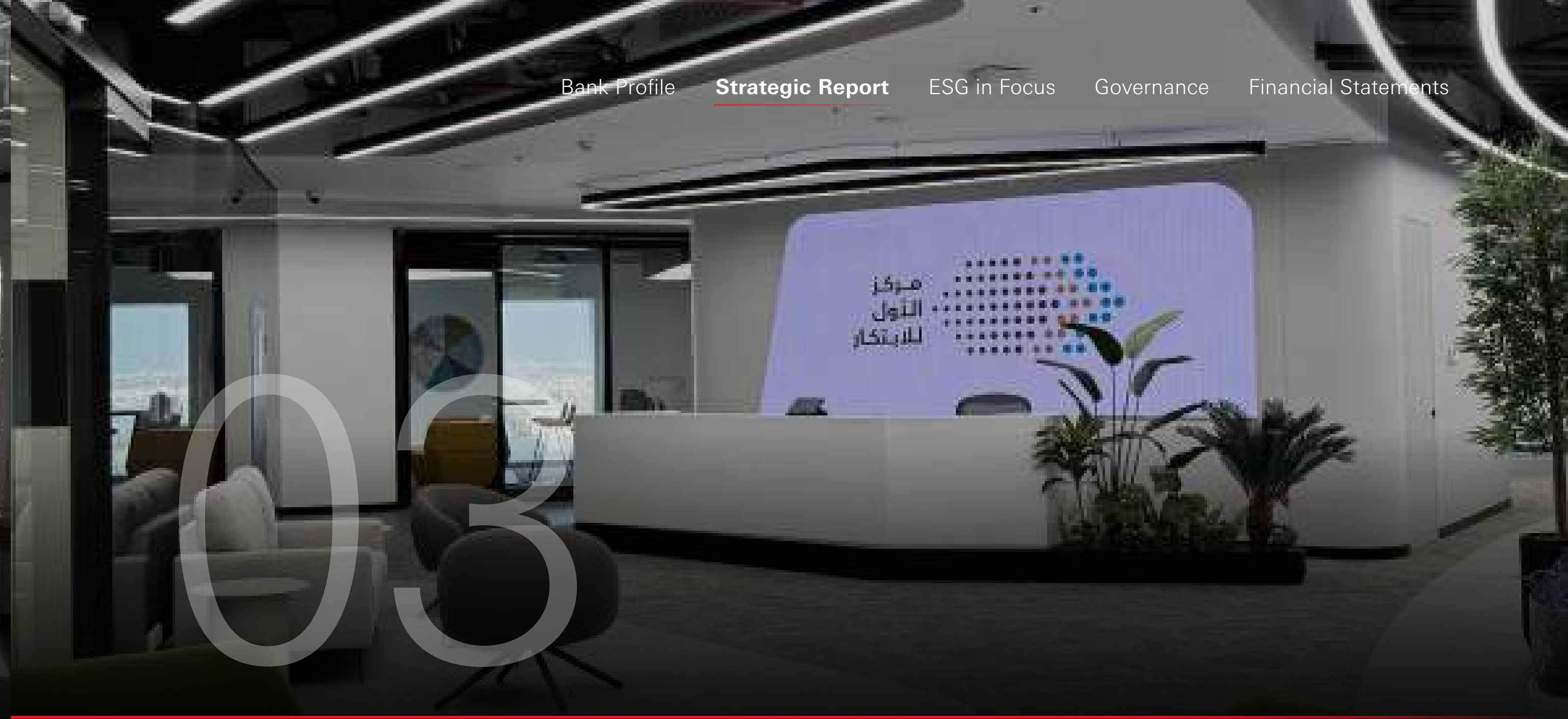
> Faster progression from experimentation into commercial deployment through structured governance.

> Stronger customer propositions across products and payments informed by enterprise experimentation.

> Improved risk management and operational efficiency through advanced analytics and AI-enabled capabilities.

> Increased readiness for next-generation financial infrastructure through controlled experimentation environments.

These initiatives support SAB's growth agenda by strengthening customer experience, improving SME enablement, and supporting diversified revenue streams.



03

Accelerating fintech and new economy collaboration

SAB continued to deploy capital through strategically aligned investment vehicles supporting priority growth themes including Embedded Finance, Artificial Intelligence, SME digital enablement, and Digital Assets.

These initiatives strengthen SAB's innovation ecosystem, accelerate experimentation, and support capability development across the Bank's growth platforms. These partnerships enable SAB to bring external innovation into the Bank, accelerating capability development and supporting new growth opportunities across business lines.

What does this mean to the Bank?

> Unlocking value from an increasingly connected ecosystem and supporting SAB's ambition to be the Bank of Choice for the New Economy.

> Driving innovation through impactful partnerships leveraging SAB's innovation culture and ecosystem relationships.

The New Economy programme represents SAB's strategic entry point into high-growth digital enterprises and founders, integrating banking, financing, and ecosystem partnerships to capture emerging growth opportunities across the digital economy.

What is the impact?

> Establishment of new economy-focused client sectors across corporate banking.

> Mobilisation of ecosystem partnerships translating into new business opportunities and client relationships.

> Participation in national innovation ecosystems supporting fintech and startup growth.

> Co-creation partnerships accelerating innovation deployment and market engagement.

These innovation initiatives also contribute to SAB's broader sustainability and inclusion priorities by improving access to finance for SMEs, strengthening digital financial participation, and enabling responsible adoption of advanced technologies. By combining innovation with disciplined governance and risk oversight, the Bank continues to support sustainable economic development in the Kingdom while reinforcing long-term resilience for customers and the financial system.

Outlook for 2026 and beyond

Innovation in 2026 will focus on scaling impact and commercial outcomes, with innovation serving as a core lever for growth and transformation. SAB's innovation capabilities are now operational and embedded across businesses and functions, recognised by customers, regulators, and stakeholders.

The Bank's focus for 2026 is to scale validated initiatives, accelerate commercial deployment, and embed innovation outcomes across core business lines to deliver measurable growth and operational impact.

SAB is well positioned to deepen its innovation culture, scale commercial impact, accelerate market-ready capabilities, and continue leading the future of financial innovation in the Kingdom.

SAB's collaboration with HSBC continues to strengthen year on year, enabling joint exploration of emerging technologies and innovation use cases across digital assets, artificial intelligence, and advanced security capabilities. HSBC's global expertise remains a valuable asset supporting SAB's innovation strategy.

SAB's Unique Differentiation

SAB's unique differentiation brings a global network to our customers, and Saudi opportunities to the rest of the world.

Engagement model enablers

SAB is the first bank in the Kingdom with full business corridor desks covering Americas, Europe, Middle East, and Asia.

SAB maintains full operational connectivity with HSBC, providing a full product and services slate, with the same 'look and feel' as in any other country where the group has presence.

Market leading capability and product suite: Sharing of information/content/ leveraging of best practices in both corporate, through SAB, and investment banking, through HSBC Saudi Arabia, which is majority owned by HSBC.

Broad sectoral coverage by dedicated teams across the Kingdom.

'Our contribution to bringing the world to Saudi, and Saudi to the world'

SAB
- Corporate and Institutional Banking
- Global Payment Solutions, Global Trade Solutions, Credit and Lending (C&L)
- Wealth and Personal Banking
- Private Banking
- Treasury

HSBC Saudi Arabia
- Coverage
- M&A
- Equity capital markets
- Debt capital markets
- HSS
- GM equities

HSBC Group companies
- Global network
- Global product capabilities
- Sector capabilities
- Global Payment Solutions, Global Trade Solutions, C&L, HSS/MSS

Capabilities

Product capabilities
- Saudi extension to global network.
- Only international bank of scale in the KSA.
- Unrivalled integrated product offering.

Shared technologies and processing
- Business models and product offering reinforced via Technical Service Agreement between the Parties.
- Leverage group systems, including HSBCnet.
- SAB is the first international bank to provide free, instantaneous international transfers using HSBC's Global View Global Transfer functionality.

People capabilities
- HSBC resources in Saudi entities.
- Operational connectivity with HSBC sites.
- Dedicated desks in the KSA for all key trade corridors, operating through wholesale concept.
- Dedicated KSA desk at HSBC.

SAB's Unique Differentiation continued

Market-leading and award-winning businesses that drive SAB's international differentiation in the corporate and institutional sector:

1. Global Trade Solutions

Leading bank in trade finance in Saudi Arabia by market share (c. 24% on balances).

SAB and HSBC partnership provides unique in-market global connectivity, via HSBCnet and HTS Trade platform. SAB investment has further enhanced HTS with unique scalable features such as straight-through-processing for Guarantees, integrated digital channels, Islamic and multi-language capabilities.

Product suite available in Islamic and conventional variants for off-balance sheet structured trade finance.

Implementation of a SAB seven-day work week for international guarantees.

SAB leading the move to digital trade corridors, e.g., oil exports via digital LC/BoE, and collaboration with third parties such as Bwatech in digitising the LG issuance process.

Largest issuer of guarantees in HSBC Group and in Saudi Arabia with the capability of handling complex issuances i.e. JV GTEs in favour of JV beneficiaries.

GTS awards:
- Best Trade Finance Provider in Saudi Arabia
- Euromoney Global (4) awards, Trade Finance Solutions First Place Overall, Client Service, Product Excellence, Technology for Trade Finance

SAB - HSBC collaboration priorities

WPB and SAB Invest
- Expand global view global transfer offering.
- Implement HSBC's customer lifecycle management (CLCM): WIP to fully implement the group CLCM.
- Deliver the SAB Invest strategy.
- Digital maturity:
  (i) Digital sales adoption;
  (ii) Customer personalisation for e-channel;
  (iii) Payments customer experience trackers.

Corporate and Institutional
- Supporting the increasing flow of inbound Corporates.
- Focus on key corridors in conjunction with the HSBC network as well as government and commercial associations.
- Deploying leading product suite for regional headquarters as corporates increasingly incorporate them in the KSA.
- New corridor expansion and development with a focus on Asia Pacific, both inbound and outbound aligned with Vision 2030 objectives.

Treasury
- Diversification of USD funding opportunities.
- International distribution of the KSA Government sukuk.
- Markets and Security Services (MSS) initiative for Saudi Arabia.
- Leveraging HSBC resources and expertise to drive ESG initiatives.
- Leveraging HSBC expertise on digital assets.

2. Global Payment Solutions

SAB credentials
- #1 site by HSBCnet Traffic within MENA
- #1 site offering SWIFTnet for corporates in MENA

Awards
- Global Finance Best Treasury and Cash Management Provider (2021- 2026)
- Euromoney Poll: Best Cash Management Bank Saudi Arabia 2021- 2026
- Master Card Edge 2025: Largest e-comm acquirer MENA

#1 by market share in e-commerce acquiring
- SAB continues to lead the market on e-comm acquiring by holding the largest e-comm market share in KSA at the end of 2025

SAB GPS remains a market leader and continues to differentiate the proposition through franchise enhancing products and services that are often market first and delivered in a fully digital and seamless manner. In addition, our connectivity with HSBC group means that we connect Saudi corporates through platforms such as HSBCnet and Connect seamlessly across the HSBC network and also international companies that are coming to Saudi Arabia by delivering a globally consistent and fully digital banking experience at SAB, servicing the range of our collections, payments and liquidity management solutions.

Account services
- Resident current accounts
- Resident call deposit accounts (local and foreign currency)
- Time deposit accounts (local and foreign currency)

Payments
- Cross border payments (remittances)
- Domestic priority payments (RTGS)
- Payroll payments (WPS) and SADAD (bill payments)
- Cashier orders and Demand drafts
- Prepaid cards (Petty cash) and Corporate cards

Collections
- Merchant Acquiring (e-commerce and Point of Sale)
- Cross border (inward remittances)
- Domestic priority payments (inward)
- Cheque deposits / pick-ups
- Virtual accounts
- Cash pick-up services and Cash deposit machines

Liquidity management
- Liquidity Management Portal (LMP)
- In-country cash concentration
- Zero balance accounts

Channels
- HSBCnet – global internet-based electronic banking platform (17 languages supported).
- HSBC Connect – global host-to-host automated file-based solution.
- SAB Corp – best-in-class domestic platform to support our local corporates and SMEs
- SWIFT for corporates with full range of SWIFT services across cash management and trade.

Customer Experience

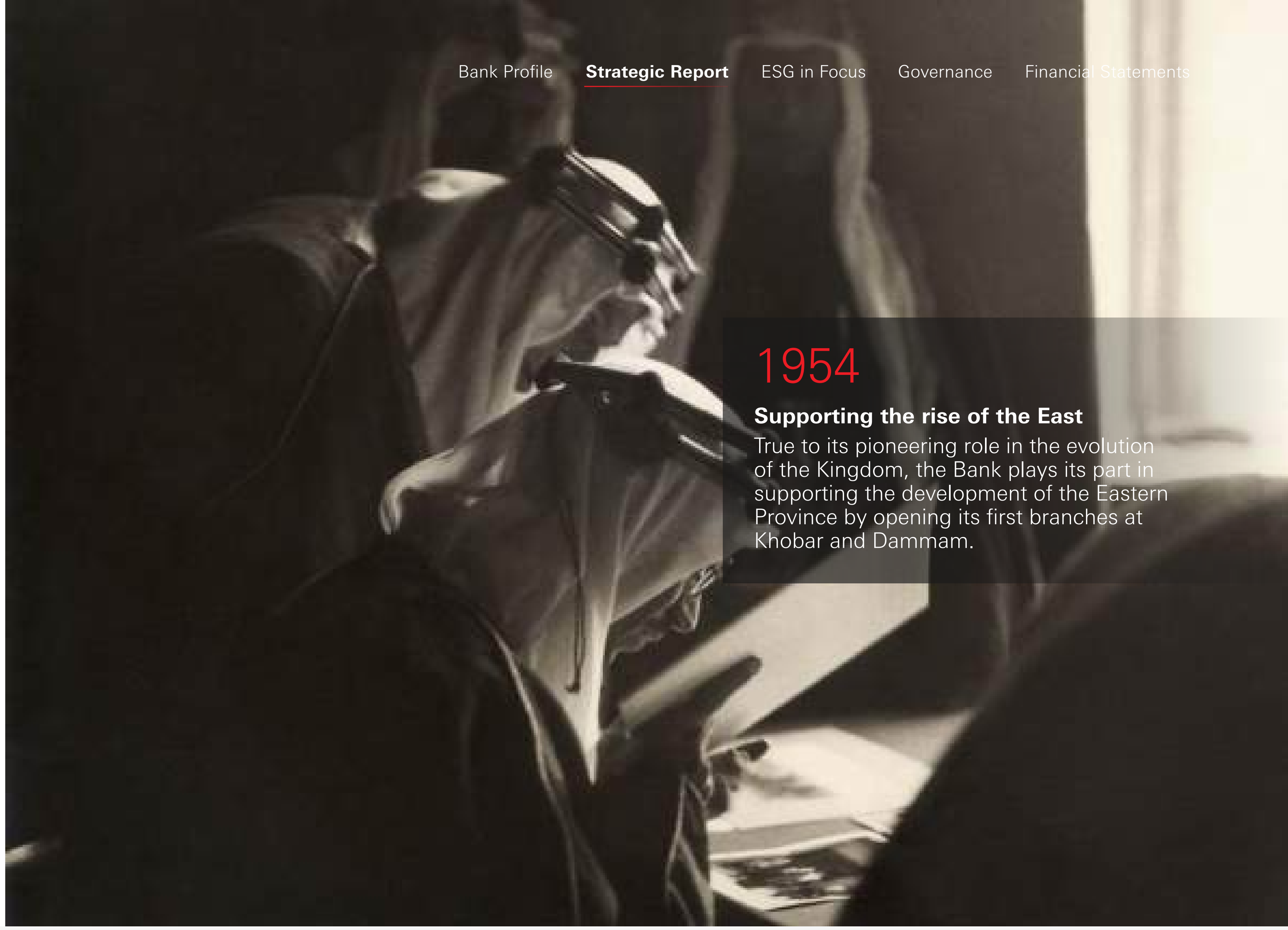
One of the key tenets of the Bank's strategy is to offer an unbeatable standard of customer experience through all our customer channels and, specifically, provide a leading online and mobile digital banking experience that remains at the heart of this. SAB's customer experience strategy focuses on embedding a new culture, a new set of values, and a brand promise.

Our approach:

Alawwal in customer experience

Customer experience is managed from the top; the team reports directly to SAB's Managing Director and CEO. The approach to offer a truly leading customer experience has been bespoke for the various business segments we possess - a one-size-fits-all approach will not deliver the goals we are targeting. Therefore, different methods have been used to serve our SME customers compared to those methods used for our more affluent Retail and Private Banking customers. The team comprises of three divisions: i) Complaint handling, business insight, and consumer protection; ii) culture and engagement; and iii) quality and performance analysis, with all three divisions working together, improving our culture, taking action on real-time issues, and using data and analytical tools to guide future improvements.

We try to build our approach from a preventative lens, identifying and addressing issues before they grow, but also ensure we can actively react when problems do arise.



1954

Supporting the rise of the East

True to its pioneering role in the evolution of the Kingdom, the Bank plays its part in supporting the development of the Eastern Province by opening its first branches at Khobar and Dammam.

Customer-centric focus
Prioritise understanding and meet the unique requirements of each customer segment, fostering personalised interactions.

Cultural shift
Instil a customer-centric culture throughout the organisation, from leadership down to frontline employees.

Consistent communication
Maintain open channels of communication with customers, seek feedback, and keep them informed about improvements and changes within the Bank, services, and products.

Service recovery excellence
Establish efficient mechanisms for post-complaint resolution. Swift, empathetic responses to complaints help turn dissatisfied customers into loyal advocates.

Proactive quality management
Utilise quality management tools to identify and rectify potential issues before they escalate into complaints. Continuous process improvement is a top priority within the strategy.

Data-driven decision-making
Leverage customer, staff, process, interaction-related data, and feedback to inform strategic decisions, identify trends, and tailor services accordingly.

2025 Accomplishments

Digitalisation highlights:

268,759
accounts opened digitally

71 mln
digital transactions (increase of 19% from 2024)

Straight-thorough processing rate increased from
44% to 79%

24
new services added for our SME customers

During 2025, SAB successfully redesigned the Digital Personal Finance Journey, enhancing its speed, ease of use, and efficiency. There was also the development of SAB 360° platform, which provides customers with a holistic view of their finances and offers insights into their spending, budgeting, and financial planning. This investment has enhanced financial awareness, improved customer satisfaction, and increased the adoption of digital banking services.

The Send Now Pay Later service was established, which stands to be the first service that allows SAB customers to transfer money internationally using credit cards with a flexible payment plan through SAB Digital Channels.

Under the Family Banking channel, guardians were made eligible to open current accounts for their children digitally, without the need to visit a branch. On a similar note, the Domestic Worker Salary Account was initiated. This service was designed to provide a convenient and secure way to open an account for domestic workers without needing to visit a branch. We simply issued MADA (Debit) cards and delivered them to the respective cardholder addresses.

We also developed a fully digital account opening journey, enabling customers to open accounts seamlessly through digital channels without the need to visit a branch. This investment has reduced onboarding time, increased customer acquisition, and expanded access to banking services.

Market Overview

The Saudi economy

Saudi Arabia continues to make tangible fiscal and economic progress, underpinned by the government's sustained commitment to Vision 2030[1]. The strategy remains focused on broadening and deepening the economic base, enhancing service quality for citizens, residents, and visitors, and maintaining disciplined fiscal management. Over the medium to long term, the Kingdom is expected to deliver sustainable growth, led increasingly by non-oil activities, supported by income diversification, expanding private sector participation, and the development of new and innovative sectors.

Economic performance during the year reflected this structural shift. While oil revenue declined from lower oil prices, non-oil income continued to expand, with GDP from non-oil activities growing by 4.7% in the first nine months of 2025, demonstrating continued progress against diversification objectives under Vision 2030[1]. Government expenditure was expected to exceed the budget by 4%, reaching ⃁ 1,336 bln, reflecting sustained investment in large-scale and transformative infrastructure programmes. As a result, the fiscal outlook for 2025 anticipates a budget deficit equivalent to 5.3% of GDP. Debt as a percentage of GDP remains at extremely low levels compared with other markets.

Momentum in non-oil growth highlights the effectiveness of policies aimed at strengthening public-private partnerships, empowering MSMEs, and fostering a more attractive and competitive investment environment. Key sectors including tourism, trade, and hospitality continue to expand, while ongoing efforts to diversify the energy sector are expected to provide additional support to economic activity and long-term resilience.

Labour market conditions have also continued to improve. The headline unemployment rate declined to 3.4% in the third quarter of 2025, while female participation in the workforce increased to 33.7%[2] over the same period, reflecting steady progress in workforce inclusion and employment outcomes.

The Saudi banking sector

Resilience and stability continued to define the Saudi Arabian banking sector in 2024, reinforcing its central role in supporting economic transformation and the delivery of Vision 2030[1]. The sector maintained a strong capital base throughout the year, providing effective buffers against potential risks and underpinning operational resilience across the system.

Credit growth remained robust, reflecting sustained economic momentum and rising financing requirements. Total banking sector lending increased by c. 11.5%, driven by strong corporate growth of 17%[3] and a more moderated retail growth of 5%[3] which during 2025 was affected by the continued high rate environment. The growth in corporate lending notably strengthened during 2025, reflecting growing confidence in the pace and execution of Vision 2030 programmes across key sectors of the economy.

Deposit growth remained slower over the period, increasing by c.9%[3], reflecting both the impact of a higher interest rate environment and the sector's continued focus on diversifying funding sources. This trend highlights the evolving funding dynamics within the banking system as institutions balance liquidity, pricing, and balance sheet optimisation.

Sector profitability increased by c.16%[4] in 2025 compared with 2024, supported by strong loan growth and the elevated rate environment. Asset quality remained resilient throughout the cycle, with credit demand holding firm. Following cuts to global benchmark rates in the second half of 2025, the Kingdom reduced its reference rate, with the repo rate lowered to 4.25%[5], easing financing conditions and reducing pressure on borrowers.

The year ahead

Looking to 2026, the Saudi economy is expected to sustain growth momentum, with non-oil activities continuing to play a central role. This outlook is underpinned by ongoing income diversification and further improvements in the business environment, strengthening private sector participation and supporting the expansion of promising growth sectors. Revenue is expected to grow 5% with expenditure levels expected to be at similar levels to 2025[1].

As the Kingdom advances the delivery of Vision 2030, the government remains focused on implementing structural reforms and targeted initiatives to support long-term economic transformation. This is reflected in the continued diversification of economic streams, accelerating private investment and consumption, and the empowerment of the private sector as a key driver of growth. Labour market conditions are also expected to remain supportive, with ongoing job creation and rising female participation contributing to economic resilience and a more inclusive growth trajectory.

1977

A true Saudi bank

In a landmark development both for the Bank and the Kingdom, majority ownership of the Bank is transferred to Saudi Arabian shareholders, representing a model to be followed by other foreign banks in the Kingdom from that moment on.

USD 460.2 bln
FX reserves[3]

USD 35.2k
GDP per capita[6]

31.7%
(estimate)
Government debt to GDP ratio[1]

7.5%
Unemployment[2]

World's largest
oil exporter

USD 2.3 tln
Tadawul market cap[7]

1. MoF Budget Statement 2026
2. General Authority for Statistics
3. Central Bank Statistics for December 2025
4. Aggregate Bank Financial Statements for 2025
5. SAMA Economic Indicators (December 2025)
6. International Monetary Fund (IMF)
7. Tadawul

Chief Financial Officer's Review

> "We have now completed the penultimate year of our five-year strategy, and we head into 2026 with a heightened level of excitement as we discuss, debate, analyse, and interrogate what our next level of aspiration could be. 2025 was a year of cementing our delivery of a sustainable level of returns, whilst continuing to capture market share, and successfully navigating a series of headwinds that impacted the entire sector. Profits and revenue continued to grow year-on-year despite lower rates, as we managed to reduce our sensitivity to rates over the last few years.

Ms. Lama Ghazzaoui
Chief Financial Officer

We have also built up an enviable liquidity position allowing us more flexibility in future business choices. Capital levels remain strong and combined with our liquidity position means we can complete the final year of the strategy we launched in 2021, in the same resilient approach as we tackled 2025.

Continued net income growth

We delivered ⃁ 8.5 bln of net income in 2025 which was a 5% increase on 2024. This was supported by a 5% increase in revenue. As we've often said, a key proof-point of our strategy was to be able to sustainably grow revenue despite a fall in rates, which is a marked shift from the Bank pre-merger, where we were significantly more sensitive to changes in rates. Quarterly revenue is now ⃁ 3.7 bln which is nearly double the level we were delivering when we commenced the strategy.

Headwinds exist but we're mitigating where we can

Delivering this level of revenue in the current economic climate has been challenging. Liquidity has remained tight throughout the year and the sector's cost-of-funding has been trickier than we were expecting at the start of the year. The Bank continues to possess one of the lowest cost-of-funding across all the banks, however revenue continues to be affected by the tight liquidity conditions. During the year, new statutory regulations were also introduced which are beneficial to our customers, but they affected our fee generation capacity, particularly in the second half of the year. Despite these headwinds and other significant one-offs, the Bank continues to grow quarterly revenue, which has been a huge success.

Finding efficiencies across the business

Despite reducing our sensitivity to rates, we still remain mildly sensitive to changes in benchmark rates, due to our significant corporate portfolio. Entering 2025, we were aware that the year could be a challenging year for growing revenue, so looking for efficiencies was always going to be a key thread in delivering on 2025 guidance and aspirations. Digital services have increased across all our businesses such as digital account opening for our SME and Corporate customers, instant digital cards in our Retail business, and digital FX in Treasury. We have also been diligent with our cost base, where we have continued to selectively invest in areas notably where we will achieve top line growth. This has resulted in further improvements to our cost efficiency in 2025 which reduced to 30.3%.

Finding efficiencies, however, isn't just limited to our income statement; during the year we optimised our RWA base achieving over 50 basis points of CET1, and looked at alternative sources of funding, often longer term, in order to support liquidity levels but also to support the matching of our longer-term assets, which supports capital ratios.

Asset quality remains a key strength

Expected credit losses of ⃁ 0.7 bln were 24% higher than 2024 but represented a cost-of-risk of 24 basis points, which was broadly unchanged compared with 2024. The net charge can be broken down into a charge of ⃁ 1.4 bln offset by recoveries of ⃁ 0.7 bln. Our loan portfolio remains well-diversified and our off-balance sheet trade-related portfolio, which mainly consists of guarantees, means asset quality remains very strong, with no signs of stress within any of the portfolios. At a bank level, our total NPL ratio including POCI fell to 2.5%, and 1.3% when excluding the POCI portfolio.

Enviable liquidity position

Our ability to grow market share over the course of the last few years has required investment in our people and capabilities. It would not, however, have been possible without the diligent approach the Bank takes to funding and liquidity. Even though we have grown faster-than-market now for three years, our simple loans-to-deposit ratio ended the year at 92% compared with a sector average of 106%, together with an LCR ratio of 142% and an NSFR ratio of 118%. This competitive advantage means we can grow our loan book faster-than-market and still maintain one of the lowest funding costs in the banking sector in the Kingdom.

Review of financial targets and performance against them

We reported net income, after Zakat and income tax, of ⃁ 8.5 bln for 2025, which was 5% higher than 2024 and delivered through resilient revenue growth, as mentioned earlier. Cost growth was limited to 4% resulting in a total cost base of ⃁ 4.5 bln and a cost efficiency ratio of 30.3% which was a 30 basis point improvement on 2024. Cost-of-risk remained stable at 24 basis points.

Our loan book grew faster-than-market during 2025, although the rate of growth did moderate compared with 2023 and 2024, as we elected to be more selective given the sustained liquidity tightness. 2025 growth was 15%, which was balanced between our Corporate and Retail businesses, and compared favourably with the overall 11% market growth. Gross loans reached ⃁ 306 bln - passing the ⃁ 300 bln mark in 2025 - nearly double the level compared with when we started the strategy. Higher balances have supported revenue growth and more than offset the mild sensitivity to rates that still exist for the Bank.

Capital levels remained at healthy levels and as mentioned earlier we managed to optimise parts of the RWA base by reviewing data on historic weights, amendments to RWA calculations on collaterals, and a review of our off-balance sheet commitments. This delivered over 50 basis points of additional CET1 which was incredibly pleasing especially given the higher requirements that will be placed on the Banks during 2026 through the counter-cyclical buffer.

This has resulted in a RoTE of 14.5% during 2025, which was affected by a restatement of equity. Excluding this restatement RoTE was 14.8%, which was 20 basis points lower than our original guidance for the year. However, we are pleased with this result given the many headwinds we faced during 2025 which were not incorporated into the original plan. We have flexed where needed, we have been selective where needed, and we have been aggressive where needed - we are very pleased with our results this year.

Operating Review

Overview

Reported historical financial results

⃁ mln	2025	2024	2023	2022	2021
Investments, net	107,642	99,573	97,727	87,524	64,904
Loans and advances, net	298,627	259,346	215,936	183,132	167,556
Customer deposits	323,274	267,011	253,457	222,412	189,261
Total assets	454,454	400,603	357,802	315,565	272,396
Total liabilities	375,116	331,157	294,742	259,767	219,368
Shareholders' equity	66,952	61,482	59,075	55,797	52,926
Net income before Zakat and income tax	9,699	9,366	8,223	5,713	3,927

Reported performance

SAB reported net income of ⃁ 8,452 mln in 2025 which was ⃁ 382 mln or 5% higher than 2024. 2025 included Zakat and income tax of ⃁ 1,247 mln which was ⃁ 49 mln lower than 2024. Net income before Zakat and income tax of ⃁ 9,699 mln was ⃁ 333 mln or 4% higher than 2024 which was driven by higher total operating income (revenue) partly offset by increased operating expenses and higher expected credit losses:

- Revenue of ⃁ 14,724 mln was ⃁ 706 mln or 5% higher than 2024 mainly from increased net special commission income, which grew from faster-than-market asset growth, and was partly offset by NIM contraction, which was affected by lower rates in 2025. Non-funds income of ⃁ 3,097 mln was ⃁ 211 mln or 7% higher than 2024 mainly from increased trading income. Underlying FX income performed well but was impacted by a VAT charge relating to historic transactions, and fee income was resilient and affected by regulatory changes that were introduced in the second half of the year.
- Operating expenses of ⃁ 4,462 mln was ⃁ 171 mln or 4% higher than 2024. The pace of cost growth was firmly controlled following the significant investments made in both systems and digital capability at the start of our strategy. Despite higher costs, the Bank maintained positive jaws and the cost efficiency ratio fell further to 30.3% from 30.6% in 2024.
- Expected credit losses of ⃁ 704 mln increased ⃁ 138 mln or 24% although cost-of-risk remained stable at 24 basis points, and significantly below market levels.

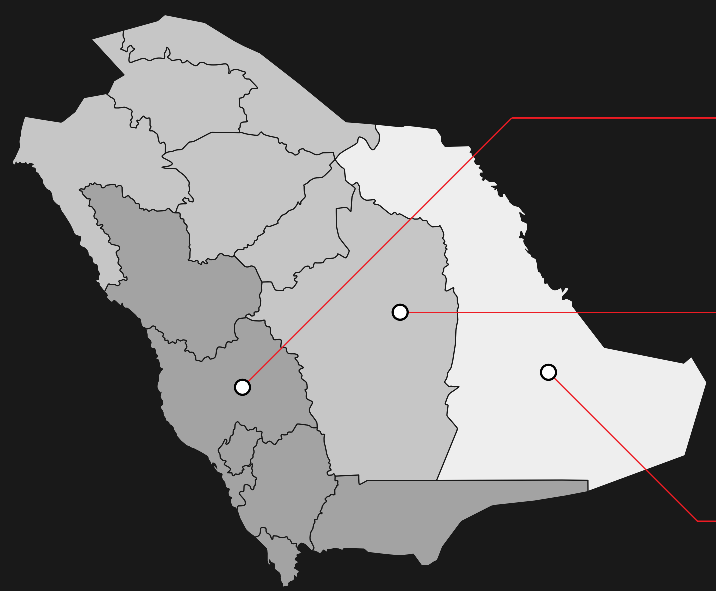
Total operating income by geography

The Bank generates its operating income from activities in the Kingdom of Saudi Arabia and has no branches, material subsidiaries, or associates established or operating outside of the Kingdom. The following diagram shows the distribution of operating income in accordance with the geographical classification of the Kingdom's regions.

Total operating income ⃁ mln

14,724

2024: 14,018



Western province ⃁ mln

3,291

2024: 3,293

Central province ⃁ mln

8,217

2024: 7,892

Eastern province ⃁ mln

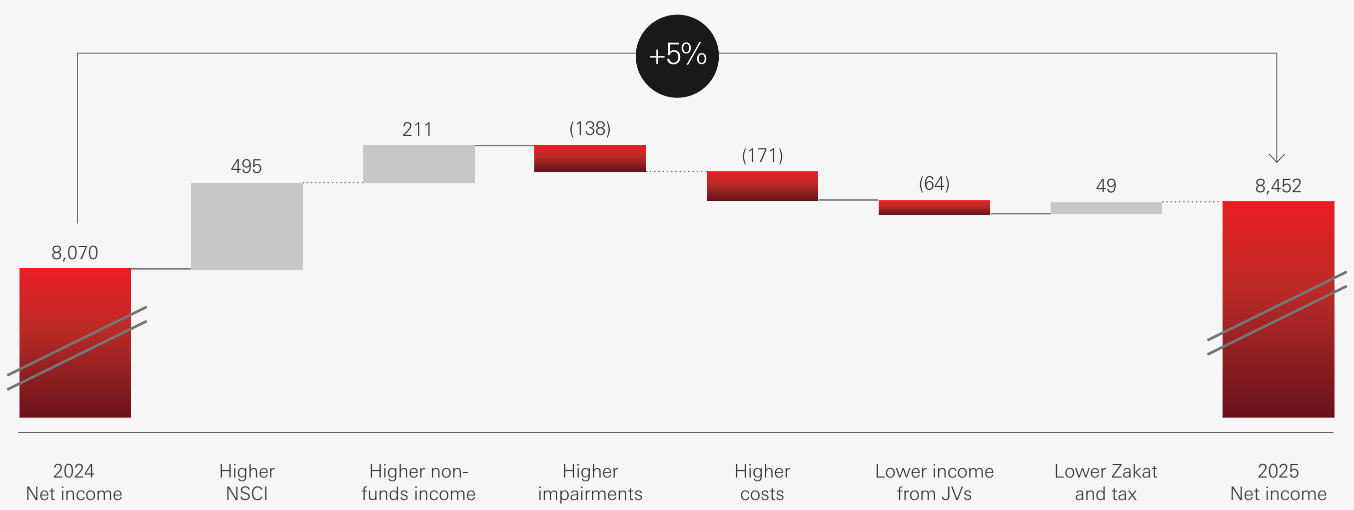
3,216

2024: 2,832

Income statement highlights

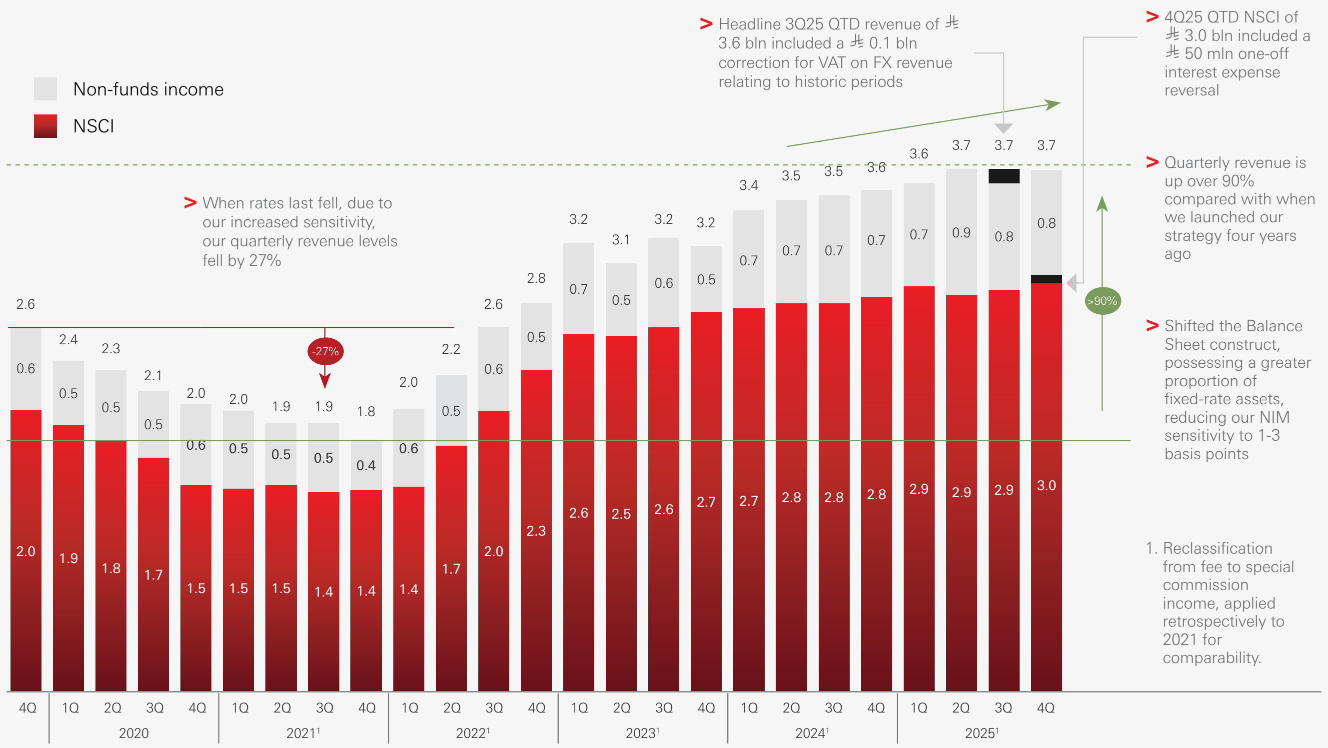
⃁ mln	2025	2024
Total operating income (revenue)	14,724	14,018
Provision for expected credit losses, net	(704)	(566)
Total operating expenses	(4,462)	(4,291)
Share in earnings of associates	141	205
Net income before Zakat and income tax	9,699	9,366
Zakat and income tax	(1,247)	(1,296)
Net income after Zakat and income tax	8,452	8,070

2025 net income after Zakat and income tax walk



Operating Review continued

SAB's quarterly revenue trend from 2019, ⃁ bln



1. Reclassification from fee to special commission income, applied retrospectively to 2021 for comparability.

Reported results by business segment

2025, ⃁ mln	WPB	CIB	TSY	Capital Markets	Other	Total
Total operating income (revenue)	4,410	7,950	1,673	457	234	14,724
Provision for expected credit losses, net	(172)	(529)	(4)	2	-	(704)
Total operating expenses	(2,163)	(1,720)	(308)	(278)	7	(4,462)
Share in earnings of associates	-	-	-	-	141	141
Net income before Zakat and income tax	2,075	5,701	1,361	180	382	9,699

2024, ⃁ mln	WPB	CIB	TSY	Capital Markets	Other	Total
Total operating income (revenue)	4,341	7,982	1,250	446	(1)	14,018
Provision for expected credit losses, net	(199)	(368)	1	(1)	-	(566)
Total operating expenses	(1,893)	(1,783)	(343)	(258)	(14)	(4,291)
Share in earnings of associates	-	-	-	-	205	205
Net income before Zakat and income tax	2,249	5,830	909	188	190	9,366

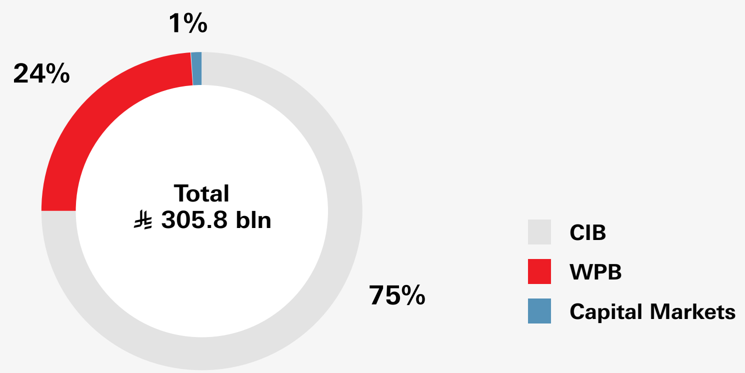
Balance sheet

Total assets of ⃁ 454.5 bln increased ⃁ 53.9 bln or 13% compared with 2024 driven by an increase in customer lending.

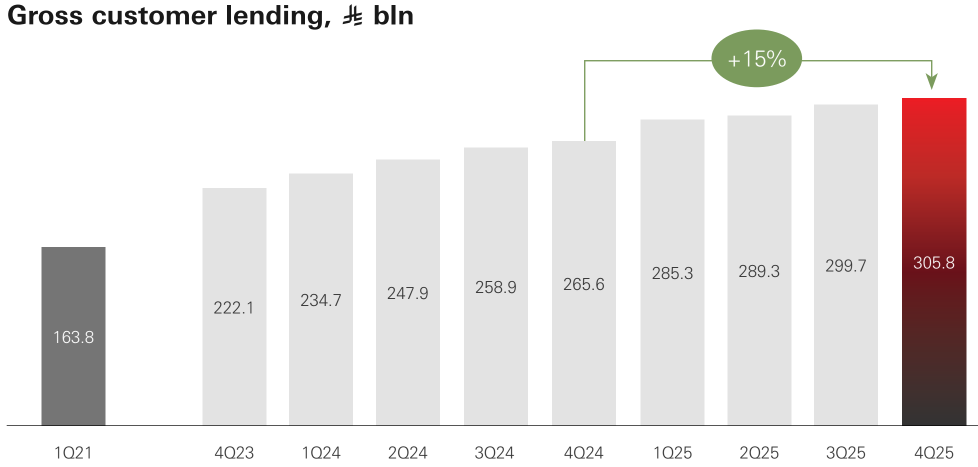
Balance sheet highlights, ⃁ bln	2025	2024
Total assets	454.5	400.6
Gross customer advances	305.8	265.6
Investment portfolio	107.6	99.6
Customer deposits	323.3	267.0
Demand deposits	138.3	137.1
Average interest earning assets	434.5	383.3

Customer lending

Gross customer advances increased 15% during 2025 to ⃁ 305.8 bln. This marks the sixth consecutive year of growth in customer lending for the Bank since the merger. Our Corporate and Institutional business contributes 75% to our loan book, our Wealth and Personal Banking business contribute 24%, with the remainder coming from our Capital Markets business.



Gross customer lending, ⃁ bln



Faster-than-market growth has seen our overall market share grow to **9.6%**[1] from **8.9%** in 2023

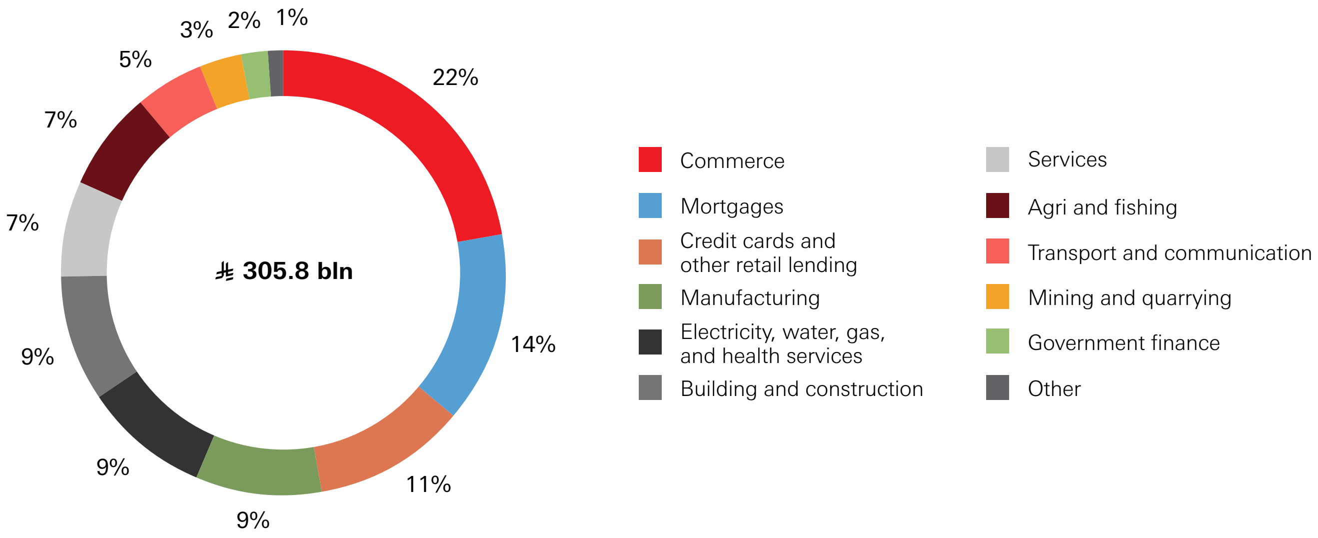
1. Source: KSA banks' 2025 financial statements.

Gross customer lending increased across both our Corporate and Institutional Banking and Wealth and Personal Banking businesses. Corporate and Institutional Banking balances grew ⃁ 30.5 bln or 15% compared with 31 December 2024 with a closing balance of ⃁ 229.0 bln. Growth was mainly due to short-term commercial lending, to support our customers' ongoing working capital requirements. In addition, a number of key infrastructure projects accelerated, requiring drawdowns of funds which also bolstered the businesses originations. Sector concentration remains low, with lending made to a number of sectors including construction, aviation, energy, tourism, and real estate.

The Wealth and Personal Banking business grew ⃁ 9.8 bln or 15% compared with 31 December 2024 with a closing balance of ⃁ 75.2 bln. Growth was mainly driven from continued efforts on our mortgage business which grew 20% to ⃁ 42.4 bln at the end of 2025. Credit card and personal lending balances also grew during 2025.

Operating Review continued

Gross customer lending by sector



Customer deposits

Customer deposits increased 21% during 2025 to ⃁ 323.3 bln driven mainly by an increase in deposits from our Corporate and Treasury businesses. Despite continued higher rates, the Bank maintained demand deposits or non-interest bearing deposits at stable levels of c. ⃁ 138.3 bln, but incremental deposits tended to attract special commission expense and therefore the ratio of non-interest bearing deposits fell to 43%; however promising to see stability in the ratio in the second half of the year.

Overall funding and liquidity metrics remain robust with a regulatory loan-to-deposit ratio of 79%, simple loan-to deposit ratio of 92%, liquidity coverage ratio of 142% and a net stable funding ratio of 118%.

2026 guidance

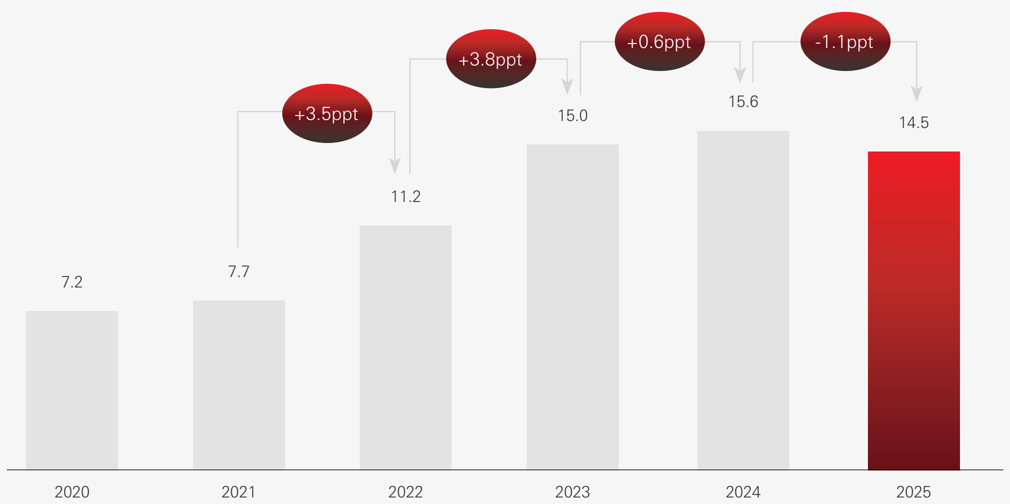
		2021	2022	2023	2024	2025	2026 Guidance	
Balance sheet	Loan YoY growth	+9%	+9%	+18%	+20%	+15%	**>10%**	Continue to capture market share in our areas of strength
Profitability	Annual net interest margin[1]	2.05%	2.49%	3.06%	2.88%	2.66%	**2.5-2.6%**	Further NIM stability from easing liquidity conditions
Profitability	Cost efficiency ratio	44.7%	37.9%	32.4%	30.6%	30.3%	**<29.5%**	Continued positive jaws and cost optimisation
Profitability	RoTE[2,3]	7.7%	11.2%	15.0%	15.6%	14.5%	**14.0-15.0%**	Maintain RoTE at 2025 levels
Asset quality	Cost of risk	27bps	24bps	27bps	23bps	24bps	**25-35bps**	Continued low cost-of-risk
Capital adequacy	CET1 ratio[3]	19.3%	17.7%	16.6%	15.6%	14.8%	**>14%**	Drive further RWA optimisation

MTO financial targets

Loans growth CAGR Low double-digit to low-teens	**Cost-income ratio** 30-32%
Annual OPI growth 6-10%	**RoTE** 15-16% on a post AT1 coupon basis

1. NIM has been improved by the reclassification from fee to special commission income, applied retrospectively to 2021 for comparability.
2. Post AT1 coupon payment.
3. During 3Q25, SAB has revalued a small number of equity investments, which has resulted in a ⃁ 1.2 bln restatement of equity. 2023 and 2024 RoTE and CET1 has been restated to provide a comparative.

Returns



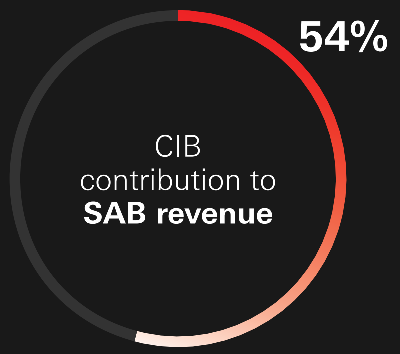
During 2025, SAB delivered a RoTE of 14.5%. This was affected by a restatement of equity and excluding this, RoTE was 14.8% which was 20 basis points lower than our original guidance for the year.

Operating Review continued

Corporate and Institutional Banking

Corporate and Institutional financial highlights (⃁ mln)

	2025	2024
Total operating income (revenue)	7,950	7,982
Provision for expected credit losses	(529)	(368)
Total operating expenses	(1,720)	(1,783)
Net income before Zakat and income tax	5,701	5,831
Gross loans	228,999	198,540
Customer deposits	188,281	151,613



⃁ 7.9 bln
Revenue generated during 2025

Over 35,000
Active customers; grew by 25% during 2025

24%
Trade market share

Operating highlights

The Corporate and Institutional Banking (CIB) business provides tailored solutions to a wide range of customer segments, including Global Corporate and Institutional Banking, Multinational Corporates, Large and Commercial Banking Corporates, and SMEs. CIB banks over 35,000 active customers marking a year-on-year growth of 25% across diverse sectors, providing core banking, liquidity management, trade-finance, and treasury services. CIB enjoys c.12% corporate lending market share and is the leading international trade bank in the Kingdom, with c. 24% market share of off-balance sheet trade balances.

Key priorities during 2025

Since the launch of our strategy, the CIB business has been focused on recapturing lost market share following the merger. During 2023 and 2024, we accelerated our growth leveraging our enviable liquidity capacity, and moderated growth during 2025 maintaining market share throughout the year. By the end of the year, our loan portfolio achieved the ⃁ 229 bln mark, and we are extremely proud of achieving this scale, which is now over 70% higher than when we launched the strategy in 2021.

Throughout the year, CIB supported customers through project finance, capital expenditure, and infrastructure financing, together with working capital financing to cover short-term financial borrowing needs. CIB continues to support a range of landmark infrastructure projects that support the Kingdom's transformation drive, aligned with our focus on construction, tourism, real estate, and energy sectors.

Our second focus area has been ensuring that we maintain our leading position in providing trade-finance. During 2025, not only did we maintain - and further strengthen - our #1 positioning, but SAB's newly-branded Global Trade Solutions (GTS) strengthened its market-leading position and received industry-wide recognition, securing top rankings across all four Euromoney Trade Finance awards: Best Overall, Best for Client Service, Best for Products, and Best for Technology. SAB was also named the #1 Trade Finance provider in the Kingdom of Saudi Arabia by Global Finance for the sixth consecutive year. These accolades reflect SAB's consistent focus on scaling transaction volumes, delivering high-quality client service, expanding its international network, and advancing technology innovation to support clients' growth in global trade.

During the year, SAB successfully developed and deployed a new trade platform, alongside advancing new digital trade products, and enhanced solutions tailored to the growing SME segment. Investment in a modernised processing engine significantly improved the client experience for trade customers transacting via HSBCnet. As a result, 2025 saw a substantial increase in client adoption of SAB's digital channels, delivering measurable benefits in speed, efficiency, and reduced operational risk. In parallel, continued investment in SAB's market-leading Supply Chain platform led to further enhancements which resulted in several significant mandates. These drove the highest revenue growth within the product line while expanding SAB's support for local SME suppliers participating in its supply chain finance programmes.

Our third key focus was expanding our digital transformation. Our Digital Account Opening platform continued its growth, surpassing 20k+ digital accounts opened since inception.

Our SME customers have strongly benefited from our digital innovations and make up the vast majority of the accounts opened digitally. With more than 85% of our Business Account Opening completed digitally, our strength in this sector continues to grow and has contributed to increasing our active customer portfolio by 25% in 2025. We won Global SME Banking Innovation Awards 2025 from The Digital Banker for the fourth time in a row for our Digital Account Opening platform.

As a key Digital Transformation milestone in 2025, we launched 'Instant Account Opening for Sole Proprietors' at the BIBAN Forum - the Kingdoms flagship entrepreneurship event. This marks a major step forward, allowing entrepreneurs to start their banking relationship within minutes through a secure end-to-end digital process. The service enables business owners to open accounts instantly in a fast and convenient banking experience.

We have launched exciting new Digital Services in our online banking channels - iCorp and HSBCnet making banking, payments, and transactions easy and seamless for our customers. We also launched innovative and future ready Global Trade solutions and continue being the leader in the market.

Our Digital Credit platform has automated financing and lending processes, while also significantly improving the speed of financing for our customers, which has especially benefited SMEs. Using application programming interface (API) technology together with our banking infrastructure, we have integrated key public and government data sources, speeding up our financing processes. We reduced turnaround time of our SME lending service by 40% in 2025 and are enabling easy and fast access to finance for SMEs in the Kingdom.

CIB, as part of the Ministry of Economy and Planning Programme, is supporting a group of corporates on their ESG journey with meaningful outcomes on baselining, target and KPI setting, actioning, and reporting. This knowledge sharing initiative is aimed at furthering sustainability and transition planning adoption in the corporate sector. CIB has supported multiple projects including Green buildings or infrastructure (solar plants, EV manufacturing facilities, and LEED certified buildings) with an incremental balance sheet support of over ⃁ 4 bln. CIB also holds a portfolio of Social Financing thanks to our SME Bank / Kafalah Programme and public-school funding projects of c. ⃁ 3 bln. Thanks to these efforts, SAB won the 'Best Bank for Sustainable Finance in KSA' by Global Finance for the third year running.

Financial performance

Net income before Zakat and income tax of ⃁ 5,701 mln was ⃁ 130 mln or 2% lower than 2024, mainly from higher impairments, although cost-of-risk remained below through-the-cycle levels. Revenue from external customers grew +6% mainly from strong loan growth coupled with stability in lending spreads, despite falling yields together with growth in fees income.

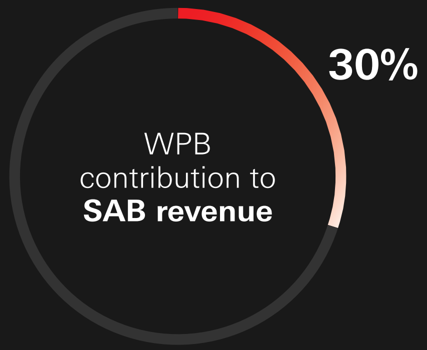
Gross lending of ⃁ 229 bln grew 15% during 2025. Growth was mainly driven by large domestic corporates and our global and institutional customers, which make up over 90% of the corporate lending portfolio. Customer deposits increased by 24%, to ⃁ 188.2 bln, while the level of demand deposits, or non-interest-bearing deposits, remained stable during the year.

Operating Review continued

Wealth and Personal Banking

Wealth and Personal Banking financial highlights (⃁ mln)

	2025	2024
Total operating income (revenue)	4,410	4,341
Provision for expected credit losses	(172)	(199)
Total operating expenses	(2,163)	(1,893)
Net income before Zakat and income tax	2,075	2,249
Gross loans	75,181	65,363
Customer deposits	88,741	86,855



WPB maintained its leadership in the credit card segment, a consistently high margin product category. Card balances grew by over 5% during the year, in line with market growth, bringing our market share to c.12%. New card acquisitions increased by 13% and card spending rose by 8%, maintaining our position as holding the highest per card spend in the Kingdom. A major milestone was surpassing 100 mln card transactions for the first time. We launched Google Pay, introduced SME Credit and Debit Cards, supporting SME growth and female entrepreneurship in alignment with Vision 2030. Our flagship "Fursan Black Travel Credit Card" was named "Credit Card of the Year" in the Travel Category in Saudi Arabia by the Digital Banker Innovation Awards 2025.

⃁ 2.1 bln
Net income

Digital transformation remained a cornerstone of our success. We have onboarded one mln new digital customers since the launch of our strategy, with 500,000 joining in the past two years. Asset digital sales accounted for 31% of total sales, exceeding our year end aspiration. Our digital leadership is further demonstrated by digital users being 93% of our active customer base, with 73% actively transacting across more than 280 digital services. Enhancements to the SAB app improved user experience and ratings, while digital payment volumes grew by 12%, securing an 18% share of the Saudi market. Our Global View and Global Transfer (GVGT) service enables customers to link SAB and HSBC accounts across 18 corridors, facilitating ⃁ 5.3 bln in transfers for 8,500 customers since launch. Our digital payment services received multiple awards in 2025, including "Fastest Growing Bank in Cross Border Remittance" from Mastercard.

Operating highlights

Wealth and Personal Banking (WPB) delivered exceptional performance in 2025, marked by faster-than-market loan growth, strengthened digital leadership, enhanced market competitiveness and considerable increase in new customer acquisition, helping the Bank reach 1.7 mln customers by the end of 2025. Customer loans have doubled since the start of the strategy to reach ⃁ 75.2 bln and this strong momentum has increased our market share to 6%.

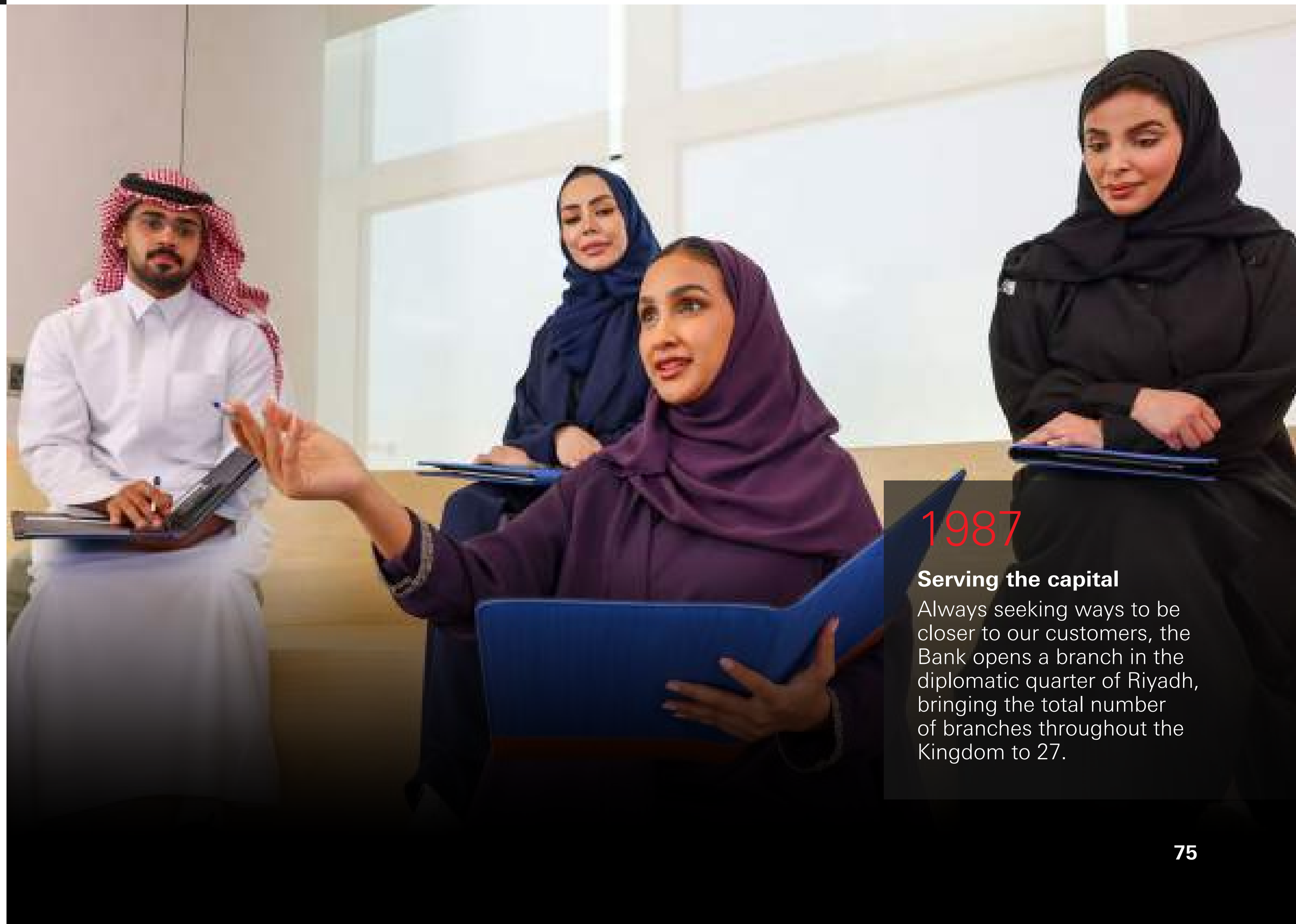
1.7 mln
Customers

A key strategic priority in 2025 was the continued expansion of our mortgage offering, building on the substantial investments made over the past four years. The mortgage portfolio grew 20% during 2025 to reach ⃁ 42.4 bln, reinforcing our position as a market leader. Our mortgage book has also doubled since the start of the strategy and during 2025, we increased our acquisition market share of originations to 13.4%, additionally securing the #3 ranking in REDF. SAB's focus on mortgages isn't limited to volume alone, as we have looked to innovate and provide a diverse offering. Examples of this include the launch of our Green Mortgage product and also our successful completion of our second securitisation transaction of ⃁ 400 mln with the Saudi Real Estate Company (SRC). We also introduced Cash Off Plan financing for premium residency holders, broadening access to the real estate market. Additional enhancements include non salary segment financing and brokerage fee options providing customers with greater flexibility and a more streamlined homeownership journey.

To elevate the digital mortgage experience, we implemented a new loan management system and accelerated our digital transformation roadmap. The flagship milestone was the launch of the end to end Digital Mortgage Journey, which significantly reduced manual processing, increased operational capacity, and delivered a faster, more seamless customer experience from application to approval.

Building on this momentum, WPB will continue to enhance its mortgage proposition in 2026, focusing on accelerating sales, balances, and market share. Growth will be further supported by strong partnerships with major developers and continued improvements in digital processing efficiency.

Our personal lending business has also performed resiliently in a challenging market, where higher benchmark rates have moderated sector growth. We gained market share during 2025 and this achievement was driven by consistent and strong digital adoption, with digital sales accounting for 17% of total sales. We simplified the personal loan journey by reducing application fields by 67% and cutting processing times from days to minutes, directly addressing customer expectations for speed, simplicity, and a seamless digital experience. We also expanded our micro-lending portfolio, while the non salary assigned product surpassed ⃁ 1 bln in balances with a well managed delinquency profile.



1987
Serving the capital
Always seeking ways to be closer to our customers, the Bank opens a branch in the diplomatic quarter of Riyadh, bringing the total number of branches throughout the Kingdom to 27.

Operating Review continued

We also delivered several customer experience enhancements, contributing to SAB maintaining its App Store rating, which remains one of the highest in the Kingdom. SAB now offers one of the most comprehensive mobile and online banking platforms in Saudi Arabia, driving strong adoption of digital services and products. New SAB Mobile Experience has been successfully launched, featuring key enhancements such as Family Banking, improved SADAD payments, international banking services, and digital card journey.

Our customer base spans affluent propositions including Top Tier, Premier, and Advance as well as mass market banking. International customers and affluent customers represent 47% and 17% of our total client base respectively. SAB continues to focus on high net worth clients by offering tailored wealth solutions through close collaboration with SAB Invest and HSBC's global network.

Customer deposits grew strongly in 2025, supported by the rollout of new e channel features. Enhancements to digital channels, combined with optimised digital account opening and digital Time Deposit booking journeys, contributed to strong growth by year-end. During the second half of the year, we launched Family Banking - a proposition aligned with the Kingdom's national goals to promote financial literacy and responsible financial behaviour among future generations. Although digital Family Banking account opening was introduced late in 2025, client acquisition across segments exceeded expectations. This initiative remains a strategic priority for expanding our customer base and strengthening long term family relationships.

The introduction of Upfront Profit and Monthly Distribution options for Term Deposits provided customers with innovative savings solutions, driving higher deposit acquisition. We also launched Pay with ICSAB+, becoming the first bank in the Kingdom to enable customers to use loyalty points for everyday transactions.

These advancements are expected to further enhance customer satisfaction and reinforce our market position through sustained growth in both client base and liabilities. SAB received several prestigious awards, including "Best Digital Bank" from Euromoney, "Best UX Design Middle East & KSA" from Global Finance, and "Most Innovative Digital Bank" from Global Finance.

As part of our Private Banking strategy, we continued to strengthen our partnership with SAB Invest to expand our wealth offerings. In 2025, referrals from SAB to SAB Invest totalled ⃁ 4.7 bln, which is three times higher than the previous three years combined. Private Banking assets have more than doubled since the merger, while deposits have increased by over 1.5 times. Private Banking was recognised for the third consecutive year by Euromoney as "Best Private Bank" and "Best Bank for UHNW Clients" in Saudi Arabia.

In 2026, WPB will prioritise deepening customer relationships and accelerating digital leadership. The focus will centre on fully leveraging the Customer Lifecycle Management (CLCM) framework and introducing a new enterprise communication platform to strengthen engagement and personalisation. These initiatives aim to increase revenue per customer by reducing attrition and expanding cross-sell opportunities across SAB's product suite.

Financial performance

Revenue grew during the year reaching ⃁ 4.4 bln. Despite the headwinds of increasing regulatory changes to fee income capture which affected the sector, and a one-off historic VAT-related expense in FX income, WPB increased revenue by 2%. The loan book expanded to ⃁ 75.2 bln, representing a 15% year on year increase, exceeding the market growth rate of c.5%, resulting in our market share growing to 6%. Mortgages remained the primary growth driver, accounting for 56% of the total WPB loan book. Mortgage origination grew by 5%, compared to a market decline of 12%, resulting in an origination market share of 13.1%. Performance across personal loans, credit cards, and Private Banking assets and liabilities was also strong. Non-funded income was impacted mainly by regulatory changes to credit card income and the VAT adjustment mentioned above.

Net income for the year was ⃁ 2,075 mln, a decrease of ⃁ 174 mln (8%) compared to 2024. This decline was primarily driven by higher operating expenses associated with loan portfolio expansion, partially offset by lower ECL charges, reflecting strong credit quality and the resilient revenue performance mentioned above.

Gross lending reached ⃁ 75.2 bln, growing by 15% (⃁ 9.8 bln) during the year. Customer deposits increased by 2% to ⃁ 88.7 bln by year end. Average non interest bearing deposits (demand deposits) rose by 3% (⃁ 1.7 bln), supported by payroll acquisition and increased lending activity.

⃁ 75.2 bln
Gross lending

1990

Instant cash arrives in the Kingdom

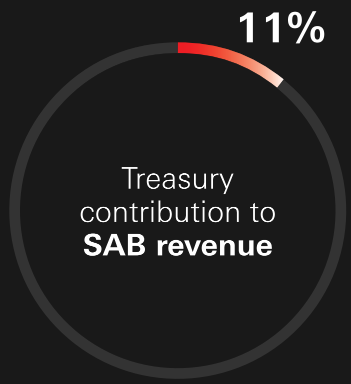
The Bank reinforces its position as an innovative force for Saudi banking by installing the first automated teller machine (ATM) in Dhahran Airport, while the Jeddah main branch inaugurates its first Corporate Banking department.

Operating Review continued

Treasury

Treasury financial highlights (⃁ mln)

	2025	2024
Total operating income (revenue)	1,673	1,250
Provision for expected credit losses	(4)	1
Total operating expenses	(308)	(343)
Net income before Zakat and income tax	1,361	909
Investment portfolio	107,642	99,573
Customer deposits	46,250	28,543



Operating highlights

SAB's Treasury business provides Corporate, Institutional, Wealth, and Private Banking clients access to Treasury and Capital Markets products across multiple asset classes, including FX, interest rate, and commodity hedging solutions. In addition, Treasury manages the liquidity and the market risk of the Bank, including deployment of the Bank's commercial surplus via its investment portfolio.

Since the launch of the Bank-wide strategy in 2021, the Treasury business has developed and flexed SAB's investment portfolio in readiness for a lower rate environment to protect and support the Bank's net special commission income. By increasing the size of the portfolio and increasing the weight of fixed rate investments, the Bank's sensitivity to changes in benchmark rates reduced. This approach has been a key tenet of the Bank-wide strategy and supports SAB in sustaining returns in a lower rate environment, while also allowing it to benefit from tactical investment gains, as and when they arise.

During 2025, the Treasury business achieved higher revenue across rates, FX, and commodity markets. The Treasury business is also instrumental in securing additional funding to support the corporate and retail strategies, although this comes at a cost of special commission expense which has been pressured across the sector from tighter liquidity conditions. Despite this increase in special commission expense, the Treasury team continues to ensure that SAB maintains one of the lowest cost-of-funding rates in the banking sector, thanks to effective balance sheet management, including leveraging new liquidity sources such as long-term repo transactions and certificate of deposits.

Our customers remain at the heart of everything we do. We continue to drive digital innovation through our enhanced FX services. We enjoyed a seven-fold increase in digital FX volumes in 2025, driven primarily by customer flows from seamlessly integrating channels and embedding and commercialising Treasury-as-a-Service into our digital FX platform. We continued to commercialise our commodity hedging solutions with over 13 new commodities classes added as well as commercialise equity derivatives on local and international stocks.

Treasury is fully aligned with Vision 2030 and strongly supports the Financial Sector Development Programme (FSDP). We are proud to be ranked the #2 Primary Dealer by the National Debt Management Centre; we are leading the development of the local repo market, and we are leveraging our international connectivity to provide hedging solutions and derivatives clearing to several of the Kingdom's key infrastructure projects. In addition, we have maintained our investment in green and sustainable bonds in support of SAB's position as the leading bank in ESG. During the year, SAB issued the first 'green' Additional Tier 1 sukuk and subsequent bond issuances have also been in 'green' format, where the proceeds of the funding go to green or sustainability-linked projects.

Looking forward, we will continue to invest in our digital platforms, including the development of virtual assets, and we will further expand our suite of hedging and investment products. We will also continue to leverage our international connectivity through our differentiated partnership with HSBC to drive innovation and value creation.

⃁ 1,673 mln

Total revenue

Financial performance

Net income before Zakat and income tax of ⃁ 1,361 mln was ⃁ 453 mln or 50% higher than 2024, mainly from higher revenue which was driven by increased customer flows, strong trading performance, and higher investment returns. Total revenue of ⃁ 1,673 mln was ⃁ 423 mln or 34% higher than 2024.

Our investment portfolio grew by ⃁ 8.1 bln or 8% to reach ⃁ 107.6 bln by the end of 2025, reflecting our continued role as a primary dealer as well as our active management of the portfolio in the current rate cycle.

Operating Review continued

Capital Markets

Financial highlights (⃁ mln)

	2025	2024
Total operating income (revenue)	457	446
Provision for expected credit losses	2	(1)
Total operating expenses	(278)	(258)
Net income before Zakat and income tax	180	188
Assets under management (AuM)	34,176	35,044

The Capital Markets segment brings together the Margin Lending, Brokerage, and Asset Management businesses, which were acquired from HSBC Saudi Arabia in 2022, with our wholly owned subsidiary SAB Invest. Merging and dedicating capital to this business will allow the Bank to deliver a broader proposition to our WPB customers and CIB clients.

Asset Management offers a comprehensive range of investment management and advisory solutions, in both conventional and Shariah-compliant formats, in Saudi Arabia as well as regional markets. Total AuM of ⃁ 30.7 bln (which excludes ⃁ 3.4 bln managed by Global Investment Solutions (GIS)) declined by 6% which was mainly a reflection of a challenging market during 2025. We expanded product offerings including the region's first Quant ETF where we collaborate with HSBC, the first MENA Private Credit Fund, and we also focused on real estate transactions with a total value exceeding ⃁5 bln, reinforcing our leadership position in the market.

SAB Invest also delivered top tier performance across GCC equity, fixed income, and multi asset funds, and consistently ranks among the strongest performers in the industry league tables. Reflecting its continued commitment to excellence and outperformance, SAB Invest received seven awards and recognitions from reputable institutions such as LSEG Lipper Fund Awards and Sanadeeq, highlighting its superior performance across equity, sukuk fixed income, multi asset, venture capital, and Murabaha strategies.

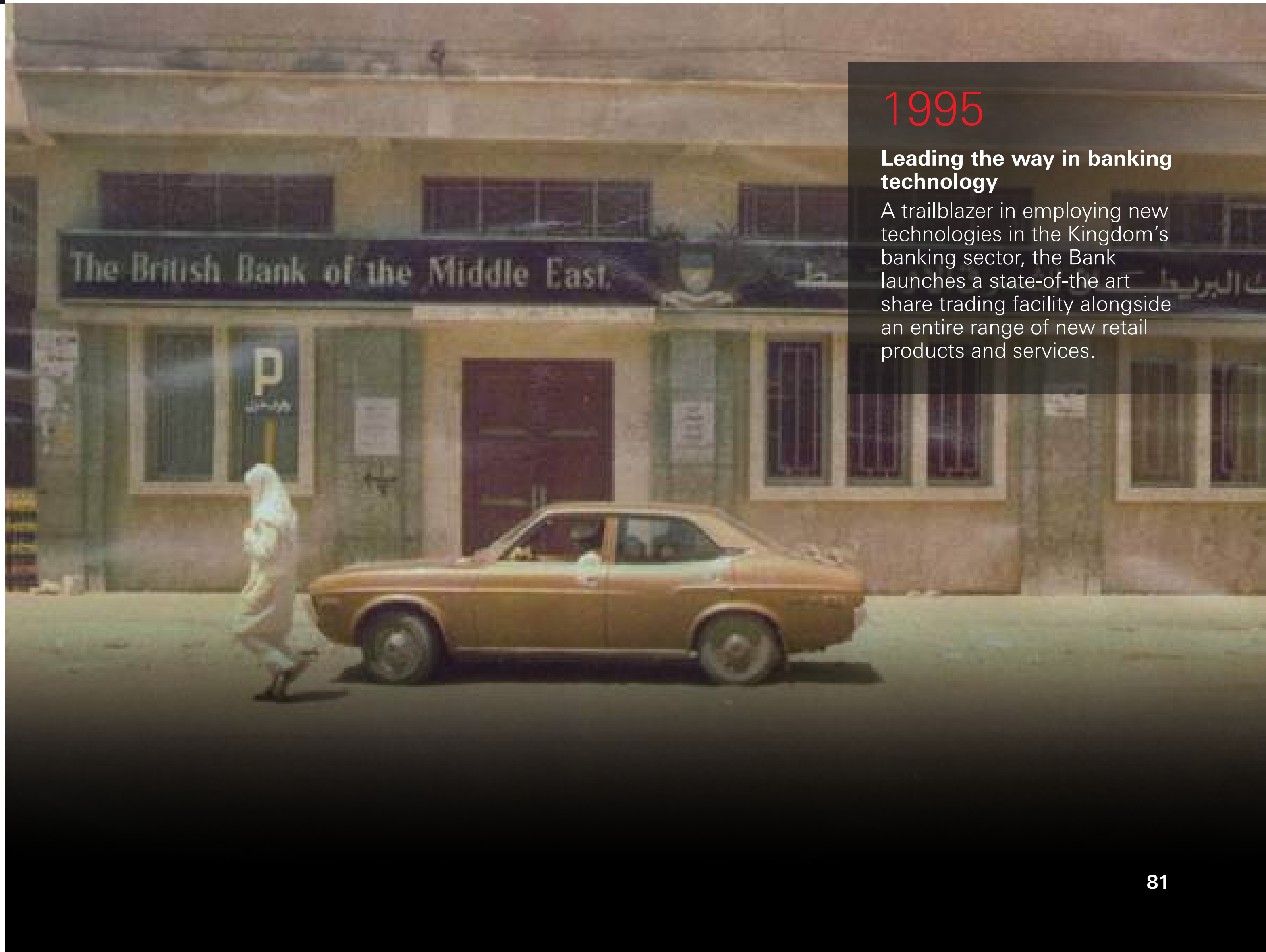
SAB Invest's Brokerage business focused on a range of digital enhancements to its investment execution services. The business launched GCC and International trading through online channels which grants clients access to a wide range of international markets enhancing their user experience and available investment options. The business also launched Digital Options activation for US trading options contracts through online channels allowing the customers a seamless access experience. The enhancements in the onboarding process to international markets led to an increase in the trading value by over 300% and total assets growth by 12%. The achievements of the Brokerage business are driven from the implementation of SAB Invest's five-year corporate strategy.

In 2025, the Global Investment Solutions Department strengthened its position as a leading provider of international investment products, delivering strong growth in assets and performance. The SAB Invest Global Credit Fund surpassed USD 200 mln in AuM and continued to outperform its targets with resilient, income driven returns. The Fund generated 8% (net total return) for the full year, which is an average of 450 basis points over 12-month Secured Overnight Financing Rate (SOFR), at an annualised standard deviation of less than 1%. The successful launch of the Tactical Credit Opportunities Fund in October further expanded the Credit platform, raising USD 90 mln through the year, reinforcing client confidence in GIS's credit capabilities.

Across the broader platform, flagship products delivered strong results during the year, including the Hong Kong Equity ETF which increased 31%, the Global Index Fund which increased 18.7%, and the China India Fund which increased 13.9%. Total AuM across global products exceeded ⃁ 3.4 bln, while Assets under Advisory surpassed ⃁ 2.9 bln. GIS also enhanced its Outsourced Chief Investment Officer (OCIO) and advisory offerings, deepening our client engagement and strengthening multi-asset capabilities for both private and institutional investors.

2025 was the third year of SAB Invest's five-year (and 17-Initiative) strategic transformation plan, launched shortly after the acquisition of HSBC Saudi Arabia's Asset Management and Retail Brokerage businesses at the end of 2022.

In 2025 SAB Invest was again highly successful in delivering on multiple high-impact execution milestones of its strategy implementation plan, ending the year with 16 strategic initiatives completed, while also generating sustained business performance despite a challenging local equity market backdrop. As a result, SAB Invest's business today operates on a modernised, scalable infrastructure from back-office systems to customer channels, and offers a more diversified customer proposition, better aligned with our customers' evolving needs. To capitalise on its achievements, SAB Invest conducted a strategy refresh exercise during the fourth quarter of 2025 resulting in several additional initiatives underpinned by continuous investment in the business, supporting its original 2027 business targets and extending its growth trajectory through 2030.



1995

Leading the way in banking technology

A trailblazer in employing new technologies in the Kingdom's banking sector, the Bank launches a state-of-the art share trading facility alongside an entire range of new retail products and services.

Operating Review continued

Capital Overview

Financial performance

Revenue of ⃁ 457 mln was ⃁ 10 mln or 2% higher than 2024. Underlying business revenue increased in our Asset Management business but was partly offset by a small fall in revenue from our Brokerage business. Net income of ⃁ 180 mln was ⃁ 8 mln or 4% lower than 2024 as we continued to invest in the business in line with our strategic plan.

Capital overview

Capital management is critical for the longevity of the Bank. SAB ensures it possesses an appropriate level of regulatory capital to meet the minimum levels required by its regulator and to support business growth and dividend distribution, even under stressed scenarios. The Bank's policy on capital management is underpinned by a capital management framework and our internal capital adequacy assessment process (ICAAP). Capital adequacy and utilisation of regulatory capital are monitored regularly by the Bank's Senior Management.

SAB's assessment of capital adequacy is aligned with its assessment of risks, including credit, liquidity, Shariah, and other operational risks as detailed on page 36 within the Risk Overview.

Capital ratio, %	**31 Dec 2025**	31 Dec 2024 (Restated)
Common equity tier 1 ratio	14.84%	15.61%
Tier 1 ratio	18.13%	18.06%
Total capital ratio	19.65%	19.84%

Capital, ⃁ mln	**31 Dec 2025**	31 Dec 2024 (Restated)
Common equity tier 1 capital	55,733	50,821
Additional tier 1 capital	12,387	7,965
Tier 1 capital	68,119	58,786
Total regulatory capital	73,814	64,565

Risk-weighted assets (RWAs), ⃁ mln	**31 Dec 2025**	31 Dec 2024 (Restated)
Credit risk	359,688	310,526
Operational risk	14,221	12,249
Market risk	1,734	2,706
Total RWAs	375,643	325,482

1996

Financing Arab-owned satellites

Launching homegrown satellites into orbit put the power of modern telecommunications into Arab hands. People, businesses, and governments across the Arab world became more connected, entertained, and secure thanks to two Arabsat satellites financed by the Bank.

Supporting MSMEs

As a leading Bank in the Kingdom, SAB is supporting MSMEs in line with Vision 2030. SAB supports MSME customers, offering comprehensive solutions through digital channels, contact centres, and dedicated SME Centres.

SAB delivers a full range of Shariah-compliant financial services products supported by dedicated Relationship Managers who assess client needs and provide tailored solutions to meet their requirements.

The MSME segment is managed through the below specialised teams

> **Small and micro segment:** Serving clients with turnover below ⃁ 40 mln.

> **Medium segment:** Serving clients with turnover between ⃁ 40-200 mln.

> **Liquidity segment:** Serving non-borrowing MSME clients.

To strengthen regional presence, MSME expanded its coverage capacity by establishing two new dedicated teams focused on regional growth and deeper client engagement.

SAB is market leading for its digital banking solutions for SMEs and continues to digitally transform and innovate the digital experience for customers with key solutions, highlighted below:

Digital Business Account Opening platform

SAB continued to strengthen its leadership in digital banking for MSMEs through its Digital Business Account Opening platform. The solution received the Global MSME Banking Innovation Award 2025 from The Digital Banker for the third consecutive year.

In 2025, the platform achieved record growth with over 1,000 new business accounts opened digitally per month, and 88% of all business accounts opening now, fully conducted online.

Launched "Instant Account Opening for Sole Proprietorships"

The instant account opening service for sole proprietorships was launched during Biban 2025 in November. This milestone enables entrepreneurs to start their banking relationship within minutes through a secure digital process. The service allows business owners to complete every step online, providing a fast and convenient banking experience positioning SAB among the most innovative banks in the Kingdom.

Business Account Update Information (Digital KYC) platform

SAB's Digital KYC platform continued transforming the digital experience for customers, enabling MSMEs to update their information fully online without the need for physical visits to the branch. This has ensured 40% faster processing of KYC through system automation reducing customer's effort in completing the application. The overall process ensured the Bank has up-to-date verified information available without impacting the customer's daily operations.

SAB MSME Digital Credit platform

SAB MSME Digital Credit platform streamlined facilities processes which enabled faster approvals and higher lending capacity, supporting more MSMEs in accessing financing. With the platform's power of automated business data integration, it expanded financing for MSMEs.

SAB is the first bank in Saudi Arabia to establish a digital integration with the Kafalah Programme Authority. This integration enables automatic submission of guarantees between both parties, and enhances MSME access to finance and supports the expansion of thriving businesses across the Kingdom.

In 2025, SAB MSME Digital Credit platform significantly advanced its digital capabilities, delivering substantial improvements to both the client experience and internal efficiency.

Key achievements included:

> Upgrading digital service channels by launching new online functionalities that simplified account management and documentation processes for MSME clients.

> Improving operational efficiency through integrated systems, automated processes, and smarter digital workflows increased processing speed, and enhanced accuracy.

> New digital services enabling clients to open sub-accounts, request certificates, or initiate term deposits fully online.

> QR-verified documents that improved transparency and security while reducing operational effort.

> Automated workflows across onboarding and servicing journeys, strengthening decision-making accuracy and enabling faster turnaround times.

These enhancements collectively elevated the MSME customer journey and reinforced SAB's leadership in digital banking innovation.

SME Contact Centre

SAB continues to enhance accessibility for its MSME clients through the dedicated MSME Contact Centre. The service provides quick and convenient support via a single point of contact, offering specialised assistance across SAB's online and digital banking channels. This reflects the Bank's ongoing commitment to delivering efficient, responsive, and customer-centric service.

MSME training initiatives and workshops for staff and customers

In total, SAB has 105 FTE dedicated to supporting MSMEs to which 1,356 hours of training were delivered.

SAB also participated as sponsors for the awareness sessions conducted by government and semi-government initiatives to enhance customers' knowledge towards the banking finance.

Number of man-days training provided to customers

170

Number of man-days training provided to customers

7

[*Awareness workshop]

SAB MSME Academy

SAB SME Academy concluded its programmes in 2024, where it offered a range of workshops and entrepreneurship focused topics. The full library of sessions and learning materials remains available on SAB's website. MSMEs can continue to benefit from these resources, which provide valuable guidance, practical tools, and expert insights to support sustainable growth and navigate evolving market conditions.

In 2025, SAB deepened its strategic partnership across the MSME sector through a balanced approach that included renewing key existing collaborations, expanding ongoing agreements, and establishing new partnerships to support wider market needs.

These partnerships played a critical role in enhancing SAB's ability to deliver seamless financing solutions, improve guarantee processes, and deliver greater value to SME clients nationwide.

Strategic partnerships with leading national entities

Kafalah Programme

SAB continues to support MSME clients by leveraging the guarantees provided through the Kafalah Programme. These guarantees enable the Bank to extend financing while mitigating credit risk, thereby encouraging sustainable lending to MSMEs across various sectors.

The Bank was honoured during the Arab & Regional Guarantee Programme Forum with Kafalah Programme by receiving the "Consulting Sector Support Award". This underscores the Bank's commitment to supporting MSMEs and meeting their needs.

SME Bank

1. Funding portal:

Funding Portal is an online portal owned by SME Bank that brings together entrepreneurs and owners of MSMEs with funding entities to obtain appropriate funding, by providing information that helps them make credit decisions, and by linking them to relevant government institutions and credit information firms. SAB continues to collaborate with SME Bank on their initiatives including Funding Portal and SME Bank Co-Financing Programme, that enables MSME customers to gain access to financing opportunities and signed a memorandum of understanding to further improve our collaboration.

Supporting MSMEs continued

2. SME Bank - Co-Financing Programme:

This collaboration aims to offer financial support to customers through joint efforts between SAB and SME Bank to deliver co-financing programmes to customers under the support of SAB and the SME Bank.

In 2025, SAB continued expanding the collaboration with SME Bank for further support to SMEs by signing an agreement with the SME Bank for an amount of ⃁ 500 mln to continue supporting SMEs by providing financial solutions aligning with Vision 2030. SAB significantly grew its co-financing portfolio, enabling broader access to funding for high-potential MSMEs nationwide.

Environment Fund

SAB partnered with the Environment Fund to support environmentally sustainable financing for MSMEs. This initiative aligns with the Bank's commitment to MSME finance and enables support for sectors such as waste management, water conservation, renewable energy, and pollution control.

Culture Development Fund

SAB expanded cooperation with the Culture Development Fund, enabling guaranteed financing solutions and co-financing programmes that support MSMEs operating in culture, entertainment, and creative industries.

Monsha'at collaboration

In 2025, SAB signed a memorandum of understanding with Monsha'at to enhance and support MSME awareness, programmes, and productivity, contributing to national economic development goals, aiming to increase MSME contribution to GDP of the Kingdom of Saudi Arabia, in line with the Kingdom's Vision 2030.

Awards and recognition 2025

During 2025, SAB MSME achieved several notable recognitions that reinforced its leadership position in the MSME sector:

> Global MSME Banking Innovation Award - awarded for the third consecutive year for the best account opening innovation by the Digital Banker.
> Consulting Sector Support Award - received during the Arab & Regional Guarantee Programme Forum (ARGPF) in partnership with Kafalah.
> Highest Growing Bank for Funding MSMEs 2024 - recognised by Monsha'at for portfolio growth.
> First Bank Joined Co-Finance Programme - by SME Bank.
> The third highest growth Banks for Funding through Financing gate - by SME Bank.
> The highest Bank in Financing MSMEs through the Co-Finance Programme - by SME Bank.
> Digital Integration award with Kafalah - by SAB Innovation Excellence Award 2025.
> SME Co-Finance Programme award with SME Bank - by SAB Innovation Excellence Award 2025.

Initiatives

Throughout 2025, SAB introduced several initiatives aimed at elevating MSME experience and accelerate financing process. These initiatives focused on improving customer journeys, expanding sector outreach, and deepening collaboration with key government entities.

Key initiatives included

> Arab & Regional Guarantee Programme Forum (ARGPF) in partnership with Kafalah, highlighting SAB's ongoing commitment to enabling MSMEs access to guaranteed financing.
> IATA Aviation Sector Workshop, supporting specialised sectors by offering tailored insights and financing solutions.
> Biban Event in collaboration with Monsha'at, showcasing SAB's MSME proposition and strengthening engagement with entrepreneurs.
> Development Finance Conference - Momentum, organised by the National Development Fund (NDF), under the theme "Leading Development Transformation", which convenes leading local and international stakeholders to foster collaboration, innovation, and best practice in development finance.
> Made in Saudi Expo 2025 took place in Riyadh, showcasing Saudi industrial growth, local products, and export potential under the theme "Creating Empowerment" for Saudi Vision 2030.
> The Cultural Investment Forum, SAB signed a collaboration agreement with the Cultural Development Fund, aiming to expand and diversify financing solutions for MSMEs operating in the cultural sector.
> Money 2020, as part of SAB's continuous efforts to drive MSMEs, SAB signed a memorandum of understanding with SIMAH during Money 2020, to explore collaboration opportunities in MSME credit scoring and financial data solutions.
> In an effort to provide more solutions for MSMEs to support their growth, SAB launched MSME Debit Card for the ultimate everyday enterprise spending solution.
> As part of SAB's collaboration with the TAQADM Programme, SAB showcased its suite of services and initiatives supporting MSMEs at King Abdullah University of Science and Technology (KAUST), with a particular focus on innovative financial solutions designed to accelerate startup growth and enhance long-term sustainability.
> "Financing in a Week" with Monsha'at, a fast-track initiative designed to accelerate MSME financing approvals.
> Launch of the Joud Initiative in partnership with the Kafalah Programme, expanding guarantee access for eligible MSME clients and improving operational efficiency between both parties.
> Hosting the "Connect-Her" Forum with WEConnect International, an event dedicated to supporting women-led enterprises through networking, knowledge-sharing, and direct engagement with ecosystem leaders including Monsha'at, Kafalah, SME Bank, and SAB representatives.

A summary of MSME portfolio as of 31 December 2025 is as follows:

	December 2025				December 2024				December 2023			
	Micro	Small	Medium	Total	Micro	Small	Medium	Total	Micro	Small	Medium	Total
Loans to MSMEs - On balance sheet (B/S), ⃁ mln	2,788	3,283	8,489	**14,560**	2,688	2,845	6,722	**12,255**	1,515	2,975	6,538	**11,027**
Loans to MSMEs - Off balance sheet (notional amount), ⃁ mln	5,363	5,934	11,708	**23,004**	7,842	6,908	16,373	**31,122**	3,185	2,416	9,467	**15,068**
Demand deposits, ⃁ mln	10,231	11,056	12,877	**34,164**	6,723	9,617	11,622	**27,962**	4,358	9,107	8,940	**22,405**
Amount of loans guaranteed by Kafalah Programme (on and off), ⃁ mln	201	441	519	**1,161**	350	788	1,301	**2,439**	344	563	1,050	**1,957**
Number of loans guaranteed by Kafalah Programme (on and off)	246	354	95	**695**	723	1,266	1,023	**3,012**	646	1,106	1,073	**2,825**
Number of loans (on and off)	2,241	4,820	3,275	**10,336**	1,569	3,814	3,294	**8,677**	1,370	2,385	4,730	**8,485**
Number of customers for loans (on and off)	575	843	480	**1,898**	611	830	523	**1,964**	526	658	481	**1,665**
Number of active customers	20,077	8,944	2,016	**31,017**	14,588	3,628	1,704	**19,920**	10,681	6,392	1,602	**18,675**
New to Bank customers	6,795	2,624	309	**9,728**	5,523	1,910	263	**7,696**	3,106	1,132	192	**4,430**

This excludes any purchase price allocation (PPA) from the fair value exercise following the merger with Alawwal Bank.

03

ESG in Focus

2000

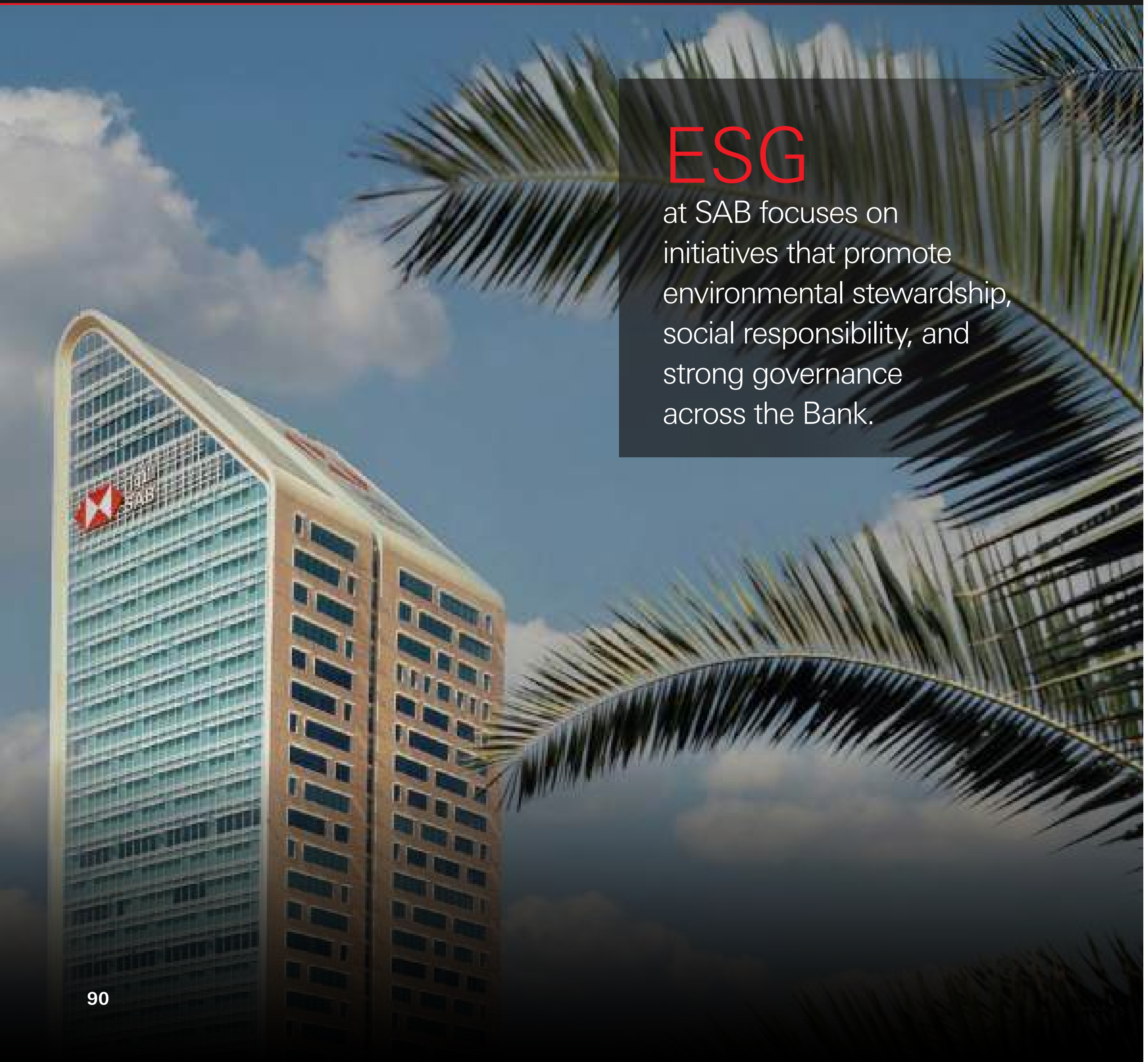
Growing with the nation

The Kingdom's GDP reaches ⃁ 706,657 mln and its population grows to 20 mln at the start of the new millennium, while the Bank's capital increases to ⃁ 630 mln.

Environmental,
Social, and Governance Focus at SAB 90

ESG Focus at SAB

SAB's vision of becoming a leading bank in the Kingdom and a preferred partner for its customers is firmly rooted in our Environmental, Social, and Governance (ESG) commitments. We believe that our long-term success is inseparable from the progress and well-being of the communities we serve. As a financial institution, our growth must actively contribute to the advancement of society, the protection of our environment, and the sustainable development of the Kingdom.



ESG at SAB focuses on initiatives that promote environmental stewardship, social responsibility, and strong governance across the Bank.

Guided by this conviction, we continue to integrate sustainability across our business model, strengthening responsible banking practices, supporting sustainable finance, empowering our people, and promoting inclusive economic opportunities.

2025 marked significant progress in our sustainability journey, with notable achievements across our strategic pillars. This chapter highlights our ESG strategy, key priorities, and the milestones we reached during the year. For a comprehensive view of our sustainability performance and disclosures, we encourage you to explore our latest ESG Report.

Strategy

SAB's ESG Strategy and principles that were developed in 2022 continue to be our north star, guiding decision-making at every level of the business. It serves as a pathway for growth, development, and resilience under challenging environments. Our strategy has been implemented through active stakeholder engagement across multiple groups, ensuring our vision aligns with the expectations of those we serve. In doing so, we continue to engage stakeholders across key focus areas that we prioritise within our strategy:

- Alignment with Vision 2030
- Economic performance
- Digitalisation
- Employment
- Customer privacy
- Sustainable finance
- Ethics
- Emissions

To revisit details on 2022 ESG Strategy, materiality assessment and ongoing stakeholder engagement, please refer to the latest ESG report on our microsite.

Awards and recognitions

In our pursuit of excellence in sustainability and responsible banking, our efforts have delivered notable outcomes, resulting in several sustainability-related awards and recognitions throughout 2025. Our achievements in digital innovation and sustainable finance have been notably celebrated, further strengthening our reputation as an industry leader, and highlighting our commitment to making a positive impact.

Our 2025 awards and recognitions

Capital Markets Forum

- Sustainability Program of the Year – Large Cap Listed Entities

Euromoney

- Best Bank for ESG in KSA

Global ESG Awards

- Risk control award for Excellence in ESG Practices across KSA, UAE, Oman, and India

Global Finance

- Best Bank for Sustainable Finance in KSA
- Best UX Design in the Mid-East & KSA, Most Innovative Digital Bank in KSA

Middle East Banking 2025 AI & Analytics Summit - 10th Edition

- Best AI Driven Banking Institution and Best Use Case of Gen AI in Operational Efficiency- SAB Gen Next – Intelichat

Marketing Strategy and Innovation Summit & Awards 2025

- Best in Customer-Centric Transformation

Forbes

- Recognised as Sustainability Leader for third consecutive year

ESG Focus at SAB continued

ESG ratings and highlights

Over the past year, SAB has achieved notable upgrades across a range of ESG ratings and improvement scores.

AA

SAB MSCI ESG rating was upgraded during March 2026 to 'AA' from 'A'. Rating as at 31 December 2025 was 'A' which had been upgraded during 2025 from 'BBB'

22.82 points

ESG rating improvement from Morningstar Sustainalytics to 22.82 from 27.54

C

Current CDP Score is 'C'

41

S&P ESG score increased to 41 from 32 in 2024

Key strategic partnerships

SAB was chosen by the Ministry of Economy & Planning (MEP) as one of the 19 'Sustainability Champions' in the Kingdom. These champions reflect sector leaders with regards to incorporating ESG considerations within their core businesses and strategy. As part of this programme, SAB is supporting four corporate clients on their own ESG journey. This knowledge sharing infrastructure is aimed at furthering sustainability adoption in the corporate sector.

MEP Champions Program

SAB selected four mentees to guide and support in strengthening their sustainability foundations.

Dallah Health | RAWABI | MEPCO Middle East Paper Company | المدينة

Progress

The four mentees, together with SAB, worked on accomplishing five milestones: a pledge signing, conducting a baseline assessment, conducting a materiality assessment, developing an ESG report for 2024, and the implementation of quick wins. We are pleased to share that by the end of 2025, the majority of mentees had already achieved the first four milestones.

In 2026, we will keep spearheading this initiative under MEP's oversight, with the primary goal of producing the 2025 Sustainability Report. MEP intends to host a graduation ceremony in Q3 2026 for the inaugural cohort, of which SAB is a member and expected attendant.

Sustainable finance

Sustainable finance framework

SAB remains dedicated to advancing sustainable finance in strong alignment with national goals outlined within Vision 2030. SAB also adopts globally recognised frameworks, including the Green Loan Principles, Green Bond Principles, and Social Bond Principles. This approach directly supports the United Nations Sustainable Development Goals (UN SDGs) and objectives of the Paris Agreement on Climate Change.

In 2025, SAB achieved notable milestones in sustainable finance, successfully labelling two instruments as 'Green' and attracting strong interest from both dark and light green investors. These included the first 'Green' sukuk for banks in Saudi Arabia, a USD 650 mln Additional Tier 1 issuance, and a USD 1.25 bln Tier 2 'Green' Bond. Collectively, the issuance of these green bonds aims to fund environmentally sustainable projects, with a specific focus on renewable energy. To showcase more granular impact and progress, SAB will be publishing standalone impact reports in alignment with the requirements of the Green Bond Principles (GBP).

As a whole, SAB successfully delivered on its ⃁ 34 bln sustainable finance target, reaching ⃁ 45 bln in sustainable finance.

Sustainable finance products and services

From a sustainable finance product perspective, SAB has played a pivotal role in supporting the development and launch of its first Green and Social Mortgage products, further expanding access to sustainable financial solutions. The Green Initiative provides preferential financing for residential and commercial properties that met approved sustainability benchmarks, supporting energy efficiency, sustainable construction, and smart development. This reinforces our leadership in sustainable finance and our contribution to advancing environmentally responsible housing solutions across the Kingdom. Similarly, in our efforts to improve availability, accessibility, and affordability of services, we have recognised affordable housing as a vital element to achieve this. Our social mortgage products support the national priorities established in Saudi Vision 2030 and the National Housing Programme, which seeks to address the problem of expensive housing by offering realistic homeownership options to low- and middle-income families. These products complement government subsidised housing finance programmes that aim to increase home ownership to 70% as part of Saudi Vision 2030.

Our Green deposit product continues to attract significant client interest, resulting in a 24% increase from last year. This momentum not only strengthens our position as a leader in sustainable finance but also demonstrates the effectiveness of our efforts to align our offerings with the evolving values of our customers and the broader goals of the Kingdom.

During the year, we have also observed growing momentum among global companies aligning with Saudi Arabia's Vision 2030, particularly in support of the national objective to generate 50% of power from renewable sources. This transition is led by the Ministry of Energy through the National Renewable Energy Program (NREP). In this context, CIB has supported a range of construction and infrastructure projects that advance environmental sustainability, including the development of energy-efficient 'green' buildings pursuing LEED certification ('Leadership in Energy and Environmental Design'), as well as solar power plants and electric vehicle manufacturing facilities.

More details on our sustainable finance products can be found in our Sustainable Finance Data Dictionary.

Sustainable finance reporting

In the sustainable finance reporting and disclosure space, SAB has finalised the second UN Principles of Responsible Banking (PRB) report, demonstrating our ongoing dedication to transparency and accountability. As an outcome of our impact analysis, we have set new priority target areas using the UN Portfolio Impact Assessment Tool. To view the latest report on our outcomes and progress towards each of the six principles of responsible banking, please refer to SAB's Responsible Banking Progress Statement.

SAB's priority target impact areas for our portfolio

Climate stability

Coupled with our ambition to achieve Net Zero by 2060 as we support expanding renewable energy projects.

Availability, accessibility, affordability, quality of resources and services

Aim to improve quality of life for citizens and support the Saudi Vision 2030 objective of increasing home ownership to 70%.

ESG Focus at SAB continued

In addition to focusing on the impact areas identified as most critical in our portfolio,, we have taken action across other United Nations Environment Programme Finance Initiative (UNEP FI) areas. This includes nature, biodiversity and human rights. For nature and biodiversity, we are committed to supporting initiatives on environmental conservation, reforestation, waste reduction, and enhancing biodiversity in the region. We have participated in multiple initiatives already, such as the 'Cleaning One Million Square Metres' desert project and supporting mangrove plantation and planting native plant seeds. Similarly for human rights, we are dedicated to promoting human rights and ethical labour practices as per the United Nations Global Compact (UNGC). Our commitment is sponsored by our CEO and we remain focused on communicating our progress through regular reporting.

Environment

At SAB, our environmental agenda is grounded in the commitment to operate responsibly while supporting the Kingdom's transition toward a more sustainable, resource-efficient future. We recognise that climate resilience and environmental stewardship are essential to long-term value creation for our customers, investors, and the broader economy. In line with this responsibility, we continue to strengthen the integration of environmental considerations across our operations, risk frameworks, and financing activities.

Operational emissions management

SAB has continued its efforts in advancing towards the objective of reaching Net Zero operations by 2035. Efforts over the years have encompassed the installation of renewable energy on sites, education around renewable energy, reduction of vehicle counts, shifting from internal combustion engine vehicles to electric cars, building electric vehicle charging infrastructure, energy efficiency initiatives in buildings, and purchasing carbon credits through the voluntary carbon market.

A year-on-year comparison of our total GHG emissions, highlighting our progress, can be found in the latest ESG report on our microsite.

Progressing our Net Zero strategy with a financed emissions assessment

To accelerate progress toward achieving Net Zero by 2060, SAB is in the process of broadening its financed emissions assessment beyond the initial priority sectors to include a thorough evaluation of the Bank's entire financing portfolio. This baseline is being developed using globally recognised methodologies to quantify the climate impact of broader lending activities. Establishing this baseline is a critical step in aligning our lending strategy with the goals of the Kingdom's Vision 2030. Importantly, this robust data foundation supports our approach to actively partnering with our clients; it enables us to assess the transition readiness of our corporate clients and structure financing solutions that support the Kingdom's decarbonisation objectives.

Supplier management and engagement

SAB advanced its commitment to sustainable procurement through several targeted supplier initiatives. We implemented an ESG-related questionnaire for our suppliers, fostering deeper engagement with our strategic partners on ESG practices and responsible sourcing. Last year, an ESG campaign was launched to further raise awareness and drive action within the Bank and across our supply chain. Additionally, our collaboration with Jadeer service on the Monsha'at platform enabled us to certify local suppliers and connect with SMEs, giving SAB access to over 12,000 suppliers and enhancing our operational efficiency while mitigating risks.

To drive systems development and embed sustainability into purchasing processes, SAB obtained the ISO 20400 certification for Sustainable Procurement. SAB is the first in the MEA region and 42nd entity globally to follow this guidance closely and improve supply chain resilience and long-term value.

SAB also became the first Saudi organisation to receive CIPS Procurement Excellent Gold Award, signifying that our procurement practices are seen as a strategic value-add and directly influence other functions to achieve strong performance and standards.

Energy

We are dedicated to continuing promoting green building initiatives, as demonstrated by one of our LEED certified buildings, which is an acknowledgment of our compliance with rigorous energy efficiency and sustainability criteria. This year, we implemented solar photovoltaic systems on the rooftops of nine of our branches, boosting total renewable electricity generation by 342,749 kWh. This growth directly cuts Scope 2 emissions by reducing dependence on grid power and demonstrates our phased strategy for decarbonising operational energy use.

A breakdown of our energy consumption can be found in the latest ESG report on our microsite.

Water and waste management

In alignment with the Kingdom's Vision 2030 objectives to conserve water resources, we have reduced our total water consumption on a year-on-year basis across all our branches. This progress highlights our dedication to efficient water management whilst operating in an arid climate system. For a breakdown of our water consumption, please refer to the latest ESG report on our microsite.

In regard to waste, we have progressed in recycling our waste through the recycling machines installed in 2024 as part of the Naqaa recycling programme. This is aligned with our goal to reach net zero emissions by 2035. Through active recycling of waste and diversion from landfill, we are able to substantially reduce our carbon footprint.

2025 waste highlights

95,759
aluminium and plastic bottles recycled

25,685 kg
collected and recycled waste

38,527 kg
of CO_2 saved

ESG Focus at SAB continued

Social

SAB's social responsibility agenda is closely aligned with the Kingdom's national development priorities, reflecting our commitment to contributing to a thriving, inclusive, and skills-driven society. As the Kingdom advances its long-term transformation, we recognise the vital role that financial institutions play in supporting human capability development, broadening economic participation, and empowering communities. Guided by these priorities, we continue to invest in programmes that enhance opportunity, strengthen inclusion, and promote well-being, all while ensuring that our growth contributes meaningfully to Saudi Arabia's broader social and economic progress.

Our people

In 2025, we increased our efforts towards talent development to enhance ESG expertise across the organisation. We aimed to prioritise upskilling of teams across various divisions to help integrate unique sustainability skills into leadership and credit decision-making. To achieve this, we expanded ESG e-learning trainings for business functions across SAB and conducted ESG alignment workshops with key business leads and our central ESG Office.

SAB also launched innovative programmes like the Sustainability Graduate Programme in collaboration with King Abdullah Petroleum Studies and Research Center ('KAPSARC') which is designed to help recent Saudi graduates pursue a career in sustainability.

From an employee health perspective, SAB rolled out several campaigns such as 'Balance Your Weight', 'World Immunity Month', 'Blood Donation', and 'Health Promotion'. These initiatives were designed to raise awareness of vital health conditions and effective treatments and healthy lifestyle habits.

SAB successfully renewed its ISO 45001:2018 certification, underscoring the Bank's dedication to maintaining a robust occupational health and safety management system. This renewal demonstrates SAB's ongoing efforts to ensure a safe and supportive work environment for all employees.

Our culture of diversity is progressing as we work to increase female representation in our workforce, as well as offer external platforms for expanded female opportunities. In 2025, we partnered with WeConnect International to empower women professionals across the ecosystem, promoting knowledge sharing, networking and collaboration amongst female entrepreneurs. This showcases our ongoing commitment to the UN Women's Empowerment Principles that we signed and adopted in 2024.

Our workforce highlights

4,105
Full-time employees

93.9%
Saudi nationals among workforce

25
NPS score

17.8
Hours of training per employee, on average

27.7%
Women in workforce

For more information on all our people initiatives, please refer to the latest ESG report on our microsite.

Digital enhancements for our customers

Digitalisation highlights

268,759
Accounts opened digitially

71 mln
Digital transactions (increase of 19% from 2024)

Straight-through processing rate increased from
44% to 79%

24
New services added for our SME customers

Last year, SAB successfully redesigned the Digital Personal Finance Journey enhancing its speed, ease of use, and efficiency. There was also the development of SAB 360° platform, which provides customers with a holistic view of their finances and offers insights into their spending, budgeting, and financial planning. This investment has enhanced financial awareness, improved customer satisfaction, and increased the adoption of digital banking services.

The Send Now Pay Later service was established, which stands to be the first service that allows SAB customers to transfer money internationally using credit cards with flexible payment plans through SAB Digital Channels.

Under the Family Banking channel, guardians were made eligible to open current accounts for their children digitally, without the need to visit a branch. On a similar note, the Domestic Worker Salary Account was initiated. This service was designed to provide a convenient and secure way to open an account for domestic workers without needing to visit a branch. We simply issued MADA (Debit) cards and delivered them to the respective cardholder addresses.

We also developed a fully digital account opening journey, enabling customers to open accounts seamlessly through digital channels without the need to visit a branch. This investment has reduced onboarding time, increased customer acquisition, and expanded access to banking services.

Communities and societies we serve

In our continued commitment to serving communities, SAB has maintained its partnership with Goumbook. We participated in two rounds of the MENAT Regenerative Agriculture Venture Programme to promote sustainability across the MENA and GCC regions. In 2025, SAB hosted a showcase at SAB Tower in Riyadh for the MENAT Regenerative Agriculture Summit, bringing together decision-makers, innovators, and industry experts. Furthermore, SAB became the first bank in Saudi Arabia to join the Saudi Agrifood Tech Alliance (SAFTA), established by the Ministry of Environment, Water, and Agriculture (MEWA), which aims to build a collaborative platform for advancing food and agriculture technology solutions throughout the Kingdom. SAB continues to support the start-up ecosystem in the Kingdom, maintaining its long-standing support for TAQADAM, the region's largest start-up accelerator incubated at King Abdullah University of Science and Technology ('KAUST'). The accelerator supports ventures that address critical environmental and social challenges including clean energy, water and food security, health solutions and community development.

Philanthropically, we are honoured to continue participating in the Tadhafur programme, an initiative led by the Ministry of Human Resources and Social Development to promote employment for people with special needs. This social investment programme creates valuable job opportunities, fostering inclusion and empowerment within the community.

ESG Focus at SAB continued

Governance

Strong governance is the foundation of our sustainability ambition. Our approach to ESG governance is designed to ensure clear accountability, robust oversight, and transparent reporting while embedding sustainability considerations into strategy, risk management, and day-to-day decision-making. In this sub-section, we focus specifically on ESG-related governance: how our leadership sets direction, monitors progress, and integrates climate and broader sustainability risks and opportunities across the Bank. For comprehensive details on the Board of Directors, Board committees, and broader governance practices, please refer to the Governance section of this Annual Report.

ESG oversight and accountability

The Board of Directors play a crucial role in guiding the Bank toward its strategic ESG goals and advancing our ESG agenda. The Board defines the Bank's ESG strategy, approves ESG targets, and supervise the risk framework, including sustainability and climate related risks. The Board also oversees the Bank's performance against ESG objectives, approves ESG reports, and ensures that ESG implementation aligns with stakeholder interests across the Bank.

Deep-dive into key ESG-related roles

Within our overall governance structure, the ESG Steering Committee plays a pivotal role in driving our ESG agenda forward. The committee has a close partnership with all functions and reports directly to the Executive Committee (EXCOM). The committee is mainly tasked with the overall governance, supervision, and coordination of all initiatives under our ESG strategy, including granting necessary approvals. Crucially, the committee is accountable for ensuring that our publicly stated ESG targets and objectives are achieved on schedule.

The ESG Office is responsible for the hands-on execution of the ESG strategy across the organisation. Reporting directly to the Chief Governance and Corporate Affairs Officer (CGCAO), the team collaborates with various departments to drive SAB's ESG agenda forward. Its core duties include managing ESG-related budgets, governance, disclosures, partnerships, and net zero commitments, in addition to tracking all deliverables and performance. The office also works closely with various departments to promote ESG awareness and skill-building throughout the workforce.

Since initiating public disclosure of data breaches in 2022, SAB has not recorded any incidents through year-end 2025.

Ethics and integrity

Ethics and integrity remain foundational to our operations, guiding responsible banking and sustainable growth. SAB upholds transparency and accountability through a robust Code of Conduct and comprehensive policies on anti-corruption, anti-money laundering, and conflicts of interest. We also strongly uphold our Ethical and Environmental Code of Conduct for Suppliers of Goods and Services to ensure suppliers abide by our economic, environmental, and social code for operations and business. We conduct ongoing training to ensure employees are equipped to meet ethical and regulatory standards. Adherence to national and international frameworks, including UNGC principles is also reinforced by regular audits.

Our Whistleblowing Policy remains steadfast in providing a confidential avenue for reporting concerns and supporting prompt resolution. Through strong governance and ethical practices, SAB continues to foster trust and leadership in the sector.

For a list of all our policies, including our Anti-Bribery and Corruption Policy and our professional Code of Conduct for employees, please visit our ESG microsite.

Cybersecurity and data privacy

Cybersecurity is a key pillar of our risk management approach, with regular evaluations, monitoring, and continuous investment to strengthen threat detection, payment controls, data protection, and recovery processes. Our approach includes internal and external audits, penetration testing by experts, and adherence to regulatory oversight by SAMA and the National Cybersecurity Authority (NCA). We maintain ISO certification 27001, ensure PCI compliance, and follow SWIFT standards and relevant industry best practice standards to demonstrate our commitment to a secure and robust cybersecurity management approach.

SAB aligns with the Consumer Protection Policy and Personal Data Protection Laws (PDPL), processing personal data only for legitimate purposes under strict contractual controls.

To ensure oversight, Senior Management and the Board oversee cybersecurity and privacy through committees that track threats and set direction. Dedicated counter fraud teams work together across departments to detect, investigate, and prevent fraud using strong authentication and fraud intelligence tools.

For more information on our cybersecurity and data privacy procedures, please visit the latest ESG report on our microsite.

Risk management

With oversight from the Board and Executive Management as described previously, SAB manages sustainability-related risks through an integrated approach that aligns with the Bank's overall risk philosophy and oversight mechanisms. ESG-related risks, particularly those linked to climate, environmental impacts, and broader sustainability trends, are increasingly relevant to our long-term resilience and strategic positioning. Our risk management framework, discussed in detail in the Risk section of this report, guides the Bank's overall risk appetite and approach. This section elaborates specifically on how ESG considerations are embedded into our risk assessment and decision-making practices. By incorporating material sustainability factors into risk appetite, credit evaluation, and portfolio monitoring, SAB ensures that emerging ESG-related risks are identified, managed, and escalated with the same discipline as other core risks.

Improving sustainability and climate risk management

Our sustainability and climate risk landscape is influenced by various internal and external elements that may affect our business activities and strategic decision-making. By identifying and managing these risks ahead of time, we can better overcome obstacles and strengthen our ability to adapt in an ever-changing environment.

SAB has continued to embrace the integration of climate change into its Three Lines of Defence (LoD) model for risk management. The model encompasses three components of risk ownership, risk oversight and stewardship, and assurance for identified climate-related risks (physical, transition, greenwashing, and net zero alignment). SAB is also engaging in ongoing assessments for climate risk stress testing and scenario analysis to evaluate the potential impact of climate-related risks on our financial position. Portfolio-level stress testing activities cover capital stress risk, liquidity risk, market risk, non-financial risks, and credit risk. Our stress tests have also included climate risk in our Internal Capital Adequacy Assessment Process (ICAAP), enabling a capital buffer for potential losses due to climate-related physical and transition risks. Additionally, SAB integrates a qualitative review into its Internal Liquidity Assessment Process (ILAAP) and continues to conduct climate specific quantitative assessments to better understand risk drivers.

For more information on climate risk and scenario analysis, please refer to the latest ESG report on our microsite.

Our reputational risk approach also continues to embed greenwashing risk considerations, with the Board Risk Committee, EXCOM, and individual delegated authorities held responsible for managing and mitigating the risks in alignment with our risk management framework and climate risk approach.

ESG Focus at SAB continued

Risk management in credit activities

As part of its Sustainability Risk Policy, SAB uses a classification system for high-risk sectors. This helps support specific exclusions and restrictions of risk-heavy activities. The high-risk sectors include defence equipment, agricultural commodities, chemicals, forestry, mining and metals, and energy. Sector-specific thresholds are assigned to either prohibit or restrict businesses as part of our wholesale credit risk procedures. All material sustainability and reputational risks associated with high-risk sectors continue to be overseen and reviewed by our Chief Risk Officer (CRO) and Chief Compliance Officer (CCO).

Our Sustainability Risk Rating (SRR) process has also continued to supplement our due diligence processes carried out by the Credit Approval team. SRR's are assigned to each borrower, based on their commitments and track records to managing sustainable risks and practices.

For wholesale borrowers, our Transition Engagement Questionnaire (TEQ) is currently operational to enhance client engagement. The TEQ is prioritised for hard-to-abate sectors that are more likely to be impacted by the transition to a low-carbon economy. Our clients' climate transition plans and climate/sustainability-related risk management processes are mainly assessed to evaluate a deeper layer of creditworthiness. This propels us in our mission to support clients in their sustainability journey, while strengthening our own risk management framework and contributing to the broader goal of a resilient, low-carbon financial ecosystem.

Outlook

Whilst we recognise the progress we have already made on our ESG strategy and goals, we aim to further strengthen our commitment and improve our work towards responsible banking and environmental stewardship. As a result, we have set some immediate key priorities for 2026. In addressing these priorities, we seek to remain in alignment with key international standards and frameworks, such as the UN Principles for Responsible Banking, International Sustainability Standards Board (ISSB), Partnership for Carbon Accounting Financials (PCAF), and the UN Global Compact (UNGC).

2026 key priorities

1 Conduct an ESG strategy refresh

In recognising the rapidly evolving landscape, SAB will undertake a thorough refresh of its ESG strategy to ensure our approach remains relevant and effective.

2 Complete financed emissions assessment

This covers our full financing portfolio to help quantify the climate impact of our wider lending activities and ensure progress towards Net Zero by 2060.

3 Publish the first of SAB's impact reports for the bond/sukuk issuances

These reports will provide stakeholders with detailed information on the allocation of proceeds, the environmental and social benefits achieved, and the overall impact of our sustainable finance instruments.

2004

The first Saudi bond

Ever the pioneer, the Bank becomes the first in the Kingdom to meet SAMA legislation and successfully issue a regulatory subordinated bond worth ⃁ 700 mln.

04 Governance

2012

Supporting young businesses
Aware that small and medium-sized enterprises (SMEs) are a key engine of growth in the economy and represent the very best of Saudi Arabian entrepreneurship and innovation, the Bank opens the first ever Business Banking center geared towards the SME segment.

The Board of Directors
('the Board')

The Board sets the Bank's strategy and risk appetite with the aim of achieving sustainable value to shareholders and promoting a culture of openness and debate. The Board also approves the capital and operating plans for achieving the strategic direction on the recommendation of the Executive Management. The Board of Directors consists of 11 members who bring a wealth of local and international experience across a spectrum of industries. At the Ordinary General Assembly Meeting held on 21 December 2022, eight directors were elected by the shareholders, and three were appointed by HSBC Holdings B.V, according to the Bank's Bylaws.

Appointments to the Board are made on merit and in compliance with regulatory requirements. A rigorous selection process is followed in order to appoint a director. This process also ensures SAB maintains diversity across its Board.

The Directors have been appointed for a new term starting from 01 January 2023 until the end of the term on 31 December 2025, demonstrating our commitment to stability and continuity in leadership. Directors are appointed for an initial three-year term and are eligible to be reappointed for subsequent terms.

In preparation for the upcoming Board term, the Bank initiated the nomination process in June 2025, fully aligned with applicable regulatory requirements and its established governance framework. Following the completion of the nomination process, an Ordinary General Assembly Meeting was convened on 08 December 2025 to elect the Board for the forthcoming term, thereby ensuring continuity, stability, and effective oversight.

Board responsibilities

The Board reviews the performance of Management in meeting the Bank's strategic targets and monitors the Bank's risk appetite and profile. The roles of the Chair and the Managing Director (MD) are separate, with a clear division of responsibilities between the Chair managing the Board and developing the strategy, and the MD responsible for the day-to-day running of the Bank.

The Board also reviews and approves strategy, annual operating plans, risk appetite and limits, performance targets, mergers and acquisition activities, significant capital expenditure, specified Senior Executive appointments, and any substantial changes in asset and liability management.

Moreover, the Board enables shareholders to exercise their rights to submit their comments and queries, which are discussed, answered, and recorded in the minutes of the Annual General Assembly.

Composition of the Board of Directors and classification of its members

Ms. Lubna S. Olayan	Board Chair – Non-Executive Director
Mr. Saad Al-Fadly	Board Vice Chair – Non-Executive Director
Eng. Mohammed Al-Omran	Non-Executive Director
Mr. Samir Assaf	Non-Executive Director
Mr. Tony Cripps	Executive Director
Mr. Surendranath Ravi Rosha*	Non-Executive Director
Mr. Ahmed Al-Aulaqi	Independent Director
Mr. Sulaiman Al-Gwaiz	Independent Director
Mr. Martin Powell	Independent Director
Mr. Stuart Gulliver	Independent Director
Mr. Mohammed Almaraj	Independent Director

*Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Corporate governance principles

A robust approach to corporate governance is a key strength for any organisation. The Bank adopts international and local best practices in this field in order to create value for all its stakeholders.

The Bank regularly conducts internal reviews to assess compliance with all regulatory requirements issued by the Capital Market Authority (CMA) and the Saudi Central Bank (SAMA), as well as local and international best practice. SAB is committed to updating relevant documents, such as the Bylaws of the Bank, the terms of reference of the Board and its Committees, its Corporate Governance framework, and the Board policies, in accordance with these regulations and best practices.

Diversity

Diversity is another key aspect of both local and international governance best practice. SAB is particularly proud of the diversity within its Board, Board Committees and Executive Management. The Board and its Committees comprise a mix of local and international expertise with wide spectrum of industry experience, both within the financial services sector and broader non-financial services. In addition, diversity of experience is further complemented by gender diversity, including the first female Board Chair of a listed company in Saudi Arabia, as well as several members of the Bank's Executive Management, which is a reflection of the Bank's vision and commitment.

Training and development

Training and development is provided for each Board Director, supported by Governance and Corporate Affairs Department. All Directors further develop and refresh their skills through training. Moreover, in line with the SAB's Corporate Governance framework, the Board of Directors and the Committee members attend an induction programme with the Bank upon their appointment.

SAB maintains a bespoke training programme that covers all aspects of the banking industry. In addition, the Board undertakes training on a wide range of subjects, including Key Trends in the Management of Compliance and AML Risks, Development on IFRS Accounting Practices, Macro-Economic Sessions, Geopolitics, and Political Risks.

Biographies of Board Members
as at 31 December 2025

Ms. Lubna S. Olayan
Board Chair - Non-Executive Director

Current positions

- Vice Chair of the Board and Chair of the Executive Committee at Olayan Financing Company (Saudi Arabia)
- Board Chair and member of various committees and subsidiary boards of Olayan Saudi Holding Company (Saudi Arabia)
- Member of various International Advisory Boards, including those of: Akbank (Turkey); Bank of America (United States); Hakluyt (United Kingdom); Hong Kong Exchanges and Clearing Limited (HKEX) (Hong Kong); and TotalEnergies (France)
- Member of the Panel of Senior Advisors at Chatham House (United Kingdom); Member of Global Board of Advisors at the Council on Foreign Relations (CFR) (United States); Member of the Board of Directors of KIMC; Trustee of MIT (United States); Trustee of the World Economic Forum (Switzerland); and Member of the Asia Business Council (ABC) (Hong Kong)
- President of the Suliman S. Olayan Foundation (Saudi Arabia); Chair of Alfanar Venture Philanthropy (United Kingdom)

Former positions

- Non-Executive Director of WPP (United Kingdom) (2005–2012)
- Board Director of Schlumberger Company (Listed/NYSE) (2011–2021)
- Board Director of Saudi Arabian Mining Company (Ma'aden) (Listed/Saudi Arabia) (2017–2020)
- Vice-Chair and member of the Board of Directors of Alawwal Bank (Listed/Saudi Arabia) (2004–2019)
- Trustee of King Abdullah University of Science and Technology (KAUST) (Saudi Arabia) (2007–2022)
- Trustee of Cornell University (United States) (2007–2015)
- Board Directors of INSEAD (France) (1997–2012)

Qualifications

- Honorary PhD in Law from Trinity College, Dublin, Ireland
- Master of Business Administration (MBA) from Indiana University, USA
- Bachelor of Science (BSc) from Cornell University, USA

Experience

- Over 40 years of experience in investment, banking, and business management

Mr. Saad Al-Fadly
Board Vice Chair -
Non-Executive Director

Current positions

- Board Chair of Brookfield Arabia for Business Services (Saudi Arabia)
- Board Chair of MRZM Investment (Saudi Arabia)
- Board Chair of Maarif Holding (Saudi Arabia)
- Board Chair of Ma'arif Education and Training Company (Saudi Arabia)
- Board Director of Sultan Holding (Saudi Arabia)

Former positions

- Board Chair of National Medical Care Company (Listed/Saudi Arabia)
- Board Director of Almarai Company (Listed/Saudi Arabia)
- Chief Executive Officer and Board Director of Hassanah Investment Company (Saudi Arabia)
- Chief of Staff and Head Officer of Central and Eastern Regions at the SNB Capital Company (Saudi Arabia)
- Vice President of Morgan Stanley (Saudi Arabia)

Qualifications

- Master of Financial Economics from Boston University, USA
- Bachelor of Science in Accounting from King Saud University, Saudi Arabia

Experience

- More than 24 years of experience in investment management and banking services at a number of financial and regulatory institutions

Mr. Ahmed Al-Aulaqi
Independent Director

Current position

- Board Chair and Chief Executive Officer of Lakemore Partners

Former positions

- Board Chair of Saudi Tunisian Bank (Tunisia)
- Board Director of Alawwal Bank (Listed/Saudi Arabia)
- Board Director of Safanad Investments Company (United Arab Emirates)
- Board Director of the Company for Cooperative Insurance (Tawuniya) (Listed/Saudi Arabia)
- Treasurer of SNB Bank (Listed/Saudi Arabia)
- Chief Executive Officer and Board Director of SNB Capital (Saudi Arabia)
- Various positions at the National Commercial Bank in Saudi Arabia and in the United Kingdom

Qualifications

- Master of Business Administration (MBA) from the University of Stirling, UK
- Bachelor of Business Administration from King Abdulaziz University, Saudi Arabia

Experience

- Over 34 years of experience in business management, banking, treasury, capital markets, and international asset management

Mr. Sulaiman Al-Gwaiz
Independent Director

Current positions

- Board Chair of Blackrock (Saudi Arabia)
- Board Director of Saudi Industrial Investments Group (SIIG) (Listed/Saudi Arabia)
- Board Director of Munajem Foods Co. (Listed/Saudi Arabia)
- Board Director of Saudi Agriculture and Livestock Investments Co. (SALIC) (Saudi Arabia)
- Board Director of AlBawani Holding Co. (Saudi Arabia)

Former positions

- Governor of General Organisation for Social Insurance (GOSI) (Saudi Arabia)
- Board Chair and Board Director of Etihad Etisalat Co. (Mobily) (Listed/Saudi Arabia)
- Board Chair of Royal Sun Alliance Insurance (Middle East)
- Board Chair of MasterCard International (Southwest Asia, Middle East, and Africa)
- Board Chair of Banque Saudi Fransi (Listed/Saudi Arabia)
- Board Chair of Hassanah Investment Co. (Saudi Arabia)
- Board Director of Saudi Arabian Mining Company (Ma'aden) (Listed/Saudi Arabia)
- Board Director of National Company for Glass Industries (ZOUJAJ) (Listed/Saudi Arabia)
- Board Director of National Industries Company (NIC) (Listed/Saudi Arabia)
- Board Director of Ajil Financial Services (Saudi Arabia)
- Deputy Chief Executive Officer of Riyadh Bank (Listed/Saudi Arabia)
- Trading Division Head for regional Corporate Bank of Samba Financial Group (Listed/Saudi Arabia)

Qualifications

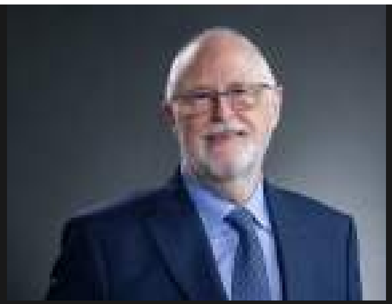
- Bachelor of Business Management from the University of Portland, USA
- Graduate from Citibank Operations Programme
- Graduate from Citibank Corporate Finance and Credit Programme

Experience

- 32 years' executive experience in the areas of banking operations, finance, credit, and general business management
- 8 years' experience as head of Saudi Arabia's private sector Pension and Social Security system
- Planned and executed the merger of the two pension funds into a single fund covering all employees in Saudi Arabia

Biographies of Board Members

as at 31 December 2025 (continued)



Mr. Martin Powell

Independent Director

Former positions

- Board Director of Alawwal Bank (Listed/Saudi Arabia)
- Senior Management and Executive roles at NatWest PLC and Royal Bank of Scotland PLC (RBS) from 1990 to 2016, the latest of which was as the Chief Risk Officer, Capital Resolution Group (Listed/United Kingdom)

Qualifications

- ACIB - Associate Chartered Institute of Bankers

Experience

- Over 44 years of senior management experience in banking, financial services, and risk management

Mr. Mohammed Almaraj

Independent Director

Current positions

- Chief Executive Officer of ila Bank (Bahrain)
- Board Chair of Bank ABC (Jordan)
- Board Director of King Fahd Causeway Authority (Saudi Arabia/ Bahrain)
- Board Director of Bahrain Car Parks Company (Amakin) (Bahrain)

Former positions

- Board Director of Arab Financial Services (Bahrain)
- Chief Operating Officer of ila Bank (Bahrain)
- Vice President, Group Strategy for Arab Banking Corporation (Bahrain)
- Investment Team Senior Analyst for The Family Office (Bahrain)
- Investment Banking Associate, Corporate Advisory for Perella Weinberg Partners (United States of America)

Qualifications

- Bachelor of Science in Economics with a major in Finance and Accounting from Wharton School of Business at the University of Pennsylvania, Philadelphia, USA

Experience

- Experience in retail banking, investment banking, digital transformation, and business management

Eng. Mohammed Al-Omran

Non-Executive Director

Current positions

- Board Chair of Omran Mohammad Al-Omran and Partners Investment Company (Saudi Arabia)
- Board Chair of YANAL Finance Company (Saudi Arabia)
- Board Vice Chair of Tourism Development Fund (Saudi Arabia)
- Board Director of Tarabot Investment and Development Company (Saudi Arabia)
- Board Director of MRZM Investments (Saudi Arabia)

Former positions

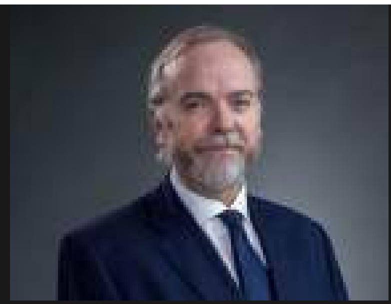
- Board Chair and Board Director of Saudi Arabia Credit Suisse (Saudi Arabia)
- Board Director of Al-Rajhi Company for Cooperative Insurance (Alrajhi Takaful) (Listed/Saudi Arabia)
- Board Director of Saudi Telecom Company (STC) (Listed/Saudi Arabia)
- Board Director of Saudi Arabia Railways (Saudi Arabia)
- Board Director of Riyadh Chamber of Commerce (Saudi Arabia)
- Board Director of Civil Aviation Authority (Saudi Arabia)
- Board Director of the National Agricultural Development Co. (NADEC) (Listed/Saudi Arabia)
- Board Director of Saudi Industrial Investment Group (SIIG) (Saudi Arabia)

Qualifications

- Master's degree in Construction Engineering and Management from the University of Southern California, USA
- Bachelor's degree in Civil Engineering from King Saud University, Saudi Arabia

Experience

- Over 32 years of experience in the business and investment sectors



Mr. Stuart Gulliver

Independent Director

Current positions

- Board Director of Saudi Aramco (Listed/Saudi Arabia)
- Board Director of Jardine Matheson Holdings Limited (Listed/United Kingdom and Singapore)

Former positions

- Board Chair of the Hong Kong and Shanghai Banking Corporation Limited (Hong Kong)
- Board Director of Hong Kong Airport Authority (Hong Kong)
- Executive Director and Group Chief Executive of HSBC Holdings plc (Listed/United Kingdom)

Qualifications

- Master of Law from Oxford University, UK

Experience

- More than 41 years' experience in international banking and assumed many executive roles at HSBC Group, the last being Group Chief Executive Officer of HSBC Holdings plc

Mr. Tony Cripps

Executive Director

Current positions

- Chief Executive Officer and Managing Director of the Saudi Awwal Bank (SAB) (Listed/Saudi Arabia)
- Board Director of HSBC Saudi Arabia Limited (Saudi Arabia)
- Board Director of SAB Invest (Saudi Arabia)

Former positions

- Group General Manager and Chief Executive Officer of HSBC Singapore (Singapore)
- Chief Executive Officer of HSBC Australia (Australia)

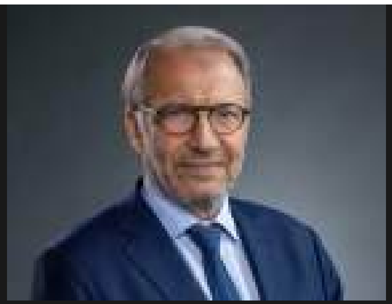
Qualifications

- AFMA Australia (Financial Markets)
- SFE Australia (Accreditation Future Traders License)

Experience

- More than 40 years' experience in international banking. Assumed many executive roles at HSBC Group

Biographies of Board Members
as at 31 December 2025 (continued)



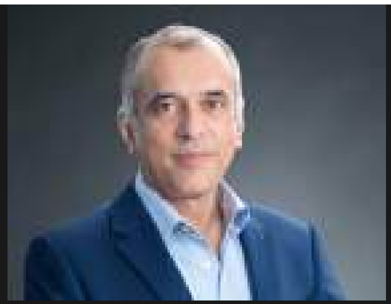
Mr. Samir Assaf
Non-Executive Director

Current positions
- Board Chair of HSBC Middle East Holdings BV (Middle East)
- Board Chair of Middle East and North Africa at General Atlantic Service Company LP (Middle East)
- Board Director of General Atlantic Gulf Ltd (Middle East)
- Board Director of HSBC Middle East Ltd (Middle East)
- Board Director of Property Finder International Ltd (United Arab Emirates)
- Board Director of General Atlantic Middle East Financial Company LLC (Middle East)
- Board Director of Callsign Inc. (Global)
- Senior Advisor at HSBC Holdings Plc (Global)
- Senior Advisor at General Atlantic Service Company LP (Global/United States of America)
- Advisor to Al Futtaim Group (Middle East)

Former positions
- Board Chair of HSBC Middle East Ltd (Middle East)
- Board Director of BeyondNetZero (United States of America)
- Board Director of Alfanar Venture Philanthropy (United Kingdom)
- Board Director of HSBC Group Plc (United Kingdom)
- Board Director of HSBC Continental Europe (France)
- Board Director of HSBC Egypt (Egypt)
- Board Director of HSBC Asset Management Limited (United Kingdom)
- Board Director of Global Financial Markets Association (United States of America)
- Board Director of HSBC Trinkaus and Burkhardt AG (Listed/Germany)

Qualifications
- Master of Economics from USJ, Lebanon
- Master of Economics and International Finance from La Sorbonne University, France
- Bachelor of Finance from L' Institut d'Etudes Politiques, France

Experience
- Over 26 years of experience in the banking and global financial markets field acquired from working at HSBC Group, where he held several leading roles



Mr. Surendranath Ravi Rosha
Non-Executive Director

Current positions
- Co-Chief Executive Officer of HSBC Holdings plc (Asia and Middle East)
- Board Director of Hongkong and Shanghai Banking Corporation Limited (Hong Kong)
- Board Director of HSBC Bank Malaysia Berhad (Malaysia)
- Member of the Advisory Board of the Lee Kong Chian School of Business, Singapore Management University (Singapore)
- Group Operating Committee of HSBC Holdings plc (Asia and Middle East)

Former positions
- Chief Executive Officer of HSBC India (India)
- Head of Global Markets, Global Banking and Markets of HSBC Indonesia (Indonesia)
- Head of Institutional Sales, Global Banking and Markets of HSBC (Asia-Pacific)
- Head of Financial Institutions Group (FIG), Global Banking and Markets of HSBC (Asia-Pacific)

Qualifications
- Master's degree in Business Administration, Indian Institute of Management, India

Experience
- Nearly 30 years of experience in financial services, with extensive experience across forex trading, corporate treasury sales, head of sales, and treasury and capital markets for India

Biographies of Executive Management
as at 31 December 2025

Mr. Tony Cripps
Chief Executive Officer and Managing Director

Current positions
- Chief Executive Officer and Managing Director of Saudi Awwal Bank (SAB) (Listed/Saudi Arabia)
- Board Director of HSBC Saudi Arabia Limited (Saudi Arabia)
- Board Director of SAB Invest (Saudi Arabia)

Former positions
- Group General Manager and Chief Executive Officer of HSBC Singapore (Singapore)
- Chief Executive Officer of HSBC Australia (Australia)

Qualifications
- AFMA Australia (Financial Markets)
- SFE Australia (Accreditation Future Traders License)

Experience
- More than 40 years' experience in international banking. Assumed many executive roles at HSBC Group

Mr. Yasser Albarrak
Chief Corporate and Institutional Banking Officer

Current positions
- Chief Corporate and Institutional Banking Officer of SAB (Listed/ Saudi Arabia)
- Board Director of SAB Invest (Saudi Arabia)
- Board Director of HSBC Saudi Arabia (Saudi Arabia)
- Board Director of Riyali Foundation (Saudi Arabia)

Former positions
- Deputy Chair of SAB Takaful (Saudi Arabia)
- General Manager, Corporate and Institutional Banking of SAB (Listed/ Saudi Arabia)
- Co-Head of Global Banking of SAB (Listed/ Saudi Arabia)

Qualifications
- Bachelor of Information Systems from King Fahd University of Petroleum and Minerals, Saudi Arabia

Experience
- Over 20 years' experience in the banking industry

Mr. Bandar Al-Gheshayan
Chief Wealth and Personal Banking Officer

Current positions
- Chief Wealth and Personal Banking Officer of SAB (Listed/ Saudi Arabia)
- Board Director of SIMAH (Saudi Arabia)
- Board Director of SAB Invest (Saudi Arabia)
- Board Director of Riyali Foundation (Saudi Arabia)

Former positions
- Chief Operating Officer, Wealth and Personal Banking of SAB (Listed/ Saudi Arabia)
- Regional Head of Retail Banking of SAB (Listed/ Saudi Arabia)

Qualifications
- Master of International Management from the University of Liverpool, UK
- Has attended various programmes in executive leadership and management from London Business School, IMD, INSEAD, and the University of Cambridge

Experience
- More than 25 years of extensive experience in several sectors and 20 years in retail banking

Biographies of Executive Management
as at 31 December 2025 (continued)

Mr. Mohammed Al-Shaikh
Chief Treasury and Investment Officer

Current position
- Chief Treasury and Investment Officer of SAB (Listed/ Saudi Arabia)

Former positions
- General Manager, Treasury (Treasurer) of Alawwal Bank (Listed/ Saudi Arabia)
- Treasurer of Samba Financial Group's London (United Kingdom)
- Assistant General Manager, Treasury of Samba Financial Group (Listed/ Saudi Arabia)

Qualifications
- Bachelor of Science in Finance from King Saud University, Saudi Arabia
- Has completed a number of executive programmes at INSEAD and Oxford University

Experience
- 30 years of experience in the Saudi banking industry

Mr. Khalid Ismail
Chief Risk Officer

Current positions
- Chief Risk Officer of SAB (Listed/ Saudi Arabia)
- Board Risk Committee member of HSBC Saudi Arabia (Saudi Arabia)

Former positions
- Board Director of Sama Airlines (Saudi Arabia)
- Board Director of Nova Water (Saudi Arabia)
- Chair of the Board Risk Management Committee for SAB Invest (Saudi Arabia)
- Chair of the Audit Committee for MEDGULF Insurance Company (Listed/ Saudi Arabia)
- Chief Credit Officer of SAB (Listed/ Saudi Arabia)
- Interim Chief Internal Auditor of SAB (Listed/ Saudi Arabia)
- General Manager, Special Asset Management of SAB (Listed/ Saudi Arabia)
- Head of Special Asset Management of SAB (Listed/ Saudi Arabia)

Qualifications
- Bachelor of Business Management and Accounting from Boston College, USA

Experience
- Over 30 years of extensive experience in banking and corporate sector. Assumed many executive roles in treasury, risk, credit, and internal audit functions. He led major projects including restructuring, recovery, NPL strategy, and post-merger integration between SABB-Alawwal merger

Ms. Rania AlSharyoufi
Chief Human Resources Officer

Current positions
- Chief Human Resources Officer of SAB (Listed/ Saudi Arabia)
- Nomination and Remuneration Committee member of HSBC Saudi Arabia (Saudi Arabia)
- Nomination and Remuneration Committee member of SAB Invest (Saudi Arabia)

Former positions
- Deputy Chief Human Resources Officer of SAB (Listed/ Saudi Arabia)
- Head of HRBP, Wealth and Personal Banking of SAB (Listed/ Saudi Arabia)
- Head of HR of SABB Takaful (Saudi Arabia)

Qualifications
- Master's degree in Human Resources Management from Brunel University of London, UK
- Several HR accreditations including CIPD, the Work-Life Certified Professional and Coaching Leader, as well as executive education from London Business School, INSEAD, Harvard University, University of Cambridge, and MISK 2030 Leaders

Experience
- Over 10 years of human resources experience from having had different roles in the HR field

Ms. Lama Ghazzaoui
Chief Financial Officer

Current positions
- Chief Financial Officer of SAB (Listed/ Saudi Arabia)
- Board Director and Audit Committee member of Muqassa (Saudi Arabia)
- Risk and Audit Committee member of Destination Development Company (Saudi Arabia)
- Audit Committee member for SAB Invest (Saudi Arabia)

Former position
- Chief Financial Officer of SNB (Listed/ Saudi Arabia)

Qualifications
- Bachelor of Science in Accounting from the Lebanese American University, Lebanon
- Certified Public Accountant (CPA) – State of Colorado, USA

Experience
- Over 25 years of experience in many banking, finance, and accounting related areas, as well as previous experience in external auditing

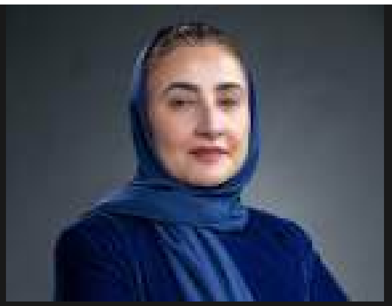
Ms. Ghada Aljarbou
Chief Operating Officer

Current positions
- Chief Operating Officer of SAB (Listed/ Saudi Arabia)
- Board Director, Chair of the Nomination and Remuneration Committee, and Executive Committee member for General Organisation for Social Insurance (GOSI) (Saudi Arabia)
- Board Director and Chair of the Nomination and Remuneration Committee for Saudi Ground Services Company (SGS) (Listed/ Saudi Arabia)
- Board Director of Infinite Platforms for Logistics by SPL (Saudi Arabia)

Former positions
- Chief Operating Officer, Retail Banking of SAB (Listed/ Saudi Arabia)
- General Manager, Global Liquidity and Cash Management of SAB (Listed/ Saudi Arabia)
- Head of Direct Channels, Retail Banking of SAB (Listed/ Saudi Arabia)
- Head of HR Service Delivery of SAB (Listed/ Saudi Arabia)

Qualifications
- Master of Business Administration from University of Bath, UK
- Bachelor of Computer Science from King Saud University, Saudi Arabia

Experience
- Over 25 years of experience in banking. Joined SAB in 1998 and worked across different banking fields including information technology, human resources, retail banking and wealth management, and corporate and institutional banking



Ms. Faten Abalkhail
Chief Governance and Corporate Affairs Officer

Current positions
- Chief Governance and Corporate Affairs Officer of SAB (Listed/ Saudi Arabia)
- Board Director of Riyali Foundation (Saudi Arabia)

Former position
- Integration Management Office/ Head of Planning and Control, Strategy Department and Finance Department of Alawwal Bank (Listed/ Saudi Arabia)

Qualifications
- Bachelor of Home Economics and Nutrition from King Saud University, Saudi Arabia
- Diploma in Computer Sciences, Programming, and Information Systems from King Saud University, Saudi Arabia

Experience
- More than 26 years of experience and in-depth knowledge in governance, strategic planning, and execution of strategic initiatives

Biographies of Executive Management
as at 31 December 2025 (continued)

Mr. Musaifer Alosaimi
Chief Information Officer

Current position
- Chief Information Officer of SAB (Listed/ Saudi Arabia)

Former positions
- Head of Information Technology Development of SAB (Listed/ Saudi Arabia)
- Head of Software and Solutions Development of SAB (Listed/ Saudi Arabia)
- Head of Payment Channels of SAB (Listed/ Saudi Arabia)

Qualifications
- Master of Business Administration in Payments
- Diploma in Computer Engineering
- Diploma in English language from ALA, USA
- Completed a number of executive training programmes in management, leadership and strategy offered by international centers and universities

Experience
- Over 31 years of experience in banking and technology. Built his career at the Saudi Central Bank and SAB, holding key IT leadership roles and driving major digital and IT transformations. Completed multiple executive programmes in management, leadership, and strategy from leading international institutions

Mr. Ali Alqahtani
Chief Compliance Officer

Current positions
- Chief Compliance Officer of SAB (Listed/ Saudi Arabia)
- Chair of the Compliance and Governance Committee for SAB Invest (Saudi Arabia)

Former positions
- Deputy Chief Compliance Officer of SAB (Listed/ Saudi Arabia)
- Head of Financial Crimes Compliance of SAB (Listed/ Saudi Arabia)
- Chaired and contributed to the banking committees, Anti-Financial Crimes and Money Laundering Committee, Banks Chief Compliance Officers Committee, and the Self Supervisory Committee
- Chaired a number of sub-committees assigned by banking committees or SAMA AML senior officials

Qualifications
- Bachelor of Law from Saudi Electronic University, Saudi Arabia
- Diploma in Computer and Information Technology from Chamber of Commerce
- Enterprise Risk Leadership, LEAD Programme and FATCA Certificate from SAB
- Multiple AML and Compliance Courses and Certifications from CCL Academy, ACAMS and CCO

Experience
- Over 24 years of experience in the Saudi banking system, covering the areas of information technology, compliance, financial crime compliance, anti-money laundering, fraud, sanctions, countering terrorist financing, and anti-bribery and corruption

Mr. Abdullah Alqahtani
Chief Internal Auditor

Current positions
- Chief Internal Auditor of SAB (Listed/ Saudi Arabia)
- Independent Non-Board Audit Committee member of HSBC Saudi Arabia (Saudi Arabia)
- Member of the Institute of Internal Auditors (IIA) (United States of America)

Former positions
- Chief Internal Auditor of Aramco Overseas Company (Netherlands)
- Senior Vice President, Assurance Audits of Mobily (Listed/ Saudi Arabia)
- Head of Subsidiaries and JV Audits of Saudi Aramco (Listed/ Saudi Arabia)
- Head of Fraud Investigations Division of Saudi Aramco (Listed/ Saudi Arabia)
- Head of Downstream Audits of Saudi Aramco (Listed/ Saudi Arabia)

Qualifications
- Master of Business Administration from the University of British Columbia, Canada
- Bachelor of Business degree in Accounting from Michigan State University, USA
- Certified Internal Auditor (CIA) by the Institute of Internal Auditors (IIA)
- Certified in Risk Management Assurance (CRMA) from the IIA

Experience
- Over 20 years of internal audit experience with companies such as Saudi Aramco, Aramco Overseas Company in the Netherlands, and Mobily

Mr. Saeed Assiri
Chief Innovation Officer

Current position
- Chief Innovation Officer of SAB (Listed/ Saudi Arabia)

Former positions
- Head of Digital Strategy and Innovation of SAB (Listed/ Saudi Arabia)
- Head of Transaction Banking – Cash Management of SAB (Listed/ Saudi Arabia)
- Head of Products and Implementation of SAB (Listed/ Saudi Arabia)

Qualifications
- Master of Engineering and Technology Management from Portland State University, USA
- Bachelor's degree in business administration and information management from Portland State University, USA
- Attended INSEAD's Executive Leadership programme

Experience
- Over 16 years of experience working across the Saudi banking sector, during which he held several leadership positions

Mr. Faris Alshareef
Chief Strategy Officer

Current position
- Chief Strategy Officer of SAB (Listed/ Saudi Arabia)

Former positions
- Deputy CFO of SAB (Listed/ Saudi Arabia)
- Head of Financial Planning and Analysis of SAB (Listed/ Saudi Arabia)
- Head of Investor Relations of SAB (Listed/ Saudi Arabia)
- Various positions in finance in various organisations such as Ernst and Young, General Electric, and Bahri

Qualifications
- Master of Business Administration from London Business School, UK
- Bachelor of Accounting from King Fahd University of Petroleum and Minerals, Saudi Arabia
- 2023 Misk 2030 Leaders Programme
- CAS 2-year Leadership Programme from General Electric
- Passed the US Certified Public Accountant exams

Experience
- More than 18 years of experience in the fields of finance and strategy

Ms. Reema Alhamoud
Chief Legal Officer

Current positions
- Chief Legal Officer, SAB (Listed/ Saudi Arabia)

Former position
- General Manager of Apple (Saudi Arabia)
- Regional Legal Counsel for Apple (Middle East and Africa)
- Legal Counsel for Standard Chartered Bank, DIFC (United Arab Emirates)
- Legal Counsel for Mubadala (United Arab Emirates)
- Associate for Clifford Chance LLP (United Kingdom)
- Associate for AS&H Clifford Chance (Saudi Arabia)
- Associate for Forum Chambers (United Kingdom)

Qualifications
- Masters in International and Comparative Commercial Law with a focus on Banking Law from SOAS University of London, UK
- Bachelor of Science in Law and International Relations
- Graduate Diploma in Law at BPP, UK
- Qualified as a solicitor in England and Wales
- Qualified to practice law in the Kingdom of Saudi Arabia

Experience
- With extensive experience in legal, regulatory, and commercial matters, Ms. Reema previously served as General Manager and Regional Counsel for the Middle East and Africa at Apple. She held senior roles at Clifford Chance, Standard Chartered DIFC, and Mubadala, including work within the UK justice system. Her expertise includes fintech, digital transformation, banking litigation, and regulatory strategy.

Changes to the Board during 2025

Appointment, retirement and re-election of Directors

Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Board meetings

During 2025, the Board held five meetings. The following table shows details of those meetings and their attendance.

	Meeting dates				
	27-Feb	30-Apr	15-Jul	29-Sep	08-Dec
Ms. Lubna S. Olayan	✓	✓	✓	✓	✓
Mr. Saad Al-Fadly	✓	✓	✓	✓	✓
Eng. Mohammed Al-Omran	✓	✓	✓	✓	✓
Mr. Surendranath Ravi Rosha*	-	-	✓	✓	✓
Mr. Samir Assaf	✓	✓	✓	-	✓
Mr. Martin Powell	✓	✓	✓	✓	✓
Mr. Stuart Gulliver	✓	✓	✓	✓	✓
Mr. Ahmed Al-Aulaqi	✓	✓	✓	✓	✓
Mr. Tony Cripps	✓	✓	✓	✓	✓
Mr. Sulaiman Al-Gwaiz	✓	✓	✓	✓	✓
Mr. Mohammed Almaraj	✓	✓	✓	✓	✓

*Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Board Committees

The Board has established six Committees:

- Executive Committee (EXCOM)
- Audit Committee (AUCOM)
- Nomination and Remuneration Committee (NRC)
- Board Risk Committee (BRC)
- Technology and Digital Committee (TDC)
- Shariah Committee (SC)

The Bank's approach with regard to establishing Board Committees is in line with all regulatory requirements issued by the various supervisory authorities, the Bank's Bylaws and governance documents.

The Chair of each Board Committee reports matters of significance to the Board and the minutes of each Board Committee meeting are shared with all Board members.

Detailed roles and responsibilities for each Committee are in place to ensure the proper functioning of the Board Committees.

Board and Board Committees terms of reference

The Bank annually reviews and updates the terms of reference of the Board and the Board Committees as necessary, in line with the relevant regulations such as the Companies Law, SAMA's Key Principles of Corporate Governance, and CMA Corporate Governance Regulations. SAB's Board approves the terms of reference of all Board Committees, while the meeting of the General Assembly approves the terms of reference of the AUCOM and NRC as per regulatory directives.

All the Board Committees must review their performance, status and terms of reference on an annual basis to ensure the Committee is operating effectively including compliance with regulatory requirements, and to recommend any changes deemed appropriate for the Board's approval.

Assessment of the effectiveness of the Board of Directors and Board Committees

During 2025, the Board of Directors and its Committees conducted an internal effectiveness assessment. The results were presented to the Board and the Board Committees, covering overall performance, key strengths, areas for improvement, and recommendations to enhance governance and Board effectiveness.

Board Committees continued

Description of the duties, composition, and competencies of the Board Committees, and their meeting details

Mr. Abdullah Al-Faifi

Independent Non-Board Audit Committee member

Current positions

- Independent Consultant for Audit, Governance, Risk and Compliance (Saudi Arabia)
- Board Chair of Saudi Anti-Fraud Association (Saudi Arabia)
- Board Director, member of the Audit Committee, and Nomination and Remuneration Committee for Najran Cement Company (Listed/Saudi Arabia)
- Board Director, Chair of the Audit Committee, and member of Nomination and Remuneration Committee for Expertise Company (Saudi Arabia)
- Audit Committee member for Abdullah Al-Othaim Markets (Listed/Saudi Arabia)
- Audit Committee member for Saudi Chemical Holding Company (Listed /Saudi Arabia)
- Audit Committee member for Medad Offices Solution (Saudi Arabia)
- Audit Committee member for Watad Energy and Communication Ltd (Saudi Arabia)
- Audit Committee member for Wadi Makkah Company for Technology (Saudi Arabia)
- Governance, Risk and Compliance Committee member for King Abdullah Humanitarian Foundation (Saudi Arabia)

Former positions

- Board Chair of Integrated Data Company for Information Technology (Saudi Arabia)
- Board Director, Chair of the Audit Committee, and member of Nomination and Remuneration Committee for Rabigh Refining and Petrochemical Co. (Petro Rabigh) (Listed/Saudi Arabia)
- Board Director, Chair of the Audit Committee and member of Nomination and Compensation Committee for Nama Chemicals Company (Listed/Saudi Arabia)
- Audit Committee member for Ektimal Sport Company (Saudi Arabia)
- Audit and Risk Committee member for Al-Othaim Investment Company (Saudi Arabia)
- Audit Committee member for National Center for Non-Profit Sector (Saudi Arabia)
- Audit and Risk Committee member for General Authority for Statistics (Saudi Arabia)
- Audit and Risk Committee member for Tanami Arabia Co. (Saudi Arabia)
- Nomination and Remuneration Committee member for Eastern Health Cluster (Saudi Arabia)
- Audit Committee member for Saudi Authority of Internal Auditors (Saudi Arabia)
- Special Audits Manager for Saudi Aramco (Listed/ Saudi Arabia)
- International Business Audit Manager for Saudi Aramco (Listed/Saudi Arabia)

Qualifications

- Bachelor of Accounting from King Abdulaziz University, Saudi Arabia
- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Risk Management Assurance

Experience

- More than 36 years of experience in accounting, auditing, governance, risk, and compliance in different sectors

Mr. Andrew Jackson

Independent Non-Board Audit Committee member

Current positions

- Board Chair of Rift Valley Roses Ltd (Kenya)
- Board Chair of Nondescripts Rugby Football Ltd (Kenya)
- Board Director and Chair of the Audit Committee for Hemingways Hotel Group (Kenya)
- Board Director of Jackson Consultants Ltd (United Kingdom)

Former positions

- Board Director of Lima Labs Ltd (Kenya)
- Chief Executive Officer of KPMG Gulf Holding (Saudi Arabia, Kuwait, Jordan)
- Governor of Bilton Grange Preparatory School (United Kingdom)
- Partner of KPMG (Europe)
- Partner of KPMG East Africa
- Trustee of Mara Conservancy (Kenya)
- Trustee of Crime Si Poa (Kenya)

Qualifications

- Bachelor of Computer Science and Accountancy from Manchester University, UK
- Fellow of the Institute of Chartered Accountants in England and Wales

Experience

- Proven leader with substantial strategic and operational experience advising, building, and leading businesses during growth phases
- Specialised in the financial sector and has worked at KPMG for 30 years (partner for 19 years); working in more than 40 different countries

Dr. Maysa Basoudan

Independent Non-Board Audit Committee member

Current positions

- Board Director of Saudi Anti-Fraud Association (SAFA) (Saudi Arabia)
- Advisory Board member for Accounting Departments at Taibah University, Taif University, and the University of Prince Mugrin bin Abdulaziz (Saudi Arabia)
- Consultant for the Saudi Organisation for Chartered and Professional Accounts (SOCPA) (Saudi Arabia)

Former positions

- Chair, Accounting Department for College of Business Administration, Taibah University (Saudi Arabia)
- Audit Committee Vice Chair of Taibah University (Saudi Arabia)
- Advisory Board member for College of Business Administration, Taibah University (Saudi Arabia)
- Vice Dean for College of Business Administration, Taibah University (Saudi Arabia)
- Member of Fraud and Cybercrime Committee for a joint initiative between the Emirate of Madinah Province and Taibah University (Saudi Arabia)
- Senior Accountant for Riyad Bank (Listed/Saudi Arabia)

Qualifications

- Ph.D. in Management - Accountancy (Fraud and Forensic Accounting) from Case Western Reserve University, USA
- Master in Accountancy from Case Western Reserve University, USA
- Bachelor in Accounting from King Saud University, Saudi Arabia
- Graduate Certificate in Advanced Quantitative Methodologies, Case Western Reserve University, USA
- Certified Fraud Examiner (CFE)

Experience

- Over two decades of experience in accounting, fraud, and forensic accounting consultancy. Dr. Maysa’s career spans academia, regulatory bodies, and the financial sector, demonstrating deep expertise in corporate governance, compliance, and fraud prevention.

Board Committees continued

Mr. Abdulhameed Al-Muhaidib

Non-Board Risk Committee member

Current positions

- Chief Financial Officer (CFO) of ACWA Power (Listed/Saudi Arabia)
- Board Director and Board Risk Committee member for HSBC Saudi Arabia (Saudi Arabia)
- Audit Committee member for Saudi Tadawul Group (Listed/Saudi Arabia)

Former positions

- Board Director, Assets Management of ACWA Power Company (Listed/Saudi Arabia)
- Board Director of First National Operation and Maintenance Co. (NOMAC) (Saudi Arabia)
- Board Director and Internal Audit Committee Chair for Shuqaiq Arabian Water and Electricity Company (Saudi Arabia)
- Board Director of International Bowarege Co. for Water Desalination Ltd (Saudi Arabia)
- Deputy Chief Financial Officer of ACWA Power Company (Listed/Saudi Arabia)
- Executive Director, Portfolio Management for ACWA Power Company (Listed/Saudi Arabia)
- Executive Managing Director of Noor Energy (UAE)

Qualifications

- Master of Business Administration from Pepperdine University Graziadio School of Business and Management, Malibu, California, USA
- Bachelor of Business Administration in Finance from the University of Miami, USA

Experience

- Business leader with over a decade of progressive experience in projects and corporate management across different business sectors

Mr. Gareth Thomas

Non-Board Risk Committee member

Current position

- Chief Risk and Compliance Officer, MENAT for HSBC Bank Middle East Ltd (Middle East)

Former positions

- Chief Risk Officer, MENAT for HSBC Bank Middle East Ltd (Middle East)
- Head of Global Banking, MENAT for HSBC Bank Middle East Ltd (Middle East)
- Co-Head of Public Sector Banking for HSBC Holdings plc (United Kingdom)

Qualifications

- Bachelor of Science, Social Sciences in Business Economics and Accounting from University of Southampton, UK

Experience

- Debt and trade finance, commodities, payments, and hedging in the developed and emerging markets in both product and coverage roles across all client sectors

Dr. Deema Alalthel

Non-Board Technology and Digital Committee Chair

Current positions

- Board Director of Global Strategic Initiatives (United States of America)
- Member of the Advisory Board of the College of Engineering and Architecture for Al-Yamamah University (Saudi Arabia)
- Member of the Strategic Council for Emerging Technologies for Princess Nourah Bint Abdulrahman University (Saudi Arabia)
- Member of the Advisory Council of Technical Colleges for Girls for Technical and Vocational Training Corporation (Saudi Arabia)
- Alumni of The Economic Club of New York (United States of America)

Former positions

- Board Director of Saudi Climbing and Hiking Federation Founding Partner of Masarat Club (Saudi Arabia)
- Global Director of Client and Product Advocacy for IBM CHQ (United States of America)
- Business Automation Practice Leader for Global IBM Software Services (Middle East and Africa)
- Technology Services Delivery Leader for IBM (Saudi Arabia)
- Critical Accounts Executive for Global IBM Software Services (Europe, Middle East and Africa)
- Data and AI Business Development Leader for Global IBM Software Services (Washington, DC, Saudi Arabia)
- Strategy Leader for IBM Saudi Arabia (Saudi Arabia)
- Deputy Deanship of E-Transactions and Communications for King Saud University (Saudi Arabia)
- Assistant Professor for College of Computer and Information Sciences for King Saud University (Saudi Arabia)
- Consultant in Deanship of E-Transactions for King Saud University (Saudi Arabia)

Qualifications

- Ph.D. in Computer Science (Artificial Intelligence) from George Washington University Washington, USA
- Master's in Computer Science from King Saud University, Saudi Arabia
- Bachelor's in Computer Applications from King Saud University, Saudi Arabia

Experience

- Over 20 years of leadership in digital transformation and AI strategy across global markets. Managed USD 100 mln+ portfolios and built high-impact partnerships with governments and sovereign wealth funds. Former Executive Director at IBM, advising governments and Fortune 500 companies.

Mr. Suleyman Selim Kervanci

Non-Board Technology and Digital Committee member

Current positions

- Chief Executive Officer of HSBC Middle East, North Africa, and Turkey
- Vice Chair of HSBC Saudi Arabia (Saudi Arabia)
- Board Director of HSBC Bank Middle East Limited (Middle East)

Former positions

- Chief Executive Officer, HSBC Bank A.S. (Turkey)
- Managing Director, Head of Global Banking and Capital Financing, HSBC Bank S.A. (Turkey)
- Managing Director, Head of Investment Banking of HSBC Bank A.S. (Turkey)
- Vice President, Corporate/Commercial Banking of HSBC Bank A.S. (Turkey)
- Vice President, Corporate Finance and Marketing of HSBC Bank A.S. (Turkey)
- Regional Head of Capital Financing of MENAT, HSBC Bank Middle East Limited (United Arab Emirates)
- Head of Structured Finance and Financial Institutions of HSBC Bank A.S. (Turkey)

Qualifications

- Master of Business Administration from the Vrije Universiteit de Brussel, Belgium
- Bachelor of Science in Electrical Engineering from Istanbul Technical University, Turkey

Experience

- Over 29 years of experience in banking acquired working at HSBC Group where he held several leading roles

Board Committees continued

Sheikh Dr. Abdullah Al-Mutlaq

Independent Non-Board Shariah Committee Chair

Current positions

- Consultant of the Royal Court (Saudi Arabia)
- Member for the Council of Senior Scholars (Saudi Arabia)
- Member for the Permanent Committee for Scholarly Research and Ifta (Saudi Arabia)

Former positions

- Chair of the Comparative Fiqh Department at the Imam Mohammed bin Saud University (Saudi Arabia)

Qualifications

- Ph.D. in Comparative Jurisprudence from Imam Muhammad bin Saud University, Saudi Arabia

Experience

- More than 25 years of extensive experience in the field of Islamic banking including being a member of Shariah Committees at a number of financial institutions

Sheikh Dr. Esam Al-Enezi

Independent Non-Board Shariah Committee member

Current positions

- Professor at the Department of Comparative Fiqh and Policies, College of Shariah and Islamic Studies, Kuwait University (Kuwait)
- Member of several prominent Shariah boards

Former positions

- Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shariah Board Member (Bahrain)

Qualifications

- Ph.D. in Islamic Jurisprudence from the University of Jordan

Experience

- More than 18 years of extensive experience in the field of Islamic banking including being a member of Shariah Committees at a number of financial institutions

Sheikh Dr. Abdullah Al-Aydhy

Independent Non-Board Shariah Committee member

Current position

- Member of the Real Estate Contributions Commission at Entrustment and Liquidation Center (Infath) (Saudi Arabia)
- Member of the advisory team for preparing the executive regulations for the endowment's rules project
- Member of several Shariah committees for Islamic financial institutions
- Associate Professor in the Shariah Department at Imam Muhammed Bin Saud Islamic University (Saudi Arabia)

Former positions

- Member of Saudi Law of Civil Procedures Team (Saudi Arabia)
- Member of the Shariah Standards Committee of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) (Bahrain)

Qualifications

- Ph.D. in Comparative Jurisprudence (Figh) from Al Imam Muhammad bin Saud Islamic University

Experience

- More than 14 years of extensive experience in the field of Islamic banking including being a member of Shariah Committees at a number of financial institutions

Executive Committee (EXCOM)

Members

- Ms. Lubna S. Olayan (Chair – Non-Executive Director)
- Mr. Tony Cripps (Executive Director)
- Eng. Mohammed Al-Omran (Non-Executive Director)
- Mr. Mohammed Almaraj (Independent Director)
- Mr. Sulaiman Al-Gwaiz (Independent Director)

Roles and responsibilities

The Executive Committee supports the Board in overseeing the Bank's day-to-day operations and business activities in accordance with delegated authority.

The Committee reviews reports submitted by functional heads and business segments and provides oversight of key operational, financial, and strategic matters to ensure alignment with approved objectives and strategies. It also reviews the Bank's ESG strategy and related key performance indicators and recommends them to the Board for approval.

The Committee meets at least six times per year in accordance with its mandate, and in 2025, the EXCOM held six meetings.

EXCOM meetings during 2025

	Ms. Lubna S. Olayan	Mr. Tony Cripps	Eng. Mohammed Al-Omran	Mr. Mohammed Almaraj	Mr. Sulaiman Al-Gwaiz
16- January	✓	✓	✓	✓	✓
27- May	-	✓	✓	✓	✓
15- July	✓	✓	✓	✓	✓
29- September	✓	✓	✓	-	✓
19- October	✓	✓	✓	✓	✓
12- November	✓	✓	✓	✓	✓

Board Committees continued

Audit Committee (AUCOM)

Members

- Mr. Martin Powell (Chair – Independent Director)
- Mr. Andrew Jackson (Independent Non-Board member)
- Mr. Abdullah Al-Faifi (Independent Non-Board member)
- Dr. Maysa Basoudan (Independent Non-Board member)

Roles and responsibilities

The Audit Committee oversees the Bank's Internal Audit function and supervises the work of external auditors, including the review of internal control weaknesses and system deficiencies.

The Committee reviews interim and annual financial statements, including compliance with applicable accounting policies, and provides comments and feedback to the Board. It reviews audit reports and submits recommendations to the Board on matters arising from such reports.

The AUCOM submits recommendations to the Board on the appointment of external auditors and their fees, reviews the audit plan, follows up on audit findings, and reviews auditors' comments and management responses.

The terms of reference of the AUCOM were revised and approved by the Ordinary General Assembly on 08 December 2025 in line with corporate governance requirements and best practices.

The Committee meets at least four times a year, and in 2025, the AUCOM held six meetings. The following table shows details of those meetings and the record of attendance of members during the year.

AUCOM meetings during 2025

	Mr. Martin Powell	Mr. Andrew Jackson	Mr. Abdullah Al-Faifi	Dr. Maysa Basoudan
30- January	✓	✓	-	✓
24- April	✓	✓	✓	✓
20- July	✓	✓	✓	✓
09- September	✓	✓	✓	✓
20- October	✓	✓	✓	✓
07- December	✓	✓	✓	✓

Nomination and Remuneration Committee (NRC)

Members

- Mr. Ahmed Al-Aulaqi (Chair – Independent Director)
- Ms. Lubna S. Olayan (Non-Executive Director)
- Mr. Saad Al-Fadly (Non-Executive Director)
- Mr. Samir Assaf (Non-Executive Director)
- Mr. Stuart Gulliver (Independent Director)

Roles and responsibilities

The Nomination and Remuneration Committee recommends nominations for Board membership and Executive Management in line with the Bank's approved selection policies for Board and Board Committee members.

The NRC annually reviews the skills, capabilities, and composition of the Board and Executive Management to ensure the effective discharge of their respective responsibilities, including the time commitment required of Board members. The Committee also reviews the structure of the Board and Executive Management and provides recommendations on any proposed changes. In addition, the NRC ensures the independence of Independent Directors and monitors the absence of conflicts of interest for all Directors.

Furthermore, the NRC reviews the scope and limits of the Bank's governance framework in accordance with regulatory standards and recommends compensation and remuneration policies and schemes for approval, including oversight of their implementation and monitoring of remuneration for the highest-paid staff.

The terms of reference of the NRC were revised and approved by the Ordinary General Assembly on 08 December 2025 in line with corporate governance requirements and best practices. The Committee meets at least twice a year, and in 2025, the NRC held five meetings. The following table shows details of those meetings and the record of attendance of members during the year.

NRC meetings during 2025

	Mr. Ahmed Al-Aulaqi	Ms. Lubna S. Olayan	Mr. Saad Al-Fadly	Mr. Samir Assaf	Mr. Stuart Gulliver
15- January	✓	✓	✓	✓	✓
29- April	✓	✓	✓	✓	✓
03- August	✓	✓	✓	✓	✓
08- September	✓	✓	-	✓	✓
07- December	✓	✓	✓	✓	✓

Board Committees continued

Board Risk Committee (BRC)

Members

- Mr. Sulaiman Al-Gwaiz (Chair – Independent Director)
- Mr. Martin Powell (Independent Director)
- Mr. Stuart Gulliver (Independent Director)
- Mr. Gareth Thomas (Non-Board member)
- Mr. Abdulhameed Al-Muhaidib (Non-Board member)

Roles and responsibilities

The Board Risk Committee supports the Board in the discharge of its risk oversight responsibilities, including the annual review and approval of the Bank's risk appetite framework and the monitoring of its effectiveness.

The BRC is also responsible for overseeing the development of the Bank's risk management strategy and all related policies, and for ensuring their proper and effective implementation across the Bank.

The terms of reference of the BRC were revised and approved by the Board on 08 December 2025 in line with corporate governance requirements and best practices. The Committee meets at least four times a year, and in 2025, the BRC held five meetings. The following table shows details of those meetings and the record of attendance of members during the year.

BRC meetings during 2025

	Mr. Sulaiman Al-Gwaiz	Mr. Martin Powell	Mr. Stuart Gulliver	Mr. Gareth Thomas	Mr. Abdulhameed Al-Muhaidib
28- April	✓	✓	✓	✓	✓
25- June	✓	✓	✓	✓	-
02- September	✓	✓	✓	✓	✓
04- November	✓	✓	-	✓	✓
27- November	✓	✓	✓	✓	✓

Technology and Digital Committee (TDC)

Members

- Dr. Deema Alalthel (Chair – Non-Board member)
- Mr. Tony Cripps (Executive Director)
- Mr. Suleyman Selim Kervanci (Non-Board member)
- Mr. Mohammed Almaraj (Independent Director)

Roles and responsibilities

The Technology and Digital Committee supports the Board in setting direction and overseeing the execution of the Bank's strategic plan, strategic objectives, and major initiatives relating to information technology, digital technology, digital transformation, and innovation, including related investments and capital expenditures.

The TDC evaluates technological risks and provides advice to the BRC on protecting the Bank from digital and cyber threats. The Committee establishes governance standards for digital transformation initiatives and ensures the Board receives regular updates to enable effective oversight.

The terms of reference of the TDC were revised and approved by the Board on 08 December 2025 to ensure continued alignment with regulatory expectations and evolving best practices. The Committee meets at least three times a year, and in 2025, the TDC held four meetings.

The following table shows details of those meetings and the record of attendance of members during the year.

TDC meetings during 2025

	Dr. Deema Alalthel	Mr. Tony Cripps	Mr. Suleyman Selim Kervanci*	Mr. Mohammed Almaraj
18- February	✓	-	-	✓
29- April	✓	✓	-	✓
14- July	✓	✓	✓	✓
26- November	✓	✓	✓	✓

*Mr. Suleyman Selim Kervanci was appointed as Non-Board member commencing 19 May 2025.

Board Committees continued

Shariah Committee (SC)

Members

- Sheikh Dr. Abdullah Al-Mutlaq (Chair – Independent Non-Board member)
- Sheikh Dr. Esam Al-Enezi (Member – Independent Non-Board member)
- Sheikh Dr. Abdullah Al-Aydhy (Member – Independent Non-Board member)

Roles and responsibilities

The Shariah Committee is responsible for overseeing the Bank's compliance with Shariah principles in all Islamic banking activities and for issuing Shariah decisions to ensure adherence to applicable Shariah rules and standards.

Within its mandate, the SC reviews and approves Shariah-related documents, forms, contracts, agreements, policies, and procedures used in Shariah-compliant products. The Committee reviews Shariah audit reports and provides guidance on matters arising from such reviews.

In accordance with the independence requirements under SAMA's Shariah Governance Framework, all members of the SC are independent. The Board acknowledges the independence of the SC and ensures that the Committee is not subject to any influence that may impair its ability to issue objective Shariah decisions when considering matters presented to it.

The terms of reference of the SC were revised and approved by the Board on 25 September 2023 to ensure alignment with SAMA's Shariah Governance Framework and market best practices. The SC meets at least four times a year, and in 2025, the Committee held 10 meetings.

SC meetings during 2025

	Sheikh Dr. Abdullah Al-Mutlaq	Sheikh Dr. Abdullah Al-Aydhy	Sheikh Dr. Esam Al-Enezi
16- January	✓	✓	✓
27- February	✓	✓	✓
02- March	✓	✓	✓
26- May	✓	✓	✓
10- July	✓	✓	✓
29- July	✓	✓	✓
07- August	✓	✓	✓
31- August	✓	✓	✓
28- September	✓	✓	✓
31- December	✓	✓	✓

Risk Governance

SAB has a consistently strong risk culture across the organisation, which is embedded throughout business units, and control functions. Ultimate accountability resides with the Board, which exercises active governance through its Board Committees. Clear communication, guidance, and online risk training are provided to all employees. The Bank operates on the principle that all staff are responsible for identifying and managing risk within the scope of their role, while providing effective oversight through an operational and resilience risk function, other risk stewards, and internal audits, as defined by the Three Lines of Defence model. Adherence to risk management is a key performance indicator applied in the performance management of all Executive Management and staff across the organisation. A policy of consequence management is applied where failures occur. Additionally, for any operational incidents which occur the Bank has established a Rapid Event Escalation Protocol, which ensures Senior Management is aware of the incident, root cause, and impact on the Bank within 24 hours of the identification of the incident. This ensures Senior Management is aware of the incidents to inform decision-making and ensure risks remain with risk appetite.

A well-established risk governance and ownership structure ensures oversight of, and accountability for, the effective management of risk. The Board approves the Bank's risk management framework, plans, and performance targets, which include the establishment of management level risk governance Committees, Bank-wide and business risk appetite statements, the delegation of authorities for acceptance of credit and other risks, and the establishment of effective control procedures.

Three lines of defence

First line of defence	Ultimately responsible for managing the impact that conduct outcomes have on our customers and the financial markets in which we operate through the procedures, processes, controls, and technologies they manage. This includes the ability to measure the impact they have and to drive continuous learnings from root cause analysis.
Second line of defence	Responsible for ensuring conduct outcomes are adequately considered in the oversight and management of all financial and non-financial risks, operational processes, and technologies, including within the risks they articulate and the control libraries they own.
Third line of defence	The Internal Audit Department helps the Board and Executive Management to protect the assets, reputation, and sustainability of SAB. The INA provides independent and objective assurance to Management and the Audit Committee as to whether our risk management, governance, and internal processes are designed and operating effectively.

The Risk Management Committee (RMC) is the key Management-level risk governance committee that supports the BRC in setting the Bank's overall risk appetite and managing the Bank's activities within it. The RMC reviews risk appetite, emerging risks, endorses risk policies, and is chaired by the Chief Risk Officer. The Asset and Liability Committee (ALCO) reviews the risks associated with the Bank's balance sheet including asset and liability management, capital, interest rate risk, liquidity, and funding.

Risk Governance continued

Risk management tools

Risk appetite

Risk appetite is the articulation of the level and type of risks we are willing to accept in order to achieve our strategic objectives. The risk appetite provides a link between the businesses, risk, and finance. It enables Senior Management to make informed decisions on how to optimally allocate capital for strategic growth within acceptable risk levels, as well as support our monitoring of risk exposure. SAB's risk appetite statement (RAS) is deployed at the Bank level for all key risk categories, and at the business level to document appropriate risk appetite and limits for major lines of business. SAB's risk appetite is reviewed and approved by the Board at least annually. The risk appetite is central to an integrated approach to risk, capital, and business management and supports the Bank in achieving its strategy.

Risk map

SAB maintains a risk map, covering an assessment of current and anticipated levels of risk across all financial and non-financial risk types as defined in the Risk Management Framework. The risk map is reviewed by the Risk Management Committee and any risk identified as being at an 'amber' or 'red' level is further investigated and actions are determined to mitigate the elevated level of risk. The risks identified as being 'amber' or 'red' are also escalated to the Board Risk Committee.

Stress testing

To help assess financial impact, stress testing is used to inform the level of adequate capital and liquidity to withstand external shocks such as a global economic downturn or internal events such as a system failure. Stress testing results are also used by Management to inform risk mitigation actions and support appropriate allocation of financial resources. SAB maintains a wide-ranging stress testing programme, including scenario analysis. Stress tests are conducted across the Bank in line with Management's requirements, as well as in line with the SAMA policy and directives. The stress scenarios may include adverse macroeconomic events, failures at country, sector and counterparty levels, geopolitical events, as well as a variety of projected major operational risk events.

Emerging risks

We use emerging risks process to provide a forward-looking view of risk issues with the potential to threaten the execution of our strategy or operations over the medium to long term. We proactively assess the internal and external risk environment, as well as review the themes identified across local and global regions. We update our top and emerging risks as necessary.

SAB principal risk types

Risk type	Definition and management
Credit risk	Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank, whether due to inability or unwillingness to repay the amount due. Credit risk arises from the Bank's direct lending operations, its issuance of guarantees, bonds and like instruments, trade finance activities, and its investment and trading activities. The granting of credit to customers is a core business of the Bank and accounts for a major portion of its balance sheet and profitability. The quality of the credit portfolio has a direct and important impact on the Bank's performance and strength. The Bank maintains credit policies, manuals, and procedures to manage credit risk across the Bank's portfolios, within an approved risk appetite. The Bank operates an independent credit risk function, which provides high-level oversight and management of credit risk for SAB, aligned with SAMA rules on credit risk management in banks. Its primary responsibilities include independent risk assessment to ensure applications conform with SAB's credit policy SAMA's regulations, and any other local applicable regulations, guiding business segments on the Bank's appetite for credit exposure to specified industry sectors, activities, and banking products, and controlling exposures to sovereign entities, banks, and other financial institutions. Credit risk is monitored using a variety of credit risk management techniques such as assigning credit ratings, setting limit caps, monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the credit worthiness of counterparties, and through the appropriate structuring of transactions. Credit risk oversight is also supported through established committee structures, including the Retail Risk Management Committee and Wholesale Credit Oversight Committee, which provide senior oversight of credit risk matters within their respective portfolios, in line with the Bank's approved risk appetite. The Bank manages credit exposure relating to its treasury trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances, and by limiting the duration of exposure. The Bank's credit risk exposure through derivatives represents the potential cost of replacing the derivative contracts if counterparties fail to fulfil their obligations. To control the level of credit risk taken, Management assesses counterparties using the same techniques as for lending activities. The Bank has adopted the ISDA SIMM model for assessing initial margin collateral requirements for non-centrally cleared derivatives with applicable counterparties. Concentrations of credit risk can arise when a number of obligors are engaged in similar business activities or have similar attributes that may impede their ability to meet contractual obligations due to a particular change in economic, political, or other conditions. Concentration risk can also arise from large exposures to a single borrower or group of related borrowers. Management seeks to manage concentration on credit risk through the diversification of lending activities and through the use of internal and regulatory limits. The IFRS 9 process comprises three main areas: modelling and data, implementation, and governance. Established IFRS 9 modelling and data processes are subject to internal model risk governance, including independent review of significant model developments. Unbiased and independent macroeconomic scenarios are provided by a well-reputed institutional provider specialised in economic forecasting, and these are reviewed and checked for consistency with prevailing economic conditions and financial risks. The impairment engine performs the expected credit losses calculation using data, which is subject to several validation checks and enhancements. The IFRS 9 Impairment Review Committee is established to review and approve the impairment results. The Committee is represented by senior members of relevant Risk and Finance functions. Furthermore, the Retail Credit Risk (RCR) function is responsible for prudent risk management while allowing the Retail business (WPB) to grow in a responsible, profitable, and sustainable way. The key features of Retail risk management in addition to the overall Credit Risk Management approach as outlined above are: • Use of credit scoring models and decision strategies developed using internal data and credit bureau information from SIMAH; with behavioral scoring applied to support credit card processing, authorisation, collections, and limit review decisions. • Adoption of automated application processing and assessment systems, to enable consistency of decisions, aligned with SAMA regulatory requirements and an efficient framework for application processing. • A dedicated collections function managing potential losses across delinquency stages, undertaking debt counselling to cater towards individual circumstances of customers, renegotiating facilities for customers under financial duress, and use external and overseas agencies for recovery activities.

Risk Governance continued

Real estate finance risk	The Bank's total outstanding residential real estate finance portfolio as at 31 December 2025 was ⃁ 42.4 bln. 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 its residential real estate portfolio. However, risk elements which are not part of the insurance coverage are dealt with according to the Bank's internal risk management framework. Following are the different types of insurance covers that the Bank has utilised to hedge various risks associated with its residential real estate finance portfolio. (i) Death and Disability Insurance: This insurance cover provides financial protection in the event of death or disability resulting from natural or accidental events or specified cause as per the insurance policy to recover the outstanding finance amount. (ii) 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 aims to mitigate the financial impact of property damage, allowing the Bank to recover the costs due to unexpected/unforeseen events.
Regulatory compliance and financial crime compliance (FCC) risk	Compliance risk is the risk leading to statutory, legal sanctions, material financial loss, or damage to the reputation of SAB, which may be suffered as a result of failure to comply with all applicable laws, rules, and regulations. A fully resourced and independent compliance function has been established for compliance risk management. The aim of the compliance function is to protect the reputation and credibility of SAB and protect the interest of shareholders and depositors, and to safeguard the institution against legal and regulatory consequences. Compliance risk management is a specialised activity with a high degree of complexity, managing the risks of financial crime and regulatory compliance capturing sanctions, money laundering, terrorist financing, anti-bribery, and corruption. SAB has continued to make significant investments in people and compliance infrastructure including monitoring systems, internal reporting tools, and training in order to better control the compliance risks across the organisation. All identified risks and breaches to local regulations are reported to the Management and Board Committees along with corrective actions and monitored for adequate closure.
Fraud risk	Fraud Risk refers to the risk of financial loss, reputational damage, regulatory sanctions, or operational disruption arising from intentional act of deception, dishonesty, or abuse of position by internal or external parties, carried out for personal gain or to cause loss to the organization, its customers, or other stakeholders. Fraud Risk includes, but not limited to: • External Fraud (e.g., social engineering, scams, account takeover, identity theft, cyber-enable fraud). • Internal Fraud (e.g., employee misconduct, collusion, override of control). • Third-Party Fraud (e.g., vendor manipulation, outsourcing abuse, agent misconduct).
Legal risk	The risk of financial loss, customer detriment, legal or regulatory action, or reputational damage resulting from contractual risk, dispute management risk, breach of competition law risk, and intellectual property risk.
People risk	The risk of adverse impact due to not having a diverse and inclusive workforce, with enough people with the right skills, to allow us to serve our customers and lead high-performance businesses where people thrive, including risks associated with employment practices and poor employee behaviour.
Financial reporting and tax risk	The risk of reporting financial information incorrectly or untimely, or failure in managing tax exposures.

Market risk	Market risk is the risk that movements in market factors, including foreign exchange rates, special commission rates, credit spreads, commodity, and equity prices will reduce our income or the value of our portfolios. Exposure to market risk is segregated into two portfolios: • Trading portfolios – comprise positions arising from market making and warehousing of customer derived positions. • Non-trading portfolios (banking book) – comprise positions that primarily arise from the special commission rate management of our retail and commercial banking assets and liabilities, and financial investments designated as 'Held to collect and sell' and 'Held to collect'. Market risk is monitored and measured using limits and Risk Appetite metrics approved by the Board. The exposure and limits are monitored by an independent risk function reporting into the Chief Risk Officer. SAB uses a range of control measures to manage market risk such as specific stop loss control limits, sensitivity analysis, stress testing, and value at risk (VaR).
Capital and Liquidity risk	Capital and Liquidity risk is the risk that SAB does not have sufficient capital, liquidity or funding resources to meet its obligations as they fall due or that it can only do so at an excessive cost. Liquidity risk arises from mismatches in the timing of cash flows. Funding risk is the risk that funding is considered to be sustainable and therefore used to fund assets, and proves unsustainable over time. Funding risk arises when illiquid asset positions cannot be funded at the expected terms and when required. To control and manage this risk, the Board of Directors has approved a range of risk appetite and tolerance limits, including but not limited to the liquidity coverage ratio, the net stable funds ratio, loan to deposit ratio, and the SAMA liquidity ratio, as well as a series of concentration limits on the source of funding and its maturity profile. Capital Risk is the risk of insufficient qualifying capital to be able to conduct business in normal and stressful conditions, as well as the failure to identify, assess, plan and manage capital adequacy requirements. Capital refers to regulatory capital and is defined as the resources necessary to cover losses arising from the risk which SAB accepts in the form of discretionary risk or runs in the form of non-discretionary risk by virtue of its operations. The key risk measures include Total Loss Absorbing Capital (TLAC), Capital Adequacy Ratio (CAR), Leverage Ratio (LR) and Common Equity Tier 1 (CET1). All metrics are closely monitored with oversight by Senior Management via ALCO, EXCOM, and the BRC. The Bank conducts regular stress testing under a range of severe but plausible scenarios, which form part of the framework of its individual adequacy assessment process (ILAAP, ICAAP, recovery and contingency funding plans), providing the Bank with insight into its ability to continue to operate effectively and support its customers throughout the stress period. The Bank maintains a mechanism for charging the cost of liquidity within the organisation to support the management of the balance sheet structure. A Liquidity Contingency Funding Plan (CFP) is also maintained to provide a framework and guidance in the event of an emerging or actual liquidity crisis. The CFP and recovery plan are subject to annual testing to ensure the operational effectiveness of the available mitigating actions. The Bank maintains a recovery and resolution framework, which sets out the principles and guidelines that apply for recovery and resolution.

Risk Governance continued

Shariah risk	Shariah risk is the risk of financial loss, regulatory sanction and/or reputational damage to SAB as a result of either a failure to comply with the pronouncements, guidelines, and resolutions issued by SAB's Shariah Committee in respect of the development, execution, delivery, and marketing of Islamic products, or of an opinion of the Shariah Committee being disputed by another body. Shariah rules are open to different interpretations; hence, there are potential risks that a SAB product can be interpreted as non-compliant by another Shariah body. To mitigate this, SAB has ensured its Shariah Committee members are of high standing. Further, SAB has a dedicated Islamic Financial Services (IFS) team specialising in Shariah advisory, governance, risk management, reviews and business support. Training and awareness seminars are routinely undertaken on Islamic banking principles, product, and specific processing requirements. Finally, SAB has a technology platform that facilitates compliance with Shariah requirements to further reduce the risk of operational error or oversight. Shariah risk is identified as a distinct risk in the Bank's risk heat map, both at business and the dedicated Islamic financial level. Status is monitored through the appropriate governance committees. The Head of Islamic Financial Services reports directly to the Chief Risk Officer to oversee the development and independent control of Shariah products and services. IFS maintains a strong interaction with the Shariah Committee with respect to all Shariah-related affairs that impact business and risk management. The Shariah Committee reports directly to the Bank's Board.
Operational and resilience risk	Non-financial risk (NFR), also known as operational risk, has been defined as the risk of loss resulting from people, inadequate internal processes and systems, and external events. This risk can arise during our day-to-day operations while we take financial risk. At SAB, managing NFR is important to ensure we grow our business safely and remain within our risk appetite. It also ensures we have the correct controls in place to mitigate NFR and reduce any operational loss. NFRs for SAB include legal, regulatory and financial crime compliance, people, model, Shariah, and resilience risks. The risk appetite for NFR is established annually and approved by the Board. This is reviewed at the Operational and Resilience Risk Committee and the RMC with quarterly updates to the BRC. To ensure continuous assessment of the adequacy of control over NFR, risk and control assessments are complete. Issues identified in the design and/or operating effectiveness of the control are recorded in the operational risk repository system and issue remediation is tracked to completion by risk and control owners. In addition, issues identified in other reviews – including those conducted by assurance functions, Internal Audit, external audit, and regulatory authorities – are also recorded on systems, and monitored through risk governance Committees together with any escalations required. Operational and resilience risk includes stewardship over resilience and data privacy risks. The protection of the Bank's technology infrastructure and our customers' data is a key operational risk as more banking processes are digitalised. As part of its core business processes, SAB handles various types of customer information and data relating to its customers. Handling of information and data includes its storage, processing, and transmission. In addition, operational and resilience risk oversees insurable risk and ensures the Bank has adequate insurance policies implemented across the Bank. Data loss prevention (DLP) policies have improved to monitor and control the movement of SAB information and deploy preventative controls to mitigate any data security breach. Access management control continues to ensure protection of information assets from unauthorised users, including access control review (access recertification) to Bank systems and users. The Bank took measures to mitigate the inevitable NFR arising from this change in working practices and operational risks have been managed to an acceptable level during the year.
Cybersecurity Risk	The Bank has a Cybersecurity and Fraud Risk Department, reporting to the Chief Risk Officer. The Cybersecurity Risk function is responsible for the oversight and management of cybersecurity risks across the Bank. Cybersecurity risk represents the risk of financial loss, operational disruption, regulatory impact, or reputational damage arising from cyber threats, including cyber-attacks, unauthorized access, or compromise of information assets and critical digital services. The Cybersecurity Risk function provides governance, cybersecurity risk assessment, and assurance over the effectiveness of cybersecurity controls. SAB continues to strengthen its cybersecurity framework and cyber resilience by applying a risk-based approach, supported by capabilities across multiple cybersecurity domains, including cyber threat detection and analysis, identity and access controls, protection of sensitive information, security monitoring, cybersecurity risk assessments, vulnerability management, penetration testing, incident response preparedness, and the security of critical digital and payment channels. Cybersecurity risk is treated as a priority area for the Bank and is routinely reported at both the RMC and the BRC, ensuring appropriate visibility, governance, and executive support for our ongoing cybersecurity programme. From a regulatory perspective, SAB is committed to complying with cybersecurity regulatory requirements and initiatives issued by the SAMA and the National Cybersecurity Authority (NCA). These regulatory frameworks guide the Bank's approach to cybersecurity risk management, control design, and continuous enhancement of its cybersecurity posture. Furthermore, a cybersecurity awareness programme continued with engaging cybersecurity awareness initiatives for employees and customers, delivered through internal campaigns and external communication channels, aimed at improving awareness of cyber threats and promoting secure digital behaviour, thereby supporting the Bank's overall operational resilience.
Reputational risk	Reputational risk relates to stakeholders' perceptions, whether based on fact or otherwise. As stakeholders' expectations are constantly changing, reputational risk is dynamic. Therefore, SAB's approach to reputational risk management must be upheld at all times and across all businesses and functions. SAB has built a strong image and reputation within the Saudi market, and maintains an unwavering commitment to operate, and be seen to be operating, to the highest standards set for itself. The reputation of SAB is critical to its success. Any financial services organisation stands or falls by its reputation and the customers' confidence in it, and the reputation can be severely damaged by non-compliance with relevant regulations or by inappropriate actions or comments to the media or in the public domain. The maintenance of customer confidence is a prime objective of Management and can be achieved through a strong and healthy financial position and by exhibiting successful risk management. SAB has zero tolerance for knowingly engaging in any business or activity where foreseeable reputational risk and/or damage has not been considered and/or mitigated. SAB tolerates a limited degree of reputational risk arising from activities where the risk has been carefully considered and/or mitigated and determined to fall below the risk threshold.

Risk Governance continued

ESG risk	We understand the significance of adopting a comprehensive view of risk. The diverse types of risk factors that SAB and our customers may encounter have the potential to influence our financial stability significantly. In our strategic discussions and risk management framework, we therefore actively incorporate various dimensions of Environmental, Social, and Governance (ESG) considerations. For SAB, these risks are regarded as fundamental to our business operations, and we are dedicated to seamlessly integrating them into our strategy and operational framework. This section offers a synopsis of the primary ESG risks that shape our strategic and risk management considerations. Climate risks: Climate change impacts us directly as well as through our value chain. Both physical risks and transition risks, as defined by Task Force on Climate-related Financial Disclosures (TCFD), manifest in various ways, including but not limited to decreased real estate values, lower asset performance, reduced household income or wealth, increased legal and compliance costs, and shifted customer demands and perceptions. We view climate risks as pervasive, as they impact multiple facets of our organisation. Presently, we are enhancing our understanding of climate-related risks through a project aimed at quantifying our financed emissions. Once completed, the assessment will provide us with a complete picture, help us manage risks adequately, and inform further strategic decisions. Sustainability risks: Taking on a holistic perspective, sustainability risks are captured in SAB's risk taxonomy. SAB incorporates sustainability risks into its risk framework alongside financial risks like capital, liquidity, and market risks. These can be linked to the social or governance dimension of ESG and include, among other people risk, legal risk, and regulatory and compliance risk. These non-financial risks are seamlessly integrated into our Three Lines of Defence risk management model, with specific risk stewards and audit procedures assigned. When necessary, these risks are further subdivided to enable effective risk management at a suitable level.

Internal Controls

The ultimate responsibility for the system of internal controls resides with the Board. SAB's Internal Control System is designed to manage the risk of failure to achieve the Bank's strategic objectives. SAB's Management has established and maintains an adequate and effective framework of internal control in support of the policies approved by the Board. The Internal Control System ensures quality of external and internal reporting, maintenance of proper records, design and operational effectiveness of processes, compliance with applicable laws and regulations, and internal policies with respect to the conduct of business.

Regulatory compliance

The Internal Control System is compliant with the Guidelines on Internal Controls issued by SAMA. This includes ensuring that there is an ongoing process for the identification, evaluation and management of significant risks faced by the Bank. Observations made by external and internal auditors, and SAMA's inspection team are promptly reviewed and addressed by Management and are subject to oversight by the Board and its Audit Committee. SAB's assessment is that the Internal Control System in place provides reasonable assurance as to the integrity and reliability of the controls established and the management of information produced.

The Audit Committee's assessment of the adequacy of the Bank's Internal Control System

During 2025, the AUCOM reviewed reports on the adequacy and effectiveness of the Bank's internal controls and systems, including financial statements and risk-related reports. Discussions and decisions of the Committee were documented in meeting minutes, with matters requiring escalation referred to the Board.

The AUCOM met with the Chief Internal Auditor (CIA), Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer, and external auditors to obtain updates on matters requiring Committee attention. The Committee also reviewed internal audit reports, regulatory observations, and external auditors' management letters, and monitored Management's action plans to address identified issues.

The AUCOM reviewed the effectiveness of the internal control system and compliance with the Bank's internal policies, applicable regulatory requirements in the Kingdom of Saudi Arabia, and relevant legal obligations. Independent assurance from Internal Audit was considered in assessing the adequacy and effectiveness of internal controls.

Based on the information reviewed, the AUCOM provided assurance to the Board that, to the best of its knowledge and taking into account the inherent limitations of any internal control system, the Bank's internal control framework was adequately designed and operating effectively in all material respects during the year. However, the Committee cannot give absolute confirmations.

The AUCOM submits recommendations to the Board in respect of the appointment, dismissal, performance assessment, and remuneration of the external auditors, subject to General Assembly approval.

Internal Controls continued

Annual review of the effectiveness of internal control procedures

The Board is responsible for maintaining and reviewing the effectiveness of risk management. The framework of standards, policies and key procedures that the Directors have established is designed to provide effective internal controls within SAB for managing risks within the accepted risk appetite of the Bank; for safeguarding assets against unauthorised use or disposal; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage and mitigate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. Such procedures for the ongoing identification, evaluation and management of the significant risks faced by SAB have been in place throughout the year. SAB's Management is responsible for implementing and reviewing the effectiveness of the Bank's internal control framework as approved by the Board. All employees are responsible for identifying and managing risk within the scope of their role as part of the Three Lines of Defence model, which is an activity based model to delineate management accountabilities and responsibilities for risk management and the control environment. The second line of defence sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk, and challenges the first line of defence (the risk owners) on effective risk management. The Risk function, under the Chief Risk Officer, is responsible for maintaining oversight of the management of various risks across the Bank. The Compliance function maintains oversight of business operations and management action to ensure conformity with regulatory requirements. The risk management process is fully integrated with strategic planning, the annual operating plan, and the capital planning cycle. Results are communicated for the information of the Directors by means of periodic reports provided to the AUCOM and BRC.

Chief Internal Auditor (CIA) confirmation of organisational and functional independence

The Internal Audit Department (INA) provides independent and objective assurance and consulting to the Bank to evaluate and improve the effectiveness of risk management, internal controls, and governance processes, with the objective of adding value and enhancing operational performance.

The INA adopts a systematic and disciplined approach to the evaluation of risk management, control, and governance processes, supporting Management in achieving the Bank's strategic and operational objectives.

In accordance with regulatory requirements and best practices, the Internal Audit function maintains organisational and functional independence from Management. The Chief Internal Auditor (CIA) reports functionally to the AUCOM and administratively to the MD for day-to-day operational matters. The AUCOM approves the Internal Audit plan, reviews audit results, and oversees the effectiveness and independence of the function.

INA staff are independent of the activities they audit and perform their duties with objectivity, impartiality, and professional integrity. They avoid conflicts of interest and remain free from interference in determining the scope of audit work, audit methodologies, frequency of audits, and the communication of audit results, in order to preserve an independent and objective professional judgment.

Documents and information provided to INA in the course of audit activities are handled in a professional, prudent, and confidential manner, consistent with the Bank's information security and confidentiality requirements.

With respect to subsidiaries, each subsidiary excluding SAB Invest is governed by its own Board of Directors, Audit Committee, and Internal Audit function. SAB provides Internal Audit support to subsidiaries based on executed Service Level Agreements, where applicable, while maintaining appropriate independence and reporting lines.

The annual performance evaluation of the CIA is approved by the AUCOM. Matters related to the hiring, appointment, termination, salary adjustments, and bonus of the CIA are subject to the approval of the AUCOM and the NRC.

Summary of key internal controls

Control	Description
SAB principles	SAB principles overlay all policies and procedures, informing and connecting our purpose, values, strategy, and risk management. In other words, why we exist, who we are, what we do, and how we deliver.
Policies and procedure framework	SAB has strong policies and procedures framework governed by the Procedures of SAB Manuals. Policies and procedures cover all major activities of the Bank besides stand-alone policies on the key regulations. Policies and procedures mandated by the regulator are approved by the Board and are subject to periodic review to ensure they adequately cover the Bank and its operating environment, including alignment with regulation and international best practices.
Delegation of authority	SAB has set a formal delegation of authority for the Board and the Executive Management to delegate their authority to sign for, bind, or otherwise incur an obligation, including but not limited to, all categories of contracts, financial commitments, and other obligations of the Bank on behalf of SAB. Such delegations precisely define the authorities being delegated and are consistent with the provisions set forth in the Bylaws, terms of reference of the Board and Board Committees, as well as any applicable legal and regulatory requirements.
Risk identification and monitoring	Systems and procedures are in place in SAB to identify, monitor, control, and report on the major financial and non-financial risks, which includes credit, market, liquidity, capital, financial management, model, reputational, strategic, sustainability, financial crime and regulatory compliance, people, Shariah, legal, and resilience risks in addition to any emerging risks. Exposure to these risks is monitored by various Management committees. These include the Asset and Liability Committee, the Risk Management Committee, the Compliance Committee, Counter-Fraud Governance Committee, the IT Steering Committee, the Information Security Risk Committee, and the Operational and Resilience Risk Committee, and their various sub-committees.
Management Committees	The effectiveness, membership and terms of reference are reviewed annually submitted to the Board Committees.
Risk and control assessment	All significant operational risks, together with the associated controls are identified through a risk and control assessment (RCA) process conducted by risk owners with input from risk stewards (subject matter experts in the second line of defence). The design and operating effectiveness of controls is tested at several levels, including by dedicated business risk and control managers (within the first line of defence) and the relevant risk stewards (second line of defence) to provide reasonable assurance to the Management about the adequacy of the controls.
Financial reporting	SAB's financial reporting process for preparing the financial statements for the year ended 31 December 2025 is controlled using documented accounting policies and reporting formats. The submission of financial information is subject to certification by the Chief Financial Officer.
Changes in operations, market conditions, and practices	Processes are in place to identify new risks arising from changes in market conditions and practices and customer behaviour.
Annual operating plans	Annual operating plans, informed by a detailed analysis of the risk appetite describing the types and quantum of risk that SAB is prepared to take in executing its strategy, are prepared at business and functional levels, and set out the key business initiatives and the likely financial effects of those initiatives.
Governance arrangements and risk	Governance arrangements are in place to provide oversight of, and advice to the Board on, material risk-related matters. These are affected through the Board and Board Committees as well as Management Committees, which oversee the effectiveness of risk management and report to the Board Committees.

Internal Controls continued

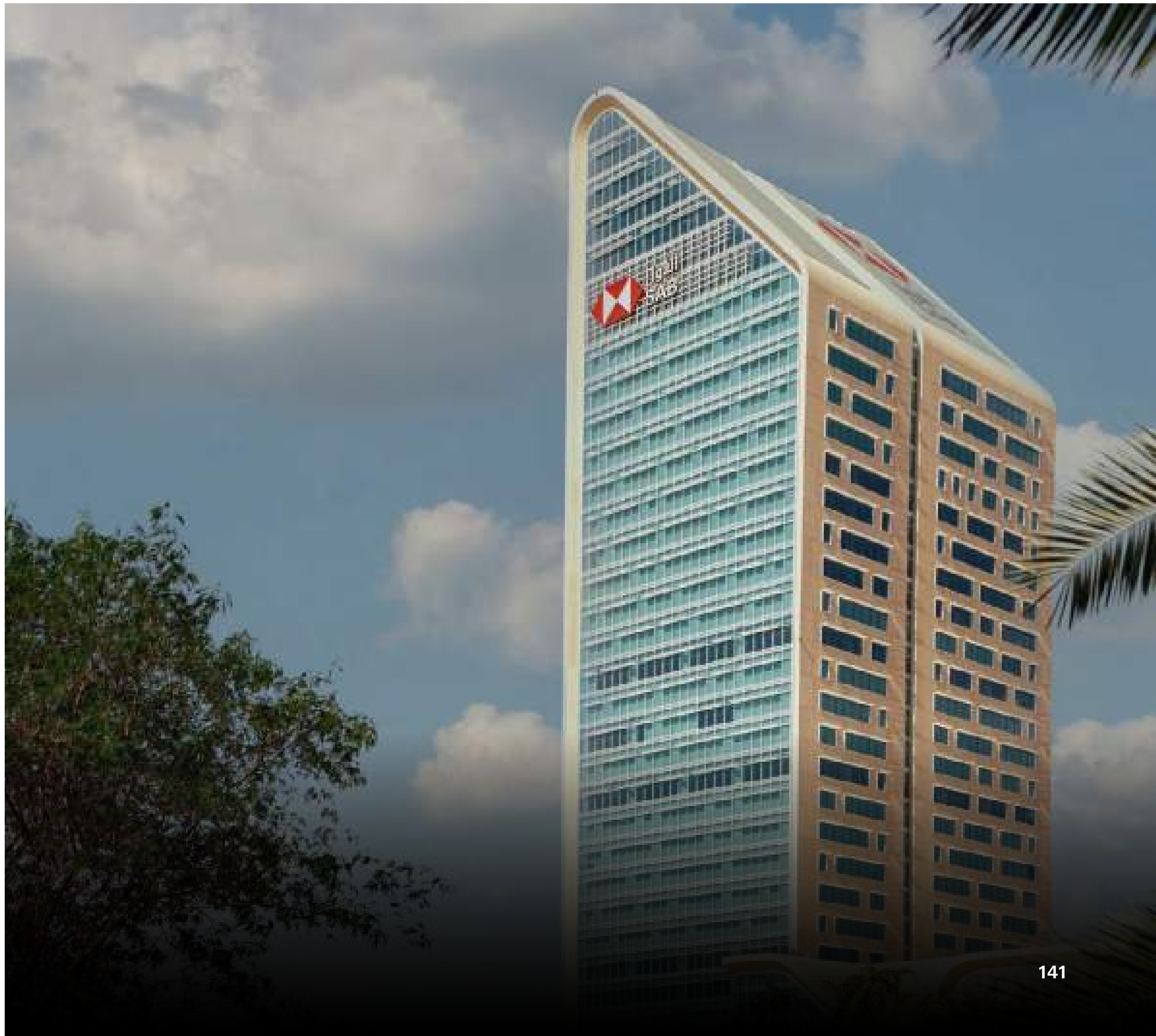
Internal Audit	INA represents the third line of defence and monitors the effectiveness of the internal control framework across the whole of SAB, focusing on the areas of greatest risk to the Bank as determined by a risk-based audit approach. INA accomplishes this by independently reviewing the design and operating effectiveness of internal control systems and policies established by first and second line functions to ensure the Bank is operating within its stated risk appetite and in compliance with the regulatory framework. The CIA reports to AUCOM on all audit-related matters. The SAB Internal Audit activity charter sets out the accountability, independence, responsibility, and authority of the INA function, while the SAB Audit Instruction Manual (AIM) prescribes the standards and procedures adhered to by the INA function. Both documents are annually reviewed and approved by AUCOM, acting on behalf of the Board. Executive Management is responsible for ensuring management action plans, agreed by the INA function, are implemented within an appropriate and agreed timetable. Confirmation to this effect must be provided to INA. During 2025, INA reviewed a number of activities and processes of SAB following a risk based approach. Reports of these audits have been submitted to the AUCOM highlighting that we have well-established non-financial and financial risk frameworks in place where a lot of effort has been applied in socialising key expectations in terms of roles and responsibilities. Further effort is required to demonstrate fully embedding key controls to ensure we have a sustainable risk and control environment supporting material processes Bank-wide. On an overall basis, audits of the effectiveness of the internal control environment conducted during 2025 confirmed that systems and procedures for the ongoing identification, evaluation, and management of significant risks faced by SAB were in place throughout the year. These procedures enabled SAB to discharge its obligations under the rules and regulations issued by SAMA and the standards established by the Board.

Board Assurance

The Board assures shareholders and other interested parties that to the best of its knowledge and in all material aspects:

- The system of internal controls is sound in design and has been effectively implemented.

The Board has reached this view and is able to make this assurance based on its ongoing oversight of and involvement in the Bank's control framework directly and through its Committees. The Board further mandates Management to conduct an annual review of effectiveness of internal control procedures.



Related Parties

Related party transactions

In the ordinary course of its activities, the Group transacts business with related parties. In the opinion of the Management and the Board, the related party transactions are performed in the normal course of business. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA. Managerial and specialised expertise is provided under a technical services agreement with HSBC Holdings plc, the parent company of HSBC Holdings BV. This agreement was amended on 03 October 2018 and renewed for a period of 10 years, commencing on 30 September 2017.

The year end balances included in the consolidated financial statements resulting from related party transactions are as follows. All amounts are in ⃁'000 unless otherwise stated.

HSBC:	**2025**	**2024**
Due from banks and other financial institutions	588,663	678,257
Investments	1,086	6,395
Fair value derivatives, net	8,635	6,776
Due to banks	2,583,774	3,116,767
Debt securities in issue and term loans	15,200	-
Retained earnings	1,791	-
Additional Tier 1 Sukuk	135,000	-
Commitments and contingencies	14,127,580	9,941,065

Associates:	**2025**	**2024**
Investments	399,507	463,350
Other assets	3,416	7,925
Other liabilities	50,883	-
Customer deposits	679,530	934,062
Retained earnings	4,348	12,578
Commitments and contingencies	1,515	1,764

Directors, Board committees, other major shareholders, key Management personnel and their affiliates:	**2025**	**2024**
Investments*	3,346,525	2,055,020
Loans and advances	12,454,020	11,111,185
Customers' deposits	11,142,303	23,857,794
Fair value derivatives, net	1,305	139,872
Other liabilities	23,847	23,391
Additional Tier 1 Sukuk	1,215,388	2,163,000
Commitments and contingencies	1,990,943	2,223,581

*Refer to note 41 of these consolidated financial statements

Other major shareholders represent shareholdings (excluding the non-Saudi shareholder) of more than 5% of the Group's issued share capital.

Related mutual funds:	**2025**	**2024**
HSBC:		
Investments	456,287	420,403
Customers' deposits	863,186	39,266
Debt securities in issue	-	200,000
Subsidiaries:		
Investments	91,777	75,366

Transactions with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows.

Associates:	**2025**	**2024**
Special commission income	363	73
Special commission expense	225,352	243,398
Fees and commission income	9,624	11,378
Service charges paid to an associate	4,961	7,861
Service charges recovered from associate	17,000	29,267
Profit share paid to associate relating to investment banking activities	62,429	107,915

HSBC, Directors, Board committees, other major shareholders, key Management personnel and their affiliates:	**2025**	**2024**
Special commission income	642,965	599,720
Special commission expense	441,598	526,699
Fees and commission income	60,114	90,496
General and administrative expenses	89,514	55,172
Service charges paid to HSBC	122,527	312,872
Directors' and board committees' remuneration	18,903	17,361

The total amount of compensation paid to key Management personnel during the year is as follows.

	2025	**2024**
Short-term employee benefits*	56,587	51,987
Other long-term benefits	16,312	19,995
Share-based payments	13,555	7,449

*Short-term employee benefits include salaries, allowances, benefits, and cash bonus paid during the year.

Key Management personnel are those persons, including an Executive Director, having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

Related Parties continued

Transactions and contracts concluded during the year ended 31 December 2025:

Related party	Relation to related party	Name of the party with direct or indirect interest or shareholding	Value ⃁	Nature of business	Agreement: Annually/ one time
Olayan Real Estate Co.	• Board Member	• Ms. Lubna Olayan	910,800	• Branch Site Rentals	Annually
Saudi Xerox Co	• Board member	• Ms. Lubna Olayan	2,333,517	• Statement Print	Annually
Al Bustan Company	• Board Member	• Ms. Lubna Olayan	1,458,237	• Rental contracts	Annually
SIMAH	• Associate 21.87% owned by SAB • Senior Executive	• Associate of the Bank • Mr. Bandar Algheshayan	26,376,184	• SIMAH Services	Annually
SANID	• Associate 20% owned by SAB • Senior Executive	• Associate of the Bank • Ms. Jehan Tashkandi	36,195,063	• Riyadh Multi bank cash center	Annually
HSBC Holdings PLC	• Board member • Shareholder	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	8,690,007	• Intra Group Service Agreement	Annually
HSBC Bank Middle East Limited (HBME)	• Board member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	2,502,470	• Performance Level Agreement for a software service	Annually
HSBC Bank Middle East - Bahrain	• Board member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	-	• Intra Group Service Agreement	Annually
HSBC (Malaysia) Trustee Berhad	• Board member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	-	• Intra Group Service Agreement	Annually
HSBC PB Services SA (Suisse)	• Board member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	5,806	• Intra Group Service Agreement	Annually
HSBC Saudi Arabia	• Associate 49% owned by SAB • Board member • Senior Executive	• Associate of the Bank • Mr. Tony Cripps • Mr. Samir Assaf • Mr. Surendranath Rosha • Mr. Yasser Albarrak	6,885,751	• Intra Group Service Agreement • Corporate Trust and Loan Agency • HSBC Custody & HSBC IBSA Safekeeping	Annually
HSBC GLOBAL SERVICES LIMITED	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	46,305,503	• Intra Group Service Agreement	Annually
HSBC Service Delivery (Polska) SP. Z.O.O.	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	669,085	• Intra Group Service Agreement	Annually
HSBC Software Development (Guangdong) LTD	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	15,509,420	• Intra Group Service Agreement	Annually
HSBC Technology & Services (USA) Limited	• Board member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	1,065,230	• Intra Group Service Agreement	Annually

Related party	Relation to related party	Name of the party with direct or indirect interest or shareholding	Value ⃁	Nature of business	Agreement: Annually/ one time
HSBC Software Development (India) Private Limited	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	23,703,195	• Intra Group Service Agreement	Annually
HSBC Electronic Data Processing India Private Limited (Bangalore)	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	5,573,977	• Intra Group Service Agreement	Annually
HSBC Electronic Data Processing Lanka (Private) Limited	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	29,560	• Intra Group Service Agreement	Annually
HSBC - Hong Kong Branch	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	12,184,076	• Intra Group Service Agreement	Annually
HSBC Group Management Services Ltd	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	40,394	• Intra Group Service Agreement	Annually
HSBC Bank plc	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	234,500	• Intra Group Service Agreement	Annually
Health Water Bottling Company	• Board Member	• Ms. Lubna Olayan	311,107	• Products	Annually
Schindler Olayan Elevator Co. Ltd	• Board Member	• Ms. Lubna Olayan	66,930	• Elevator Maintenance	Annually
EFSIM Facilities Management Company	• Board Member relative	• Mr. Suliman AlGwaiz	19,973,119	• Facility services	Annually
HSBC Egypt	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	137,532	• Intra Group Service Agreement	One Time Payment
HSBC Global Services (Canada) Limited	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	3,702,995	• Intra Group Service Agreement	Monthly
HSBC Mexico SA Institution	• Board Member	• Mr. Samir Assaf • Mr. Tony Cripps • Mr. Surendranath Rosha	248,998	• Intra Group Service Agreement	Monthly
Callsign LTD	• Board Member	• Mr. Samir Assaf	1,888,804	• Software license	Annually

Related Parties continued

Information relating to competing business with the Bank or any of its activities that any member of the Board is engaging in or was engaged in

Member Name	Entity	Nature of the Competing Business Activity	Competing Position
Suliman Al-Gwaiz	BlackRock Saudi Arabia	Managing Investments, Operating Funds and Advising, licensed by the Capital Market Authority, which is a competitive business with one of our subsidiaries.	Chairman
Samir Assaf	General Atlantic Middle East Financial Company	Arranging Activity in the Securities Business, licensed by the Capital Market Authority, which is a competitive business with one of our subsidiaries.	Board Member
Saad Al-Fadly	Brookfield Arabia for Business Services	Managing Investments, Operating Funds and Advising, licensed by the Capital Market Authority, which is a competitive business with one of our subsidiaries.	Chairman
Saad Al-Fadly	Najm Almrzm Company for Investment (“Mrzm”)	Managing Investments, licensed by the Capital Market Authority, which is a competitive business with one of our subsidiaries.	Chairman
Mohammed Al-Omran			Board Member

Arrangements for shareholders’ waiver of rights to dividends

The Bank is not aware of any information on any arrangements or agreements for the waiver of their rights to dividends by any shareholder of the Bank.

Notification relating to substantial shareholdings

During the year, the Bank did not receive any notification from shareholders or relevant persons regarding the change in their ownership of the Bank’s shares in accordance with the disclosure requirements of the listing rules issued by the Capital Market Authority. Below are schedules of share ownership of major shareholders, Directors of the Board and Senior Executives or their spouses and minor children in shares or equity.

Description of any interest, option rights and subscription rights of major shareholders

Name of stakeholders	Number of shares		Change		
	01 January 2025	31 December 2025	Shares	%	Ownership %
HSBC Holdings B.V.	636,986,300	636,986,300	-	-	31%
Olayan Saudi Investment Company Ltd	418,738,739	422,208,905	3,470,166	0.82%	20.55%

Rights of the shareholders

In line with the relevant regulations, and as a general rule, the Bank ensures that the shareholders have the ability to exercise their rights completely, including their right to give feedback about the Bank and its performance through General Meetings and the share registry unit.

Bank requests for shareholders’ register

The Bank regularly requests information on the constituents of the shareholder base from the Tadawul Stock Exchange. The request log is detailed below.

No.	Date	Reason
1	30 January 2025	Update of shareholder record
2	17 February 2025	Update of shareholder record
3	27 February 2025	Update of shareholder record
4	27 March 2025	Update of shareholder record
5	23 April 2025	Update of shareholder record
6	29 April 2025	Update of shareholder record
7	04 May 2025	Dividend entitlement
8	04 May 2025	Update of shareholder record
9	05 May 2025	Update of shareholder record
10	29 May 2025	Update of shareholder record
11	04 June 2025	Update of shareholder record
12	30 June 2025	Update of shareholder record
13	08 July 2025	Update of shareholder record
14	31 July 2025	Update of shareholder record
15	19 August 2025	Update of shareholder record
16	24 August 2025	Dividend entitlement
17	31 August 2025	Update of shareholder record
18	22 September 2025	Update of shareholder record
19	30 September 2025	Update of shareholder record
20	30 October 2025	Update of shareholder record
21	02 December 2025	Update of shareholder record
22	03 December 2025	Update of shareholder record
23	31 December 2025	Update of shareholder record

Compliance with the corporate governance regulation

SAB complies in form and content with all corporate governance guidelines included in the Corporate Governance Regulations issued by the CMA with the exception of Article 92 (more details can be found below). This commitment has resulted in the inclusion of the compulsory requirements in the Bank’s Bylaws, and internal policies and guidelines. These include establishment of the rights of shareholders to purchase and own shares and to participate in General Assembly Meetings; the provision of all information that ensures shareholders can exercise their rights; the disclosure of financial and non-financial information and the complete observance of transparency requirements in line with the regulatory requirements; and the definition of the liabilities of the Board of Directors and formation of its various committees under terms of reference that are in line with the regulatory guidelines.

Article	Requirement	Reason for non-compliance by the Bank
92	Formation of a Corporate Governance Committee (Guiding Article)	The Nomination and Remuneration Committee, in line with its terms of reference, is entrusted with the periodical revisions to ensure consistency of the applications and structures of governance adopted by the Bank and to present their recommendations to the Board on such matters.

SAB General Meetings

During 2025, SAB held two Ordinary General Meetings on 30 April 2025 (Annual General Meeting) via online platform with the required quorum and attendance of 76.28% of shareholders, and 08 December 2025 (Ordinary General Assembly Meeting) via online platform with the required quorum and attendance of 76.59% of shareholders. The results of the meetings are publicly available on the Saudi Stock Exchange website (https://www.saudiexchange.sa/)

General Assembly Meetings

Board of Directors attendance

The following table shows the details of meetings and the attendance of Directors during the year.

Board Director	30 April 2025	08 December 2025
Ms. Lubna S. Olayan	✓	✓
Mr. Saad Al-Fadly	–	✓
Mr. Mohammed Almaraj	✓	✓
Eng. Mohammed Al-Omran	✓	✓
Mr. Ahmed Al-Aulaqi	✓	✓
Mr. Martin Powell	✓	✓
Mr. Stuart Gulliver	✓	✓
Mr. Sulaiman Al-Gwaiz	✓	✓
Mr. Tony Cripps	✓	✓
Mr. Surendranath Ravi Rosha *	✓	✓
Mr. Samir Assaf	✓	✓

*Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Directors' and Senior Executives' Interests

Directors' interests (including relatives)

	Number of shares		Change	
Name of stakeholder	01 January 2025	31 December 2025	Shares	%
Ms. Lubna S. Olayan	150,000	150,000	-	0
Mr. Mohammed Almaraj	-	-	-	-
Eng. Mohammed Al-Omran	52,229,643	52,229,643	-	0
Mr. Saad Al-Fadly	-	-	-	-
Mr. Samir Assaf	-	-	-	-
Mr. Ahmed Al-Aulaqi	1,677	1,677	-	0
Mr. Martin Powell	-	-	-	-
Mr. Surendranath Ravi Rosha *	-	-	-	-
Mr. Stuart Gulliver	-	-	-	-
Mr. Sulaiman Al-Gwaiz	32,966	70,889	37,923	>100
Mr. Tony Cripps	-	-	-	-

* Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Senior Executives' interests (including relatives)

	Number of shares		Change	
Name of Senior Executives	01 January 2025	31 December 2025	Shares	%
Mr. Tony Cripps	-	-	-	-
Ms. Lama Ghazzaoui	-	-	-	-
Ms. Faten Abalkhail	-	-	-	-
Mr. Mohammed Al-Shaikh	300,000	404,140	104,140	35
Mr. Bandar Algheshayan	77,975	164,504	86,529	>100
Mr. Khalid Ismail	91,644	181,383	89,739	98
Mr. Faris Alshareef	25,013	6,840	(18,173)	(73)
Mr. Yasser Albarrak	170,113	210,428	40,315	24
Ms. Ghada Aljarbou	47,010	535,505	488,495	>100
Mr. Musaifer Alosaimi	209,445	238,570	29,125	14
Ms. Rania Alsharyoufi	24,846	92,441	67,595	>100
Mr. Saeed Assiri	-	8,017	8,017	NM
Mr. Abdullah Alqahtani	-	3,490	3,490	NM
Mr. Ali Alqahtani	-	-	-	-
Ms. Reema Alhamoud*	-	-	-	-

*Ms. Reema Alhamoud was appointed as Chief Legal Officer commencing 19 Jan 2025.

Remuneration

In accordance with the highest standards of corporate governance and in compliance with global best practices and regulatory requirements, the remuneration policy was revised and approved at the Ordinary General Assembly on 08 December 2025.

SAB's remuneration policy for Board Directors, Committee members and Executive Management is set in accordance with regulatory provisions issued by the supervisory authorities. The policy sets out clear standards regarding the remuneration of members of the Board of Directors, its Committees, and the Executive Management.

The remuneration of the members of the Board of Directors is determined based on SAB's remuneration policy and the recommendation of the Nomination and Remuneration Committee.

There is no material deviation between the remunerations paid to the Directors and SAB's remuneration policy.

There are no arrangements or agreements under which any member of the Board of Directors nor any of the members of the committees and Senior Executives have waived any remuneration.

The remuneration of Independent Board members is not linked to the Bank's profits, in accordance with the guidance of the Capital Market Authority.

The compensation is paid towards the end of the year. During 2025, none of the Board or Board Committee members have assumed any work in a technical or advisory role, and therefore they did not obtain any consideration or special benefits in this respect.

The following tables show details of remuneration paid to Board and Board Committee members and Senior Executives of the Bank during the year.

Remuneration continued

Board Remuneration

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 Chair, Managing Director or Secretary if a Managing Director or Secretary if a	Total (⃁'000)	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End-of-service award	Aggregate amount	Expenses allowance
	Fixed remunerations ⃁'000s							Variable remunerations ⃁'000s								
First: Independent Directors																
Mr. Ahmed Al-Aulaqi	1,100						1,100									
Mr. Sulaiman Al-Gwaiz	1,100						1,100									
Mr. Mohammed Almaraj	1,100						1,100									
Mr. Martin Powell	1,100						1,100									
Mr. Stuart Gulliver	1,100						1,100									
Total	**5,500**						**5,500**									
Second: Non-Executive Directors																
Ms. Lubna S. Olayan	1,100						1,100									
Mr. Saad Al-Fadly	1,100						1,100									
Eng. Mohammed Al-Omran	1,100						1,100									
Mr. Surendranath Ravi Rosha*	684						684									
Mr. Samir Assaf	1,100						1,100									
Total	**5,084**						**5,084**									
Third: Executive Directors																
Mr. Tony Cripps	-	-	-				-									

*Mr. Surendranath Ravi Rosha was appointed as Non-Executive Director commencing 19 May 2025.

Committee remuneration

The following amounts are received by all Board committee members.

	Fixed remuneration (except for the allowance for attending meetings)	Allowance for attending meetings	Total (⃁'000)
Audit Committee			
Mr. Martin Powell	300		300
Dr. Maysa Basoudan	400		400
Mr. Abdullah Al-Faifi	400		400
Mr. Andrew Jackson	400		400
Nomination and Remuneration Committee			
Mr. Ahmad Al-Aulaqi	200		200
Ms. Lubna Olayan	150		150
Mr. Samir Assaf	150		150
Mr. Saad Al-Fadly	150		150
Mr. Stuart Gulliver	150		150
Board Risk Committee			
Mr. Sulaiman Al-Gwaiz	300		300
Mr. Stuart Gulliver	250		250
Mr. Martin Powell	250		250
Mr. Abdulhameed Al-Muhaidib	400		400
Mr. Gareth Thomas	400		400
Executive Committee			
Ms. Lubna S. Olayan	300		300
Mr. Sulaiman Al-Gwaiz	250		250
Eng. Mohammed Al-Omran	250		250
Mr. Tony Cripps	-		-
Mr. Mohammed Almaraj	250		250
Technology and Digital Committee			
Dr. Deema Alalthel	500		500
Mr. Suleyman Selim Kervanci*	249		249
Mr. Tony Cripps	-		-
Mr Mohammed Almaraj	150		150
Shariah Committee			
Sheikh Dr. Abdullah Al-Mutlaq	500		500
Sheikh Dr. Esam Al-Enezi	400		400
Sheikh Dr. Abdullah Al-Aydhy	400		400

*Mr. Suleyman Selim Kervanci was appointed as Non-Board member commencing 19 May 2025

Remuneration continued

Top five Senior Executives (including Chief Executive Officer* and Chief Financial Officer)

Fixed remunerations (⃁'000)				Variable remunerations (⃁'000)								
Salaries	Allowances	In-kind benefits[2]	Total	Periodic remunerations[1]	Profits	Short-term incentive plans	Long-term incentive plans[3]	Granted shares (insert the value)	Total	End-of-service award (⃁'000)	Total remunerations for Board Executives, if any (⃁'000)	Aggregate amount (⃁'000)
11,567	2,578	1,535	15,679	19,326	-	-	8,314	15,074	42,714	-	-	58,393

1. Includes both cash and deferred bonus and cash dividends.
2. Includes end-of-service benefit for resigned Senior Executives, education benefit and accommodation rent.
3. Long-term incentive plans include the talent retention schemes.
4. The CEO is also an Executive Director.

Remuneration continued

Arrangements for Directors' or Senior Executives' waiver of salaries or remuneration

The Bank is not aware of information on any arrangements or agreements for the waiver by any Director of the Board or any Senior Executive of any salaries, awards, or remuneration.

Staff benefits and schemes

SAB conducts an annual independent review internally through Internal Audit or externally commissioned by a recognised firm to assess the compliance with SAMA Banks' remuneration rules and with any relevant Laws, Regulations, Principles and Standards, as well as the bank's internal policies that are prepared according to these rules. The results of this review and the action plan are presented to the Nomination and Remuneration Committee and subsequently submitted to SAMA, along with management reports. This is in alignment with the guidance issued by both SAMA and the Financial Stability Board.

In accordance with the Labour Law of the Kingdom of Saudi Arabia and SAB's internal policies, employee end-of-service benefits are payable upon the conclusion of an employee's tenure. The end-of-service benefits outstanding as at the end of 2025 amount to ⃁ 965 mln.

SAB has in place share-based equity settled bonus payment plans for eligible employees, which were outstanding as of the end of the year. Under the terms of these plans, eligible employees are granted shares at a predetermined price. On the respective vesting dates, SAB delivers the allotted shares to the employees once vesting terms and conditions have been satisfactorily met.

The cost of the plans is recognised over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares (the vesting date). At each reporting date, the cumulative expense recognised for these plans up until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

At present, the Bank operates three share-based equity plans. The bonus deferral programme under these plans were initiated at various dates during 2023, 2024, and 2025. These plans have a three-year maturity period from the respective grant dates, with shares vesting occurring in three portions: 33%, 33% and 34% in the first year, second year and third year respectively. Additionally, SAB operates two long-term incentive plans. One plan, concluded in Q1 2025, had a maturity of four years of the respective grant date. Under this plan, awards vested as 30%, 20% and 40% in shares, with the remaining as cash rewards. The second plan applies cliff vesting after a maturity of either two or three years, with the final vesting scheduled for Q1 2027.

As per the settlement terms of these plans, the ownership of these shares will transfer to the employees upon the respective vesting dates, subject to successful completion of the vesting conditions.

The movement in the number of shares under Share Based Equity settled plans is detailed in the following table.

Movement in the number of shares under the share-based equity settled plans

	2025	2024
Beginning of the year	**3,811,884**	**2,677,932**
Forfeited	(50,667)	(75,009)
Exercised or expired	(1,639,242)	(1,452,637)
Granted during the year	1,878,167	2,661,598
End of the year	**4,000,142**	**3,811,884**

The weighted average price of shares granted during the year was ⃁ 32.44 (2024: ⃁ 34.61).

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

Number of treasury stocks	Market value (⃁)	Date of holding	Details of uses
5,181,834	167,787,784.92	31 Dec 2025	The Bank acquires its own shares in connection with the actual grant of shares to key Management for the future. Until such time as the beneficial ownership of such shares in the Bank passes to the employees, the unallocated/non-vested shares are treated as treasury shares, to be used to fund future employee share-based equity plans.

Legal Entity Structure

Company name	Ownership interest	Business activity	Share capital	Country of incorporation
Arabian Real Estate Company Limited	100%	Engaged in the real estate activities with own and leased property	⃁ 1,000,000	Saudi Arabia
SAB Markets Limited	100%	Engaged in derivatives trading and repo activities	USD 50,000	Cayman Island
SAB Invest	100%	Engaged in security activities related to dealing, managing, arranging, advising, and taking custody of securities	⃁ 840,000,000	Saudi Arabia
Alawwal Real Estate Company	100%	Engaged in the real estate activities with own and leased property	⃁ 500,000	Saudi Arabia
HSBC Saudi Arabia	49%	Engaged in the full range of securities activities related to dealing, managing, arranging, advising, and taking custody of securities	⃁ 500,000,000	Saudi Arabia
Saudi Kayan Assets Leasing Company	50%	SAB has participated in this structured entity for the purpose of affecting syndicated loan transactions in the Kingdom of Saudi Arabia and securing collateral rights over specific assets of the borrowers of those facilities under Islamic financing structures	⃁ 500,000	Saudi Arabia

Note: The Bank assures there is no debt securities in issue for any of these subsidiaries.

Appointment of External Auditors

The Extraordinary General Assembly Meeting of the Bank held on 08 December 2025 endorsed the selection of both Price Waterhouse Cooper (PwC) and Ernst & Young (EY) as external auditors to audit the Bank's consolidated financial statements and review quarterly interim condensed financial statements for the year ended 31 December 2025, in line with the recommendations of AUCOM.

Accounting standards

The consolidated financial statements as at and for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in KSA and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA); and are in compliance with the provisions of the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia, and the Bank's Bylaws.

Debt Securities in Issue and Other Borrowings

In line with the Bank's continued efforts to strengthen its capital adequacy position, diversification of sources of funds, the Bank has issued the following debt securities.

Tier II Capital Sukuk: During the year ended 31 December 2025, the Bank obtained the necessary approvals from the Saudi Central Bank for exercising its call option on its ⃁ 5 billion Tier 2. The Sukuk was redeemed at face value (100% of issue price) at the end of 5 years from issuance.

On 04 September 2025, the Bank issued USD 1.25 billion (equivalent to ⃁ 4.688 billion) Tier 2 Notes, under the Group's Medium-Term Note Programme (the 'International Programme'). The Notes are unsecured and due in 2035, with SAB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the International Programme. The Notes carry special commission expense rate of 5.95% (fixed rate) payable semi-annually.

In addition, SAB issued certificate of deposits (CDs) under its CDs programme of USD 0.58 billion (equivalent to ⃁ 2.165 billion) and entered into an arrangement of bilateral borrowings (term loans) of USD 0.25 billion (equivalent to ⃁ 0.938 billion) during the year ended 31 December 2025.

Additional Tier I (AT1): On 31 October 2023, the Bank issued a ⃁ 4 billion AT1 Capital Sukuk (⃁ denominated) perpetual sukuk, callable after five years. The sukuk carries an effective rate of three months SAIBOR plus 125 bps payable on a quarterly basis.

On 12 December 2024, the Bank issued another ⃁ 4 billion AT1 Capital Sukuk (⃁ denominated). Two tranches have been issued, the fixed tranche of ⃁ 3.65 billion carries a rate of 6.07% and the floating tranche of ⃁ 0.35 billion carries an effective rate of 3 months SAIBOR plus 134bps.

On 21 May 2025, the Bank issued USD 0.65 billion (equivalent to ⃁ 2.438 billion) AT1 Capital perpetual sukuk, callable after five years. The sukuk carries a fixed rate of 6.5% payable on a semi-annual basis.

On 24 July 2025, the Bank issued ⃁ 2 billion AT1 Capital Sukuk (⃁ denominated) perpetual sukuk, callable after five years. The sukuk carries a fixed rate of 6.3% payable on a quarterly basis.

The applicable profit rate on the AT1 Sukuk is payable on each periodic distribution date, except in the event 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 elections are not considered to be events of default. The ⃁ denominated sukuks are registered on Tadawul, whereas the USD denominated sukuk is registered on London Stock Exchange (LSE).

Syndicated borrowing

There are currently no outstanding syndicated loans.

Statutory Payments

Statutory payments payable by the Bank during 2025 consist of Zakat payable by Saudi shareholders, tax payable by foreign partners, and the amounts payable to the General Organisation for Social Insurance (GOSI).

	⃁'000
Advance tax paid to ZATCA pertaining to the year 2025	(384,624)
Corporate income tax paid to ZATCA pertaining to the year 2024	(187,116)
Zakat paid to ZATCA pertaining to the year 2024	(651,808)
GOSI payments	(188,455)
Withholding tax	(154,451)
Value Added Tax	(401,435)
Other payments	(23,248)

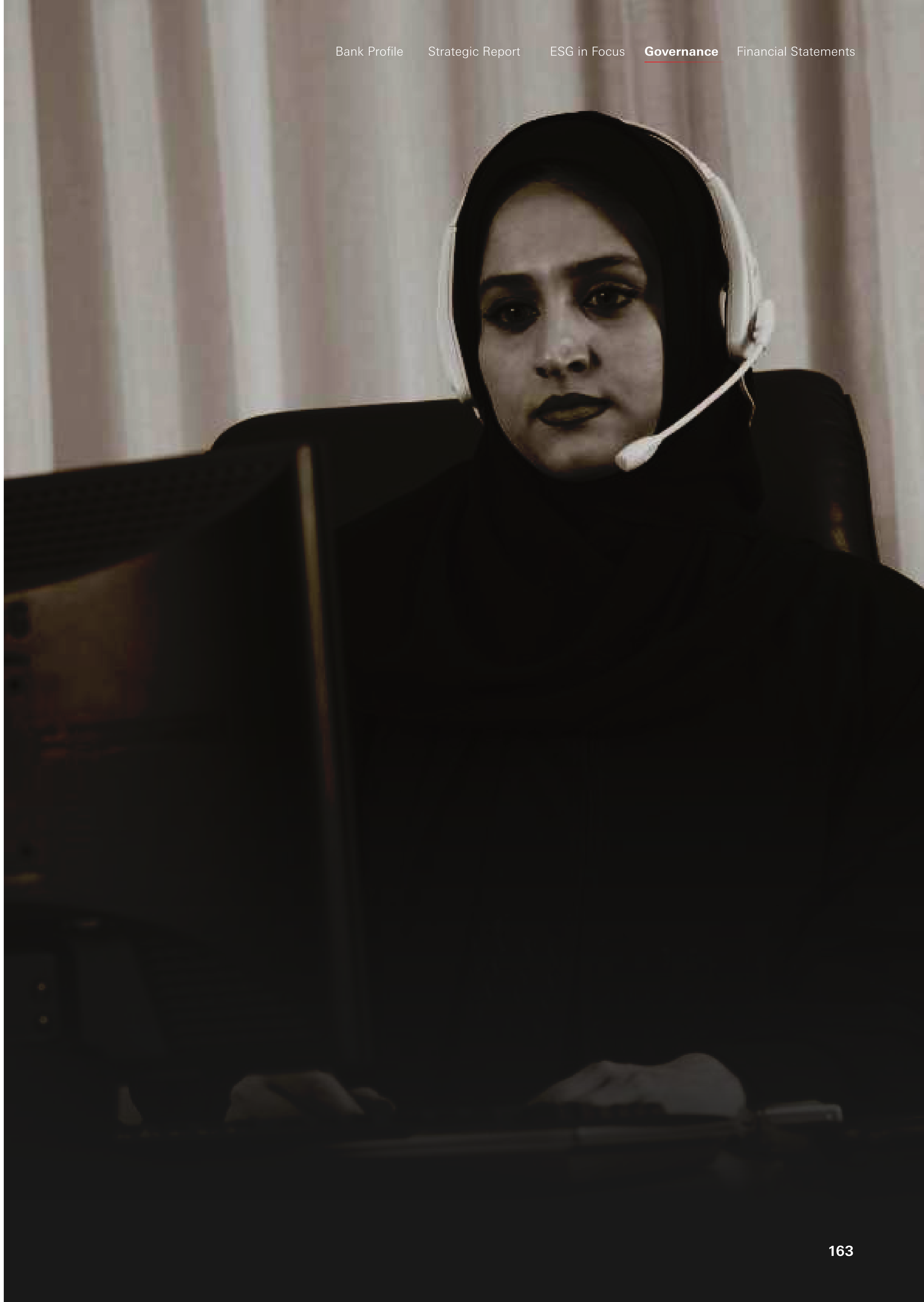
Penalties

The table below includes penalties imposed by SAMA on SAB during 2024 and 2025. Various corrective and preventative measures have been taken with respect to changes in processes, policies, and procedures to avoid such violations and ensure compliance with the SAMA regulations.

	2024		2025	
Subject of violation	**Number of penalties**	**Fine (⃁)**	**Number of penalties**	**Fine (⃁)**
Violation of SAMA's supervisory instructions	15	6,130,100	15	3,958,900
Violation of SAMA's instructions for customer protection	1	678,000	3	689,000
Violation of SAMA's instructions regarding the level of performance of – ATMs and POS	1	25,000	1	15,000
Violation of SAMA's instructions for due diligence in AML and CTF	1	205,000	-	-
Total	18	7,038,100	19	4,662,900

Penalties imposed by other regulatory authorities 2025

Reason for penalty	Authority	Amount (⃁)	Measures undertaken to remedy, and avoid, the penalties imposed
Displaying visible signs at the premises that it is equipped with cameras	Ministry of Interior	1,000	Adequate measures including enhancement of related process and procedures have been taken to ensure adherence with applicable requirements.
Reporting Tax on one-off exceptional Transaction	ZATCA	15,123.92	Adequate measures including enhancement of related process and procedures have been taken to ensure adherence with applicable requirements.



05

Financial Statements

PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
CR no. 1010371622, UN No.7000928734, Capital of 500,000 SAR National address: 2537 Mohammad Ibn Fuhayd St secondary no. 7912, West Umm Al Hamam Dist, postal code 12329 Riyadh, Kingdom of Saudi Arabia

T: +966 (11) 211-0400
F: +966 (11) 211-0401

www.pwc.com

Shape the future with confidence

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000) (Five million and five hundred thousand Saudi Riyal)
Head Office
Financial Boulevard 3126, Al Aqeeq Dist.
6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Unified No. 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

Independent Auditors' Report

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Saudi Awwal Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which include material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("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 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. For each matter below, a description of how our audit addressed the matter is provided in that context:

Shape the future with confidence

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Expected credit loss allowance against loans and advances and credit related commitments and contingencies	
As at 31 December 2025, gross loans and advances and credit related commitments and contingencies of the Group were Saudi Arabian Riyals (SAR) 305.83 billion and SAR 207.47 billion respectively against which provision for expected credit losses ("ECL") of SAR 7.20 billion and SAR 1.09 billion were maintained, respectively. We considered the above as a key audit matter, as the determination of provision for 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 loans into Stages 1, 2 and 3 based on the identification of: (a) exposures with a significant increase in credit risk ("SICR") since their origination; and (b) individually impaired / defaulted exposures. The Group has applied additional judgments to identify and estimate the likelihood of borrowers experiencing SICR due to the current economic outlook. 2. Assumptions used in the ECL models for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") including, but not limited to, assessment of 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.	● We obtained and updated our understanding of management's assessment of the provision for ECL against loans and advances and credit related commitments and contingencies, including the Group's internal rating model, accounting policy and model methodology, considering any key changes made during the year. ● We compared the Group's accounting policy on the provision for ECL and the ECL methodology with the requirements of IFRS 9. ● We assessed the design and implementation, and on a sample basis tested the operating effectiveness of key controls (including relevant IT general and application controls) over: ○ the ECL models, including governance over the models and their updates performed during the year, including approval by the IFRS 9 Committee of the key inputs, assumptions and post model overlays; ○ the classification of loans and advances and credit related commitments and contingencies into Stages 1, 2 and 3 and timely identification of SICR and the determination of default / individually impaired exposures; ○ the IT systems and applications supporting the ECL models; and ○ the integrity of data inputs into the ECL models. ● For a sample of customers, we assessed: ○ the internal ratings determined by management for corporate loans, based on the Group's internal rating model, and considered these assigned ratings in the light of external market conditions and available industry information. We also confirmed that these were consistent with the ratings used as inputs in the ECL models; and ○ management's computation of provision for ECL.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Expected credit loss allowance against loans and advances and credit related commitments and contingencies (continued)	
3. The need to apply post model adjustments using expert credit judgment to reflect all relevant risk factors that might not have been captured by the ECL models. The application of these judgments and estimates results in greater estimation uncertainty, and the associated audit risk regarding the provision for ECL calculation as at 31 December 2025. *Refer to note 1.1f(i) to the consolidated financial statements for the disclosure of critical accounting judgments, estimates and assumptions relating to provision for ECL on financial assets, loan commitments and financial guarantee contracts and the ECL methodology used by the Group; note 2B(v) and (vi) for the material accounting policies of the impairment of financial assets and financial guarantees and loan commitments; note 6 for the provision of ECL against loans and advances; note 20 for the provision of ECL against loan commitments and financial guarantee contracts and note 31(ii) for details of credit quality analysis and key assumptions and factors considered in the determination of provision for ECL.*	• For selected loans, we evaluated management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any. • We assessed the appropriateness of the Group's criteria for the determination of SICR and identification of "default" or "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 loan portfolio. • We assessed the governance process implemented and the qualitative factors considered by the Group when applying any overlays or making any adjustments to the output from the ECL models, due to data or model limitations or otherwise. • We assessed the reasonableness of the underlying assumptions used by the Group in the ECL models, including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios. • We tested the completeness and accuracy of data supporting the provision for ECL calculations as at 31 December 2025. • Where required, we involved our internal experts to assist us in evaluating models calculations, interrelated inputs (including EADs, PDs and LGDs) and assessing the reasonableness of assumptions used in the ECL models, particularly around macroeconomic variables, and probability weights. • We assessed the adequacy of disclosures in the consolidated financial statements.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Derivative financial instruments and hedge accounting	
The Group has entered into various derivative transactions, including special commission rate swaps ("swaps"); commodity swaps ("swaps"); special commission rate options ("options"); currency swaps ("swaps"); forward foreign exchange contracts ("forwards") and other derivative contracts. Swaps, options, forwards and other derivative contracts include over-the-counter ("OTC") derivatives, and the valuation of these contracts is subjective as it takes into account a number of assumptions and model calibrations. The majority of these derivatives are held for trading. However, the Group utilises certain derivatives for hedge accounting purposes in the consolidated financial statements for hedging cash flows or fair value risks. An inappropriate valuation of derivatives could have a material impact on the consolidated financial statements and, in case of hedge ineffectiveness, impact the hedge accounting as well. We considered this as a key audit matter, as there is complexity and subjectivity involved in determining the valuation and, where appropriate, hedge effectiveness. As at 31 December 2025, the positive and negative fair values of derivatives held by the Group amounted to SAR 2.41 billion and SAR 2.27 billion respectively. *Refer to the basis of preparation note 1.1f(ii) to the consolidated financial statements for the disclosure of critical accounting judgments, estimates and assumptions regarding fair value measurement; note 2.D for the material accounting policies relating to derivative financial instruments and hedge accounting; and note 11 for the derivative positions as at the reporting date.*	• We assessed the design and implementation, and on a sample basis tested the operating effectiveness of the key controls over management's process for valuation of derivatives and hedge accounting, including testing of relevant automated and manual controls covering the fair valuation process for derivatives. • We selected a sample of derivatives and: ○ tested the accuracy of system bookings by comparing the terms and conditions with relevant agreements and deal confirmations; ○ involved our internal experts to assist us in assessing the appropriateness of the key inputs to the derivative valuation models; ○ involved our internal experts to assist us in re-performing valuations of the derivatives and compared the result with management's valuation; and ○ considered the hedge effectiveness performed by the Group and assessed the related hedge accounting. • We assessed the adequacy of disclosures regarding the valuation basis in accordance with IFRS 13 as endorsed in the Kingdom of Saudi Arabia and inputs used in the fair value measurement as detailed in the consolidated financial statements.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Carrying value of goodwill	
As at 31 December 2025, the Group's goodwill balance amounted to SAR 8.78 billion. Management performed a goodwill impairment test as at the reporting date. We considered the impairment assessment of goodwill as a key audit matter because it involves the determination of value in use ("VIU") and subjectivity surrounding the allocation of goodwill to individual CGUs. The VIU calculations are based on future forecasts, which are inherently uncertain, require significant judgment and are subject to the risk of management bias. Aside from profit forecasts, other significant judgments included in the VIU are discount rates and macroeconomic assumptions such as long-term growth rates. Consequently, there is a risk that if the judgments and assumptions underpinning the impairment assessment are inappropriate, then the carrying amount of goodwill balance may be misstated. *Refer to the basis of preparation note 1.1f(iii) to the consolidated financial statements for the disclosure of critical accounting judgments, estimates and assumptions regarding the impairment of the goodwill; note 2H(i) for the material accounting policies for the impairment policy for goodwill; and note 9 for the disclosure of the impairment testing of goodwill.*	• We obtained an understanding of management's processes for impairment assessment and evaluated the design and implementation of controls. • We assessed whether the identification of the cash generating units ("CGUs") and the allocation of the goodwill to individual CGUs is appropriate and reflects our understanding of the business and how it operates. • We perused the strategic / operating plan as approved by the Board of Directors and checked that forecast information used in the goodwill impairment assessment conducted by management was consistent with this plan. • We evaluated the reasonableness of the VIU calculations and the underlying assumptions and engaged our internal valuation experts to independently assess the long-term profit growth rate and discount rate using relevant market data and external benchmarks. • We evaluated the sensitivity of the VIU model to changes in key assumptions that are; long-term profit growth rate and discount rate by assessing outcomes within a reasonably possible range. • We assessed the adequacy of disclosures in the consolidated financial statements.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

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 Group's 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 provisions 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 Board of Directors and Audit Committee are 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.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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's 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's 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.

Independent Auditors' Report (continued)

To the Shareholders of Saudi Awwal Bank (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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, 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 provisions 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	Ernst & Young Professional Services
Mufaddal A. Ali Certified Public Accountant License number: 447	**Ahmed Ibrahim Reda** Certified Public Accountant License number: 356

27 Sha'ban 1447
(15 February 2026)

Saudi Awwal Bank

Consolidated Statement of Financial Position

As at 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

	Notes	2025 ⃁'000	2024 ⃁'000 (Restated)*
ASSETS			
Cash and balances with Saudi Central Bank ('SAMA')	3	23,840,096	17,362,692
Due from banks and other financial institutions, net	4	2,878,181	3,429,772
Investments, net	5, 41	107,641,898	99,572,794
Positive fair value of derivatives, net	11	2,405,729	2,631,208
Loans and advances, net	6	298,626,505	259,345,516
Investment in an associate	7	399,507	463,350
Property, equipment and right of use assets (ROU), net	8	3,586,736	4,087,561
Goodwill and other intangibles, net	9	11,219,326	10,660,468
Other assets	10	3,856,506	3,050,018
Total assets		**454,454,484**	**400,603,379**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	12	25,700,960	40,996,981
Customers' deposits	13	323,273,854	267,010,659
Negative fair value of derivatives, net	11	2,273,572	2,546,204
Debt securities in issue and term loans	14	7,895,554	5,178,059
Other liabilities	15	15,972,005	15,424,723
Total liabilities		**375,115,945**	**331,156,626**
EQUITY			
Equity attributable to equity holders of the Bank			
Share capital	16	20,547,945	20,547,945
Share premium		8,524,882	8,524,882
Statutory reserve	17	20,547,945	20,547,945
Other reserves	18, 41	(354,432)	(1,900,284)
Retained earnings	41	17,685,699	11,706,470
Proposed dividends		-	2,054,795
Total equity attributable to equity holders of the Bank		**66,952,039**	**61,481,753**
Additional Tier 1 Sukuk	19	12,386,500	7,965,000
Total equity		**79,338,539**	**69,446,753**
Total liabilities and equity		**454,454,484**	**400,603,379**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

*Refer to note 41

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank

Consolidated Statement of Income

For the year ended 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

	Notes	2025 ⃁'000	2024 ⃁'000 (Restated)*
Special commission income	21, 41	22,362,510	20,609,021
Special commission expense	21	(10,735,966)	(9,477,916)
Net special commission income		**11,626,544**	**11,131,105**
Fee and commission income	22, 41	4,247,539	3,880,761
Fee and commission expense	22, 41	(2,920,915)	(2,538,804)
Net fee and commission income		**1,326,624**	**1,341,957**
Exchange income, net		1,086,595	1,132,874
Gain from FVSI financial instruments, net	23	563,326	554,929
Dividend income		26,535	7,323
Gain / (loss) on FVOCI debt instruments, net		94,497	(60,924)
Gain / (loss) on amortised cost investments, net		2,021	(41,808)
Other operating income		117,592	69,549
Other operating expense		(119,771)	(117,333)
Net other operating income		**(2,179)**	**(47,784)**
Total operating income		**14,723,963**	**14,017,672**
Provision for expected credit losses, net	31(i) (a)	(703,514)	(566,063)
Operating expenses			
Salaries and employee related expenses	24	(2,418,677)	(2,271,876)
Rent and premises related expenses		(84,804)	(77,818)
Depreciation and amortization	8,9	(711,910)	(546,646)
General and administrative expenses	25	(1,246,915)	(1,394,556)
Total operating expenses		**(4,462,306)**	**(4,290,896)**
Income from operating activities		**9,558,143**	**9,160,713**
Share in earnings of an associate	7	141,012	205,369
Net income for the year before Zakat and income tax		**9,699,155**	**9,366,082**
Provision for income tax	27	(551,101)	(629,817)
Provision for Zakat	27	(695,960)	(665,804)
Net income for the year after Zakat and income tax		**8,452,094**	**8,070,461**
Basic and diluted earnings per share (in ⃁)	**26**	**3.81**	**3.78**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

*Refer to note 41

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

	Notes	2025 ⃁'000	2024 ⃁'000
Net income for the year after Zakat and income tax		**8,452,094**	**8,070,461**
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to consolidated statement of income in subsequent years			
Net changes in fair value of FVOCI equity instruments	18	123,080	113,805
Re-measurement of defined benefit liability	18, 29	(90,723)	62,470
Items that will be reclassified to consolidated statement of income in subsequent years			
Debt instrument at FVOCI:			
Net changes in fair value, net	18	1,488,132	(1,261,373)
Transfer to consolidated statement of income, net	18	(64,235)	60,924
Cash flow hedges:			
Net changes in fair value	18	25,357	(249,308)
Transfer to consolidated statement of income, net	18	-	1,171
Total other comprehensive income / (loss)		**1,481,611**	**(1,272,311)**
Total comprehensive income for the year		**9,933,705**	**6,798,150**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

		Attributable to equity holders of the Bank								
2025	**Note**	**Share Capital ⃁'000**	**Share premium ⃁'000**	**Statutory reserve ⃁'000**	**Other reserves ⃁'000**	**Retained Earnings ⃁'000**	**Proposed dividends ⃁'000**	**Total ⃁'000**	**Additional Tier 1 Sukuk ⃁'000**	**Total Equity ⃁'000**
Balance at the beginning of the year		**20,547,945**	**8,524,882**	**20,547,945**	**(2,818,768)**	**11,464,384**	**2,054,795**	**60,321,183**	**7,965,000**	**68,286,183**
Effect of restatement	41	-	-	-	918,484	242,086	-	1,160,570	-	1,160,570
Balance at the beginning of the year (restated)		**20,547,945**	**8,524,882**	**20,547,945**	**(1,900,284)**	**11,706,470**	**2,054,795**	**61,481,753**	**7,965,000**	**69,446,753**
Total comprehensive income / (loss) for the year										
Net income for the year after Zakat and income tax		-	-	-	-	8,452,094	-	8,452,094	-	8,452,094
Net changes in fair value of cash flow hedges	18	-	-	-	25,357	-	-	25,357	-	25,357
Net changes in fair value of FVOCI equity instruments	18	-	-	-	123,080	-	-	123,080	-	123,080
Net changes in fair value of FVOCI debt instruments	18	-	-	-	1,488,132	-	-	1,488,132	-	1,488,132
Re-measurement of defined benefit liability	18, 29	-	-	-	(90,723)	-	-	(90,723)	-	(90,723)
Transfer to consolidated statement of income, net	18	-	-	-	(64,235)	-	-	(64,235)	-	(64,235)
		-	-	-	**1,481,611**	**8,452,094**	-	**9,933,705**	-	**9,933,705**
Employee share plan reserve net charge and shares vested		-	-	-	64,241	-	-	64,241	-	64,241
Additional Tier 1 Sukuk payments		-	-	-	-	(625,238)	-	(625,238)	-	(625,238)
Additional Tier 1 Sukuk issued	19	-	-	-	-	-	-	-	4,421,500	4,421,500
Additional Tier 1 Sukuk issuance cost	19	-	-	-	-	(20,505)	-	(20,505)	-	(20,505)
2025 interim dividend, net of Zakat and income tax	16	-	-	-	-	(2,089,619)	-	(2,089,619)	-	(2,089,619)
2024 final dividend, net of Zakat and income tax	16	-	-	-	-	262,497	(2,054,795)	(1,792,298)	-	(1,792,298)
Balance at the end of the year		**20,547,945**	**8,524,882**	**20,547,945**	**(354,432)**	**17,685,699**	**-**	**66,952,039**	**12,386,500**	**79,338,539**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

		Attributable to equity holders of the Bank								
2024 (Restated)*	**Note**	**Share Capital ⃁'000**	**Share premium ⃁'000**	**Statutory reserve ⃁'000**	**Other reserves ⃁'000**	**Retained Earnings ⃁'000**	**Proposed dividends ⃁'000**	**Total ⃁'000**	**Additional Tier 1 Sukuk ⃁'000**	**Total Equity ⃁'000**
Balance at the beginning of the year		**20,547,945**	**8,524,882**	**20,547,945**	**(1,414,343)**	**9,708,134**	**-**	**57,914,563**	**3,985,000**	**61,899,563**
Effect of restatement	41	-	-	-	918,484	242,086	-	1,160,570	-	1,160,570
Balance at the beginning of the year (restated)		**20,547,945**	**8,524,882**	**20,547,945**	**(495,859)**	**9,950,220**	**-**	**59,075,133**	**3,985,000**	**63,060,133**
Total comprehensive income / (loss) for the year										
Net income for the year after Zakat and income tax		-	-	-	-	8,070,461	-	8,070,461	-	8,070,461
Net changes in fair value of cash flow hedges	18	-	-	-	(249,308)	-	-	(249,308)	-	(249,308)
Net changes in fair value of FVOCI equity instruments	18	-	-	-	113,805	-	-	113,805	-	113,805
Net changes in fair value of FVOCI debt instruments	18	-	-	-	(1,261,373)	-	-	(1,261,373)	-	(1,261,373)
Re-measurement of defined benefit liability	18, 29	-	-	-	62,470	-	-	62,470	-	62,470
Transfer to consolidated statement of income, net	18	-	-	-	62,095	-	-	62,095	-	62,095
				-	**(1,272,311)**	**8,070,461**	**-**	**6,798,150**	**-**	**6,798,150**
Purchase of treasury shares		-	-	-	(176,804)	-	-	(176,804)	-	(176,804)
Employee share plan reserve net charge and shares vested		-	-	-	44,690	-	-	44,690	-	44,690
Additional Tier 1 Sukuk Payments		-	-	-	-	(304,617)	-	(304,617)	-	(304,617)
Additional Tier 1 Sukuk issued	19	-	-	-	-	-	-	-	3,980,000	3,980,000
Additional Tier 1 Sukuk issuance cost	19	-	-	-	-	(16,587)	-	(16,587)	-	(16,587)
2024 final dividend proposed, net of Zakat and income tax		-	-	-	-	(2,054,795)	2,054,795	-	-	-
2024 interim dividend, net of Zakat and income tax	16	-	-	-	-	(2,090,828)	-	(2,090,828)	-	(2,090,828)
2023 final dividend, net of Zakat and income tax	16	-	-	-	-	(1,847,384)	-	(1,847,384)	-	(1,847,384)
Balance at the end of the year		**20,547,945**	**8,524,882**	**20,547,945**	**(1,900,284)**	**11,706,470**	**2,054,795**	**61,481,753**	**7,965,000**	**69,446,753**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

*Refer to note 41

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

All amounts in thousands of ⃁ unless otherwise stated

	Note	2025 ⃁'000	2024 ⃁'000 (Restated)*
OPERATING ACTIVITIES			
Net income for the year before Zakat and income tax		**9,699,155**	**9,366,082**
Adjustments to reconcile net income before Zakat and income tax to net cash from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		(372,867)	(358,971)
Depreciation and amortization	8,9	711,910	546,646
Special commission expense on debt securities in issue and term loans		361,383	402,538
Special commission expense on lease liabilities		(36,342)	13,149
(Gain) / Loss on amortised cost financial instruments		(2,021)	41,808
Gain on FVOCI financial instruments		(30,262)	-
(Gain) / Loss transferred to consolidated statement of income	18	(64,235)	62,095
Share in earnings of an associate	7	(141,012)	(205,369)
Provision for expected credit losses, net	31 (i) (a)	703,514	566,063
Employee share plan reserve		64,241	44,690
		10,893,464	**10,478,731**
Change in operating assets:			
Statutory deposit with SAMA		(2,029,984)	(1,417,215)
Due from banks and other financial institutions		137,441	66,411
Investments held as FVSI		(441,131)	14,011
Loans and advances		(40,023,303)	(43,864,853)
Positive fair value derivatives		250,836	(512,134)
Other assets		(404,015)	(58,840)
Change in operating liabilities:			
Due to banks		(15,296,021)	21,318,063
Customers' deposits		56,263,195	13,553,169
Negative fair value derivatives		(272,632)	314,734
Other liabilities		237,661	916,552
		9,315,511	**808,629**
Special commission paid on debt securities in issue		(399,553)	(402,341)
Zakat and income tax paid	27	(1,254,873)	(1,155,222)
Net cash generated / (used in) from operating activities		**7,661,085**	**(748,934)**
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		7,286,100	22,802,264
Purchase of investments not held as FVSI		(12,899,886)	(25,490,935)
Dividend received from an associate	7	204,855	204,065
Purchase of property, equipment and intangibles, net		(769,943)	(893,382)
Net cash used in investing activities		**(6,178,874)**	**(3,377,988)**
FINANCING ACTIVITIES			
Proceeds from debt securities in issue and term loans		7,755,665	-
Repayment of debt securities in issue		(5,000,000)	-
Payment of lease liabilities		(109,027)	(118,321)
Additional Tier 1 Sukuk payments		(625,238)	(304,617)
Additional Tier 1 Sukuk issued		4,421,500	3,980,000
Additional Tier 1 Sukuk issuance cost		(20,505)	(14,289)
Dividends paid		(3,869,052)	(3,946,034)
Purchase of treasury shares		-	(176,804)
Net cash generated / (used in) from financing activities		**2,553,343**	**(580,065)**
Net change in cash and cash equivalents		**4,035,554**	**(4,706,987)**
Cash and cash equivalents at beginning of the year	**28**	**5,491,697**	**10,198,684**
Cash and cash equivalents at end of the year	**28**	**9,527,251**	**5,491,697**
Special commission income received	41	22,362,333	20,255,212
Special commission expenses paid		(10,589,194)	(9,502,684)
Supplemental non-cash information			
Net changes in fair value and transfers to consolidated statement of income		1,481,611	(1,272,311)

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

*Refer to note 41

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Sulaiman Algwaiz
Board Vice Chair

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Notes to the Consolidated Financial Statements

1. General and basis of preparation
Saudi Awwal Bank ('SAB') is a Saudi joint stock company incorporated in the Kingdom of Saudi Arabia and was established by a Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SAB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SAB operates under Commercial Registration No. 1010025779 and Unified No. 7000018668 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 100 branches (31 December 2024: 103 branches) in the Kingdom of Saudi Arabia. The address of SAB's head office is as follows:

Saudi Awwal Bank
7383 King Fahad Branch Rd
2338 Al Yasmeen Dist.
13325
Riyadh
Kingdom of Saudi Arabia

The shareholders of the Saudi British Bank and Alawwal Bank ('AAB') approved the merger of the two banks at Extraordinary General Meetings held on 15 May 2019 pursuant to Articles 191-193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G) (the 'Companies Law'), and Article 49 (a) (1) of the Merger and Acquisitions Regulations issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (the 'CMA').

Subsequent, to the above merger, the Group has changed its commercial name from 'The Saudi British Bank' to 'Saudi Awwal Bank' effective from 11 June 2023.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The objectives of SAB are to provide a range of banking services. SAB also provides Shariah-compliant products, which are approved and supervised by an independent Shariah Committee established by SAB.

The details of the Group's significant subsidiaries and associate are as follows:

Name of Subsidiary / Associate	Ownership % 2025	Ownership % 2024	Description
Arabian Real Estate Company Limited ('**ARECO**')	**100%**	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001750764 dated 12 Jumada I 1424H (12 July 2003). ARECO is engaged in real estate activities.
SAB Markets Limited	**100%**	100%	A limited liability company incorporated in the Cayman Islands under commercial registration No 323083 dated 21 Shaban 1438H (17 May 2017). SAB Markets is engaged in derivatives trading and repo activities.
Alawwal Invest Company ('**SAB Invest**')	**100%**	100%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001571335 dated 30 Thul-Hijjah 1428H (9 January 2008). Alawwal Invest was formed and licensed as a capital market institution in accordance with the CMA's Resolution No. 1 39 2007. SAB Invest's principal activity is to engage in security activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.
Alawwal Real Estate Company ('**AREC**')	**100%**	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001711535 dated 21 Jumada I 1429H (26 May 2008). AREC is engaged in real estate activities.
X-Tech fund	**100%**	100%	A private equity fund incorporated in the Kingdom of Saudi Arabia dated 12 Shawwal 1445H (21 April 2024) which is engaged in investing activities and managed by SAB Invest.
HSBC Saudi Arabia (Associate)	**49%**	49%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001507842 dated 27 Jumada II 1427H (23 July 2006). HSBC Saudi Arabia is an associate of the Group, formed and licensed as a capital market institution in accordance with the Resolution No. 37-05008 of the CMA dated 05 Thul-Hijjah 1426H corresponding to 05 January 2006. HSBC Saudi Arabia's principal activity is to engage in securities activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.

SAB has participated in the following structured entity for the purpose of effecting syndicated loan transactions in the Kingdom of Saudi Arabia. This entity has no other business operations. SAB does not consolidate this entity. The details of the entity are as follows:

Name of entity	Ownership % 2025	Ownership % 2024	Description
Saudi Kayan Assets Leasing Company	**50%**	50%	The entity was incorporated for the purpose of effecting syndicated loan transactions and securing collateral rights over specific assets of the borrowers of those facilities under Islamic financing structure.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

1.1. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group have been prepared:

- in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation 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.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held at fair value through statement of income (FVSI), at fair value through other comprehensive income (FVOCI) and employee benefits which are stated at present value of their obligation. In addition, assets and liabilities that are hedged in a fair value hedging relationship are carried at fair value to the extent of the risks that are being hedged.

c) Functional and presentation currency

These consolidated financial statements are expressed in Saudi Arabian Riyals (⃁), which is also the functional currency of SAB, and are rounded off to the nearest thousands, except where otherwise indicated.

d) Presentation of consolidated financial statements

The Group presents its consolidated statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) relating to financial assets and financial labilities is presented in note 33(b).

e) Basis of consolidation

These consolidated financial statements comprise the financial statements of SAB and its subsidiaries (as mentioned in note 1 collectively referred to as 'the Group'). The financial statements of the subsidiaries are prepared for the same reporting year as that of SAB, using consistent accounting policies.

Subsidiaries are entities which are directly or indirectly controlled by SAB. SAB controls an entity (the 'investee') over which it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to SAB and cease to be consolidated from the date on which the control is transferred from SAB. Intra-group transactions and balances have been eliminated upon consolidation.

The Group acts as a 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 except as mentioned in note 1, and therefore has not consolidated these funds.

f) Critical accounting judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA requires the use of certain critical accounting judgements, estimates, and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Such estimates, assumptions and judgements 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.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Estimates:

i. Expected credit losses (ECL) on financial assets and loan commitments and financial guarantee contracts

ECL methodology

The measurement of impairment losses under IFRS 9 on the applicable categories of financial assets and loan commitments and financial guarantee contracts requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes 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 judgements and estimates include:

- 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, allowances for financial assets are measured on a Lifetime ECL basis and the qualitative assessment;
- the segmentation of financial assets when the ECL is assessed on a collective basis;
- development of ECL models, including the various formulae and the choice of inputs;
- determination of associations between macroeconomic scenarios, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at Default (EADs) and Loss Given Default (LGDs); and
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Group applies a low credit risk expedient on its margin financing portfolio as they are over collateralized by shares and cash.

Collateral and other credit enhancements held

The Group's practice is to lend on the basis of customers' ability to meet their obligations out of cash flow resources rather than rely on the value of security offered. Depending on a customer's standing and the type of product, facilities may be provided without security. For other lending, a charge over collateral is obtained and considered in determining the credit decision and pricing. In the event of default, the Group may utilise the collateral as a source of repayment. Depending on its form, collateral can have a significant financial effect in mitigating our exposure to credit risk.

Additionally, risk may be managed by employing other types of collateral and credit risk enhancements such as second charges, other liens, and unsupported guarantees, but the valuation of such mitigants is less certain and their financial effect has not been quantified.

ii. Fair value measurement

The Group measures financial instruments, such as investments and derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 35 to these consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 includes all instruments for which the valuation technique includes 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 these consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 as explained above.

iii. Impairment of goodwill

For impairment testing, goodwill acquired through business combination is allocated to the cash generating units (CGUs) – Wealth & Personal Banking (WPB), Corporate & Institutional Banking (CIB) and Treasury, which are also operating and reportable segments.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The impairment test is performed by comparing the estimated recoverable amount of the Group's CGUs that carry goodwill, as determined through a Value-In-Use (VIU) model, with the carrying amount of net assets of each CGU. Refer to note 9 for key assumption used for the VIU calculation.

iv. Impairment of financial assets at amortised cost (refer to note 2B (v))

v. Depreciation and amortisation (refer to note 2G, 2H and 2I)

vi. Defined benefit plan (refer to note 2J)

vii. Provisions for liabilities and charges

The Group receives legal claims against it in the normal course of business. Management has made judgements as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process being followed as per law.

viii. Provisions for lease liabilities

The Group recognises the lease liabilities and right of use assets, on initial recognition, is based on discounted lease payments using the incremental borrowing rate over the lease term.

ix. Zakat and Income tax (refer to note 2M)

Judgments:

i. Determination of control over investees

The control indicators set out in note 1.1 (e) are subject to management's judgements.

ii. Classification of investments at amortised cost (refer to note 2B (i))

iii. Determination of significant influence over investees

The Group exercises judgements in assessing the significant influence over investees. The significant influence determination requires ongoing evaluation of the related facts and circumstances for each investment including governance arrangements, voting rights, underlying terms and conditions and material transactions with the investee.

iv. Equity vs liability for Tier 1 Sukuk

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

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 has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2. Material accounting policies and impact of changes due to adoption of new standards

A. Changes 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 standards and in consideration of the current economic environment, the following accounting policies are applicable effective 1 January 2025 replacing, amending, or adding to the corresponding accounting policies set out in 2024 annual consolidated financial statements.

New standards, interpretations and amendments adopted by the Group

The following standards, interpretations or amendments are effective from the current year and are adopted by the Group, however, these do not have significant impact on the consolidated financial statements of the year.

Accounting Standards, interpretations, amendments	Description
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.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

New standards, interpretations and amendments issued but not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2026. The Group has opted not to early adopt these pronouncements and is in the process of assessing the impact on the consolidated financial statement of the Group.

Accounting Standards, interpretations, amendments	Description	Effective periods beginning on or after
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	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 recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 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.	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. The group is in the process of enhancing it systems and allocating resources to align with the classification and disclosure requirements of IFRS 18, ensuring it readiness to apply IFRS 18 on effective date.	1 January 2027
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 recognised in full.	Effective date deferred indefinitely

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

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

B. Financial assets and financial liabilities

i) Initial recognition, measurement and classification of financial assets

The Group on initial recognition classifies all of its financial assets based on the business model. Following are the three classifications:

Amortised Cost (AC):
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVSI:

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

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised.

Fair value through other comprehensive income (FVOCI):
Debt instruments: a debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVSI:

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

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

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

Equity instruments at FVOCI are not subject to an impairment assessment.

Fair value through statement of income (FVSI):
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of income. A gain or loss on a debt investment that is subsequently measured at fair value through statement of income and is not part of a hedging relationship is recognised in the consolidated statement of income in the year in which it arises.

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.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Business model assessment
The Group assesses 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;
- 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 realised.

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

Assessments whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Interest' 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 interest, 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 interest rates.

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.

ii) Initial recognition, measurement and classification of financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. The Group recognises its financial liabilities at fair value. Subsequent to initial recognition, financial liabilities as measured at amortised cost using the Effective Interest Rate (EIR) except for financial liabilities at fair value through statement of income. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

iii) Derecognition

a. Financial assets
A financial asset (or a part of a financial asset, or a part of a group of similar financial assets) is derecognised, when the contractual rights to the cash flows from the financial asset expires.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

In instances where the Group is assessed to have transferred a financial asset, the asset is derecognised if the Group has transferred substantially all the risks and rewards of ownership. Where the Group has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognised only if the Group has not retained control of the financial asset. The Group recognises separately as assets or liabilities any rights and obligations created or retained in the process.

On derecognition, any cumulative gain or loss previously recognised in the consolidated statement of comprehensive income is included in the consolidated statement of income for the year. Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in consolidated statement of income on derecognition of such securities.

b. Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

iv) Modifications of financial assets and financial liabilities

a. 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 derecognised with the difference recognised as a de-recognition gain or loss and a new financial asset is recognised at fair value.

In case the modification of asset does not result in de-recognition, the Group will recalculate the gross carrying amount of the asset by discounting the modified contractual cash-flows using EIR prior to the modification. Any difference between the recalculated amount and the existing gross carrying amount is recognised in the consolidated statement of income for asset modification.

b. Financial liabilities

The Group derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement of income.

v) Impairment

The Group recognises provision for ECL on the following financial instruments that are not measured at FVSI:

- financial assets that are measured at amortised cost;
- debt instruments measured at FVOCI;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures provisions for ECL at an amount equal to lifetime ECL, except for the following, for which they are measured at 12 month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

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.

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 recognised 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 nor credit-impaired. Financial instruments for which the lifetime ECL are recognised 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 have not experienced a significant increase in credit risk since initial recognition, the Group recognises a 12 month expected credit loss, representing the present value of expected cash shortfalls resulting from possible default events within the next 12 months.
- financial assets that are creditimpaired or have experienced a significant increase in credit risk, expected credit losses are measured as the present value of all expected cash shortfalls over the expected life of the asset.
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Bank has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure expectations of customer behaviour, the likelihood of default and its future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Bank calculates ECL for these products, is five years for corporate, three years for credit cards and seven years for retail products. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage.

The interest rate used to discount the ECL for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently not charged interest. The calculation of ECL, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for corporate and on a collective basis for retail products. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- Undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan 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.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

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 derecognised 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 interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a 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 loan 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 a financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan 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 loan 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 bond yields;
- the rating agencies' assessments of creditworthiness;
- the country's ability to access the capital markets for new debt issuance; and
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

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 interest rate on initial recognition. Consequently, POCI assets do not carry impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Presentation of provision for ECL in the consolidated statement of financial position

Provision for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision in other liabilities;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised 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 recognised in the fair value reserve. Impairment losses are recognised in consolidated statement of income.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit / guarantees, real estate, receivables, inventories, other non-financial assets, and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or 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 a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their fair value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the consolidated statement of financial position.

vi) Financial guarantees and loan commitments

Financial guarantees are initially recognised in the consolidated financial statements at fair value in other liabilities, being the value of the premium received.

Subsequent to the initial recognition, the Group's liability under each guarantee is measured at higher of the unamortised amount and the provision for ECL.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The premium received is recognised in the consolidated statement of income in 'Fees and commission income' on a straight-line basis over the life of the guarantee.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The Group has issued no loan commitments that are measured at FVSI. For loan commitments, the Group recognises provisions for ECL.

C. Trade date accounting
All regular way purchases and sales of financial assets are recognised and derecognised on the trade date e.g. the date on which the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

D. Derivative financial instruments and hedge accounting
Derivative financial instruments including foreign exchange contracts, special commission rate futures, forward rate agreements, equity forwards, currency and special commission rate swaps, currency, and special commission rate options (both written and purchased), are measured at fair value (premium received for written options). 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 generally obtained by reference to quoted market prices, discounted cash flow models or 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 for the year. Derivatives held for trading also include those derivatives which do not qualify for hedge accounting.

ii) Embedded derivatives
Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through statement of income. The embedded derivatives separated from the host are carried at fair value in the trading derivatives portfolio with changes in fair value recognised in the consolidated statement of income.

iii) Hedge accounting
The Group designates certain derivatives as hedging instruments in qualifying hedging relationships. For the purpose of hedge accounting, hedges are classified into two categories; (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, 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 a highly probable forecasted transaction that will affect the reported net gain or loss.

In order to qualify for hedge accounting, it is required that the hedge should be expected to be highly effective e.g., 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 the 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 effectiveness of the hedge is assessed on an ongoing basis.

In relation to fair value hedges, which meet the criteria for hedge accounting, any gain or loss from remeasuring the hedging instruments to fair value is recognised immediately in the consolidated statement of income. The related portion of the hedged item is recognised in the consolidated statement of income.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
All amounts in thousands of Saudi Riyals unless otherwise stated

Where the fair value hedge of a special commission bearing financial instrument ceases to meet the criteria for hedge accounting, the adjustment in the carrying value is amortised to the consolidated statement of income over the remaining life of the instrument. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated statement of income.

In relation to cash flow hedges, which meet the criteria for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in the consolidated statement of comprehensive income. 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 transaction affects the consolidated statement of income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. On discontinuation of hedge accounting on cash flow hedges any cumulative gain or loss that was recognised in other reserves, is retained in Shareholders' equity until the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in other reserves is transferred to the consolidated statement of income for the year.

E. Revenue / expenses recognition

i. Special commission income and expense
Special commission income and expense for all commission-bearing financial instruments is recognised in the consolidated statement of income on an effective yield basis.

The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective commission rate, the Group estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as special commission income or expense. If the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, special commission income continues to be recognised using the original effective commission rate applied to the new carrying amount.

The calculation of the effective yield takes into account all contractual terms of the financial instruments (prepayment, options etc.) and includes all fees paid or received related transaction costs, and discounts or premiums that are an integral part of the effective commission rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of financial asset or liability. When the Group enters into special commission rate swap to change special commission from fixed to floating (or vice versa) the amount of special commission income or expense is adjusted by the net special commission on the swap.

Special commission income on Shariah approved products received but not earned is netted off against the related assets.

ii. Exchange income / loss
Exchange income/loss is recognised when earned / incurred.

iii. Dividend income
Dividend income is recognised when the right to receive income is established.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

iv. Fees and commission income and expenses

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. Loan commitment fees for loans that are likely to be drawn down are deferred and, together with the related direct cost are recognised as an adjustment to the effective yield on the loan.

When a loan commitment is not expected to result in the drawdown of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Asset management fee are recognised based on a fixed percentage of net assets under management ('asset-based'), or a percentage of returns from net assets ('returns-based') subject to applicable terms and conditions and service contracts with customers and funds. The Group attributes the revenue from management fees to the services provided during the year, because the fee relates specifically to the Group's efforts to transfer the services for that period. The asset management fee is not subject to any claw backs.

Advisory and investment banking services revenue is recognised based on services rendered under the applicable service contracts.

Brokerage income is recognised when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Group is satisfied when the Group carries out the transaction on behalf of the customers, which triggers immediate recognition of the revenue, as the Group will have no further commitments.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the service is received. Any fee income received but not earned is classified under other liabilities.

v. Day one profit

Where the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from active markets, the Group immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit) in the consolidated statement of income in 'Gain/(loss) on FVSI financial instruments'. In cases where use is made of data which is not observable, the amount deferred should be recognised when there is a change in factors that market participants would take into account when pricing the asset or liability.

In some cases, the Group does not recognise a gain or loss on initial recognition of a financial asset or financial liability because the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input), nor based on a valuation technique that uses only data from observable markets.

vi. Customer Loyalty Program

The Group offers a customer loyalty program (reward points / air miles herein referred to as 'reward points'), which allows card members to earn points that can be redeemed at certain Partner outlets. The Group allocates a portion of the transaction price (interchange fee) to the reward points awarded to card members, based on the relative stand-alone selling price. The amount of revenue allocated to reward points is deferred and released to the consolidated statement of income when reward points are redeemed under fee commission income. The related expenses for the customers' loyalty program are recognised under fee commission expense. The cumulative amount of contract liability related unredeemed reward points is adjusted over time based on actual experience and current trends with respect to redemption.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

F. Investment in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income ('OCI') of equity-accounted investees, until the date on which significant influence ceases.

The consolidated statement of income reflects the Group's share of earnings of the associate.

The reporting dates of the associates is identical to the Group and their accounting policies conform to those used by the Group for liker transactions and events in similar circumstances. Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate.

G. Property and equipment

Property and equipment are stated at cost and presented net of accumulated depreciation and impairment loss, if any. Freehold land is not depreciated.

The cost of other property and equipment is depreciated on the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Leasehold improvements	Shorter of useful life or lease term
Furniture, equipment, and vehicles	3 to 10 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income.

The assets' residual values and useful lives 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.

H. Intangible assets

i. Goodwill

Goodwill acquired in a business combination represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, including intangibles, liabilities, and contingent liabilities of the acquiree. When the excess is negative (bargain purchase), it is recognised immediately in the Group's consolidated statement of income.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Measurement

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicate the need for impairment, they are written down if required.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the consolidated statement of income. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

ii. Capitalised software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the Group's consolidated statement of income on a straight-line basis over the estimated useful life (range from five to ten years) of the software, from the date that it is available for use.

iii. Other intangibles

Acquired other intangibles are recognised at their cost upon initial recognition. The specific criteria which need to be satisfied for an intangible asset to be recognised separately from goodwill in an acquisition is that the intangible asset must be clearly identifiable, in that it either:

- be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset, or liability; or
- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Other intangibles are amortised using the straight-line method over the useful life of the asset, which is estimated to be 10 years for Purchased Credit Cards Relationships ('PCCR'), 14 years for Core Deposit Intangible ('CDI'), 5 years for brand and 11-12 years for Capital Markets ('CM'), Customer Relationships. If an indication of impairment arises, the recoverable amount is estimated, and an impairment loss is recognised if the recoverable amount is lower than the carrying amount.

The banking license has an indefinite life and is tested for impairment annually. For impairment testing purposes, the banking license is allocated to the relevant cash generating unit.

l. Leases

Right of use asset (ROU) / 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.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Right of use assets

The Group applies a cost model, and measures right of use asset at cost;

- less any accumulated depreciation and any accumulated impairment losses, if any; and
- adjusted for any re-measurement of the lease liability for lease modifications.

Lease Liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

J. End of service benefits

The provision for end of service benefits is made based on actuarial valuation in accordance with Saudi Arabian Labour Laws. Net obligation, with respect to end of service benefits, to the Group is reviewed by using a projected unit credit method. Actuarial gains and losses (Re-measurements) are recognised in full in the period in which they occur in other comprehensive income. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the consolidated statement of income:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- net interest expense or income

The assumptions used to calculate the scheme obligations include assumptions such as expected future salaries growth, expected employee resignation rates, and discount rate to discount the future cash flows.

K. Share based payments

Under the terms of the Equity Based Long Term Bonus Plan, eligible employees of the Group are offers shares at a predetermined price for a fixed period of time. At the vesting dates determined under the terms of the plan, the Group delivers the underlying allotted shares to the employees, subject to the satisfactory completion of the vesting conditions. The cost of the plans is recognised over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares ('the vesting date').

The cumulative expense recognised for these plans at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

L. Government grant

The Group recognises 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 is accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The government grant is recognised in the consolidated statement of 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.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

M. Zakat and Income tax

Zakat

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ('ZATCA'). Zakat expense is charged to the consolidated statement of income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to Zakat.

Income tax

The income tax expense for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate in Saudi Arabia, 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 regulations are 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.

Deferred 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 taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation 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 recognised only to the extent that it is probable that future taxable profits will be available, and the credits can be utilised.

Value Added tax (VAT)

The Group collects VAT from its customers for qualifying services provided and makes VAT payments to its vendors for qualifying payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is borne by the Group and is either expensed or in the case of property, equipment, and intangibles payments, is capitalised and either depreciated or amortised as part of the capital cost.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

N. Islamic banking products

In addition to conventional banking, the Group also provides Shari'ah-compliant products, which are approved and supervised by an independent Shari'ah Committee established by SAB. All Shari'ah approved banking products are accounted for using IFRS and are in conformity with the accounting policies described in these consolidated financial statements.

Major Islamic products are as follow:

i. **Murabaha financing:** is an agreement whereby the Group sells to a customer an asset or a commodity, which the Group has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin and is paid as agreed.

ii. **Istisna'a:** is a contract to manufacture goods, assemble or process them, or to build a house or other structure according to exact specifications and a fixed timeline

iii. **Ijarah:** is an agreement whereby the Group, acting as a lessor, purchases an asset for lease according to the customer request (lessee), based on his 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.

iv. **Musharaka:** is an agreement between the Group and a customer to contribute to a certain investment enterprise or the ownership of a certain property ending up with the acquisition by the customer of the full ownership. The profit or loss is shared as per the terms of the agreement.

v. **Tawarruq:** is a form of Murabaha transaction where the Group purchases a commodity and sells it to the customer at agreed-upon deferred installment terms. The customer sells the underlying commodity at spot to a third party and uses the proceeds for his financing requirements.

vi. **Mudaraba:** is a form of participation in profit where the client provides the capital to the Group or vice versa depending. The product type. The capital owner is called the Rab Almaal and the worker is Mudharib. The worker's duty is to invest the capital in activities that comply with Shariah rules. The income is divided according to the agreement. In the case of loss, 'Rab Almaal' has to bear all the losses from his capital and the 'Midharib' loses his efforts.

vii. **Promise:** is a mandatory commitment by the Group to its client or vice versa to enter into a sale or purchase transaction for the purpose of hedging against fluctuations in rates, index prices, and currency prices.

viii. **Murabaha deposit:** is based on commodity Murabaha. The Group acts as an agent for its customers in purchasing commodities on their behalf with their funds and then purchases these commodities for its own account from customers at an agreed-upon price and deferred maturities. Since the Group purchases commodities from its customers, it is liable to them for the capital they invested plus a profit.

ix. **Shariah compliant foreign exchange products:** are offered to clients to hedge their existing exposure to foreign currencies. It is based on the concept of Waad (binding promise) where the Group promises to buy/sell a particular amount of foreign currency at an agreed upon price. It may include only one Waad or a combination of Waads.

x. **Shariah compliant rates products:** are offered to clients who have exposure to fixed/floating rates and need hedging solutions. The products are designed around the concept of Waad (binding promise) to enter into Murabaha where the profit is based on a rates index or formula. It may include only one Waad or a combination of Waads.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

3. Cash and balances with SAMA

	2025	2024
Cash in hand	2,003,426	1,794,960
Statutory deposit	17,194,140	15,164,156
Placements with SAMA	4,511,000	313,000
Other balances	131,530	90,576
Total	**23,840,096**	**17,362,692**

In accordance with the Banking Control Law and regulations issued by SAMA, SAB is required to maintain a statutory deposit with SAMA at stipulated percentages of its deposit liabilities calculated on monthly average balances at the end of reporting period. The statutory deposit with SAMA is not available to finance SAB's day-to-day operations and therefore is not part of cash and cash equivalents (note 28). Placements with SAMA represents securities purchased under an agreement to re-sell (reverse repo) with SAMA. Balances with SAMA are investment grade as defined in note 5 (g).

4. Due from banks and other financial institutions, net

a) Due from banks and other financial institutions are classified as follows:

	2025	2024
Current accounts	2,881,295	3,293,161
Money market placements	-	137,440
Provision for expected credit losses	(3,114)	(829)
Total	**2,878,181**	**3,429,772**

b) Movement in gross carrying amount

The following table explains changes in gross carrying amount of due from banks and other financial institutions to help explain their significance to the changes in the provision for ECL of the same portfolio:

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**3,430,601**	**-**	**-**	**-**	**3,430,601**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	(549,306)	-	-	-	(549,306)
Balance as at 31 December 2025	**2,881,295**	**-**	**-**	**-**	**2,881,295**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Non-credit impaired Stage 1	Stage 2	Credit impaired Stage 3	POCI	Total
Balance at 1 January 2024	**7,407,642**	**-**	**599**	**-**	**7,408,241**
Transfer to Stage 1	599		(599)	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	(3,977,640)	-	-	-	(3,977,640)
Balance as at 31 December 2024	**3,430,601**	**-**	**-**	**-**	**3,430,601**

c) Credit quality analysis

The following table sets out information about the credit quality of due from banks and other financial institutions, net:

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit Impaired	Total
31 December 2025	**2,878,181**	**-**	**-**	**-**	**2,878,181**
31 December 2024	3,429,772	-	-	-	3,429,772

Balances under due from banks and other financial institutions are held with investment grade financial institutions.

d) Movement in provision for expected credit losses

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against due from banks and other financial institutions:

31 December 2025	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	**829**	**-**	**-**	**829**
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	2,285	-	-	2,285
Balance as at 31 December 2025	**3,114**	**-**	**-**	**3,114**

31 December 2024	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	**550**	**-**	**210**	**760**
Transfer from lifetime ECL credit impaired	210	-	(210)	-
Net change for the year	69	-	-	69
Balance as at 31 December 2024	**829**	**-**	**-**	**829**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

5. Investments, net

a) Investment securities are classified as follows:

	Notes	2025	2024 (Restated)
FVOCI – Debt		63,540,042	52,170,144
FVOCI – Equity	41	1,647,137	1,527,890
FVSI – Debt		709,664	431,713
FVSI – Equity	41	975,759	813,424
Held at amortised cost		40,775,951	44,638,406
Provision for expected credit losses for investments held at amortised cost		(6,655)	(8,783)
Total		**107,641,898**	**99,572,794**

b) Movement in gross carrying amount

The following table explains changes in gross carrying amount of the investments to help explain their significance to the changes in the provision for ECL of the same portfolio.

- **FVOCI – Debt**

2025	Non-credit impaired Stage 1	Stage 2	Credit impaired Stage 3	POCI	Total
Balance at 1 January 2025	**52,170,144**	**-**	**-**	**-**	**52,170,144**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net change for the year	11,369,898	-	-	-	11,369,898
Balance as at 31 December 2025	**63,540,042**	**-**	**-**	**-**	**63,540,042**

2024	Non-credit impaired Stage 1	Stage 2	Credit impaired Stage 3	POCI	Total
Balance at 1 January 2024	**47,759,449**	**-**	**-**	**-**	**47,759,449**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net change for the year	4,410,695	-	-	-	4,410,695
Balance as at 31 December 2024	**52,170,144**	**-**	**-**	**-**	**52,170,144**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

- **Held at amortised cost**

2025	Non-credit impaired Stage 1	Non-credit impaired Stage 2	Credit impaired Stage 3	Credit impaired POCI	Total
Balance at 1 January 2025	**44,638,406**	**-**	**-**	**-**	**44,638,406**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net change for the year	(3,862,455)	-	-	-	(3,862,455)
Balance as at 31 December 2025	**40,775,951**	**-**	**-**	**-**	**40,775,951**

2024	Non-credit impaired Stage 1	Non-credit impaired Stage 2	Credit impaired Stage 3	Credit impaired POCI	Total
Balance at 1 January 2024	**47,377,847**	**-**	**-**	**-**	**47,377,847**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net change for the year	(2,739,441)	-	-	-	(2,739,441)
Balance as at 31 December 2024	**44,638,406**	**-**	**-**	**-**	**44,638,406**

c) Investments by type of securities

	Domestic 2025	Domestic 2024 (Restated)	International 2025	International 2024 (Restated)	Total 2025	Total 2024 (Restated)*
Fixed rate securities	78,889,484	72,942,492	9,720,264	7,788,478	88,609,748	80,730,970
Floating rate securities	16,409,254	16,500,509	-	-	16,409,254	16,500,509
Equities and mutual funds	2,235,917	2,086,766	386,979	254,549	2,622,896	2,341,315
Total	**97,534,655**	**91,529,767**	**10,107,243**	**8,043,027**	**107,641,898**	**99,572,794**

* Refer to note 41

d) Movement in provision for expected credit losses

An analysis of changes in provision for ECL of debt instruments measured at amortized cost, is as follows:

2025	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2025	**8,783**	**-**	**-**	**8,783**
Net change for the year	(2,128)	-	-	(2,128)
Balance as at 31 December 2025	**6,655**	**-**	**-**	**6,655**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2024	**11,374**	**-**	**-**	**11,374**
Net change for the year	(2,591)	-	-	(2,591)
Balance as at 31 December 2024	**8,783**	**-**	**-**	**8,783**

An analysis of changes in provision for ECL of debt instruments measured at FVOCI, is as follows:

2025	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2025	**11,610**	**-**	**-**	**11,610**
Net change for the year	4,256	-	-	4,256
Balance as at 31 December 2025	**15,866**	**-**	**-**	**15,866**

2024	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at 1 January 2024	**10,152**	**-**	**-**	**10,152**
Net change for the year	1,458	-	-	1,458
Balance as at 31 December 2024	**11,610**	**-**	**-**	**11,610**

e) The analysis of the composition of investments is as follows:

	2025 Quoted	2025 Unquoted	2025 Total	2024 (Restated)* Quoted	2024 (Restated)* Unquoted	2024 (Restated)* Total
Fixed rate securities	85,882,974	2,726,774	88,609,748	78,644,631	2,086,339	80,730,970
Floating rate securities	13,879,580	2,529,674	16,409,254	13,752,999	2,747,510	16,500,509
Equities and mutual funds	1,179,572	1,443,324	2,622,896	1,205,128	1,136,187	2,341,315
Total	**100,942,126**	**6,699,772**	**107,641,898**	**93,602,758**	**5,970,036**	**99,572,794**

* Refer to note 41

f) The Investments includes Shariah based investments as below:

	2025	2024
Debt instruments:		
Sukuk	87,178,912	79,137,057
Provision for expected credit losses	(6,256)	(8,187)
	87,172,656	**79,128,870**
Equities and mutual funds	522,616	485,562
Total	**87,695,272**	**79,614,432**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

g) The analysis of investments by external ratings grade

The following table sets out information about the credit quality of investment which are defined as below:

- Investment Grade is composed of Strong Credit Quality (AAA to BBB-) or equivalent.
- Non-Investment Grade is composed of: Good, Satisfactory and Special Mention Credit Quality (BB+ to C) or equivalent.
- Unrated includes securities which do not have a current or valid rating by a credit rating agency.

	31 December 2025			
	Held at Amortised Cost	FVOCI	FVSI	Total
Investment grade	40,192,432	61,812,083	1,518,273	103,522,788
Non-investment grade	-	669,062	-	669,062
Unrated	576,864	2,706,034	167,150	3,450,048
Total	**40,769,296**	**65,187,179**	**1,685,423**	**107,641,898**

	31 December 2024 (Restated)			
31 December 2024 (Restated)	Held at Amortised Cost	FVOCI	FVSI	Total
Investment grade	43,720,871	50,722,726	1,093,801	95,537,398
Non-investment grade	-	679,639	-	679,639
Unrated	908,752	2,295,669	151,336	3,355,757
Total	**44,629,623**	**53,698,034**	**1,245,137**	**99,572,794**

h) The analysis of investments by counterparty is as follows:

	2025	2024 (Restated)*
Government and quasi government	89,976,224	84,466,808
Corporate	6,642,321	6,736,418
Banks and other financial institutions	9,620,991	7,249,553
Others	1,402,362	1,120,015
Total	**107,641,898**	**99,572,794**

* Refer to note 41

i) Assets pledged

Assets pledged as collateral with other financial institutions for security are as follows:

	2025		2024	
	Assets	Related liabilities	Assets	Related liabilities
Debt securities	8,527,894	8,312,154	19,312,949	19,807,023

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

6. Loans and advances, net

a) Loans and advances comprise of the following:

	2025						
	Corporate and institutional lending	Retail lending					
	Corporate & Institutional Banking	MSME	Home loan	Personal Loan	Other retail lending	Credit cards	Total
12 month ECL	191,679,662	12,773,495	39,793,103	21,402,414	7,912,678	3,573,679	277,135,031
Lifetime ECL not credit impaired	16,636,095	645,829	2,018,364	928,403	81,322	185,231	20,495,244
Lifetime ECL credit impaired	3,321,656	432,888	588,062	144,126	1,957	64,175	4,552,864
Purchased or originated credit impaired	3,293,359	215,689	1,254	136,130	-	63	3,646,495
Total loans and advances, gross	**214,930,772**	**14,067,901**	**42,400,783**	**22,611,073**	**7,995,957**	**3,823,148**	**305,829,634**
Provision for expected credit losses	(5,831,393)	(245,803)	(308,999)	(533,702)	(40,246)	(242,986)	(7,203,129)
Balance as at 31 December 2025	**209,099,379**	**13,822,098**	**42,091,784**	**22,077,371**	**7,955,711**	**3,580,162**	**298,626,505**
Non-performing loans and advances	3,215,295	432,394	313,334	85,750	5,012	36,925	4,088,710

	2024						
	Corporate and institutional lending	Retail lending					
	Corporate & Institutional Banking	MSME	Home loan	Personal Loan	Other retail lending	Credit cards	Total
12 month ECL	165,010,266	10,639,695	33,260,562	20,500,243	6,703,594	3,429,308	239,543,668
Lifetime ECL not credit impaired	15,493,561	521,060	1,467,048	595,945	91,689	128,065	18,297,368
Lifetime ECL credit impaired	2,889,281	385,297	510,076	32,918	138,971	84,482	4,041,025
Purchased or originated credit impaired	3,386,187	214,316	3,193	118,277	-	83	3,722,056
Total loans and advances, gross	**186,779,295**	**11,760,368**	**35,240,879**	**21,247,383**	**6,934,254**	**3,641,938**	**265,604,117**
Provision for expected credit losses	(4,952,723)	(269,016)	(262,304)	(503,676)	(25,775)	(245,107)	(6,258,601)
Balance as at 31 December 2024	**181,826,572**	**11,491,352**	**34,978,575**	**20,743,707**	**6,908,479**	**3,396,831**	**259,345,516**
Non-performing loans and advances	2,812,055	347,220	301,816	88,927	15,652	47,481	3,613,151

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The comparative figures have been disaggregated to align with the current year's presentation. Other retail lending, previously presented as a single category, has been separated into Home Finance, Personal Finance. Similarly, corporate and institutional banking previously presented as a single category, have been further disaggregated into Micro, Small and Medium Enterprises (MSME) exposures.

Lifetime ECL credit impaired includes non-performing loans and advances. It also includes exposures that are now performing but have yet to complete a period of 12 months of performance ('the curing period') to be eligible to be upgraded to a not-impaired category. The financial assets recorded in each stage have the following characteristics:

- 12 month ECL not credit impaired (stage 1): without significant increase in credit risk on which a 12-month allowance for ECL is recognised;
- Lifetime ECL not credit impaired (stage 2): a significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognised;
- Lifetime ECL credit impaired (stage 3): objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised; and
- Purchased or originated credit impaired ('POCI'): purchased or originated at a deep discount that reflects the expected lifetime credit losses at time of purchase or origination. A lifetime ECL is recognised if further credit losses are expected. POCI includes non-performing loans and advances acquired through the merger with AAB that were recorded at fair value as of acquisition date.

b) Movement in gross carrying amount

The following table further explains changes in gross carrying amount of the loans and advances to help explain their significance to the changes in the provision for ECL of the same portfolio:

- **Corporate and institutional lending**

Corporate and institutional lending comprises of Corporate & Institutional Banking and MSME:

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**175,649,961**	**16,014,621**	**3,274,578**	**3,600,503**	**198,539,663**
Transfer to Stage 1	331,463	(331,463)	-	-	-
Transfer to Stage 2	(481,239)	481,239	-	-	-
Transfer to Stage 3	(12,958)	(139,312)	152,270	-	-
Net other changes for the year	28,965,930	1,256,839	786,093	(91,455)	30,917,407
Write-offs	-	-	(458,397)	-	(458,397)
Balance as at 31 December 2025	**204,453,157**	**17,281,924**	**3,754,544**	**3,509,048**	**228,998,673**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**138,385,203**	**21,300,335**	**3,525,019**	**3,685,794**	**166,896,351**
Transfer to Stage 1	292,826	(292,826)	-	-	-
Transfer to Stage 2	(1,659,605)	1,659,605	-	-	-
Transfer to Stage 3	(26,289)	(11,926)	38,215	-	-
Net other changes for the year	38,657,826	(6,640,567)	157,076	(85,291)	32,089,044
Write-offs	-	-	(445,732)	-	(445,732)
Balance as at 31 December 2024	**175,649,961**	**16,014,621**	**3,274,578**	**3,600,503**	**198,539,663**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

- **Retail lending**

Retail lending comprises of all retail lending excluding credit cards:

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**60,464,399**	**2,154,682**	**681,965**	**121,470**	**63,422,516**
Transfer to Stage 1	462,610	(424,208)	(38,402)	-	-
Transfer to Stage 2	(1,662,642)	1,844,643	(182,001)	-	-
Transfer to Stage 3	(180,204)	(240,853)	421,057	-	-
Net other changes for the year	10,024,032	(306,175)	102,612	15,914	9,836,383
Write-offs	-	-	(251,086)	-	(251,086)
Balance as at 31 December 2025	**69,108,195**	**3,028,089**	**734,145**	**137,384**	**73,007,813**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**49,078,628**	**2,147,838**	**679,699**	**127,141**	**52,033,306**
Transfer to Stage 1	565,423	(537,369)	(28,054)	-	-
Transfer to Stage 2	(694,503)	934,682	(240,179)	-	-
Transfer to Stage 3	(181,730)	(185,630)	367,360	-	-
Net other changes for the year	11,696,581	(204,839)	158,959	(5,671)	11,645,030
Write-offs	-	-	(255,820)	-	(255,820)
Balance as at 31 December 2024	**60,464,399**	**2,154,682**	**681,965**	**121,470**	**63,422,516**

- **Credit cards**

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**3,429,308**	**128,065**	**84,482**	**83**	**3,641,938**
Transfer to Stage 1	36,729	(30,819)	(5,910)	-	-
Transfer to Stage 2	(143,596)	150,537	(6,941)	-	-
Transfer to Stage 3	(36,075)	(15,502)	51,577	-	-
Net other changes for the year	287,313	(47,050)	28,444	(20)	268,687
Write-offs	-	-	(87,477)	-	(87,477)
Balance as at 31 December 2025	**3,573,679**	**185,231**	**64,175**	**63**	**3,823,148**

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
All amounts in thousands of Saudi Riyals unless otherwise stated

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**2,967,942**	**111,496**	**54,937**	**184**	**3,134,559**
Transfer to Stage 1	34,669	(28,630)	(6,039)	-	-
Transfer to Stage 2	(79,785)	85,052	(5,267)	-	-
Transfer to Stage 3	(33,608)	(13,598)	47,206	-	-
Net other changes for the year	540,090	(26,255)	81,735	(101)	595,469
Write-offs	-	-	(88,090)	-	(88,090)
Balance as at 31 December 2024	**3,429,308**	**128,065**	**84,482**	**83**	**3,641,938**

c) Movement in provision for expected credit losses
The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against loans and advances.

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**684,521**	**2,170,597**	**2,168,921**	**1,234,562**	**6,258,601**
Transfer to Stage 1	56,338	(39,423)	(16,915)	-	-
Transfer to Stage 2	(22,064)	88,737	(66,673)	-	-
Transfer to Stage 3	(4,736)	(86,784)	91,520	-	-
Net re-measurement of loss allowance	161,586	588,262	557,487	95,590	1,402,925
Write-offs	-	-	(458,397)	-	(458,397)
Balance as at 31 December 2025	**875,645**	**2,721,389**	**2,275,943**	**1,330,152**	**7,203,129**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**814,617**	**2,345,382**	**2,274,799**	**693,573**	**6,128,371**
Transfer to Stage 1	50,527	(36,466)	(14,061)	-	-
Transfer to Stage 2	(19,276)	93,345	(74,069)	-	-
Transfer to Stage 3	(6,587)	(32,846)	39,433	-	-
Net re-measurement of loss allowance	(154,760)	(198,818)	388,551	540,989	575,962
Write-offs	-	-	(445,732)	-	(445,732)
Balance as at 31 December 2024	**684,521**	**2,170,597**	**2,168,921**	**1,234,562**	**6,258,601**

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
All amounts in thousands of Saudi Riyals unless otherwise stated

Corporate and Institutional lending
Corporate and institutional lending comprises of Corporate & Institutional Banking and MSME:

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**293,003**	**1,971,239**	**1,827,064**	**1,130,433**	**5,221,739**
Transfer to Stage 1	11,245	(11,245)	-	-	-
Transfer to Stage 2	(1,511)	1,511	-	-	-
Transfer to Stage 3	(102)	(49,508)	49,610	-	-
Net re-measurement of loss allowance	152,155	553,839	523,576	84,284	1,313,854
Write-offs	-	-	(458,397)	-	(458,397)
Balance as at 31 December 2025	**454,790**	**2,465,836**	**1,941,853**	**1,214,717**	**6,077,196**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**412,737**	**2,158,180**	**1,981,330**	**620,896**	**5,173,143**
Transfer to Stage 1	7,316	(7,316)	-	-	-
Transfer to Stage 2	(5,426)	5,426	-	-	-
Transfer to Stage 3	(388)	(1,092)	1,480	-	-
Net re-measurement of loss allowance	(121,236)	(183,959)	289,986	509,537	494,328
Write-offs	-	-	(445,732)	-	(445,732)
Balance as at 31 December 2024	**293,003**	**1,971,239**	**1,827,064**	**1,130,433**	**5,221,739**

Retail lending
Retail lending comprises of all retail lending excluding credit cards:

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**256,430**	**159,457**	**271,739**	**104,129**	**791,755**
Transfer to Stage 1	33,761	(21,163)	(12,598)	-	-
Transfer to Stage 2	(13,154)	74,561	(61,407)	-	-
Transfer to Stage 3	(2,360)	(32,694)	35,054	-	-
Net re-measurement of loss allowance	93	26,488	53,305	11,306	91,192
Balance as at 31 December 2025	**274,770**	**206,649**	**286,093**	**115,435**	**882,947**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**269,826**	**147,235**	**251,925**	**72,677**	**741,663**
Transfer to Stage 1	32,162	(22,397)	(9,765)	-	-
Transfer to Stage 2	(8,939)	79,180	(70,241)	-	-
Transfer to Stage 3	(3,607)	(26,829)	30,436	-	-
Net re-measurement of loss allowance	(33,012)	(17,732)	69,384	31,452	50,092
Balance as at 31 December 2024	**256,430**	**159,457**	**271,739**	**104,129**	**791,755**

Credit cards

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**135,088**	**39,901**	**70,118**	**-**	**245,107**
Transfer to Stage 1	11,332	(7,015)	(4,317)	-	-
Transfer to Stage 2	(7,399)	12,665	(5,266)	-	-
Transfer to Stage 3	(2,274)	(4,582)	6,856	-	-
Net re-measurement of loss allowance	9,338	7,935	(19,394)	-	(2,121)
Balance as at 31 December 2025	**146,085**	**48,904**	**47,997**	**-**	**242,986**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**132,054**	**39,967**	**41,544**	**-**	**213,565**
Transfer to Stage 1	11,049	(6,753)	(4,296)	-	-
Transfer to Stage 2	(4,911)	8,739	(3,828)	-	-
Transfer to Stage 3	(2,592)	(4,925)	7,517	-	-
Net re-measurement of loss allowance	(512)	2,873	29,181	-	31,542
Balance as at 31 December 2024	**135,088**	**39,901**	**70,118**	**-**	**245,107**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

d) Economic sector risk concentrations for the loans and advances are as follows:

2025	**Performing**	**Non-performing**	**POCI**	**Provision for expected credit losses**	**Loans and advances, net**
Government and quasi government	3,714,610	-	-	(630)	3,713,980
Finance	22,489,696	12,819	-	(83,343)	22,419,172
Agriculture and fishing	1,471,017	-	241	(5,202)	1,466,056
Manufacturing	25,677,702	379,090	833,865	(731,693)	26,158,964
Mining and quarrying	8,908,747	-	34	(213,255)	8,695,526
Electricity, water, gas, and health Services	27,519,731	267	392,087	(246,953)	27,665,132
Building and construction	24,442,565	1,330,959	978,661	(1,232,306)	25,519,879
Commerce	64,160,441	1,676,637	1,107,064	(2,782,284)	64,161,858
Transportation and communication	16,543,577	3,020	1,874	(447,058)	16,101,413
Services	21,550,125	183,361	69,187	(282,105)	21,520,568
Credit cards and retail lending	76,252,493	441,021	137,447	(1,125,933)	75,705,028
Others	5,363,725	61,536	126,035	(52,367)	5,498,929
Total	**298,094,429**	**4,088,710**	**3,646,495**	**(7,203,129)**	**298,626,505**

2024	**Performing**	**Non-performing**	**POCI**	**Provision for expected credit losses**	**Loans and advances, net**
Government and quasi government	3,455,805	-	-	(437)	3,455,368
Finance	17,416,554	16,021	-	(56,750)	17,375,825
Agriculture and fishing	936,558	-	241	(7,075)	929,724
Manufacturing	22,682,081	853,833	668,470	(769,996)	23,434,388
Mining and quarrying	8,640,476	-	34	(17,445)	8,623,065
Electricity, water, gas, and health Services	25,974,525	-	385,493	(280,640)	26,079,378
Building and construction	16,141,996	705,241	915,579	(1,127,479)	16,635,337
Commerce	61,849,467	1,253,865	1,379,726	(2,631,087)	61,851,971
Transportation and communication	13,898,176	3,114	1,876	(46,586)	13,856,580
Services	11,076,207	252,335	123,558	(249,402)	11,202,698
Credit cards and retail lending	66,489,025	453,876	121,553	(1,036,862)	66,027,592
Others	9,708,040	74,866	125,526	(34,842)	9,873,590
Total	**258,268,910**	**3,613,151**	**3,722,056**	**(6,258,601)**	**259,345,516**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

e) The following table sets out information about the credit quality of loans and advances. The amounts in the table represent gross carrying amounts.

2025	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	47,559,022	-	-	-	47,559,022
Good	125,743,146	3,120,651	-	-	128,863,797
Satisfactory	31,150,989	11,274,430	85,245	-	42,510,664
Special mention	-	2,886,843	21,610	-	2,908,453
Unrated	72,681,874	3,213,320	357,299	-	76,252,493
Non-performing	-	-	4,088,710	3,646,495	7,735,205
Total	**277,135,031**	**20,495,244**	**4,552,864**	**3,646,495**	**305,829,634**

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	42,781,292	-	-	-	42,781,292
Good	100,916,950	935,920	-	-	101,852,870
Satisfactory	31,951,719	10,680,257	11,821	-	42,643,797
Special mention	-	4,398,444	103,481	-	4,501,925
Unrated	63,893,707	2,282,747	312,572	-	66,489,026
Non-performing	-	-	3,613,151	3,722,056	7,335,207
Total	**239,543,668**	**18,297,368**	**4,041,025**	**3,722,056**	**265,604,117**

- **Strong:** Financial status, capitalisation, earnings, liquidity, cash generation and management will all be of highest quality. A strong capacity to meet longer-term and short-term financial commitments.
- **Good:** Financial condition exhibits no major adverse trends prevalent. Capacity to meet medium and short-term financial commitments is considered fair, but more sensitive to external changes or market conditions.
- **Satisfactory:** A counterparty whose financial position is average but not strong. The overall position will not be causing any immediate concern, but more regular monitoring will be necessary as a result of susceptibilities to external changes or market conditions.
- **Special mention:** Financial condition weak and capacity, or inclination, to repay, is in doubt. The financial status of the borrower requires close monitoring and ongoing assessment.
- **Unrated:** Represents performing retail loans and advances that are not rated.
- **Non-performing:** A counterparty who is classified as in default or as POCI

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

f) Shariah loans and advances

2025	Corporate and institutional lending	Retail lending	Credit cards	Total
Tawarruq	140,460,036	37,420,323	3,823,148	181,703,507
Murabaha	1,645,918	25,363,221	-	27,009,139
Ijarah	19,911,173	5,563,530	-	25,474,703
Others	3,655,074	1,811,474	-	5,466,548
Total Shariah based loans and advances	**165,672,201**	**70,158,548**	**3,823,148**	**239,653,897**
Provision for expected credit losses	(4,074,307)	(882,946)	(242,986)	(5,200,239)
Shariah based loans and advances, net	**161,597,894**	**69,275,602**	**3,580,162**	**234,453,658**

2024	Corporate and institutional lending	Retail lending	Credit cards	Total
Tawarruq	123,314,295	32,883,343	3,641,938	159,839,576
Murabaha	3,977,744	20,122,832	-	24,100,576
Ijarah	14,973,532	6,303,352	-	21,276,884
Total Shariah based loans and advances	**142,265,571**	**59,309,527**	**3,641,938**	**205,217,036**
Provision for expected credit losses	(2,964,246)	(761,820)	(245,107)	(3,971,173)
Shariah based loans and advances, net	**139,301,325**	**58,547,707**	**3,396,831**	**201,245,863**

g) Collateral

The Group in the ordinary course of lending activities holds collateral as security to mitigate credit risk in the loans and advances. This collateral mostly includes time, demand, other cash deposits, financial guarantees, local and international equities, real estate, project proceeds and other fixed assets. The collateral is held against commercial and consumer loans and are managed against relevant exposures at their net realisable 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. As of 31 December 2025, the fair value of collateral held against those loans and advances amount to ⃁ 1,888 million (2024: ⃁ 1,552 million).

7. Investment in an associate

	2025	2024
HSBC Saudi Arabia		
Balance at beginning of the year	**463,350**	**462,046**
Share in earnings	141,012	205,369
Dividend received	(204,855)	(204,065)
Balance at end of the year	**399,507**	**463,350**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The associate's financial statements:

	2025	2024
Total Assets	1,213,653	1,320,815
Total Liabilities	450,139	416,397
Total Equity	763,514	904,418
Total Income	760,985	862,461
Total expenses	465,092	467,220
Net income	**295,893**	**395,241**

8. Property, equipment and right of use assets (ROU), net

2025	Land and buildings	Leasehold improvements and ROU	Equipment, furniture, and vehicles	Total
Cost:				
As at 1 January	**2,549,773**	**1,348,682**	**813,421**	**4,711,876**
Additions	72,389	51,402	172,591	296,382
Disposals	(62,531)	(75,971)	(6,508)	(145,010)
Remeasurements	65,072	(28,297)	142,167	178,942
As at 31 December	**2,624,703**	**1,295,816**	**1,121,671**	**5,042,190**
Accumulated depreciation:				
As at 1 January	**411,751**	**995,460**	**564,879**	**1,972,090**
Charge for the year	59,111	109,639	115,677	284,427
Disposals	(75,795)	(75,940)	(11,154)	(162,889)
Remeasurements	68,174	(17,507)	128,275	178,942
As at 31 December	**463,241**	**1,011,652**	**797,677**	**2,272,570**
Net book value:				
As at 31 December	**2,161,462**	**284,164**	**323,994**	**2,769,620**
Capital work in progress				**817,116**
Total				**3,586,736**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Land and buildings	Leasehold improvements and ROU	Equipment, furniture, and vehicles	Total
Cost:				
As at 1 January	**2,611,753**	**1,563,699**	**1,038,497**	**5,213,949**
Additions	237,568	21,869	118,506	377,943
Disposals	(299,548)	(236,886)	(343,582)	(880,016)
As at 31 December	**2,549,773**	**1,348,682**	**813,421**	**4,711,876**
Accumulated depreciation:				
As at 1 January	**420,903**	**1,118,577**	**817,221**	**2,356,701**
Charge for the year	45,442	113,768	91,240	250,450
Disposals	(54,594)	(236,885)	(343,582)	(635,061)
As at 31 December	**411,751**	**995,460**	**564,879**	**1,972,090**
Net book value:				
As at 31 December	**2,138,022**	**353,222**	**248,542**	**2,739,786**
Capital work in progress				**1,347,775**
Total				**4,087,561**

The movement of right of use assets is as below:

	2025	2024
Cost:		
As at 1 January	**639,231**	**858,248**
Additions	51,285	17,857
Terminations / remeasurements	(65,766)	(236,874)
As at 31 December	**624,750**	**639,231**
Accumulated depreciation:		
As at 1 January	**320,754**	**455,871**
Charge for the year	100,852	101,757
Terminations / remeasurements	(65,766)	(236,874)
As at 31 December	**355,840**	**320,754**
Net book value	**268,910**	**318,477**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

9. Goodwill and other intangibles, net

Intangibles comprise of the following:

	2025	2024
Amounts arising from acquisitions:		
Goodwill	8,778,091	8,778,091
Other intangibles	1,188,863	1,352,800
	9,966,954	**10,130,891**
Software	1,252,372	529,577
Total	**11,219,326**	**10,660,468**

2025	Goodwill	Software	Customer relationship - PCCR	Core deposit intangible	Brand	Customer relationship – CM	Carbon Offsets	Total
Cost:								
As at 1 January	**16,195,867**	**1,071,045**	**71,200**	**1,875,400**	**75,000**	**228,601**	**4,958**	**19,522,071**
Additions	-	948,525	-	-	-	-	-	948,525
Disposals	-	-	-	-	(75,000)	-	-	(75,000)
Remeasurements	-	283,826	-	-	-	-	-	283,826
As at 31 December	**16,195,867**	**2,303,396**	**71,200**	**1,875,400**	**-**	**228,601**	**4,958**	**20,679,422**
Accumulated impairment / amortisation:								
As at 1 January	**7,417,776**	**541,468**	**39,160**	**736,764**	**75,000**	**51,435**	**-**	**8,861,603**
Charge for the year	-	263,546	7,120	133,957	-	22,860	-	427,483
Disposals / reclassification	-	(11,565)	-	-	(75,000)	-	-	(86,565)
Remeasurements	-	283,826	-	-	-	-	-	283,826
As at 31 December	**7,417,776**	**1,077,275**	**46,280**	**870,721**	**-**	**74,295**	**-**	**9,486,347**
Net book value								
As at 31 December	**8,778,091**	**1,226,121**	**24,920**	**1,004,679**	**-**	**154,306**	**4,958**	**11,193,075**
Capital work in progress	-	-	-	-	-	-	-	**26,251**
Total	-	-	-	-	-	-	-	**11,219,326**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Goodwill	Software	Customer relationship - PCCR	Core deposit intangible	Brand	Customer relationship – CM	Carbon Offsets	Total
Cost:								
As at 1 January	**16,195,867**	**982,923**	**71,200**	**1,875,400**	**75,000**	**228,601**	**-**	**19,428,991**
Additions	-	395,825	-	-	-	-	4,958	400,783
Disposals	-	(307,703)	-	-	-	-	-	(307,703)
As at 31 December	**16,195,867**	**1,071,045**	**71,200**	**1,875,400**	**75,000**	**228,601**	**4,958**	**19,522,071**
Accumulated impairment / amortisation:								
As at 1 January	**7,417,776**	**723,926**	**32,040**	**602,807**	**67,500**	**28,575**	**-**	**8,872,624**
Charge for the year	-	124,759	7,120	133,957	7,500	22,860	-	296,196
Disposals	-	(307,217)	-	-	-	-	-	(307,217)
As at 31 December	**7,417,776**	**541,468**	**39,160**	**736,764**	**75,000**	**51,435**	**-**	**8,861,603**
Net book value								
As at 31 December	**8,778,091**	**529,577**	**32,040**	**1,138,636**	**-**	**177,166**	**4,958**	**10,660,468**

Impairment testing of goodwill

The goodwill acquired through business combination is reviewed annually for impairment. At each reporting period, an assessment is made for indicators of impairment. If indicators exist, an impairment test is required. The impairment test compares the estimated recoverable amount of the Group's CGUs that carry goodwill, as determined through a Value-In-Use (VIU) model, with the carrying amount of net assets of each CGU. The goodwill has been allocated to the following cash-generating units:

- Wealth & personal banking
- Corporate and institutional banking
- Treasury

Key assumptions used to value-in-use calculation

The recoverable amount of the cash-generating units has been determined based on a value in use calculation. The VIU model uses projected cash flows in perpetuity through a five-year forward period of projections, and thereafter applying a (long-term) terminal growth rate.

The calculation of VIU in the CGUs is mainly driven by the following assumptions:

- Economic outlook, notably the projected nominal Gross Domestic Product ('GDP');
- Discount rates;
- Long term assets growth rates;
- Benchmark interest rates and net special commission income margins;
- Future cost of risk from expected credit losses;
- Local inflation rates; and
- Target Capital ratio and profit retention.

The following key assumptions were used in the calculation of the VIU:

- Discount rate of 10.3% (2024: 10.69%), which is derived using a weighted average cost of capital "WACC" that calculates the cost of capital by applying weightage of equity and debt to their respective cost of financing.
- Long term asset growth rate of 4.0% (2024: 4.0%), applied to projected periods beyond 2029.
- Long-term profit growth rate of 5.26~5.39% (2024: 5.57~5.69%), derived from economic intelligent units' forecasts of nominal GDP for KSA adjusted for expected changes in benchmark interest rates and sector growth rates over time, applied to projected periods beyond 2030.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Key assumptions used in impairment testing for goodwill

The calculation of value in use in the cash-generating units is sensitive to the following assumptions:

- interest margins;
- discount rates;
- projected growth rates used to extrapolate cash flows beyond the projection period; and
- current Kingdom of Saudi Arabia nominal GDP.

Interest margins

Interest margins are based on prevailing market rates at the start of the budget period. These are changed over the budget period for anticipated market conditions.

Discount rates

Discount rates reflect management's estimate of weighted average cost of capital required in each business. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. Discount rates are calculated by using a capital asset pricing model.

Projected growth rate, GDP, and local inflation rates

On 31 December 2025, the goodwill impairment test determined there was no impairment required to any of the CGUs and goodwill was allocated to the following CGUs:

Cash generating units	Goodwill allocated
Wealth & personal banking	4,649,572
Corporate and institutional banking	771,772
Treasury	3,356,747

The forecasted cash flows have been discounted using the discount rate mentioned above. A 1% increase in the discount rate or decrease in the terminal growth rate keeping other factors constant would reduce the recoverable amount of the CGUs as mentioned in the table below:

	31 December 2025 Impact on the recoverable amount of CGUs	
Cash generating units	1% increase in discount rate (⃁ million)	1% decrease in terminal growth rate (⃁ million)
Wealth & personal banking	(4,432)	(3,805)
Corporate and institutional banking	(12,041)	(10,306)
Treasury	(3,016)	(2,656)

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

	31 December 2024 Impact on the recoverable amount of CGUs	
Cash generating units	1% increase in discount rate (⃁ million)	1% decrease in terminal growth rate (⃁ million)
Wealth & personal banking	(4,613)	(3,941)
Corporate and institutional banking	(9,898)	(8,422)
Treasury	(2,862)	(2,639)

10. Other assets

	Note	2025	2024
Accounts receivable		2,018,153	1,609,221
Collateral margin		1,272,692	976,126
Deferred tax	27	175,017	167,371
Others		390,644	297,300
Total		**3,856,506**	**3,050,018**

11. Derivatives

In the ordinary course of business, the Group uses the following derivative financial instruments for both trading and hedging purposes:

a) Forwards and futures

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. Foreign currency and special commission rate futures are transacted in standardised amounts on regulated exchanges, and changes in futures contract values are settled daily.

b) Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at a fixed future date or at any time during a specified period, a specified amount of a currency, commodity, or financial instrument at a predetermined price.

c) Swaps

Swaps are commitments to exchange one set of cash flows for another. For special commission rate swaps, counterparties generally exchange fixed and floating rate special commission payments in a single currency without exchanging principal. For currency swaps, fixed special commission payments and principal are exchanged in different currencies. For cross currency special commission rate swaps, principal, fixed and floating special commission payments are exchanged in different currencies.

Risk-related adjustments

Bid-offer:

Valuation models generates mid-market values. The bid-offer adjustment reflects the extent to which bid-offer cost would be incurred if substantially all residual net portfolio market risks were closed using available hedging instruments or by disposing of or unwinding the position.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Credit valuation adjustment (CVA):
The credit valuation adjustment is an adjustment to the valuation of Over the Counter (OTC) derivative contracts to reflect within fair value the possibility that the counterparty may default and that SAB may not receive the full market value of the transactions.

Debit valuation adjustment (DVA):
The debit valuation adjustment is an adjustment to the valuation of OTC derivative contracts to reflect within fair value the possibility that SAB may default, and that SAB may not pay the full market value of the transactions.

Credit valuation adjustment/debit valuation adjustment methodology:
SAB calculates a separate CVA and DVA for each counterparty to which the entity has exposure. SAB calculates the CVA by applying the probability of default ('PD') of the counterparty conditional on the non-default of SAB to the expected positive exposure to the counterparty and multiplying the result by the loss expected in the event of default.

Conversely, SAB calculates the DVA by applying the PD of SAB, conditional on the non-default of the counterparty, to the expected positive exposure of the counterparty to SAB and multiplying by the loss expected in the event of default. Both calculations are performed over the life of the potential exposure.

Derivatives 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, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favourable movements in prices, rates, or indices. Arbitrage involves identifying, with the expectation of profiting from price differentials between markets or products.

Derivatives held for hedging purposes
The Group has adopted a comprehensive system for the measurement and management of risk (see note 31 - financial risk management, note 32 - market risk and note 33 - liquidity risk). Part of the risk management process involves managing the Group's exposure to fluctuations in various asset classes including, but not limited to foreign exchange, interest rates and commodities within acceptable levels, as determined by the Board Risk Committee within the guidelines issued by SAMA. The Board Risk Committee establishes the levels of risk appetite for the Bank. Positions are monitored on a daily basis and hedging strategies are used to ensure that positions are maintained within the established limits. Asset and liability special commission rate gaps are reviewed on a periodic basis and hedging strategies are used to maintain special commission rate gaps within the established limits.

As part of its asset and liability management process, the Group uses derivatives for hedging purposes in order to adjust its exposure to currency and special commission rate risks. This is generally achieved by hedging specific transactions as well as by strategic hedging against overall statement of financial position exposures. Strategic hedging other than portfolio hedging does not qualify for hedge accounting and the related derivatives are accounted for as held for trading. The Group uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks. In addition, the Group uses special commission rate swaps to hedge against the special commission rate risk arising from specifically identified fixed special commission rate exposures. The Group also uses special commission rate swaps to hedge against the cash flow risk arising on certain floating rate exposures. In all such cases, the hedging relationship and objective, including the details of the hedged items and hedging instruments, are formally documented and the transactions are accounted for as fair value or cash flow hedges.

Hedge effectiveness testing
To qualify for hedge accounting, SAB requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective both prospectively and retrospectively, on an ongoing basis.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed, and the method adopted by an entity to assess hedge effectiveness will depend on its risk management strategy. For prospective effectiveness, the hedging instrument must be expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated, with the effectiveness range being defined as 80% to 125%. Hedge ineffectiveness is recognised in the consolidated statement of income 'Income from FVSI financial instruments'. For Cash flow hedges 'the critical terms matches' methodology is used at time of designation of hedge.

Source of ineffectiveness for fair value hedges and cash flow hedges
Possible source of ineffectiveness for fair value hedges and cash flow hedges are as follows:

- difference between the expected and actual volume of prepayments, as the Group hedges to the expected repayment date taking into account expected prepayments based on past experience;
- difference in the discounting between the hedge item and hedge instrument, as cash collateralised interest rate swaps are discounted using Overnight Indexed Swaps discount curves, which are not applied to the fixed rate mortgages;
- hedging derivative with a non-zero fair value at the date of initial designation as a hedging instrument;
- counter party credit risk which impacts the fair value of uncollateralised interest rate swaps but not the hedge items.

Cash flow hedges
The Group is exposed to variability in future special commission cash flows on non-trading assets which bear special commission income at a variable rate. The Group uses commission rate/cross - currency swaps as cash flow hedges to hedge these special commission rate risks.

Below is the schedule indicating as at 31 December, the periods when the hedged cash flows are expected to occur and when they are expected to affect statement of income:

2025	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	132,675	80,826	6,897	-
Net cash inflow	**132,675**	**80,826**	**6,897**	**-**
2024				
Cash inflows (assets)	219,750	203,689	30,416	-
Net cash inflow	**219,750**	**203,689**	**30,416**	**-**

The schedule reflects special commission income cash flows expected to arise on the hedged items in cash flow hedges based on the repricing profile of the hedged assets and liabilities. The tables below show the positive and negative fair values of derivative financial instruments held, together with their notional amounts as at 31 December, analysed by the term to maturity.

The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

These notional amounts, therefore, are neither indicative of the Group's exposure to market risk nor credit risk, which is generally limited to the positive/negative fair value of the derivatives.

			Notional amounts by term to maturity				
2025	**Positive fair value**	**Negative fair value**	**Notional amount**	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Derivatives held for trading:							
Special commission rate swaps	1,561,418	(1,321,329)	128,634,808	10,375,041	15,776,348	49,847,538	52,635,881
Special commission rate options	204,190	(213,364)	8,091,300	238,000	1,429,719	3,573,581	2,850,000
Forward foreign exchange contracts	33,630	(31,728)	10,170,236	7,836,742	1,664,347	669,147	-
Currency swaps	182,904	(180,326)	28,849,453	2,250,000	750,000	6,229,706	19,619,747
Commodity Swap	414,213	(413,753)	364,232	198,802	165,430	-	-
Equity forward	-	(5,435)	362,994	362,994	-	-	-
Derivatives held as fair value hedges:							
Special commission rate swaps	3,271	(97,263)	4,378,750	-	168,750	2,700,000	1,510,000
Derivatives held as cash flow hedges:							
Special commission rate swaps	6,103	(7,921)	4,285,000	1,100,000	1,360,000	1,825,000	-
Currency swaps	-	(2,453)	562,500	-	-	562,500	-
Total	**2,405,729**	**(2,273,572)**	**185,699,273**	**22,361,579**	**21,314,594**	**65,407,472**	**76,615,628**
Fair values of netting arrangements	**497,860**	**(346,354)**					
Cash collateral, net	**(102,457)**	**740,395**					
Fair values after netting	**395,403**	**394,041**					

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

			Notional amounts by term to maturity				
2024	**Positive fair value**	**Negative fair value**	**Notional amount**	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Derivatives held for trading:							
Special commission rate swaps	2,258,153	(2,135,384)	113,946,402	7,513,500	6,316,483	56,076,167	44,040,252
Special commission rate options	228,736	(240,401)	8,958,872	222,000	1,062,500	4,824,372	2,850,000
Forward foreign exchange contracts	48,823	(58,496)	11,624,832	9,187,352	2,437,480	-	-
Currency swaps	10,866	(9,478)	4,017,111	187,500	-	3,829,611	-
Commodity Swap	21,699	(21,059)	975,659	769,139	206,520	-	-
Derivatives held as fair value hedges:							
Special commission rate swaps	62,662	(51,194)	6,422,500	-	-	4,812,500	1,610,000
Derivatives held as cash flow hedges:							
Special commission rate swaps	269	(30,192)	4,285,000	-	-	4,285,000	-
Total	**2,631,208**	**(2,546,204)**	**150,230,376**	**17,879,491**	**10,022,983**	**73,827,650**	**48,500,252**
Fair values of netting arrangements	**705,948**	**(69,104)**					
Cash collateral, net	**(118,120)**	**608,012**					
Fair values after netting	**587,828**	**538,908**					

The Group enters into structured currency option products with clients which involve one or more derivatives included in the structure. In such instances, the fair value of the individual structured product represents a net valuation of the underlying derivatives. The sum of all option notional amounts included in each structure, as of the reporting date, is disclosed in the table above.

Shariah approved derivative products as below:

			Notional amounts by term to maturity				
2025	**Positive fair value**	**Negative fair value**	**Notional amount**	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Derivatives held for trading:							
Special commission rate swaps	22,845	(56,661)	14,853,638	11,000	1,451,206	8,909,318	4,482,114
Special commission rate options	34,306	(7,058)	1,146,558	119,000	14,000	713,558	300,000
Currency swaps	20,716	-	2,981,250	375,000	281,250	2,325,000	-
Forward foreign exchange contracts	1,287	(383)	472,500	67,500	202,500	202,500	-
Total	**79,154**	**(64,102)**	**19,453,946**	**572,500**	**1,948,956**	**12,150,376**	**4,782,114**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Positive fair value	Negative fair value	Notional amounts by term to maturity: Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years
Derivatives held for trading:							
Special commission rate swaps	21,732	(199,141)	14,454,783	11,000	1,631,283	6,883,615	5,928,885
Special commission rate options	46,128	(4,813)	749,410	-	-	449,410	300,000
Currency swaps	2,132	-	468,750	-	-	468,750	-
Commodity swaps	16,750	(370)	401,914	314,872	87,042	-	-
Total	**86,742**	**(204,324)**	**16,074,857**	**325,872**	**1,718,325**	**7,801,775**	**6,228,885**

The tables below show a summary of the hedged items, the nature of the risk being hedged, the hedging instruments and their fair values.

2025	Fair value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Description of the hedged items:						
Fixed commission rate investments	4,129,637	4,323,500	Fair value	Special commission rate swap	3,271	(97,263)
Floating commission rate investments	4,249,168	4,285,000	Cash flow	Special commission rate swap	6,103	(7,921)
Fixed commission rate investments	503,613	562,500	Cash flow	Currency swap	-	(2,453)

2024	Fair value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Description of the hedged items:						
Fixed commission rate investments	5,987,519	6,422,500	Fair value	Special commission rate swap	62,662	(51,194)
Floating commission rate investments	4,281,466	4,285,000	Cash flow	Special commission rate swap	269	(30,192)

Approximately 70% (2024: 90%) of the positive fair value of the Bank's derivatives are entered into with financial institutions and out of which 82% (2024: 83%) of the positive fair value contracts are with a single counterparty at the year end.

The amounts relating to items designated as hedged items as follows:

2025	Carrying amount: Assets	Carrying amount: Liabilities	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item: Assets	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item: Liabilities	Line item in the consolidated statement of financial position in which hedge item is included	Change in value used for calculatinghedge ineffectiveness	Accumulated amount of fair value adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses
Held as fair value hedges:							
Government Bonds/Sukuk	4,129,637	-	96,702	-	Investment at FVOCI and Amortised cost	118,802	(127,477)
Total	**4,129,637**	**-**	**96,702**	**-**		**118,802**	**(127,477)**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Carrying amount: Assets	Carrying amount: Liabilities	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item: Assets	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item: Liabilities	Line item in the consolidated statement of financial position in which hedge item is included	Change in value used for calculatinghedge ineffectiveness	Accumulated amount of fair value adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses
Held as fair value hedges:							
Government Bonds/Sukuk	5,987,519	-	(22,100)	-	Investment at FVOCI and Amortised cost	(6,596)	(140,537)
Total	**5,987,519**	**-**	**(22,100)**	**-**		**(6,596)**	**(140,537)**

The amounts relating items designated as hedging instruments and hedge ineffectiveness as follows:

2025	Positive fair value	Negative fair value	Notional amount Total	Change in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in statement of income	Amount reclassified from the hedge reserve to statement of income
Held as cash flow hedges:							
Special Commission rate swaps	6,103	(7,921)	4,285,000	27,810	27,810	-	-
Currency swaps	-	(2,453)	562,500	(2,453)	(2,453)	-	-
Total	**6,103**	**(10,374)**	**4,847,500**	**25,357**	**25,357**	**-**	**-**

2024	Positive fair value	Negative fair value	Notional amount Total	Change in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in statement of income	Amount reclassified from the hedge reserve to statement of income
Held as cash flow hedges:							
Special Commission rate swaps	269	(30,193)	4,285,000	2,586	2,586	-	(1,171)
Currency swaps	-	-	-	-	-	-	-
Total	**269**	**(30,193)**	**4,285,000**	**2,586**	**2,586**	**-**	**(1,171)**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The amounts relating to items designated as hedged items as follows:

2025	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied
Held as cash flow hedges:				
Government Bonds/Sukuk	Investment at FVOCI/AC	(25,357)	(5,445)	-
Total		**(25,357)**	**(5,445)**	**-**

2024	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied
Held as cash flow hedges:				
Government Bonds/Sukuk	Investment at FVOCI/AC	(2,586)	(3,907)	-
Total		**(2,586)**	**(3,907)**	**-**

In the table below, the Bank sets out the accumulated fair value adjustments arising from the corresponding continuing hedge relationships, irrespective of whether or not there has been a change in hedge designation during the year.

	Carrying Amount of Hedged Items		Accumulated amount of fair value adjustments on the hedged items	
2025	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Micro fair value hedges				
Fixed rate FVOCI debt instruments	4,128,746	-	96,652	-
Fixed rate Held at amortised cost debt instruments	892	-	49	-
Total	**4,129,638**	**-**	**96,701**	**-**

	Carrying Amount of Hedged Items		Accumulated amount of fair value adjustments on the hedged items	
2024	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Micro fair value hedges				
Fixed rate FVOCI debt instruments	5,415,410	-	27,054	-
Fixed rate Held at amortised cost debt instruments	572,108	-	(49,154)	-
Total	**5,987,518**	**-**	**(22,100)**	**-**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The below table sets out the outcome of the Bank's hedging strategy, in particular, to changes in the fair value of the hedged items and hedging instruments in the current year and the comparative year, used as the basis for recognising ineffectiveness:

		2025			2024		
		Gain / (Losses) attributable to hedged risk			Gain / (Losses) attributable to hedged risk		
Hedged Items	**Hedging Instruments**	**Hedged Items**	**Hedging Instruments**	**Hedge Ineffectiveness**	**Hedged Items**	**Hedging Instruments**	**Hedge Ineffectiveness**
Micro fair value hedge relationship hedging assets							
Fixed rate FVOCI debt instruments	Special commission rate swaps	69,599	(55,983)	13,616	(87,330)	84,303	(3,027)
Fixed rate Held at amortised cost debt instruments	Special commission rate swaps	49,203	(49,477)	(274)	80,734	(78,007)	2,727
Total		**118,802**	**(105,460)**	**13,342**	**(6,596)**	**6,296**	**(300)**

The following table shows the maturity and interest rate risk profiles of the Bank's hedging instruments used in its cash flow hedges. As the Bank applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

2025	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Commission rate swaps						
Notional principal	-	-	-	4,285,000	-	**4,285,000**
Average fixed rate	-	-	-	4.85%	-	-
Micro cash flow hedges						
Currency swaps						
Notional principal	-	-	-	562,500	-	**562,500**
Average fixed rate	-	-	-	2.33%	-	-
Average USD/⃁ rate	-	-	-	3.75	-	-

2024	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Commission rate swaps	-	-	-	-	-	-
Notional principal	-	-	-	4,285,000	-	**4,285,000**
Average fixed rate	-	-	-	4.87%	-	-
Micro cash flow hedges						
Currency swaps	-	-	-	-	-	-
Notional principal	-	-	-	-	-	-
Average fixed rate	-	-	-	-	-	-
Average USD/⃁ rate	-	-	-	-	-	-

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

12. Due to banks

	2025	2024
Current accounts	3,363,720	4,782,449
Money market	13,976,860	13,893,022
Repo with banks	8,357,992	19,807,023
Others	2,388	2,514,487
Total	**25,700,960**	**40,996,981**

13. Customers' deposits

	2025	2024
Demand	138,258,973	137,066,920
Time	179,981,969	125,373,090
Savings	3,288,144	2,987,570
Margin and others	1,744,768	1,583,079
Total	**323,273,854**	**267,010,659**

The above deposits include the following deposits in foreign currencies:

	2025	2024
Demand	18,383,146	16,466,325
Time	24,792,776	24,104,473
Savings	24,929	23,034
Margin and others	339,619	337,710
Total	**43,540,470**	**40,931,542**

Customers' deposits include the following deposits under Shariah approved product contracts:

	2025	2024
Demand	83,332,821	83,808,390
Time	109,995,698	78,438,046
Savings	2,269,536	2,263,693
Margin and others	791,560	510,653
Total	**196,389,615**	**165,020,782**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

14. Debt securities in issue and term loans

On 22 July 2025, SAB obtained the necessary approvals from SAMA for exercising its call option on its ⃁ 5 billion Tier 2. The Sukuk was redeemed at face value (100% of issue price) at the end of 5 years from issuance.

During the year ended 31 December 2025, SAB issued USD 1.25 billion (equivalent to ⃁ 4.688 billion) Tier 2 Notes, under the Group's Medium-Term Note Programme (the 'International Programme') on 4 September 2025. The Notes are unsecured and due in 2035, with SAB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the International Programme. The Notes carry special commission expense rate of 5.95% (fixed rate) payable semi-annually.

In addition, SAB issued certificate of deposits (CDs) under its CDs programme and entered into an arrangement of bilateral borrowings (term loans) during the year ended 31 December 2025.

	2025	2024
Debt securities in issue (Tier 2 Notes)	4,751,472	5,178,059
Certificate of deposits	2,201,495	-
Term loans	942,587	-
Total	**7,895,554**	**5,178,059**

Below is the movement of debt securities in issue:

	2025	2024
Balance at beginning of the year	**5,178,059**	**5,177,862**
Debt securities issued	4,687,500	-
Repayment of debt securities in issue	(5,000,000)	-
Other movements	(114,087)	197
Balance at the end of the year	**4,751,472**	**5,178,059**

Certificates of deposit and term loans issued by the Bank under its various programs include:

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
Aug 12 2025	Certificate Deposit	International FI	Less than 1 Year	USD	723 Million	4.77%	May 19 2026
Aug 14 2025	Certificate Deposit	International FI	1 Year	USD	358 Million	4.72%	Aug 19 2026
Aug 19 2025	Certificate Deposit	International FI	Less than 1 Year	USD	366 Million	4.55%	Feb 26 2026
Aug 20 2025	Certificate Deposit	International FI	1 Year	USD	716 Million	4.62%	Aug 27 2026
Jul 7 2025	Term Loan	International FI	3 Years	USD	562 Million	Term SOFR +70bps	Jun 23 2028
Jul 7 2025	Term Loan	International FI	Less than 3 Years	USD	375 Million	Term SOFR +79bps	Apr 28 2028

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

15. Other liabilities

	2025	2024
Accounts payable	11,385,626	10,437,261
Provision against loan commitments and financial guarantee contracts (note 20)	1,094,663	1,137,922
End of service benefits (note 29)	964,785	784,311
Lease liabilities	258,949	408,285
Others	2,267,982	2,656,944
Total	**15,972,005**	**15,424,723**

Others mainly include deferred income, Zakat and income tax liability and accruals.

16. Share capital

The authorised, issued and fully paid share capital of SAB consists of 2,054,794,522 shares of ⃁ 10 each (2024: 2,054,794,522 shares of ⃁ 10 each). The ownership of the SAB's share capital is as follows:

	2025	2024
HSBC Holdings B.V	31%	31%
Other shareholders*	69%	69%

*Other shareholders include both Saudi and non-strategic foreign shareholders.

SAB paid an interim dividend for the first half of year 2025 of ⃁ 2,090 million (2024: ⃁ 2,091 million). This equates to ⃁ 1.00 per share for Saudi shareholders' net of Zakat (2024: ⃁ 1.00).

SAB paid a final dividend of ⃁ 1,792 million (2024: ⃁ 1,847 million) as approved by the Board of Directors, to the shareholders of the Group for the year 2024. This resulted in ⃁ 1.00 per share for Saudi shareholders, net of Zakat (2024: ⃁ 0.98).

The income tax of the foreign shareholders was deducted from their share of the dividends.

17. Statutory reserve

In accordance with the Banking Control Law of the Kingdom of Saudi Arabia, no further transfer of annual net income is required to the statutory reserve as its balance equals the paid up share capital of the Group. The statutory reserve is not currently available for distribution.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

18. Other reserves

2025	Cash flow hedges	FVOCI	Treasury shares	Employee share plan reserve	Remeasurement of defined benefit liability	Total
Balance at beginning of the year	**(30,802)**	**(2,631,394)**	**(262,631)**	**58,332**	**47,727**	**(2,818,768)**
Restatement (note 41)	-	918,484	-	-	-	918,484
Balance at beginning of the year	**(30,802)**	**(1,712,910)**	**(262,631)**	**58,332**	**47,727**	**(1,900,284)**
Net change in fair value	25,357	1,611,212	-	-	-	1,636,569
Transfer to consolidated statement of income	-	(64,235)	-	-	-	(64,235)
Net movement in defined benefit liability	-	-	-	-	(90,723)	(90,723)
Treasury shares vested during the year	-	-	56,937	(56,937)	-	-
Net charge during the year	-	-	-	64,241	-	64,241
Balance at end of the year	**(5,445)**	**(165,933)**	**(205,694)**	**65,636**	**(42,996)**	**(354,432)**

2024 (Restated)	Cash flow hedges	FVOCI	Treasury shares	Employee share plan reserve	Remeasurement of defined benefit liability	Total
Balance at beginning of the year	**217,335**	**(1,544,750)**	**(135,129)**	**62,944**	**(14,743)**	**(1,414,343)**
Restatement (note 41)	-	918,484	-	-	-	918,484
Balance at beginning of the year	**217,335**	**(626,266)**	**(135,129)**	**62,944**	**(14,743)**	**(495,859)**
Net change in fair value	(249,308)	(1,147,568)	-	-	-	(1,396,876)
Transfer to consolidated statement of income	1,171	60,924	-	-	-	62,095
Net movement in defined benefit liability	-	-	-	-	62,470	62,470
Treasury shares purchased during the year	-	-	(176,804)	-	-	(176,804)
Treasury shares vested during the year	-	-	49,302	(49,302)	-	-
Net charge during the year	-	-	-	44,690	-	44,690
Balance at end of the year	**(30,802)**	**(1,712,910)**	**(262,631)**	**58,332**	**47,727**	**(1,900,284)**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

19. Additional Tier 1 Sukuk

The Bank has issued Additional Tier 1 Capital Sukuk by way of private placement as follows:

Issuance date	Amount (in ⃁ billions)	Issuance Currency	Fixed / Floating	Coupon rate	Coupon Payment frequency
31 October 2023	4.00	⃁	Floating	3 months SAIBOR + 125 bps	Quarterly
12 December 2024	3.65	⃁	Fixed	6.07%	Quarterly
12 December 2024	0.35	⃁	Floating	3 months SAIBOR + 134 bps	Quarterly
21 May 2025	2.44	USD	Fixed	6.50%	Semi-annually
24 July 2025	2.00	⃁	Fixed	6.30%	Quarterly

The issuances were approved by the regulatory authorities and Board of Directors of the Bank. These Sukuk 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. The applicable profit rate on the Sukuk is payable on each periodic distribution date, except in the event of a non-payment 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 elections are not considered to be events of default.

20. Commitments and contingencies

a) Legal proceedings

There are no material outstanding legal proceedings against the Group.

b) Capital commitments

As at 31 December 2025, the Group has capital commitments of ⃁ 935 million (2024: ⃁ 1,340 million) in respect of buildings, equipment and software purchases.

c) Credit related commitments and contingencies

Credit related commitments and contingencies mainly comprise guarantees letters of credit acceptances and commitments to extend credit. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and advances. Documentary letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are generally collateralised by the underlying shipments of goods to which they relate and therefore have significantly less risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The cash requirement under these instruments is considerably less than the amount of the related commitment because the Group generally expects the customers to fulfill their primary obligation.

Commitments to extend credit represent the unutilised portion of authorisations to extend credit, principally in the form of loans and advances, 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 unutilised commitments. However, the likely amount of loss, which cannot readily be quantified, is expected to be considerably less than the total unutilised commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of the commitments could expire or be terminated without being funded. Credit related commitments and contingencies are as follows:

2025	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,069,977	831,764	30,401	54,123	17,986,265
Letters of guarantee	138,404,047	3,083,219	2,155,258	963,737	144,606,261
Acceptances	3,367,466	123,081	292	1,157	3,491,996
Irrevocable commitments to extend credit	40,115,254	459,544	596,274	216,964	41,388,036
Total	**198,956,744**	**4,497,608**	**2,782,225**	**1,235,981**	**207,472,558**

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,400,063	1,075,404	29,418	146,289	18,651,174
Letters of guarantee	120,073,318	5,603,214	1,270,719	1,170,729	128,117,980
Acceptances	2,897,037	390,256	-	3,827	3,291,120
Irrevocable commitments to extend credit	19,225,105	1,063,070	-	38,372	20,326,547
Total	**159,595,523**	**8,131,944**	**1,300,137**	**1,359,217**	**170,386,821**

The un-utilised portion of non-firm commitments, which can be revoked unilaterally at any time by the Group, is ⃁ 150,830 million (2024: ⃁ 141,303 million). The following table further explains changes in gross carrying amount of the credit related commitments and contingencies to help explain their significance to the changes in the loss allowance for the same portfolio.

Letters of credit

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**17,400,063**	**1,075,404**	**29,418**	**146,289**	**18,651,174**
Transfer to Stage 1	360,151	(360,151)	-	-	-
Transfer to Stage 2	(276,123)	276,123	-	-	-
Transfer to Stage 3	-	(1,424)	1,424	-	-
Net other changes for the year	(414,114)	(158,188)	(441)	(92,166)	(664,909)
Balance as at 31 December 2025	**17,069,977**	**831,764**	**30,401**	**54,123**	**17,986,265**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**14,746,763**	**874,480**	**2,893**	**38,833**	**15,662,969**
Transfer to Stage 1	11,591	(11,591)	-	-	-
Transfer to Stage 2	(297,549)	297,549	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	2,939,258	(85,034)	26,525	107,456	2,988,205
Balance as at 31 December 2024	**17,400,063**	**1,075,404**	**29,418**	**146,289**	**18,651,174**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Letters of guarantee

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**120,073,318**	**5,603,214**	**1,270,719**	**1,170,729**	**128,117,980**
Transfer to Stage 1	1,212,634	(1,212,632)	(2)	-	-
Transfer to Stage 2	(294,332)	294,332	-	-	-
Transfer to Stage 3	(29,814)	(1,048,259)	1,078,073	-	-
Net other changes for the year	17,442,241	(553,436)	(193,532)	(206,992)	16,488,281
Balance as at 31 December 2025	**138,404,047**	**3,083,219**	**2,155,258**	**963,737**	**144,606,261**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**88,243,609**	**7,844,758**	**1,241,777**	**1,232,269**	**98,562,413**
Transfer to Stage 1	3,236,569	(3,236,569)	-	-	-
Transfer to Stage 2	(1,681,336)	1,681,336	-	-	-
Transfer to Stage 3	(5,275)	(151,515)	156,790	-	-
Net other changes for the year	30,279,751	(534,796)	(127,848)	(61,540)	29,555,567
Balance as at 31 December 2024	**120,073,318**	**5,603,214**	**1,270,719**	**1,170,729**	**128,117,980**

Acceptances

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**2,897,037**	**390,256**	**-**	**3,827**	**3,291,120**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	470,429	(267,175)	292	(2,670)	200,876
Balance as at 31 December 2025	**3,367,466**	**123,081**	**292**	**1,157**	**3,491,996**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**3,672,874**	**194,943**	**520**	**830**	**3,869,167**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	(775,837)	195,313	(520)	2,997	(578,047)
Balance as at 31 December 2024	**2,897,037**	**390,256**	**-**	**3,827**	**3,291,120**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Irrevocable commitments to extend credit

	Non-credit impaired		Credit impaired		
2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**19,225,105**	**1,063,070**	**-**	**38,372**	**20,326,547**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	20,890,149	(603,526)	596,274	178,592	21,061,489
Balance as at 31 December 2025	**40,115,254**	**459,544**	**596,274**	**216,964**	**41,388,036**

	Non-credit impaired		Credit impaired		
2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**11,953,358**	**537,713**	**-**	**217,829**	**12,708,900**
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net other changes for the year	7,271,747	525,357	-	(179,457)	7,617,647
Balance as at 31 December 2024	**19,225,105**	**1,063,070**	**-**	**38,372**	**20,326,547**

The following table shows reconciliations of the provision for expected credit losses against loan commitments and financial guarantee contracts:

2025	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2025	**74,421**	**308,898**	**685,107**	**69,496**	**1,137,922**
Transfer to Stage 1	13,605	(13,603)	(2)	-	-
Transfer to Stage 2	(1,083)	1,083	-	-	-
Transfer to Stage 3	(137)	(170,332)	170,469	-	-
Net other changes for the year	19,466	(18,106)	(40,644)	(3,975)	(43,259)
Balance as at 31 December 2025	**106,272**	**107,940**	**814,930**	**65,521**	**1,094,663**

2024	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2024	**121,810**	**249,985**	**606,108**	**48,074**	**1,025,977**
Transfer to Stage 1	66,682	(66,682)	-	-	-
Transfer to Stage 2	(3,494)	3,494	-	-	-
Transfer to Stage 3	(10)	(6,332)	6,342	-	-
Net other changes for the year	(110,567)	128,433	72,657	21,422	111,945
Balance as at 31 December 2024	**74,421**	**308,898**	**685,107**	**69,496**	**1,137,922**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

d) The analysis of credit related commitments and contingencies by counterparty is as follows:

	2025	2024
Government and quasi government	13,699,998	7,674,306
Corporate	155,116,289	131,718,106
Banks and other financial institutions	34,171,047	29,714,384
Others	4,485,224	1,280,025
Total	**207,472,558**	**170,386,821**

The following table sets out information about the credit quality of commitments and contingencies. The amounts in the table represent gross carrying amounts.

2025	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	73,625,016	-	-	-	73,625,016
Good	107,238,665	594,662	-	-	107,833,327
Satisfactory	18,093,063	3,700,781	-	-	21,793,844
Special mention	-	202,165	39,064	-	241,229
Non-performing	-	-	2,743,161	1,235,981	3,979,142
Total	**198,956,744**	**4,497,608**	**2,782,225**	**1,235,981**	**207,472,558**

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	67,004,292	-	-	-	67,004,292
Good	83,674,774	702,561	-	-	84,377,335
Satisfactory	8,916,457	5,074,908	62	-	13,991,427
Special mention	-	2,354,475	79,714	-	2,434,189
Non-performing	-	-	1,220,361	1,359,217	2,579,578
Total	**159,595,523**	**8,131,944**	**1,300,137**	**1,359,217**	**170,386,821**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

21. Net special commission income

	Notes	2025	2024 (Restated)*
Special commission income			
Loans and advances	41	17,544,304	16,000,702
Due from banks and other financial institutions		435,643	552,530
Investments:			
FVOCI		2,287,325	2,267,685
Held at amortised cost		2,095,238	1,788,104
		4,382,563	**4,055,789**
Total		**22,362,510**	**20,609,021**
Special commission expense			
Customers' deposits		(8,742,229)	(7,937,014)
Due to banks		(1,681,069)	(1,122,469)
Debt securities in issue		(351,783)	(402,538)
Others		39,115	(15,895)
Total		**(10,735,966)**	**(9,477,916)**
Net special commission income		**11,626,544**	**11,131,105**

*Refer to note 41

Special commission income and Special commission expenses from Shariah-compliant products are as follows:

	2025	2024
Special commission income		
Loans and advances		
Tawarruq	10,765,626	10,003,346
Ijarah	1,546,819	1,431,235
Murabaha	1,406,519	947,510
Total	**13,718,964**	**12,382,091**
Investments:		
Held at amortised cost / Sukuk	1,852,734	1,621,167
FVOCI / Sukuk	1,552,568	1,602,985
Total	**3,405,302**	**3,224,152**
Due from Banks and other financial institutions - Tawarruq	**11,912**	**39,618**
Special commission expense		
Customers' deposits		
Murabaha (Tawarruq)	(5,102,444)	(4,701,038)
Mudarbah	(37,335)	(31,627)
Total	**(5,139,779)**	**(4,732,665)**
Debt securities in issue – Murabaha	**(218,575)**	**(402,538)**
Due to Banks - Tawarruq	**(146,655)**	**(36,922)**
Special commission income, net	**11,631,169**	**10,473,736**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

22. Net fee and commission income

	Notes	2025	2024 (Restated)*
Fee and commission income:			
Card products		2,262,836	1,899,938
Trade finance		926,671	889,637
Corporate finance and advisory	41	209,193	212,550
Fund management fees		322,580	329,808
Payments and transfers		220,526	212,235
Other banking services		305,733	336,593
Total fee and commission income		**4,247,539**	**3,880,761**
Fee and commission expense:			
Card products		(2,668,098)	(2,244,884)
Corporate finance and advisory	41	(45,009)	(44,712)
Fund management fees		(44,796)	(57,836)
Payments and transfers		(64,507)	(64,195)
Custodial services		(2,247)	(1,555)
Other banking services		(96,258)	(125,622)
Total fee and commission expense		**(2,920,915)**	**(2,538,804)**
Net fees and commission income		**1,326,624**	**1,341,957**

*Refer to note 41

23. Gain from FVSI financial instruments, net

	2025	2024
Derivatives	193,476	308,160
Foreign exchange income, net	185,341	184,952
Debt securities	38,023	11,126
Others	146,486	50,691
Total	**563,326**	**554,929**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

24. Salaries and employee related expenses

The following table summarises the Group's employee categories defined in accordance with SAMA's Banks Remuneration Rules and includes the total amounts of fixed and variable compensation paid to employees during the years ended 31 December 2025 and 31 December 2024, and the forms of such payments.

2025	Number of employees*	Fixed compensation	Variable compensation: Cash	Variable compensation: Shares	Total
Senior executives requiring SAMA no objection	24	(44,576)	(26,069)	(26,611)	(52,680)
Employees engaged in risk taking activities	1042	(560,921)	(195,090)	(28,922)	(224,012)
Employees engaged in control functions	454	(129,446)	(23,161)	(23)	(23,184)
Other employees	2953	(624,954)	(168,638)	(6,625)	(175,263)
Outsourced employees	753	(96,653)	(48,478)	-	(48,478)
Total	**5,226**	**(1,456,550)**	**(461,436)**	**(62,181)**	**(523,617)**
Variable compensation accrued in 2025		(566,496)			
Other employee related benefits **		(395,631)			
Total salaries and employee related expenses		**(2,418,677)**			

2024	Number of employees*	Fixed compensation	Variable compensation: Cash	Variable compensation: Shares	Total
Senior executives requiring SAMA no objection	24	(44,077)	(28,983)	(21,300)	(50,283)
Employees engaged in risk taking activities	1042	(544,343)	(180,146)	(27,205)	(207,351)
Employees engaged in control functions	429	(123,504)	(20,697)	(23)	(20,720)
Other employees	2975	(602,187)	(146,283)	(774)	(147,057)
Outsourced employees	995	(95,318)	(47,932)	-	(47,932)
Total	**5,465**	**(1,409,429)**	**(424,041)**	**(49,302)**	**(473,343)**
Variable compensation accrued in 2024		(523,941)			
Other employee related benefits **		(338,506)			
Total salaries and employee related expenses		**(2,271,876)**			

* Represents all employees who worked for the Group and were compensated during the year 2025 or 2024, whether they are still active or no longer employed by the Group.

** Other employee related benefits include insurance premiums paid, General Organisation for Social Insurance contributions (GOSI), recruitment expenses and certain other non-recurring employee related costs.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Senior executives (requiring SAMA no objection):

This comprises senior management having responsibility and authority for formulating strategies, directing and controlling the activities of the Group whose appointment requires non objection from SAMA. This covers the CEO & Managing Director and other executives directly reporting to him and other roles.

Employees engaged in risk taking activities:

This comprises of management staff within the business lines (Corporate and Institutional Banking, Treasury, Investment, Wealth and Personal Banking employees), who are responsible for executing and implementing the business strategy on behalf of the Group. This also includes those involved in recommending and evaluating credit limits and credit worthiness, pricing of loans, undertaking and executing business proposals and treasury dealing activities as well as other executives whom, are not under the senior executives (requiring SAMA no objection).

Employees engaged in control functions:

This refers to employees working in divisions that are not involved in risk taking activities but engaged in review functions (Risk Management, Compliance, Internal Audit and Legal). These functions are fully independent from risk taking units.

Other employees:

This includes all other employees of the Group, excluding those already reported under categories mentioned above.

Outsourced employees:

This includes staff employed by various agencies who supply services to the Group on a full-time basis in non-critical roles. None of these roles require risk undertaking or control.

Compensation disclosure for the annual consolidated financial statements:

SAMA being the Banking industry regulator for the Kingdom of Saudi Arabia has issued its Banks Remuneration Rules. In compliance with the SAMA's Banks Remuneration Rules, a compensation policy endorsed by the Nomination and Remuneration Committee and approved by the Board of Directors has been formulated and implemented.

SAB compensation policy

i. Policy objectives

The policy establishes the guidelines for the management of fixed and variable remuneration at SAB. The policy covers all categories of employees, all compensation elements, key remuneration determinants, approval and governance processes (covered in the HR Delegation of Authority), reporting requirements, bonus deferral process, share retention and relevant stakeholder's roles and responsibilities. The objectives of the policy are to ensure elements of the policy are consistently applied; reflects a total compensation approach (fixed pay, variable pay and benefits); and supports equal opportunity, promotes market competitiveness, supports pay for performance parity, is applied in the context of relevant risk controls and compliance considerations in the application of compensation decisions; meets regulatory requirements, centered on effective risk management and achieving financial soundness and stability of the bank.

ii. Compensation structure

SAB's compensation operates on a Total Package basis that is benchmarked to market data from peers in the appropriate industry. Total Package comprises of the following blend of fixed and variable compensation elements: salaries, allowances, benefits, annual bonuses, short-term incentives, and long-term incentives.

iii. Performance management system

The performance of all employees is evaluated against agreed targets using a Performance Scorecard methodology, financial, customer, process, and people. A calibration process is applied to ensure fair and equitable performance evaluation. The performance management methodology at SAB focuses on the differentiation of individual performance and drives the variable reward strategy which encourages high performance within a risk compliant manner.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

iv. Risk-adjustment for variable pay schemes

The Group has reviewed all its variable pay schemes, with the assistance of external remuneration consultants, to ensure that any bonus pay pools have taken into account 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.

v. Bonus deferral

Bonus deferral in the form of equity applies to all employees who are subject to SAMA 'No Objection', those identified as material risk takers, or those meeting a quantitative deferral trigger. Deferred bonus awards are delivered in the form of SAB shares and vest over a three year period. Deferred awards are subject to malus and clawback provisions in accordance with regulatory requirements and internal policy.

vi. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has oversight of the remuneration structures and policies for all employees to ensure that: all performance based bonuses are adjusted for risk, compensation structures are regulatory compliant, and effective in achieving its stated objectives.

a) Share based bonus payments

SAB has in place share-based equity settled bonus payment plans for eligible employees, which were outstanding as of the end of the year. Under the terms of these plans, eligible employees are granted shares at a predetermined price. On the respective vesting dates, SAB delivers the allotted shares to the employees once vesting terms and conditions have been satisfactorily met.

The cost of the plans is recognised over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares (the vesting date). At each reporting date, the cumulative expense recognised for these plans up until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

At present, the Bank operates three share-based equity plans. The bonus deferral program, under these, plans were initiated at various dates during 2023, 2024, and 2025. These plans have a three year maturity period from the respective grant dates, with shares vesting occurring in three portions: 33%, 33% and 34% in the first year, second year and third year respectively. Additionally, SAB operates two long-term incentive plans. One plan, concluded in Q1 2025, had a maturity of four years of the respective grant date. Under this plan, awards vested as 30%, 20% and 40% in shares, with the remaining as cash rewards. The second plan applies cliff vesting after a maturity of either two or three years, with the final vesting scheduled for Q1 2027.

As per the settlement terms of these plans, the ownership of these shares will transfer to the employees upon the respective vesting dates, subject to successful completion of the vesting conditions.

The movement in the number of shares under Share Based Equity settled plans is as follows:

Number of shares	2025	2024
Beginning of the year	3,811,884	2,677,932
Forfeited	(50,667)	(75,009)
Exercised / Expired	(1,639,242)	(1,452,637)
Granted during the year	1,878,167	2,661,598
End of the year	**4,000,142**	**3,811,884**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The weighted average price of shares granted during the year was ⃁ 32.44 (2024: ⃁ 34.61). Total treasury shares held by the Group as at 31 December 2025 were 5,181,834 shares (2024: 6,821,076 shares).

The movement in the number of treasury shares is as follows:

Number of shares	2025	2024
Beginning of the year	6,821,076	3,573,713
Acquired	-	4,700,000
Vested	(1,639,242)	(1,452,637)
End of the year	**5,181,834**	**6,821,076**

25. General and administrative expenses

	2025	2024
Information technology expenses	579,879	566,788
Legal and professional fees	175,060	230,288
Cash Operations expenses	100,443	95,188
Maintenance and security expenses	92,646	79,276
Communications expenses	52,098	65,489
Other operational expenses	246,789	357,527
Total	**1,246,915**	**1,394,556**

26. Basic and diluted earnings per share

Basic and diluted earnings per share for the years ended 31 December 2025 and 31 December 2024 are calculated by dividing the net income after Zakat and income tax (adjusted by profit paid on additional Tier 1 Sukuk), by the weighted average number of shares 2,054,794,522 (December 2024: 2,054,794,522) outstanding during the years.

	2025	2024
Net income after Zakat and income tax	8,452,094	8,070,461
Profit paid on additional Tier 1 Sukuk	(625,238)	(304,617)
Net income after Zakat and income tax (adjusted by profit paid on additional Tier 1 Sukuk)	**7,826,856**	**7,765,844**
Weighted average number of ordinary shares*	2,054,794,522	2,054,794,522
Basic and diluted earnings per share	**3.81**	**3.78**

* The impact of treasury shares is immaterial

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

27. Zakat and income tax

The Zakat base computed in accordance with the formula specified in the Zakat Regulations is also subject to thresholds for minimum and maximum liability. In addition, SAB is subject to pay corporate income tax to reflect the portion of the shareholder base that is non-Saudi. Corporate income tax is calculated at a rate of 20%, applied to the share of taxable income of the non-Saudi shareholders.

As of 31 December 2025, SAB has filed its Zakat and income tax return up to 2024. Income tax assessments from 2015 to 2018 have not been received by the Bank. The assessment of Zakat and Income tax for 2019 up to 2023 are closed and settled. The assessment of 2024 are still under Zakat, Tax, and Customs Authority's (ZATCA) review.

The below table represents the movements in the current Zakat and income tax liability:

	2025	2024
Opening Zakat and income tax liability	**1,020,755**	**977,116**
Charge for the year:		
Provision for Zakat	695,960	665,804
Provision for income tax	558,747	533,057
Total charged	**1,254,707**	**1,198,861**
Payments during the year:		
Payment of Zakat liability	(663,030)	(597,463)
Payment of income tax liability	(591,843)	(557,759)
Total payment	**(1,254,873)**	**(1,155,222)**
Closing Zakat and income tax liability	**1,020,589**	**1,020,755**

Deferred 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 taxation purposes. The following table shows the movement in deferred tax:

	2025	2024
Opening deferred tax asset	**167,371**	**264,131**
Provision for deferred tax	7,646	(96,760)
Closing deferred tax asset	**175,017**	**167,371**

The deferred tax included in these financial statements comprise of the following:

	2025	2024
Property, equipment, ROU, goodwill and other intangibles	51,023	54,720
Other liabilities	52,260	50,168
Provision for expected credit losses	71,734	62,483
Total	**175,017**	**167,371**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

28. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	2025	2024
Cash and balances with SAMA excluding the statutory deposit (note 3)	6,645,956	2,198,536
Due from banks and other financial institutions with an original maturity of three months or less from date of the acquisition	2,881,295	3,293,161
Total	**9,527,251**	**5,491,697**

29. Employee 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 the projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

b) Reconciliation of defined benefit obligation as 31 December

	2025	2024
Defined benefit obligation at the beginning of the year	**784,311**	**812,150**
Charge for the year:		
Current service cost	72,968	77,574
Interest cost	40,813	36,454
Past service cost	48,120	(9,005)
Benefits paid	(72,204)	(70,493)
Transferred in	54	101
Re-measurement of defined benefit liability:		
Financial assumptions	44,144	(95,325)
Demographic adjustments	489	3,747
Experience adjustments	46,090	29,108
Defined benefit obligation at the end of the year	**964,785**	**784,311**

c) Principal actuarial assumptions (in respect of the employee benefit scheme)

	2025	2024
Discount rate	5.05%	5.45%
Expected rate of salary increase	4.25%	4.25%
Normal retirement age	65 Years	65 Years

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

d) Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the defined benefit obligation valuation as at 31 December to the discount rate and salary increase rate.

	Impact on defined benefit obligation – increase / (decrease)		
Base Scenario 2025	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	1%	(62,741)	71,309
Expected rate of salary increase	1%	73,412	(65,736)

	Impact on defined benefit obligation – increase / (decrease)		
Base Scenario 2024	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	1%	(104,893)	69,003
Expected rate of salary increase	1%	71,220	(62,857)

The above sensitivity analyses are based on a change in an assumption holding all other assumptions constant.

e) Expected maturity

Expected maturity analysis of undiscounted defined benefit obligation for the end of service plan is as follows:

2025	Less than a year	1-2 years	2-5 years	Over 5 years	Total
	126,491	88,052	271,567	966,160	**1,452,270**

2024	Less than a year	1-2 years	2-5 years	Over 5 years	Total
	71,968	69,149	194,607	995,673	**1,331,397**

The weighted average duration of the defined benefit obligation is 7 years (2024: 8 years).

f) Defined contribution plan

The Group makes contributions for a defined contribution retirement benefit plan to the GOSI in respect of its staff. The total amount expensed during the year in respect of this plan was ⃁ 104 million (2024: ⃁ 99 million).

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

30. Operating segments

The Group's primary business is conducted in the Kingdom of Saudi Arabia. Transactions between the operating segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance. The Group's reportable segments are as follows:

- **Wealth & Personal Banking** – Wealth and Personal Banking offers a variety of wealth and consumer lending products. Having a mix of domestic and international customers, WPB aims to be the Bank of choice for wealth and internationally-minded customers.
- **Corporate and Institutional Banking** – The Corporate and Institutional Banking provides tailored solutions to a wide range of customer segments including Global Corporates and Institutional Banking, Multinational Corporates, Large and Commercial Banking Corporates, and Small and Medium Enterprises. CIB offers a wide range of products that includes core banking, liquidity management, trade-finance and treasury services.
- **Treasury** – The Treasury business provides Corporate, Institutional, Wealth and Private banking clients with access to treasury and capital markets products across multiple asset classes, including foreign exchange, interest rate, and commodities hedging solutions. In addition, Treasury manages the liquidity and market risk of the Bank, including deployment of its commercial surplus through its investment portfolio.
- **Capital Markets** – The Capital Markets segment brings together the margin lending, brokerage, and asset management business and are managed by our wholly-owned subsidiary SAB Invest.
- **Others** – Includes activities of the Group's investment in its associate, HSBC Saudi Arabia and equity investments. It also includes elimination of inter-group income and expense items.

Transactions between the operating segments are reported as recorded by the Group's transfer pricing policy. The Group's total assets and liabilities as at 31 December 2025 and 2024, its total operating income and expenses, and the results for the years then ended, by operating segment, are as follows:

2025	Wealth & Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	**84,185,145**	**227,179,353**	**137,769,609**	**2,725,358**	**2,595,019**	**454,454,484**
Loans and advances, net	74,055,044	222,921,477	-	1,649,984	-	298,626,505
Investments, net	-	-	104,899,187	727,936	2,014,775	107,641,898
Investment in an associate	-	-	-	-	399,507	399,507
Total liabilities	**92,703,005**	**197,172,669**	**84,998,216**	**220,457**	**21,598**	**375,115,945**
Operating income from external customers	2,739,621	9,903,422	1,390,143	456,749	234,028	14,723,963
Inter-segment operating income / (expense)	1,670,520	(1,953,801)	283,281	-	-	-
Total operating income, of which:	**4,410,141**	**7,949,621**	**1,673,424**	**456,749**	**234,028**	**14,723,963**
Net special commission income	3,996,153	6,740,599	703,062	139,127	47,603	11,626,544
Net fees and commission income / (expenses)	121,603	893,147	(5,818)	300,950	16,742	1,326,624
(Provision for expected credit losses) / reversal, net	**(172,441)**	**(528,589)**	**(4,412)**	**1,928**	**-**	**(703,514)**
Total operating (expenses) / income	**(2,162,868)**	**(1,720,292)**	**(307,712)**	**(278,417)**	**6,983**	**(4,462,306)**
Share in earnings of an associate	-	-	-	-	141,012	141,012
Net income for the period before Zakat and income tax	**2,074,832**	**5,700,740**	**1,361,300**	**180,260**	**382,023**	**9,699,155**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024 (Restated)	Wealth & Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	**73,972,695**	**197,516,592**	**123,932,472**	**2,750,569**	**2,431,051**	**400,603,379**
Loans and advances, net	64,325,916	193,317,924	-	1,701,676	-	259,345,516
Investments, net	-	-	97,222,242	580,575	1,769,977	99,572,794
Investment in an associate	-	-	-	-	463,350	463,350
Total liabilities	**90,963,009**	**159,836,636**	**80,122,773**	**186,890**	**47,318**	**331,156,626**
Operating income / (loss) from external customers	2,226,800	9,342,582	2,003,356	446,306	(1,372)	14,017,672
Inter-segment operating income / (expense)	2,114,010	(1,361,009)	(753,001)	-	-	-
Total operating income / (loss), of which:	**4,340,810**	**7,981,573**	**1,250,355**	**446,306**	**(1,372)**	**14,017,672**
Net special commission income	3,739,912	6,847,496	403,151	140,546	-	11,131,105
Net fees and commission income / (expenses)	208,616	843,090	(4,406)	294,657	-	1,341,957
(Provision for expected credit losses) / reversal, net	**(198,735)**	**(367,758)**	**1,064**	**(634)**	**-**	**(566,063)**
Total operating expenses	**(1,892,851)**	**(1,783,294)**	**(342,881)**	**(257,674)**	**(14,196)**	**(4,290,896)**
Share in earnings of an associate	-	-	-	-	205,369	205,369
Net income for the period before Zakat and income tax	**2,249,224**	**5,830,521**	**908,538**	**187,998**	**189,801**	**9,366,082**

a) The Group's credit exposure by operating segment is as follows:

2025	Wealth & Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Total
Assets	74,055,044	222,921,477	65,244,374	1,889,757	364,110,652
Commitments and contingencies	576,285	106,342,618	69,914	-	106,988,817
Total	**74,631,329**	**329,264,095**	**65,314,288**	**1,889,757**	**471,099,469**

2024	Wealth & Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Total
Assets	64,325,916	193,317,924	63,241,549	2,087,254	322,972,643
Commitments and contingencies	311,681	90,518,909	8,601	-	90,839,191
Total	**64,637,597**	**283,836,833**	**63,250,150**	**2,087,254**	**413,811,834**

Credit exposure comprises the carrying value of assets excluding cash, property and equipment, other assets, investment in associates and equity investments. Commitments, contingencies and derivatives are presented based on the credit conversion factor as prescribed by SAMA.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

31. Financial risk management

i) Credit risk

The Group follows SAMA Rules on Credit Risk Management whereby the Board of Directors has ultimate responsibility for the effective management of risk and approves the risk appetite. The Board has constituted a Board Risk Committee (BRC) for the ongoing monitoring, assessment and management of the risk environment and the effectiveness of the risk management framework. Day-to-day responsibility for risk management is delegated to senior managers with individual accountability for decision making.

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit risk arises principally from direct lending, trade finance and leasing activities, but also from other products such as guarantees and derivatives.

The Group continues to assess the impact of economic developments on specific customers, customer segments or portfolios. As credit conditions change, the Group takes mitigating actions, including the revision of risk appetites or limits and tenors, as appropriate. In addition, the Group continues to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Credit approval authorities are delegated by the Board to the Managing Director together with the authority to sub-delegate them. The Credit Risk function is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Group's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios.

Concentrations of credit risk arise when a number of counterparties have comparable economic characteristics, or such counterparties are engaged in similar business activities, or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political, or other conditions. The Group uses a number of controls and measures to minimise undue concentration of exposure in the portfolios. These include portfolio and counterparty limits, approval and review controls, and stress testing.

a) Provision for expected credit losses, net

The following table shows the provision for expected credit losses for due from banks and other financial institutions, investments, loans and advances and off balance sheet exposures:

	Note	2025	2024
Net provision for expected credit losses:			
Due from banks and other financial institutions	4 (d)	(2,285)	(69)
Investments	5 (d)	(2,128)	1,133
Loans and advances	6 (c)	(1,402,925)	(575,962)
Loan commitments and financial guarantee contracts	20 (c)	43,259	(111,945)
Write-offs net, recoveries of debts previously written-off*		660,565	120,780
Net charge for the year		**(703,514)**	**(566,063)**

* Write-offs net, recoveries of debts previously written-off include purchase price allocation release from POCI accounts of ⃁ 721 million (248 ⃁ :2024 million).

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

b) Geographical concentration of financial assets, liabilities, commitments and contingencies, and the maximum exposure to credit risk.

2025	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	Other countries	Total
Assets						
Cash and balances with SAMA						
Cash in hand	2,003,426	-	-	-	-	2,003,426
Balances with SAMA	21,705,140	-	-	-	-	21,705,140
Other balances	131,530	-	-	-	-	131,530
Due from banks and other financial institutions, net:						
Current accounts	1,433,035	130,673	515,559	421,401	377,513	2,878,181
Money market placements	-	-	-	-	-	-
Positive fair value derivatives, net:						
Held for trading	665,752	6,344	1,724,259	-	-	2,396,355
Held as fair value hedges	-	-	3,271	-	-	3,271
Held as cash flow hedges	-	-	6,103	-	-	6,103
Investments, net:						
FVOCI	53,819,778	1,407,129	-	8,313,135	-	63,540,042
FVSI	709,664	-	-	-	-	709,664
Amortised cost	40,769,296	-	-	-	-	40,769,296
Loans and advances, net:						
Credit cards	3,580,162	-	-	-	-	3,580,162
Retail lending	72,124,866	-	-	-	-	72,124,866
Corporate and institutional lending	205,229,279	5,067,043	6,191,615	-	6,433,540	222,921,477
Other assets	**3,856,506**	**-**	**-**	**-**	**-**	**3,856,506**
Total	**406,028,434**	**6,611,189**	**8,440,807**	**8,734,536**	**6,811,053**	**436,626,019**
Liabilities						
Due to banks:						
Current accounts	1,429,972	402,497	630,396	520,005	380,850	3,363,720
Money market deposits	10,292,801	397,580	1,584,751	1,139,031	562,697	13,976,860
Repo with banks	-	462,795	7,895,197	-	-	8,357,992
Others	2,388	-	-	-	-	2,388
Customer deposits:						
Demand	137,450,149	44,158	489,604	45,362	229,700	138,258,973
Time	179,634,549	318	29,356	145,364	172,382	179,981,969
Saving	3,257,362	-	12,834	-	17,948	3,288,144
Margin and other deposits	1,733,236	-	274	-	11,258	1,744,768
Debt securities in issue and term loans	**4,751,472**	**-**	**2,201,495**	**565,504**	**377,083**	**7,895,554**
Negative fair value derivatives, net:						
Held for trading	724,079	3,782	1,438,074	-	-	2,165,935
Held as fair value hedges	-	-	97,263	-	-	97,263
Held as cash flow hedges	-	-	10,374	-	-	10,374
Other liabilities	**15,972,005**	**-**	**-**	**-**	**-**	**15,972,005**
Total	**355,248,013**	**1,311,130**	**14,389,618**	**2,415,266**	**1,751,918**	**375,115,945**
Commitments and contingencies	**171,610,900**	**5,411,250**	**8,452,510**	**1,285,640**	**20,712,258**	**207,472,558**
Maximum credit exposure (stated at credit equivalent amounts)						
Assets	344,973,308	5,197,716	6,707,174	421,401	6,811,053	364,110,652
Commitments and contingencies	88,695,342	2,800,900	4,283,150	659,964	10,549,461	106,988,817
Total credit exposure	**433,668,650**	**7,998,616**	**10,990,324**	**1,081,365**	**17,360,514**	**471,099,469**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	Other countries	Total
Assets						
Cash and balances with SAMA						
Cash in hand	1,794,960	-	-	-	-	1,794,960
Balances with SAMA	15,477,156	-	-	-	-	15,477,156
Other balances	90,576	-	-	-	-	90,576
Due from banks and other financial institutions, net:						
Current accounts	1,839,674	107,450	182,984	1,022,950	139,293	3,292,351
Money market placements	137,421	-	-	-	-	137,421
Positive fair value derivatives, net:						
Held for trading	304,678	5,028	2,258,571	-	-	2,568,277
Held as fair value hedges	-	-	62,662	-	-	62,662
Held as cash flow hedges	-	-	269	-	-	269
Investments, net:						
FVOCI	44,381,667	1,698,483	-	6,089,994	-	52,170,144
FVSI	960,806	9,807	-	-	-	970,613
Amortised cost	44,629,623	-	-	-	-	44,629,623
Loans and advances, net:						
Credit cards	3,396,831	-	-	-	-	3,396,831
Retail lending	62,630,761	-	-	-	-	62,630,761
Corporate and institutional lending	184,171,960	2,809,852	2,552,050	-	3,784,062	193,317,924
Other assets	**3,050,018**	**-**	**-**	**-**	**-**	**3,050,018**
Total	**362,866,131**	**4,630,620**	**5,056,536**	**7,112,944**	**3,923,355**	**383,589,586**
Liabilities						
Due to banks						
Current accounts	3,335,555	304,321	475,466	382,517	284,590	4,782,449
Money market deposits	8,539,757	3,307,355	1,649,579	396,331	-	13,893,022
Repo with banks	15,298,918	-	4,508,105	-	-	19,807,023
Others	2,514,487	-	-	-	-	2,514,487
Customer deposits:						
Demand	136,566,021	41,269	335,401	730	123,499	137,066,920
Time	124,998,595	-	-	355,367	19,128	125,373,090
Saving	2,955,495	-	15,785	-	16,290	2,987,570
Margin and other deposits	1,572,431	323	182	143	10,000	1,583,079
Debt securities in issue	**5,178,059**	**-**	**-**	**-**	**-**	**5,178,059**
Negative fair value derivatives, net:						
Held for trading	778,512	3,749	1,682,557	-	-	2,464,818
Held as fair value hedges	-	-	51,194	-	-	51,194
Held as cash flow hedges	-	-	30,192	-	-	30,192
Other liabilities	**15,424,723**	**-**	**-**	**-**	**-**	**15,424,723**
Total	**317,162,553**	**3,657,017**	**8,748,461**	**1,135,088**	**453,507**	**331,156,626**
Commitments and contingencies	**141,648,137**	**4,382,091**	**8,474,177**	**1,925,105**	**13,957,311**	**170,386,821**
Maximum credit exposure (stated at credit equivalent amounts)						
Assets	357,716,475	4,625,592	2,735,034	7,112,944	3,923,355	376,113,400
Commitments and contingencies	74,804,897	2,481,213	4,683,317	1,058,808	7,810,956	90,839,191
Total credit exposure	**432,521,372**	**7,106,805**	**7,418,351**	**8,171,752**	**11,734,311**	**466,952,591**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

c) The distributions by geographical concentration of non-performing loans and advances and provision for credit losses are as follows:

2025	Kingdom of Saudi Arabia	GCC and Middle East	Europe	Other countries	Total
Non-performing loans and advances	4,088,710	-	-	-	**4,088,710**
Provision for expected credit losses	7,137,691	20,365	12,593	32,480	**7,203,129**

2024	Kingdom of Saudi Arabia	GCC and Middle East	Europe	Other countries	Total
Non-performing loans and advances	3,613,151	-	-	-	**3,613,151**
Provision for expected credit losses	6,206,911	39,173	5,907	6,610	**6,258,601**

ii) Credit quality analysis

Expected credit losses (ECL) are recognised for loans and advances to customers, due from banks and financial institutions, other financial assets held at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI) and certain loan commitments and financial guarantee contracts. At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months, or less (12-month ECL applicable to instruments under Stage 1). In the event of a significant increase in credit risk, an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL applicable to instruments under Stages 2, Stage 3 and POCI.).

ECL is required to be computed across all financial instruments i.e. Stages 1 - good, Stage 2 - significantly deteriorated and Stage 3 – credit impaired financial instruments. This computation requires considering forward looking information including expected future economic conditions / events along with the instrument's historical credit performances.

Significant Increase in Credit Risk (SICR)

IFRS9 requires considering if a financial instrument has undergone a significant increase in credit risk (SICR) since initial recognition, the assessment of the change in the risk of default occurring over the expected life of the instrument and the bank compares the current risk of default at the reporting date with its risk since origination or initial recognition. This is required for assigning Stage 2 i.e. credit deterioration of a financial instrument.

Significant increase in credit risk is a relative, rather than absolute, measure. Therefore, assets with greater absolute credit risk can stay in stage 1 while less risky assets that have significantly deteriorated can be held in stage 2 if they have significantly deteriorated since their origination.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Occurrence of SICR vary by portfolios and needs to be reassessed at each reporting date (monthly) and its assessment should consider a combination of quantitative, qualitative and hard backstops as below:

- **Quantitative criteria** – should generally be the primary indicator of significant increase in credit risk. It refers to Probability of Default (PD) based criteria or other criteria which capture deterioration in credit risk and can be numerically evaluated either as decision rules or through incorporation into a specific model. Credit risk rating/grade deterioration beyond a 'maximum notch' threshold is an important quantitative indicator for occurrence of SICR and therefore, transfer of instruments to Stage 2.
- **Qualitative criteria** – While the quantitative criteria are expected to be incorporating qualitative factors within the credit, however, any qualitative information not reflected in the credit quality deterioration should also be considered as important trigger for determining occurrence of SICR

  While the occurrence of these factors should lead CRR adjustments and SICR based on quantitative factors, credit approvers are also allowed to apply expert judgment and transfer stages.

- **Backstops** – In addition to establishing quantitative and qualitative Stage 2 transfer criteria, the bank is expected to establish certain backstops which are bright line triggers, which if met, would directly result in to stage transfers. IFRS9 provides guidance that instruments with Days Past Due more than 30 days (30 DPD) qualify for SICR.

Write-off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Forbearance
Loans are identified as forborne and classified as either performing or non-performing when the Bank modifies the contractual terms due to financial difficulty of the borrower. Non-performing forborne loans are stage 3 and classified as non-performing until they met the cure criteria. Performing forborne loans are initially stage 2 and remain classified as forborne until they meet applicable cure criteria. At this point, the loan is either stage 1 or stage 2 as determined by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

Definition of (default)
The Bank considers a financial asset to be in default when:

- A quantitative objective based indicator where the obligor's contractual repayments are past due in excess-over-limits or has overdrawn advised agreed limits for more than 90 days on any material credit obligation to the Bank.
- A qualitative criterion by which the Bank considers that the obligor is 'unlikely-to-pay' its obligations to the Bank in full without recourse by the Bank to action such as realising securities (if any).

Some of the primary indicators for qualitative criteria to objectively define 'Unlikeliness to Pay' (UTP) events' could be the following:

- Distressed debt restructuring resulting in diminished financial obligation
- Significant and/or persistent deteriorations in financial performance, financial ratios, covenants waivers/easing, cash flow and liquidity concerns and future outlook of the obligor
- Imminent probability of facility foreclosure and/or repossession of collaterals / securities due to insolvency or other financial difficulties indicating Bank's inability to recover the exposure.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
All amounts in thousands of Saudi Riyals unless otherwise stated

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Loan modifications other than forborne loans
Loan modifications that are not identified as forborne are considered to be commercial restructurings. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Bank rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided.

Measurement of ECL
The assessment of credit risk and the estimation of ECL are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

In general, the Bank calculates ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes the time value of money.

The ECL for wholesale stage 3 is determined on an individual basis using a discounted cash flow (DCF) methodology. The expected future cash flows are based on the credit risk officer's estimates as of the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries and expected future receipts of interest.

The cash flows are discounted at a reasonable approximation of the effective interest rate by using the contractual interest rate.

During 2025, the Bank has recalibrated the wholesale PD models to remediate deficiencies with an existing variable in which the behavior of the Government Expenditure to GDP was distorting the PD scenarios. The net impact to ECL from this redevelopment was not material.

Forward-looking economic inputs
The Bank applies multiple forward-looking economic scenarios determined with reference to external forecast distributions representative of their view of forecast economic conditions. This approach is considered sufficient to calculate unbiased expected credit losses in most economic environments. In certain economic environments, additional analysis may be necessary and may result in additional scenarios or adjustments, to reflect a range of possible economic outcomes sufficient for an unbiased estimate.

The economic scenarios used for the models included the following ranges of key indicators.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The economic scenarios used for the redeveloped models as at 31 December 2025 and 31 December 2024 included the following ranges of key indicators.

Economic indicators	2025	2024
Government expenditure (as a % of GDP)	Upside: 26.9 Base: 27.1 Mild Downside: 27.3 Moderate Downside: 27.4 Severe Downside: 27.6	Upside: 34.5 Base: 34.7 Mild Downside: 35.0 Moderate Downside: 35.2 Severe Downside: 35.3
Gross government debt (as a % of GDP)	Upside: 29.7 Base: 29.8 Mild Downside: 29.9 Moderate Downside: 30.0 Severe Downside: 30.1	Upside: 24.0 Base: 24.3 Mild Downside: 24.9 Moderate Downside: 25.1 Severe Downside: 25.3
Oil Price – Arabian Light (US$ per barrel)	Upside: 69.9 Base: 69.5 Mild Downside: 69.1 Moderate Downside: 68.7 Severe Downside: 68.1	Upside: 81.9 Base: 81.3 Mild Downside: 80.0 Moderate Downside: 79.4 Severe Downside: 79.0
Unemployment Rate (%)	Upside: 2.7 Base: 2.8 Mild Downside: 2.9 Moderate Downside: 3.0 Severe Downside: 3.0	Upside: 5.0 Base: 5.0 Mild Downside: 5.0 Moderate Downside: 5.0 Severe Downside: 5.0
Tax revenue, expenditure (⃁ in million)	Upside: 298,245 Base: 296,401 Mild Downside: 293,484 Moderate Downside: 291,983 Severe Downside: 290,287	Upside: 281,109 Base: 279,302 Mild Downside: 276,676 Moderate Downside: 275,276 Severe Downside: 273,758
Government Non-oil Revenue (⃁ in million)	Upside: 523,230 Base: 519,715 Mild Downside: 514,601 Moderate Downside: 511,878 Severe Downside: 508,753	Upside: 522,186 Base: 518,356 Mild Downside: 512,744 Moderate Downside: 509,743 Severe Downside: 506,542
Money Supply (⃁ in million)	Upside: 3,137,846 Base: 3,135,319 Mild Downside: 3,123,337 Moderate Downside: 3,118,137 Severe Downside: 3,113,312	Upside: 2,905,409 Base: 2,901,028 Mild Downside: 2,893,392 Moderate Downside: 2,890,283 Severe Downside: 2,884,945

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The Group has used the below base case forecast in its ECL model, which is based on information available at the time of the ECL calculation:

	Forecast calendar years used in 2025 ECL model			Forecast calendar years used in 2024 ECL model		
	2026	2027	2028	2025	2026	2027
Government expenditure (as % of GDP)	27.0	26.5	25.7	31.8	30.6	31.3
Gross government debt (as a % of GDP)	32.1	32.4	31.9	23.3	21.3	18.8
Oil Price – Arabian Light (US$ per barrel)	64.0	66.9	70.2	74.8	74.8	76.1
Unemployment Rate (%)	2.8	2.8	2.8	5.0	4.9	4.8
Tax revenue, expenditure (⃁ in million)	322,261	343,288	361,992	307,730	331,674	352,066
Government Non-oil Revenue (⃁ in million)	533,170	558,536	584,178	489,891	466,240	574,698
Money Supply (⃁ in million)	3,304,443	3,480,455	3,663,493	3,073,272	3,155,800	3,322,802

Key assumptions for ECL allowance:

The table below illustrates the impact of macroeconomic variables used over the year, as these present the dynamic relationships between them and the sensitivity of ECL to scenario weightages used in the model, at the year end.

Impact of macro-economic variables	PL Impact 2025 ⃁'000	PL Impact 2024 ⃁'000
Macro-economic factors (Base scenario 2025):		
Government expenditure (as % of GDP) reduce by 8%		
Oil Price – Arabian Light (US$ per barrel) reduce by 13%		
Gross government debt (as a % of GDP) increase by 20%		
Unemployment Rate (%) reduce by 20%	(54,689)	(41,053)
Tax revenue, expenditure (⃁ in million) increase by 3%		
Government Non-oil Revenue (⃁ in million) increase by 3%		
Money Supply (⃁ in million) increase by 7%		
Sensitivity of scenario weightages:		
Down/Upturn scenario sensitised by +/- 10%	64,000	22,310

32. Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as special commission rates, foreign exchange rates, and equity prices. The Group classifies exposures to market risk into either trading and non-trading or banking-book. Market Risk exposures in the trading book result from instruments classified as held for trading as disclosed in these consolidated financial statements. Market Risk exposures in the non-trading or banking-book arise on special commission rate risk and equity price risk as disclosed in part b) of this disclosure.

The market risk for both the trading book and the non-trading book is managed and monitored using a combination of VAR, stress testing and sensitivity analysis.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

a) Market risk-trading book

The Board has set limits for the acceptable level of risks in managing the trading book. The Group applies a VAR methodology to assess the market risk positions held and to estimate the potential economic loss based upon a number of parameters and assumptions for change 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 simulation models to assess the possible changes in the market value of the trading book based on historical data.

VAR models are usually designed to measure the market risk in a normal market environment and therefore the use of VAR has limitations because it is based on historical correlations and volatilities in market prices and assumes that the future movements will follow a statistical distribution.

The VAR that the 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 1 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.

In addition to VAR, the Group also carries out stress testing of its portfolio to simulate conditions outside normal confidence intervals. The potential losses occurring under stress test conditions are reported regularly to the Group's Risk Management Committee (RMC) for their review.

The Group's VAR related information is as follows:

2025	Foreign exchange	Special commission rate	Equity risk	Overall risk
VAR as at 31 December 2025	2,900	5,039	245	540
Average VAR for 2025	2,828	8,563	3,356	14,748
Minimum VAR for 2025	1,007	4,874	27	8,167
Maximum VAR for 2025	6,041	30,361	10,292	42,358

2024 (Restated)	Foreign exchange	Special commission rate	Equity risk	Overall risk
VAR as at 31 December 2024	2,680	8,302	8,874	19,857
Average VAR for 2024	3,129	10,779	9,933	23,867
Minimum VAR for 2024	1,568	6,815	8,139	18,140
Maximum VAR for 2024	4,813	19,208	11,862	31,470

b) Market risk - non-trading or banking-book

Market risk on non-trading or banking positions mainly arises from the special commission rate, foreign currency exposures and equity price changes.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

i) Special commission rate risk

Special commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of the financial instruments. The Board has established commission rate gap limits for stipulated periods. The Group monitors positions daily and uses hedging strategies to ensure maintenance of positions within the established gap limits.

The following table depicts the sensitivity to a reasonably possible change in commission rates, with other variables held constant, on the Group's consolidated statement of income or equity. The sensitivity of the income is the effect of the assumed changes in commission rates on the net special commission income for one year, based on the floating rate non-trading financial assets and financial liabilities repricing as at 31 December 2025 including the effect of hedging instruments. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI assets including the effect of any associated hedges as at 31 December 2025 for the effect of assumed changes in commission rates.

The sensitivity of equity is analysed by maturity period of the asset or swap and represents only those exposures that directly impact OCI of the Group.

2025			Sensitivity of Equity				
	Increase in basis points	Sensitivity of special commission income	6 months or less	1 year or less	1-5 years	Over 5 years	Total
⃁	+100	476,088	(7,638)	(19,034)	(777,637)	(1,433,461)	**(2,237,770)**
USD	+100	(102,878)	(3,019)	(7,857)	(284,544)	(680,061)	**(975,481)**
EUR	+100	(1,613)	-	-	-	-	**-**
Others	+100	(2,503)	-	-	-	-	**-**

2025			Sensitivity of Equity				
	Decrease in basis points	Sensitivity of special commission income	6 months or less	1 year or less	1-5 years	Over 5 years	Total
⃁	-100	(476,088)	7,638	19,034	777,637	1,433,461	**2,237,770**
USD	-100	102,878	3,019	7,857	284,544	680,061	**975,481**
EUR	-100	1,613	-	-	-	-	**-**
Others	-100	2,503	-	-	-	-	**-**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024 (Restated)							
			Sensitivity of Equity				
	Increase in basis points	Sensitivity of special commission income	6 months or less	1 year or less	1-5 years	Over 5 years	Total
⃁	+100	206,782	(5,058)	(13,832)	(667,755)	(1,140,096)	**(1,826,741)**
USD	+100	36,356	(2,360)	(5,777)	(192,803)	(644,216)	**(845,156)**
EUR	+100	(395)	(5)	-	-	-	**(5)**
Others	+100	(314)	-	-	-	-	**-**

2024 (Restated)							
			Sensitivity of Equity				
	Decrease in basis points	Sensitivity of special commission income	6 months or less	1 year or less	1-5 years	Over 5 years	Total
⃁	-100	(206,782)	5,058	13,832	667,755	1,140,096	**1,826,741**
USD	-100	(36,356)	2,360	5,777	192,803	644,216	**845,156**
EUR	-100	395	5	-	-	-	**5**
Others	-100	314	-	-	-	-	**-**

The Group is exposed to risks associated with fluctuations in the levels of market special commission rates. The table below summarises the Group's exposure to special commission rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of the contractual repricing or the maturity dates. The Group is exposed to special commission rate risks as a result of mismatches or gaps in the amounts of assets and liabilities and derivative financial instruments that reprice or mature in a given period.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The Group manages this risk by matching the repricing of financial assets and liabilities through risk management strategies.

2025	Within 3 months	3-12 months	1-5 years	Over 5 years	Non special commission bearing	Total
Assets						
Cash and balances with SAMA:						
Cash in hand	-	-	-	-	2,003,426	2,003,426
Balances with SAMA	4,511,039	-	-	-	17,194,101	21,705,140
Other balances	-	-	-	-	131,530	131,530
Due from banks and other financial institutions, net:						
Current accounts	1,307,227	-	-	-	1,570,954	2,878,181
Money market placements	-	-	-	-	-	-
Positive fair value derivatives, net:						
Held for trading	1,510,104	438,299	198,433	249,519	-	2,396,355
Held as fair value hedges	3,271	-	-	-	-	3,271
Held as cash flow hedges	2,620	3,483	-	-	-	6,103
Investments, net:						
FVOCI	477,641	819,599	20,984,169	40,083,502	2,822,268	65,187,179
FVSI	-	-	229,344	469,552	986,527	1,685,423
Amortised cost	2,600,016	12,210,892	15,130,629	10,827,759	-	40,769,296
Loans and advances, net:						
Credit cards	3,580,162	-	-	-	-	3,580,162
Retail lending	4,373,840	2,812,520	22,661,626	42,276,880	-	72,124,866
Corporate and institutional lending	188,099,555	31,007,367	2,932,913	881,642	-	222,921,477
Other assets	**-**	**-**	**-**	**-**	**3,856,506**	**3,856,506**
Total assets	**206,465,475**	**47,292,160**	**62,137,114**	**94,788,854**	**28,565,312**	**439,248,915**
Liabilities						
Due to banks:						
Current accounts	566,983	-	-	-	2,796,737	3,363,720
Money market deposits	11,602,861	2,373,999	-	-	-	13,976,860
Repo with banks	1,743,306	569,675	1,891,080	4,153,931	-	8,357,992
Others	2,388	-	-	-	-	2,388
Customer deposits:						
Demand	-	-	-	-	138,258,973	138,258,973
Time	163,914,502	16,067,467	-	-	-	179,981,969
Saving	3,288,144	-	-	-	-	3,288,144
Margin and other deposits	-	-	-	-	1,744,768	1,744,768
Debt securities in issue and term loans	**7,895,554**	**-**	**-**	**-**	**-**	**7,895,554**
Negative fair value derivatives, net:						
Held for trading	1,394,582	346,138	284,250	140,965	-	2,165,935
Held as fair value hedges	97,263	-	-	-	-	97,263
Held as cash flow hedges	7,643	-	2,731	-	-	10,374
Other liabilities	**68,287**	**34,165**	**195,121**	**110,712**	**15,563,720**	**15,972,005**
Total liabilities	**190,581,513**	**19,391,444**	**2,373,182**	**4,405,608**	**158,364,198**	**375,115,945**
Commission rate sensitivity on assets and liabilities	**15,883,962**	**27,900,716**	**59,763,932**	**90,383,246**	**(129,798,886)**	**64,132,970**
Commission rate sensitivity on derivative financial instruments	**-**	**-**	**4,492,611**	**(4,492,611)**	**-**	**-**
Total special commission rate sensitivity gap	**15,883,962**	**27,900,716**	**64,256,543**	**85,890,635**	**(129,798,886)**	**-**
Cumulative special commission rate sensitivity gap	**15,883,962**	**43,784,676**	**108,041,219**	**193,931,854**	**64,132,970**	**-**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024 (Restated)	Within 3 months	3-12 months	1-5 years	Over 5 years	Non special commission bearing	Total
Assets						
Cash and balances with SAMA:						
Cash in hand	-	-	-	-	1,794,960	1,794,960
Balances with SAMA	313,000	-	-	-	15,164,156	15,477,156
Other balances	-	-	-	-	90,576	90,576
Due from banks and other financial institutions, net:						
Current accounts	1,448,025	-	-	-	1,844,326	3,292,351
Money market placements	137,421	-	-	-	-	137,421
Positive fair value derivatives, net:						
Held for trading	1,591,383	520,460	392,845	63,589	-	2,568,277
Held as fair value hedges	58,526	4,136	-	-	-	62,662
Held as cash flow hedges	269	-	-	-	-	269
Investments, net:						
FVOCI	931,686	698,226	14,471,788	35,589,008	2,007,326	53,698,034
FVSI	4,665	1,799	65,625	357,754	815,294	1,245,137
Amortised cost	3,596,430	15,594,553	13,063,031	12,375,609	-	44,629,623
Loans and advances, net:						
Credit cards	3,396,831	-	-	-	-	3,396,831
Retail lending	14,042,779	2,038,888	21,287,288	25,261,806	-	62,630,761
Corporate and institutional lending	164,360,051	26,659,295	2,063,401	235,177	-	193,317,924
Other assets	**-**	**-**	**-**	**-**	**3,050,018**	**3,050,018**
Total assets	**189,881,066**	**45,517,357**	**51,343,978**	**73,882,943**	**24,766,656**	**385,392,000**
Liabilities						
Due to banks:						
Current accounts	412,404	-	-	-	4,370,045	4,782,449
Money market deposits	9,983,686	3,909,336	-	-	-	13,893,022
Repo with banks	15,148,699	-	4,658,324	-	-	19,807,023
Others	1,812,577	701,910	-	-	-	2,514,487
Customer deposits:						
Demand	-	-	-	-	137,066,920	137,066,920
Time	112,558,178	12,480,412	334,500	-	-	125,373,090
Saving	2,987,570	-	-	-	-	2,987,570
Margin and other deposits	-	-	-	-	1,583,079	1,583,079
Debt securities in issue and term loans	**5,178,059**	**-**	**-**	**-**	**-**	**5,178,059**
Negative fair value derivatives, net:						
Held for trading	1,584,565	450,936	426,292	3,025	-	2,464,818
Held as fair value hedges	51,194	-	-	-	-	51,194
Held as cash flow hedges	30,192	-	-	-	-	30,192
Other liabilities	**68,287**	**34,165**	**195,121**	**110,712**	**15,016,438**	**15,424,723**
Total liabilities	**149,815,411**	**17,576,759**	**5,614,237**	**113,737**	**158,036,482**	**331,156,626**
Commission rate sensitivity on assets and liabilities	**40,065,655**	**27,940,598**	**45,729,741**	**73,769,206**	**(133,269,826)**	**54,235,374**
Commission rate sensitivity on derivative financial instruments	**-**	**-**	**5,781,730**	**(5,781,730)**	**-**	
Total special commission rate sensitivity gap	**40,065,655**	**27,940,598**	**51,511,471**	**67,987,476**	**(133,269,826)**	
Cumulative special commission rate sensitivity gap	**40,065,655**	**68,006,253**	**119,517,724**	**187,505,200**	**54,235,374**	

The net gap between derivative financial instruments represents the net notional amounts of derivative financial instruments, which are used to manage the special commission rate risk.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

ii) Currency risk

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign exchange rates. The Group does not maintain material non-trading open currency positions. Foreign currency exposures that arise in the non-trading book are transferred to the trading book and are managed as part of the trading portfolio. The foreign exchange risk VAR disclosed in note 32 (a) reflects the Group's total exposure to currency risk.

The Group is exposed to fluctuations in foreign currency exchange rates. The Board of Directors sets limits on the level of exposure by currency, and in total for both overnight and intraday positions, which are monitored daily. At the end of the year, the Group had the following significant net exposures denominated in foreign currencies:

	2025 Long / (short)	2024 (Restated) Long / (short)
US Dollar	(1,261,267)	27,337
Euro	1,805	(1,423)
Sterling Pounds	(2,732)	3,298
Other	(32,926)	42,802

The table below shows the currencies to which the Bank has a significant exposure on its non-trading monetary assets and liabilities and forecasted cash flows. The analysis calculates the effect of reasonable possible movement of the currency rate against ⃁, with all other variables held constant, on the statement of income and equity. A positive effect shows a potential increase in the statement of income or equity, whereas a negative effect shows a potential net reduction in the statement of income or equity.

	31 December 2025		
Currency Exposures	**Changes in currency rate in %**	**Effect on net income**	**Effect on Equity**
US Dollar	+5	(763)	884
	-5	763	(884)
Euro	+3	(55)	-
	-3	55	-
Pound Sterling	+3	(7)	-
	-3	7	-

	31 December 2024 (Restated)		
Currency Exposures	**Changes in currency rate in %**	**Effect on net income**	**Effect on Equity**
US Dollar	+5	(853)	736
	-5	853	(736)
Euro	+3	(40)	-
	-3	40	-
Pound Sterling	+3	(20)	-
	-3	20	-

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

iii) Equity risk

Equity price risk refers to the risk of decrease in fair values of equities in the bank's non-trading investment portfolio as a result of reasonable possible changes in levels of equity indices and the value of individual stocks.

The effect on the equity investments held as FVOCI due to reasonable possible change in equity indices, with all other variables held constant is as follows:

	31 December 2025		31 December 2024	
Market Indices	**Change in Equity Price %**	**Effect in Market Value**	**Change in Equity Price %**	**Effect in Market Value**
Tadawul	+5	10,191	+5	19,585
Tadawul	-5	(10,191)	-5	(19,585)

33. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management has diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities and monitors future cash flows and liquidity on a daily basis. The Group also has committed lines of credit that it can access to meet liquidity needs.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Group maintains a statutory deposit with SAMA of 7% of monthly average demand deposits and 4% of monthly average 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, Saudi Government Development Bonds or assets, which 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 against Saudi Government Development securities.

The table below summarises the maturity profile of the Group's financial liabilities. 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 does not take account of effective maturities as indicated by the Group's deposit retention history. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows. All derivatives used for hedging purposes are shown by maturity based on their contractual, undiscounted repayment obligations. As the major portion of the derivatives trading book comprises of back to back transactions and consequently the open derivatives trading exposures are small, the management believes that the inclusion of trading derivatives in the contractual maturity table is not relevant for an understanding of the timing of cash flows and hence these have been excluded. Management monitors the maturity profile to ensure that adequate liquidity is maintained. The weekly liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by Asset and Liability Committee ('ALCO').

A summary report, covering the Group and operating subsidiaries, including any exceptions and remedial action taken, is submitted monthly to ALCO.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

a) Analysis of undiscounted financial liabilities by remaining contractual maturities

2025	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Financial liabilities						
Due to banks						
Current accounts	3,363,720	-	-	-	-	3,363,720
Money market deposits	11,582,503	2,533,519	-	-	-	14,116,022
Repos with banks	1,743,448	569,963	1,892,740	4,172,840	-	8,378,991
Others	2,388	-	-	-	-	2,388
Customer deposits						
Demand	-	-	-	-	138,258,973	138,258,973
Time	167,370,434	12,725,947	98,483	-	-	180,194,864
Saving	3,288,144	-	-	-	-	3,288,144
Margin and other deposits	186,282	551,243	748,243	259,000	-	1,744,768
Debt securities in issue and term loans	526,531	2,093,784	7,882,755	-	-	10,503,070
Lease liabilities	21,801	65,404	195,748	24,230	-	307,183
Total undiscounted financial liabilities	**188,085,251**	**18,539,860**	**10,817,969**	**4,456,070**	**138,258,973**	**360,158,123**

2024	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Financial liabilities						
Due to banks						
Current accounts	4,782,449	-	-	-	-	4,782,449
Money market deposits	10,616,905	3,309,864	-	-	-	13,926,769
Repos with banks	17,365,353	-	2,780,084	-	-	20,145,437
Others	1,821,397	701,910	-	-	-	2,523,307
Customer deposits						
Demand	-	-	-	-	137,066,920	137,066,920
Time	112,493,453	12,753,154	379,895	-	-	125,626,502
Saving	2,987,570	-	-	-	-	2,987,570
Margin and other deposits	102,893	329,729	752,106	398,351	-	1,583,079
Debt securities in issue	182,813	179,070	1,433,210	5,365,388	-	7,160,481
Lease liabilities	-	91,591	300,765	53,084	-	445,440
Total undiscounted financial liabilities	**150,352,833**	**17,365,318**	**5,646,060**	**5,816,823**	**137,066,920**	**316,247,954**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

b) Maturity analysis of financial assets and liabilities

The table below shows an analysis of financial assets and liabilities analysed according to when they are expected to be recovered or settled.

2025	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA						
Cash in hand	2,003,426	-	-	-	-	2,003,426
Balances with SAMA	4,511,000	-	-	-	17,194,140	21,705,140
Other balances	131,530	-	-	-	-	131,530
Due from banks and other financial institutions, net						
Current accounts	2,878,181	-	-	-	-	2,878,181
Money market placements	-	-	-	-	-	-
Positive fair value derivatives, net						
Held for trading	665,752	6,344	1,724,259	-	-	2,396,355
Held as fair value hedges	-	-	3,271	-	-	3,271
Held as cash flow hedges	-	-	6,103	-	-	6,103
Investments, net						
FVOCI	-	249,794	22,465,557	40,824,691	1,647,137	65,187,179
FVSI	-	367,639	232,983	476,681	608,120	1,685,423
Amortised cost	1,102,365	1,366,271	15,490,805	22,794,855	15,000	40,769,296
Loans and advances, net						
Credit cards	3,580,162	-	-	-	-	3,580,162
Retail lending	4,761,461	2,019,937	23,230,468	42,113,000	-	72,124,866
Corporate and institutional lending	50,288,129	62,396,828	58,058,132	52,178,388	-	222,921,477
Other assets	**-**	**-**	**-**	**-**	**3,856,506**	**3,856,506**
Total assets	**69,922,006**	**66,406,813**	**121,211,578**	**158,387,615**	**23,320,903**	**439,248,915**
Liabilities						
Due to banks						
Current accounts	3,363,720	-	-	-	-	3,363,720
Money market deposits	11,524,089	2,452,771	-	-	-	13,976,860
Repo with banks	1,743,306	569,675	1,891,080	4,153,931	-	8,357,992
Others	2,388	-	-	-	-	2,388
Customer deposits						
Demand	-	-	-	-	138,258,973	138,258,973
Time	167,531,715	12,358,067	92,187	-	-	179,981,969
Saving	3,288,144	-	-	-	-	3,288,144
Margin and other deposits	186,282	551,243	748,243	259,000	-	1,744,768
Debt securities in issue and term loans	**101,061**	**-**	**7,794,493**	**-**	**-**	**7,895,554**
Negative fair value derivatives, net						
Held for trading	284,416	236,391	399,068	1,246,060	-	2,165,935
Held as fair value hedges	-	-	75,096	22,167	-	97,263
Held as cash flow hedges	703	-	9,671	-	-	10,374
Other liabilities	**1,244,300**	**613,220**	**401,478**	**30,163**	**13,682,844**	**15,972,005**
Total liabilities	**189,270,124**	**16,781,367**	**11,411,316**	**5,711,321**	**151,941,817**	**375,115,945**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2025	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Commitments and contingencies					
Letters of credit	9,661,369	5,155,467	1,220,345	1,949,084	17,986,265
Letters of guarantee	18,293,169	42,934,250	40,602,522	42,776,320	144,606,261
Acceptances	2,658,256	832,861	879	-	3,491,996
Irrevocable commitments to extend credit	16,678,202	23,191,426	86,038	1,432,370	41,388,036
Total commitments and contingencies	**47,290,996**	**72,114,004**	**41,909,784**	**46,157,774**	**207,472,558**

2024 (Restated)	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA						
Cash in hand	1,794,960	-	-	-	-	1,794,960
Balances with SAMA	313,000	-	-	-	15,164,156	15,477,156
Other balances	90,576	-	-	-	-	90,576
Due from banks and other financial institutions, net						
Current accounts	3,292,351	-	-	-	-	3,292,351
Money market placements		137,421	-	-	-	137,421
Positive fair value derivatives, net						
Held for trading	98,556	37,646	861,295	1,570,780	-	2,568,277
Held as fair value hedges	-	-	60,524	2,138	-	62,662
Held as cash flow hedges	-	-	269	-	-	269
Investments, net						
FVOCI	-	302,023	15,367,853	36,259,730	1,768,428	53,698,034
FVSI	3,587	1,839	308,848	364,605	566,258	1,245,137
Amortised cost	513,189	4,347,013	15,769,098	24,000,323	-	44,629,623
Loans and advances, net						
Credit cards	3,390,859	-	5,972	-	-	3,396,831
Retail lending	4,358,402	3,085,320	21,116,468	34,070,571	-	62,630,761
Corporate and institutional lending	57,013,786	44,470,409	45,722,458	46,111,271	-	193,317,924
Other assets	**-**	**-**	**-**	**-**	**3,050,018**	**3,050,018**
Total assets	**70,869,266**	**52,381,671**	**99,212,785**	**142,379,418**	**20,548,860**	**385,392,000**
Liabilities						
Due to banks						
Current accounts	4,782,449	-	-	-	-	4,782,449
Money market deposits	10,661,278	3,231,744	-	-	-	13,893,022
Repo with banks	17,343,589	-	2,463,434	-	-	19,807,023
Others	1,813,190	701,297	-	-	-	2,514,487
Customer deposits						
Demand	-	-	-	-	137,066,920	137,066,920
Time	112,504,626	12,531,534	336,930	-	-	125,373,090
Saving	2,987,570	-	-	-	-	2,987,570
Margin and other deposits	105,497	329,729	749,378	398,475	-	1,583,079
Debt securities in issue	**178,059**	**-**	**5,000,000**	**-**	**-**	**5,178,059**
Negative fair value derivatives, net						
Held for trading	90,229	34,541	834,036	1,506,012	-	2,464,818
Held as fair value hedges	-	-	50,282	912	-	51,194
Held as cash flow hedges	-	-	30,192	-	-	30,192
Other liabilities	**1,349,541**	**756,408**	**497,778**	**49,085**	**12,771,911**	**15,424,723**
Total liabilities	**151,816,028**	**17,585,253**	**9,962,030**	**1,954,484**	**149,838,831**	**331,156,626**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Commitments and contingencies					
Letters of credit	8,484,084	7,225,631	1,981,081	960,378	18,651,174
Letters of guarantee	16,361,006	37,125,267	40,594,091	34,037,616	128,117,980
Acceptances	2,907,190	370,186	13,744	-	3,291,120
Irrevocable commitments to extend credit	13,565,901	6,107,988	-	652,658	20,326,547
Total commitments and contingencies	**41,318,181**	**50,829,072**	**42,588,916**	**35,650,652**	**170,386,821**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, balances with SAMA, items in the course of collection, loans and advances to banks and loans and advances to customers. Letters of guarantee are as per contractual terms and in the event of default may be payable on demand and therefore are current in nature.

34. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and are reported net in the consolidated statement of financial position when there is a currently legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

				Amount not set off in the consolidated statement of financial position	
2025	Gross amounts recognized	Gross amounts offset in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Collateral / pledged	Net amount
Financial assets					
Positive fair value of derivatives	2,405,729	-	2,405,729	(102,457)	2,303,272
Financial liabilities					
Negative fair value of derivatives	2,273,572	-	2,273,572	(740,395)	1,533,177
Repurchase agreements	8,357,992	-	8,357,992	(8,527,894)	(169,902)
2024					
Financial assets					
Positive fair value of derivatives	2,631,208	-	2,631,208	(118,120)	2,513,088
Financial liabilities					
Negative fair value of derivatives	2,546,204	-	2,546,204	(608,012)	1,938,192
Repurchase agreements	19,807,023	-	19,807,023	(19,312,949)	494,074

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 risks and rewards of ownership and continued to be measured in accordance with related accounting policies for the underlying financial assets held as 'FVSI', 'FVOCI' and amortised cost.

Assets pledged under these transactions may be re-pledged and sold by the counter-parties (in the event of default) to whom they have been transferred. These transactions are conducted under the terms that are usual and customary to standard securities borrowing and lending activities as well as requirements determined by exchanges in which the Group acts as a participant.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

The Group, as part of its derivative management activities, has entered into a master agreement in accordance with the International Swaps and Derivative Association (ISDA) directives. Under this agreement, the terms and conditions for derivative products purchased or sold by the SAB Group are unified. As part of the master agreement, a credit support annex (CSA) has also been signed. The CSA allows the Group to receive improved pricing by way of exchange of mark to market amounts in cash as collateral whether in favor of the Group or the counter party.

For commission rate swaps entered into with European counterparties, the SAB Group and the European counterparty both comply with the European Market Infrastructure Regulation (EMIR). EMIR is a body of European legislation for the central clearing and regulation of OTC derivatives. The regulation includes requirements for reporting of derivatives contracts and implementation of risk management standards and establishes common rules for central counterparties and trade repositories. Accordingly, all such standardised OTC derivatives contracts are traded on exchanges and cleared through a Central Counter Party (CCP) through netting arrangements and exchanges of cash to reduce counter party credit and liquidity risk.

35. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences can arise between the carrying values and fair value estimates.

		Fair value			
2025	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,405,729	-	2,405,729	-	**2,405,729**
Investments held as FVSI – Debt	709,664	-	709,664	-	**709,664**
Investments held as FVSI – Equity	975,759	534,966	440,793	-	**975,759**
Investments held as FVOCI – Debt	63,540,042	-	63,540,042	-	**63,540,042**
Investments held as FVOCI – Equity	1,647,137	203,813	-	1,443,324	**1,647,137**
Financial assets not measured at fair value					
Due from banks and other financial institutions	2,878,181	-	2,878,181	-	**2,878,181**
Investments held at amortised cost	40,769,296	-	38,354,981	-	**38,354,981**
Loans and advances	298,626,505	-	-	294,233,231	**294,233,231**
Financial liabilities measured at fair value					
Derivative financial instruments	2,273,572	-	2,273,572	-	**2,273,572**
Financial liabilities not measured at fair value					
Due to banks	25,700,960	-	25,700,960	-	**25,700,960**
Customers' deposits	323,273,854	-	323,151,525	-	**323,151,525**
Debt securities in issue and term loans	7,895,554	-	7,895,554	-	**7,895,554**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

2024 (Restated)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,631,208	-	2,631,208	-	**2,631,208**
Investments held as FVSI – Debt	431,713	-	431,713	-	**431,713**
Investments held as FVSI – Equity	813,424	528,071	285,353	-	**813,424**
Investments held as FVOCI – Debt	52,170,144	-	52,170,144	-	**52,170,144**
Investments held as FVOCI – Equity	1,527,890	391,703	-	1,136,187	**1,527,890**
Financial assets not measured at fair value					
Due from banks and other financial institutions	3,429,772	-	3,429,772	-	**3,429,772**
Investments held at amortised cost	44,629,623	-	41,975,536	-	**41,975,536**
Loans and advances	259,345,516	-	-	255,731,817	**255,731,817**
Financial liabilities measured at fair value					
Derivative financial instruments	2,546,204	-	2,546,204	-	**2,546,204**
Financial liabilities not measured at fair value					
Due to banks	40,996,981	-	40,996,981	-	**40,996,981**
Customers' deposits	267,010,659	-	266,809,826	-	**266,809,826**
Debt securities in issue	5,178,059	-	5,178,059	-	**5,178,059**

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets The difference between the transaction price and the model value is commonly referred to as 'day one profit or loss'. It is either amortised over the life of the transaction or deferred until the instrument's fair value can be determined using market observable data or realised through disposal. Subsequent changes in fair value are recognised immediately in the consolidated statement of income without reversal of deferred day one profits and losses.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices and foreign currency exchange rates.

Derivatives classified as Level 2 comprise OTC special commission rate swaps, currency swaps, special commission rate options, forward foreign exchange contracts, currency options and other derivative financial instruments. These derivatives are fair valued using the Group's proprietary valuation models that are based on discounted cash flow techniques. The data inputs to these models are based on observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.

FVOCI equity investments include investments in local listed shares carried at market price listed on local stock exchange.

Saudi Awwal Bank
Notes to the Consolidated Financial Statements
For the year ended 31 December 2025
All amounts in thousands of Saudi Riyals unless otherwise stated

FVOCI investments classified as Level 2 include bonds and sukuks for which market quotes are not available. These are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads.

FVOCI investments classified as Level 3 represents private equity investments and valued at their respective fair value. The movement in Level 3 financial instruments during the period relates to fair value and capital repayment movements only.

Fair values of listed investments are determined using mid marked prices. Fair values of unlisted investments are determined using valuation techniques that incorporate the prices and future earning streams of equivalent quoted securities.

Loans and advances are classified as Level 3, the fair value of which is determined by discounting future cash flows using expected SAIBOR rates.

The fair values of due from and due to banks which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial statements, since these are short dated and the current market special commission rates for similar financial instruments are not significantly different from the contracted rates.

The fair values of demand deposits are approximated by their carrying value. For deposits with longer-term maturities, fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities.

Debt securities in issue are floating rate instruments that re-price within a year (every 6 months) and accordingly, the fair value of this portfolio approximates the carrying value. The fair value of the remaining portfolio is not significantly different from its carrying value.

There were no transfers between the levels of fair value hierarchies during the period. The values obtained from valuation models may be different from the transaction price of financial instruments on transaction date.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring level 3 fair value at 31 December 2025 and 31 December 2024 as well as the significant unobservable input used:

31 December 2025				
Type	**Valuation technique**	**Significant unobservable input**	**Sensitivity of significant unobservable inputs +/- 100 bps change**	**Inter-relationship between significant unobservable input and fair value measurement**
Investment held at FVOCI equity	The valuation model is based on market assigned weightage of multiples derived from quoted prices of companies comparable to investee, Discounted Cash flow and Residual Income	Terminal growth rate and weighted average cost of capital (WACC)	Terminal growth rate ⃁ 280 million/ (⃁ 194 million) WACC (⃁ 237 million)/ ⃁ 343 million	The estimated discounted cash flow would increase (decrease) if: a) Terminal growth rate was higher/(lower). b) WACC was higher/ (lower).
Investment held at FVOCI equity	The valuation model is based on market assigned weightage of multiples derived from quoted prices of comparable companies to investee, and discounted Cash flow.	Terminal growth rate and weighted average cost of capital (WACC)	Terminal growth rate ⃁ 4 million/ (⃁ 3 million) WACC (⃁ 4 million)/ ⃁ 5 million	a) Terminal growth rate was higher/(lower). b) WACC was higher/ (lower).

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

31 December 2024				
Type	**Valuation technique**	**Significant unobservable input**	**Sensitivity of significant unobservable inputs +/- 100 bps change**	**Inter-relationship between significant unobservable input and fair value measurement**
Investment held at FVOCI equity	The valuation model is based on market assigned weightage of multiples derived from quoted prices of companies comparable to investee, Discounted Cash flow and Residual Income	Terminal growth rate and weighted average cost of capital (WACC)	Terminal growth rate ⃁ 240 million/ (⃁ 166 million) WACC (⃁ 203 million)/ ⃁ 294 million	The estimated discounted cash flow would increase (decrease) if: a) Terminal growth rate was higher/(lower). b) WACC was higher/ (lower).
Investment held at FVOCI equity	The valuation model is based on market assigned weightage of multiples derived from quoted prices of comparable companies to investee, and discounted Cash flow.	Terminal growth rate and weighted average cost of capital (WACC)	Terminal growth rate ⃁ 3 million/ (⃁ 3 million) WACC (⃁ 4 million)/ ⃁ 4 million	a) Terminal growth rate was higher/(lower). b) WACC was higher/ (lower).

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values for Investment held at FVOCI – equity.

	2025	**2024 (Restated)**
Opening balance	**1,136,187**	**1,092,290**
Net change in fair value (unrealised)	307,137	43,263
Addition	-	634
Closing balance	**1,443,324**	**1,136,187**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

36. Related party transactions

In the ordinary course of its activities, the Group transacts business with related parties. In the opinion of the Management and the Board, the related party transactions are performed in normal course of business. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA.

Managerial and specialised expertise is provided under a technical services agreement with HSBC Holdings plc, the parent company of HSBC Holdings BV. This agreement was amended on 3 October 2018 and renewed for a period of 10 years, commencing on 30 September 2017. The year end balances included in the consolidated financial statements resulting from related party transactions are as follows:

	2025	2024
HSBC:		
Due from banks and other financial institutions	588,663	678,257
Investments	1,086	6,395
Fair value derivatives, net	8,635	6,776
Due to banks	2,583,774	3,116,767
Debt securities in issue and term loans	15,200	-
Retained earnings	1,791	-
Additional Tier 1 Sukuk	135,000	-
Commitments and contingencies	14,127,580	9,941,065
Associates:		
Investments	399,507	463,350
Other assets	3,416	7,925
Other liabilities	50,883	-
Customer deposits	679,530	934,062
Retained earnings	4,348	12,578
Commitments and contingencies	1,515	1,764
Directors, board committees, other major Shareholders, key management personnel and their affiliates:		
Investments*	1,432,150	1,125,350
Loans and advances	2,172,999	2,337,076
Customers' deposits	1,361,668	4,668,221
Fair value derivatives, net	855	12,513
Other liabilities	23,847	23,391
Additional Tier 1 Sukuk	209,000	204,000
Commitments and contingencies	1,706,320	134,139

* Refer to note 41

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

Other major Shareholders represent shareholdings (excluding the non-Saudi shareholder) of more than 5% of the Group's issued share capital.

	2025	2024
Related mutual funds:		
Investments	456,287	420,403
Customers' deposits	863,186	39,266
Debt securities in issue	-	200,000
Subsidiaries:		
Investments	91,777	75,366

Below represent transactions with an associate other than those disclosed elsewhere in these consolidated financial statements.

Associates	2025	2024
Special commission income	363	73
Special commission expense	225,352	243,398
Fees and commission income	9,624	11,378
Service charges paid to an associate	4,961	7,861
Service charges recovered from associate	17,000	29,267
Profit share paid to associate relating to investment banking activities	62,429	107,915

HSBC, directors, board committees, other major shareholders, key management personnel and their affiliates:	2025	2024
Special commission income	119,607	183,797
Special commission expense	89,490	119,675
Fees and commission income	64,958	68,689
General and administrative expenses	67,341	53,080
Service charges paid to HSBC	122,527	312,872
Directors' and board committees' remuneration	18,903	17,361

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

	2025	2024
Short-term employee benefits **	56,587	51,987
Other long-term benefits	16,312	19,995
Share-based payments	13,555	7,449

** Short-Term Employee benefits includes: Salaries, Allowances, Benefits, Cash bonus paid during the year

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

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

37. Capital risk management

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

Capital adequacy and the use of regulatory capital are monitored regularly by management. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to the risk weighted assets at or above Basel prescribed minimum.

The Group monitors the adequacy of its capital using the methodology and ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its assets, commitments and contingencies, and notional amounts of derivatives at a weighted amount to reflect their relative risk.

The following table summarises the Bank's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios

	2025	2024 (Restated)
Risk Weighted Assets (RWA)		
Credit Risk RWA	359,687,719	310,526,485
Operational Risk RWA	14,221,244	12,249,137
Market Risk RWA	1,734,293	2,706,266
Total Pillar 1 RWA	**375,643,255**	**325,481,888**
Common Equity Tier 1 (CET1) Capital	55,732,713	50,821,286
Additional Tier I Capital (Note 19)	12,386,500	7,965,000
Core capital (Tier 1)	**68,119,213**	**58,786,286**
Supplementary capital (Tier 2)	**5,695,047**	**5,778,894**
Core and supplementary capital (Tier 1 and Tier 2)	**73,814,260**	**64,565,180**
Capital Adequacy Ratio %		
Common Equity Tier 1 Capital (CET1)	14.84%	15.61%
Core capital (Tier 1)	18.13%	18.06%
Core and supplementary capital (Tier 1 and Tier 2 ratios)	19.65%	19.84%

The Group uses the Standardised approach of SAMA's Basel Framework to calculate the Risk-Weighted Assets and required regulatory capital for Pillar 1 (including Credit Risk, Market Risk and Operational Risk). The management are responsible for ensuring that minimum required Regulatory Capital calculated is compliant with SAMA's Basel Framework requirements. Quarterly prudential returns are submitted to SAMA showing the Capital Adequacy Ratio.

38. Investment management and brokerage services

The Group offers investment management services to its customers that include the management of investment funds and discretionary portfolios with total assets of ⃁ 35.85 billion (2024: ⃁ 35.04 billion) in consultation with professional investment advisors. Financial statements of these funds are not consolidated with the consolidated financial statements of the Group. The Group's investment in these funds is included in investments held as FVSI. Fees earned from management services are recorded within fee and commission income and are disclosed under 'related party transactions'. Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and, therefore, are not included in these consolidated financial statements.

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

39. Profit sharing investment account (PSIA)

a) Analysis of PSIA income according to types of investments and their financing

As of 31 December 2025, all joint financing is funded by comingled pools which includes funds from Mudaraba based unrestricted investment accountholder.

Average gross financing and investments (IAH funds only) during the period by type of contract:

	2025	2024
Sales and other receivables (Murabaha)	1,552,603	1,311,080
Ijarah	124,010	166,270
Other instruments including Sukuk investments	616,993	552,266
Total average financing and investments	**2,293,606**	**2,029,616**

b) The basis for calculating and allocating profits between the Group and the IAHs:

Computation of pool income is as follows:

	2025	2024
Total pool income	**100,610**	**91,907**
Pool Income	100,610	91,907
Mudarib fee including Mudarib's share of profit	63,275	60,280
Total amount attributable to shareholders pool	**37,335**	**31,627**

The basis of allocating the profits between IAH and the Group

The profit sharing allocation percentages between IAH and Group vary for different types of customers and are agreed through terms and conditions or any subsequent updates. The exact amount of profit paid to each customer, from the distributable profit is shown in their statement of account.

c) Average equity of the IAHs during the reporting period:

	2025	2024
Average investment account holders balance before profit	2,293,606	2,029,616
Profit for the IAH during the year	37,335	31,627
Profit paid out during the year	(37,335)	(31,627)
Total average equity for investment account holders	**2,293,606**	**2,029,616**

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

40. Auditors' remuneration

	2025	2024
Fees for the quarterly reviews and annual audit of the Group	11,144	10,361
Fees for other services	4,989	1,378
Total	**16,133**	**11,739**

41. Comparative figures

During the year ended 31 December 2025, 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 net asset value instead of fair value. The impact of the change in valuation method from net asset value to fair value has resulted in an increase in carrying value of ⃁ 918.484 million as of 1 January 2024 and as of 31 December 2024.

Management has identified an equity investment held by the Bank that was not recorded in prior years. This has resulted in an understatement of investments at "fair value through statement of income (FVSI)" and the corresponding net gains. Upon identification, management classified this investment at FVSI in accordance with IFRS 9, at the amount of ⃁ 242.086 million as of 1 January 2024 and as of 31 December 2024.

These adjustments are considered as correction of errors as per IAS 8 (Accounting policies, Changes in Accounting Estimates and Errors) and are material to the consolidated financial statement and accordingly the consolidated statement of financial position and consolidated statement of changes in equity have been restated. The impact of these equity investments on the consolidated statement of income and consolidated statement of other comprehensive income for the year ended 31 December 2024 was insignificant and accordingly, comparatives have not been restated.

Accordingly, the Bank has restated the impacted line items to correct the financial statement for prior year as follows:

	As previously presented	Restatement	Restated
As at 1 January 2024			
Consolidated statement of financial position			
Investments, net	96,566,836	1,160,570	97,727,406
Consolidated statement of financial position and consolidated statement of changes in equity			
Retained earnings	9,708,134	242,086	9,950,220
Other reserves	(1,414,343)	918,484	(495,859)

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

	As previously presented	Restatement	Restated
As at 31 December 2024			
Consolidated statement of financial position			
Investments, net	98,412,224	1,160,570	99,572,794
Consolidated statement of financial position and consolidated statement of changes in equity			
Retained earnings	11,464,384	242,086	11,706,470
Other reserves	(2,818,768)	918,484	(1,900,284)

During the year ended 31 December 2025, the Bank has reclassified corporate management fee previously recorded in fee and commission income to special commission income amounting to ⃁ 107.6 million, net in accordance with the requirement of IFRS 9 (Financial Instruments) in the consolidated statement of income. Accordingly, the reclassification has been reflected in consolidated statement of cashflow, notes 21, 22 and 30 to the consolidated financial statements.

42. Board of Directors' approval

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 17 Sha'ban 1447H (Corresponding 5 February 2026).

الأول
SAB

Mailing Address: P.O Box 9084 Riyadh 11413
National Address: 7383 King Fahad Branch Rd,
2338 Al Yasmeen Dist., 13325 Riyadh,
Kingdom of Saudi Arabia

Phone: 8001248888
Outside KSA: +966114062800
Fax: +966 (0) 11 405 0660
Email: sab@sab.com
www.sab.com