



البنك العربي الوطني
arab national bank



Strong foundations.
Delivering results.

Annual Report 2025



The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
(May Allah protect him)



His Royal Highness
Prince Mohammad bin Salman bin Abdulaziz Al Saud
Crown Prince and Prime Minister
(May Allah protect him)

Table of contents

01 Overview

Theme of the year	8
At a glance	10
The anb story	14
Year in review	16
Geographic footprint	20
Investment case	22
Investor relations and shareholder information	24
Stakeholder engagement	28

02 Strategic review

Chairman’s statement	32
Managing Director’s message	36
Business model	40
Strategy and KPIs	42
Saudi Vision 2030	46
Market overview	48
Chief Financial Officer’s review	52
Business review	58
Digital transformation and technology	78

03 ESG review

Our ESG approach	90
ESG stratgey	92
Sustainable finance	93
Materiality	94
Our environment	96
Our people and society	98
Our community	102

04 Directors’ report

Financial results	108
Subsidiaries and associates	111
Dividend distribution policy	112
Future strategic plans	113
Principal activities	115
Micro, small and medium enterprises (MSMEs)	116
Risks encountered or that could potentially be encountered by the Bank	117
Corporate governance in the Kingdom of Saudi Arabia	120
Board of Directors	121
Qualifications and experience of the Board Members, Board Committees and Senior Executives	124
Interests of Board Members, senior executives, their wives and children	150
Remunerations of Board Members, related committees and senior executives	152
Related party transactions	160

05 Financial statements

Independent auditors' report	166
Consolidated statement of financial position	172
Consolidated statement of income	173
Consolidated statement of comprehensive income	174
Consolidated statement of changes in equity	175
Consolidated statement of cash flow	177
Notes to consolidated financial statements	178



anb further strengthened its position as an institution guided by solid values and firmly committed to responsible, ethical and sustainable conduct amid a demanding operating environment.



01

Overview

Theme of the year	8
At a glance	10
The anb story	14
Year in review	16
Geographic footprint	20
Investment case	22
Investor relations and shareholder information	24
Stakeholder engagement	28

Driven by purpose and disciplined performance, anb excelled in 2025, leveraging trust and innovation to deliver sustainable value and impact.



Theme of the year

Strong foundations. Delivering results.

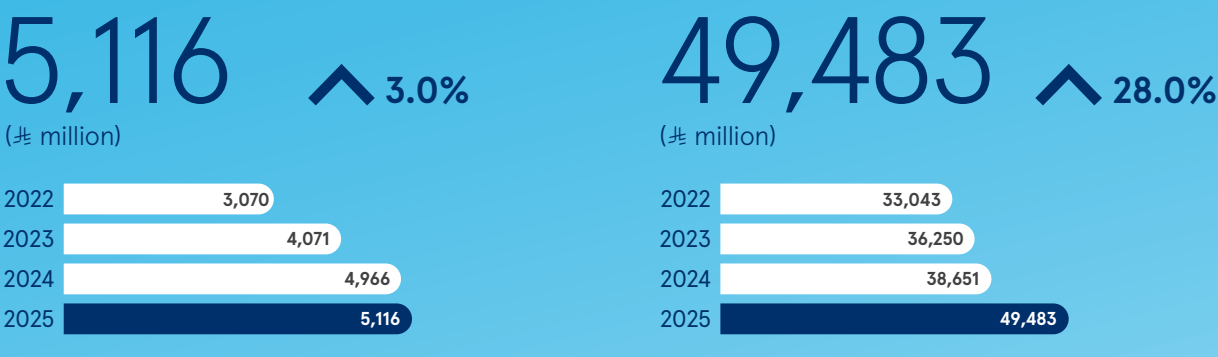
anb entered the year with a profound sense of purpose, a resilient operating model and the institutional confidence to excel in a demanding environment. Across the Bank's operations, priorities are clearly defined and accountability is firmly embedded, ensuring that diligent preparation translates into consistent performance. Guided by strategic, long-term values, anb responds to a dynamic operating landscape with confidence, precision and control. In 2025, the Bank's performance was distinguished not only by what was achieved, but by the disciplined and consistent manner in which it was delivered.

A key enabler of anb's success this year was trust in its systems, in its leadership and in the strength of relationships built over time. In recent years, anb has consistently acted as a dependable partner, with the scale and credibility to lead responsibly, support national priorities, advance innovation and deepen client engagement. As the year came to a close, anb further strengthened its position as an institution guided by solid values and firmly committed to responsible, ethical and sustainable conduct amid a demanding operating environment.

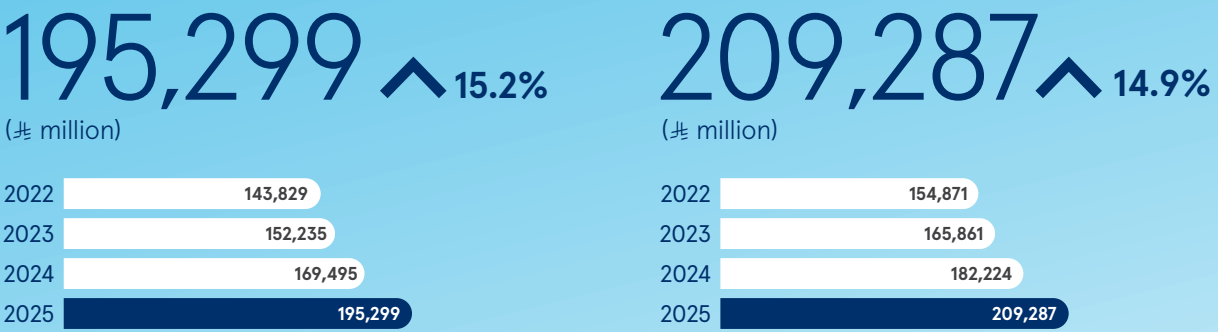
The foundations that have underpinned delivery in recent years, including 2025, continue to guide anb's future decisions and performance. With discipline embedded and purpose aligned, the Bank remains well positioned to sustain its momentum, convert opportunity into impact and create enduring value for all its stakeholders.

At a glance

Financial highlights



Net income after zakat and income tax attributable to equity holders of the Bank (﷼ million)



Loans and advances, net (﷼ million)

Customers' deposits (﷼ million)

Operational highlights



Introduced 2 Multi-Asset Funds by anb capital



Launched anb Innovate, the Kingdom's first bank-led fintech accelerator program



Implemented a unified Customer Relationship Management (CRM) platform, providing a 360-degree customer view

ESG highlights



97.6%
Saudization



24.5%
female workforce



364,279
training hours



Published the Bank's first Sustainability Report



Planted 10,000 lavender seedlings in the Asir region through its strategic partnership with the 10KSA initiative and 10,000 smart trees as part of its "Lasting Green Impact" initiative



Mandated lead arranger for the USD 4.5 billion financing of PIF's round-six solar projects

At a glance continued

Awards and certifications



"Deal of the Year" Award for anb's role in leading a syndicate to finance The Avenues - Al Khobar



Silver Award for Corporate Social Responsibility (CSR) from the Ministry of Human Resources and Social Development



Best Retail Bank in Saudi Arabia by MEED's MENA Banking Excellence Awards 2025



Two awards as part of the Kafalah Annual Award for Outstanding Performance: the Bronze Award in the Banks Category and the Micro Enterprise Financing Award



PCI DSS Global payment security certification



Occupational Health and Safety Compliance Certificate by the National Council for Occupational Safety and Health



Best Retail Bank in Saudi Arabia 2025 by Global Banking & Finance



Best CSR Bank in Saudi Arabia – 2025 by Global Banking & Finance



Top Commercial Bank award – under the Co-Financing Program and the Funding Gate of the Small and Medium Enterprises Bank



Council of Health Insurance Excellence Award



Best Health and Wellbeing Program in Large Enterprises Award by the Council of Health Insurance



Best Digital Bank in Saudi Arabia – 2025 by Global banking & Finance



Excellence in Digital Innovation in Saudi Arabia from the Global Transaction Banking Innovation Awards by the Digital Banker Finance



Best SME Bank in Saudi Arabia – 2025 by Global Banking & Finance



Best Customer Experience in Financial Services Award SCXA 26

The anb story

Since its establishment in 1979, arab national bank (anb) has built a legacy of growth, innovation and commitment to excellence. Over the years, anb has played a vital role in fostering economic development in the Kingdom, while consistently driving growth, diversifying solutions and services and delivering excellence in every customer experience.

1979

anb was established, taking over the existing operations of Arab Bank in the Kingdom of Saudi Arabia. The Bank started its business with 6 branches and a capital of 150 million.

1985

anb continued to expand its reach, with its number of branches reaching 79.

1986

anb inaugurated its head office building in Al Murabaa district, Riyadh and established its employee training center.

1991

The Bank launched a branch in London, offering a broad range of products and solutions to customers in the UK.

1992

anb launched its TeleMoney service, allowing money transfers to various countries.

1998

In line with Saudization efforts, the Bank's Saudization rate reached 73%.

2000

anb launched the first internet banking service in the Kingdom.

2018

anb opened its first digital branch in Prince Mohammad bin Abdulaziz Road (Tahlia Street), Riyadh.

2017

The training center was transformed into anb Academy.

2015

anb inaugurated its new head office tower in Riyadh.

2013

anb launched its mobile service.

2007

The Bank established the Saudi Home Loan Company (SHL)/ SHL Finance Company.

2005

The Bank established the Business Continuity Center (BCM).

2019

The Bank's Saudization rate reached 93%, of which 20% are female.

2021

anb appointed its first Saudi Managing Director and Chief Executive Officer.

2022

anb launched its corporate identity, moving towards "Faster and Simpler" banking solutions.

2024

The Bank upgraded its core banking system, designed to transform and elevate customer experience.

Year in review

Executing with focus. Delivering with impact.

In 2025, anb translated strategy into action across every part of the business. The year was marked by disciplined execution, stronger partnerships and consistent delivery across national development, digital innovation, financial inclusion and social impact. Each milestone reflects the Bank's ability to operate at scale while staying closely aligned with the Kingdom's 2030 goals, reinforcing trust and delivering tangible outcomes for stakeholders.

Strengthening academic collaboration

anb signed a cooperation agreement with Saudi Electronic University to support collaboration in education, training and knowledge development.

Official strategic sponsor of Riyadh Chamber 2025

anb became the official strategic sponsor of Riyadh Chamber's economic activities for 2025 under a new partnership agreement.

January

February

Deal of the Year recognition

anb won the "Deal of the Year" Award in the Real Estate Development Finance category during the award ceremony for Global Banking and Markets for the Bank's role in leading the syndicated financing of The Avenues – Al Khobar.

Top Commercial Bank award

anb was awarded as the "Top commercial bank" in the Co-Financing Program as well as the Funding Gate of the Small and Medium Enterprises Bank.

Expanding mortgage financing solutions

anb signed an MoU with Saudi Mortgage Guarantees Services Company (Damanat) to support the Housing Program and expand off-plan mortgage financing in line with Vision 2030.

March

April

Global sports and entertainment partnership

anb announced a strategic "Heavyweight" partnership with The Ring magazine to strengthen the Bank's presence in global sports and entertainment.

Cultural engagement recognition

The Governor of the Madinah Region honored anb for its strategic partnership in the 13th Festival of Cultures and Peoples.

Excellence in employee well-being

anb received the Best Employer Health & Wellness Program Award for Large Enterprises from the Council of Health Insurance Excellence, in recognition of its ongoing commitment to providing a healthy, inspiring and sustainable work environment

Launching fintech innovation at scale

anb officially launched the Kingdom's first bank-led Fintech Accelerator Program in partnership with Fintech Saudi, Monsha'at and Plug and Play.

Partnering to empower national entertainment and tourism

anb became a main partner of Jeddah Season 2025, supporting cultural, tourism and economic diversification and strengthening its presence across major events in the Kingdom.

Global payment security certification

anb obtained the PCI-DSS Payment Card Industry Security Certificate for 2025, reflecting its commitment to implementing the highest standards of data protection and payment security.

Workplace safety compliance

anb was awarded the Occupational Health and Safety Compliance Certificate by the National Safety Council.

Supporting higher education

The Governor of the Madinah Region honored anb for its role in supporting education during Taibah University's 21st batch graduation ceremony.

May

June

Advancing tourism development

anb partnered with the Tourism Development Fund to facilitate and accelerate growth across the tourism sector.

Transforming corporate banking experience

anb launched the new anb Business digital platform, offering enhanced speed, functionality and end-to-end services for corporate clients.

Year in review continued

Executing with focus. Delivering with impact.

Sustainable finance leadership

anb earned an “Excellent” rating from Sustainable Fitch for its Sustainable Finance Framework.

Supporting national development projects

anb signed a credit facility agreement with the National Development Fund to finance development initiatives aligned with Vision 2030.



Digital innovation excellence

anb was named Best Saudi Bank in Digital Innovation 2025 by The Digital Banker.

Strategic partnership to support and empower women

anb participated as a strategic partner in the second edition of the Creative Women Forum in Riyadh, building on its active role in supporting and empowering Saudi women. During the event, the Bank showcased inspiring journeys of five female business leaders from its team, who presented pioneering models in leadership and innovation.

Concluding fintech acceleration

anb concluded the anb Innovate Accelerator Program with 16 startups selected from over 300 applicants.

Excellence in SME support

anb received two awards as part of the Kafalah Annual Awards for Outstanding Performance: the Bronze Award in the Banks Category and the Micro Enterprise Financing Award.

Healthcare sector financing

National Medical Care Company signed ﷲ 1.2 billion in Shariah-compliant financing agreements with anb.

July

September

November

October

December

Financing environmental infrastructure

anb signed a ﷲ 957 million financing agreement with VITCO WETICO to support water and environmental projects.

Recognition for corporate social responsibility (CSR) best practices

anb received the Silver Category award for excellence in CSR implementation and institutional best practices.

Customer experience leadership

anb received the Best Customer Experience in Financial Services Award at the Saudi Customer Experience Awards SCXA26.

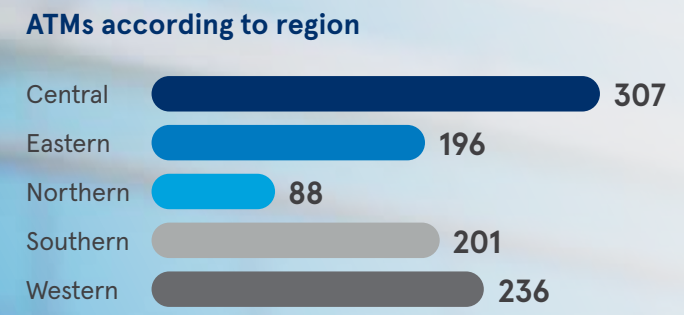
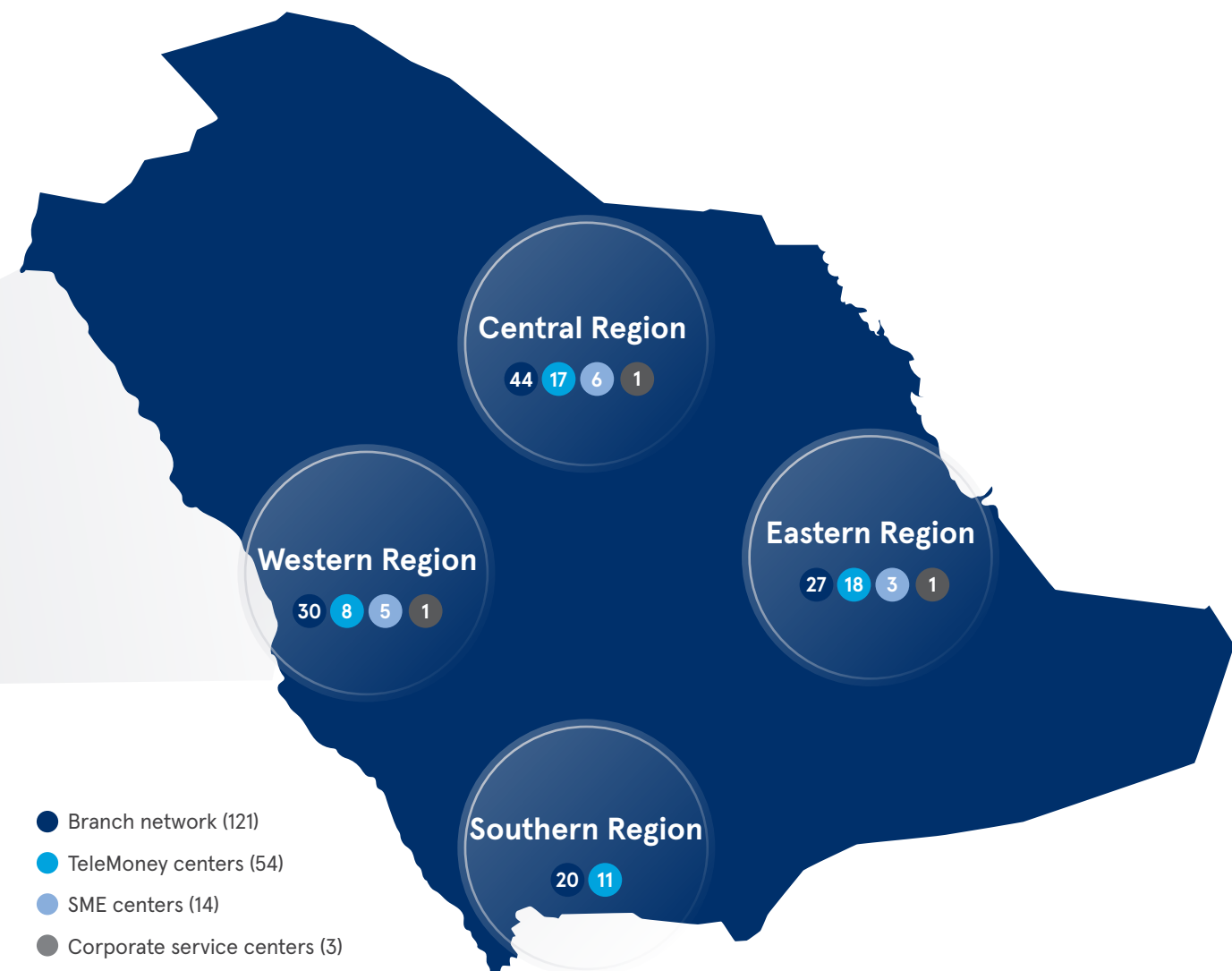
Financing entrepreneurship and micro enterprises

anb signed a ﷲ 100 million joint financing agreement with the Social Development Bank to support small and micro enterprises during DeveGO 2025.



Geographic footprint

anb serves the diverse needs of individual and corporate clients through a comprehensive network spanning all regions of the Kingdom. This network includes 121 branches, 54 remittance centers under the TeleMoney brand and 14 centers for small and medium-sized enterprises (SME). Additionally, the Bank has specialized branches focused on corporate services and an international branch in London, UK. anb further extends its accessibility through a robust network of around 1,028 ATMs.



Investment case

As a well-established Bank, undergoing an ambitious transformation, anb provides investors with a unique proposition to benefit from the growth of the Saudi financial sector and Saudi Arabia’s vibrant fintech ecosystem.



Large and growing market position

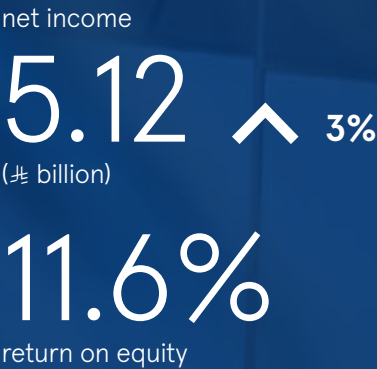
anb operates as one of the largest banks in Saudi Arabia and the wider Middle East, supported by a substantial and expanding presence across the Kingdom. Its network of 121 domestic branches and a bespoke branch in London enables anb to serve a broad and diversified client base with speed, reach and consistency. The Bank offers a full spectrum of products and services spanning Wholesale, Retail, MSME, Private Banking, Treasury and Investment Banking, allowing anb to meet the needs of individuals, enterprises and institutions at every stage of growth.

The scale of anb is reinforced by its position among the region’s leading banks by total assets, complemented by continued expansion in customer coverage and steadily rising digital engagement across its channels. These indicators reflect the strength of the franchise and the depth of anb’s operating platform, positioning the Bank to capture fast-growing opportunities in an economy undergoing historic transformation.



Solid and consistent financial performance

anb continued to demonstrate disciplined growth and a resilient financial profile, reflected in its strong 2025 results. The net income of ﷲ 5.12 billion represents a 3% increase over 2024, supported by a return on equity (ROE) of 11.6% and a net interest margin of 3.44%. This track record underscores the Bank’s ability to navigate shifting market conditions, sustain profitability and deliver attractive returns while preserving a healthy balance sheet and maintaining the financial strength required for long-term value creation.



Innovative digital strategy and fintech enabler

The Bank continued to advance its digital capabilities to deliver a seamless, intuitive experience for all customer segments. During the year, anb launched full upgrades of the anb mobile app, the TeleMoney app and the anb business corporate portal, each designed to enhance functionality, speed and ease of use. These investments accelerated anb’s digital penetration, supporting a 16% year-on-year increase in retail digital users and a 25% rise in digital customer acquisitions. This strong position, as a fintech enabler, further reinforces anb’s ability to integrate emerging technologies, expand digital access and meet evolving customer expectations across the Kingdom.



Diversified customer segments and revenue streams

anb operates a diversified business model that generates balanced, resilient earnings across Wholesale, Retail, Private, Treasury and Capital. Each segment contributes meaningfully to the Bank’s overall performance, supporting a stable and scalable platform for growth.

The Wholesale Banking franchise is a major driver of the balance sheet and profitability, Retail Banking continues to expand its customer base and digital engagement, Treasury delivers strong income through disciplined balance-sheet management and anb capital strengthens the Bank’s position in investment banking and asset management.

This breadth of coverage allows anb to capture growth across a wide range of sectors and customer groups, ensuring its revenue streams remain well diversified and aligned with the Kingdom’s evolving economic landscape.



Contribution to social and economic growth

At anb, sustainability is embedded in the way it operates, guiding how the Bank supports its customers, communities and the Kingdom’s long-term development. Through its environmental, social and governance (ESG) strategy, anb aligns its actions with Saudi Arabia’s national priorities and leading global standards, ensuring its business growth translates into meaningful ESG impact. By advancing targeted initiatives across its footprint, anb continues to enable sustainable economic progress, contribute to national transformation goals and create lasting value for all its stakeholders.



Investor relations and shareholder information

Strengthening transparency, deepening engagement and elevating market confidence

In 2025, Investor Relations (IR) continued to elevate anb's position as a transparent, accessible and strategically driven institution for the global investment community. By sharpening its communication, strengthening governance and expanding investor outreach, anb enhanced how it articulates its performance, strategy and long-term value creation. The Bank's efforts helped broaden coverage, build stronger relationships with investors and reinforce market confidence during a year of exceptional financial results and rapid economic transformation.

Evolving the IR function to global best practice

In recent years, anb has reshaped its IR function to align even closer with global benchmarks. The Bank refined how it articulates its strategy with a focus on attracting and retaining long-term investors and strengthened its role in gathering intelligence on the issues that matter most to the investment community. A more targeted approach to investor identification ensured anb engaged with the right shareholders, who are aligned with the Bank's strategic direction.

In 2025, this agenda was advanced by increasing the frequency and depth of investor meetings, giving the Bank greater visibility into investor priorities and feedback. anb also introduced new tools to help assess market perception and enhanced core IR materials, including the website, investor and earnings call presentations and internal reporting to staff, management and the Board. In line with global norms, anb launched a semi-annual results call to provide more regular and structured updates.

anb's IR strategy is anchored on 5 pillars: defining investor value proposition, identifying priority investors and analysts, understanding their expectations, tailoring the Bank's communication approach and managing the development of the investor base and analyst coverage with discipline.

Expanding investor engagement and market presence

Throughout 2025, anb participated in leading regional and international conferences that provided valuable platforms to engage with buy-side and sell-side audiences. These included:

- Saudi Capital Markets Forum (Tadawul), Riyadh
- EFG 19th Annual One-on-One Conference, Dubai
- Morgan Stanley 16th Saudi Arabia and 5th MENA Conference, London
- Arqaam Capital 12th Annual MENA Conference, Abu Dhabi
- EFG Hermes 11th Annual London Conference, London
- BofA MENA Conference, Riyadh

These engagements allowed analysts and fund managers to meet with senior management, gain deeper insight into anb's strategy and outlook and develop a more holistic view of anb's performance. Collectively, the interactions strengthened trust and expanded the Bank's relationships with both international and local investors.

Enhancing communication with advanced tools

To elevate transparency and improve access to real-time information, anb introduced Bloomberg as a communication and analytics tool. This strengthened the Bank's visibility among the global investor community, expanded reach and reinforced the quality and frequency of its disclosures. The platform has helped broaden coverage and improve engagement by offering investors timely, consistent and easily accessible updates.

Delivering measurable outcomes

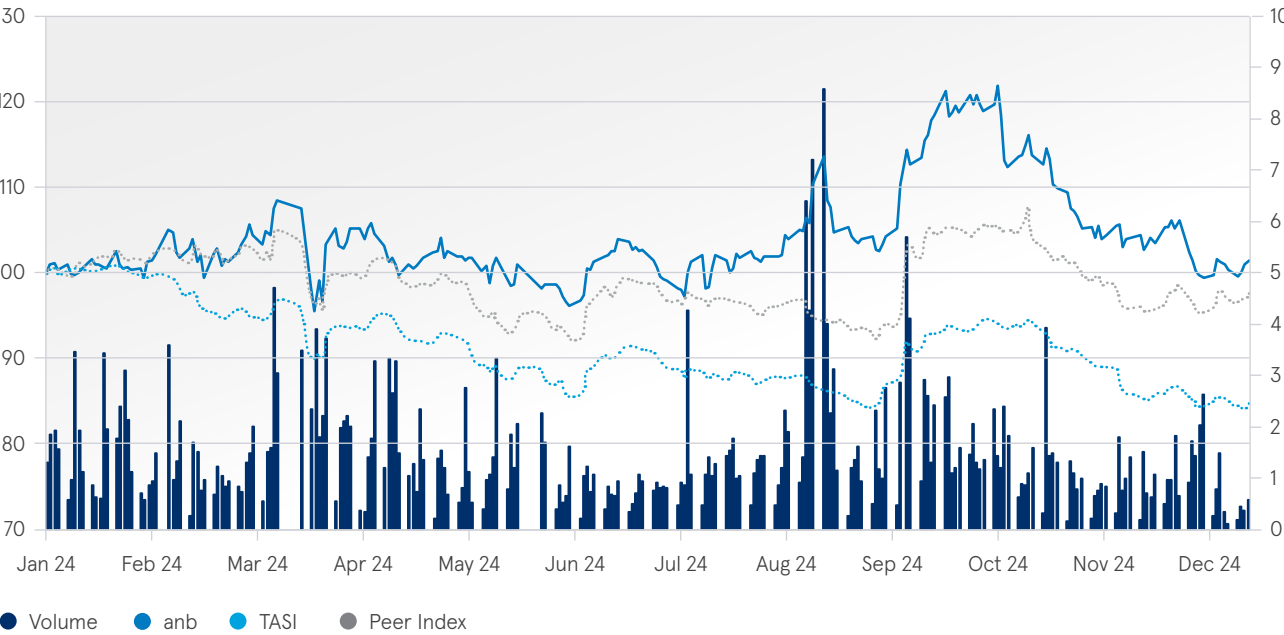
The enhancements made across the IR function translated into a stronger market presence, anb achieved broader analyst coverage, attracted new investors and enhanced sentiment around its share performance. Confidence in anb's ESG progress also strengthened, reflecting the credibility and clarity of its disclosures.



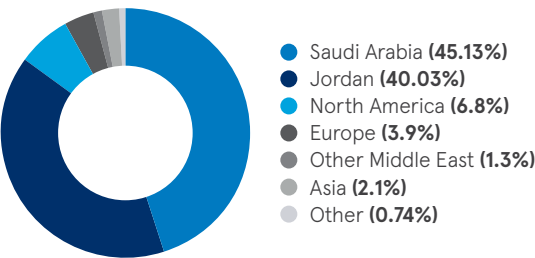
Share information

Listing date:	1 December 1979
Exchange:	Saudi Exchange (Tadawul)
Symbol:	1080.SE
ISIN:	SA0007879105
Number of shares issued:	2,000,000,000
Closing price as of 31 December 2025:	ﷲ 21.50
Market cap as of 31 December 2025:	ﷲ 43,000,000,000
Foreign ownership limit:	49%

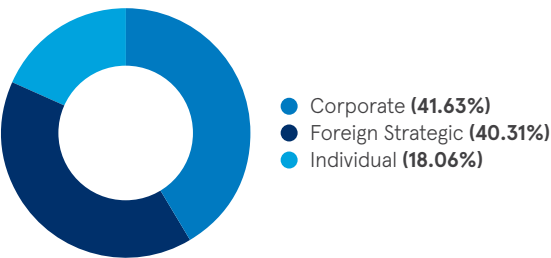
Share price performance vs. benchmark equity indices



Shareholding by geography



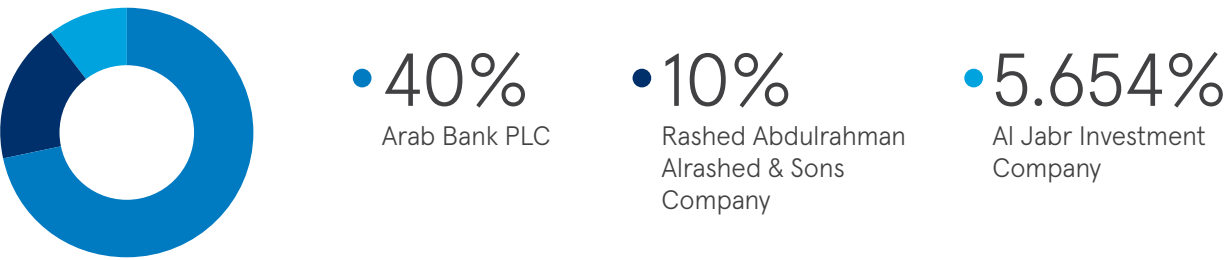
Shareholding by type



	Foreign Strategic	Corporate	Individual	Total
Current balance	806,252,201	832,656,879	361,090,920	2,000,000,000
Number of shareholders	5	842	7,701	8,548

Investor relations and shareholder information continued

Major shareholders



Investor Relations calendar 2025-2026

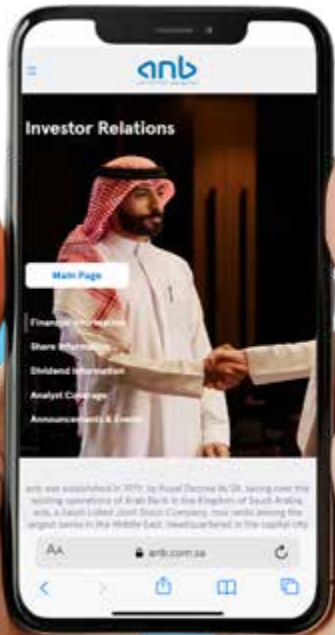
Date	Event title
05 February 2025	Annual Result 2024
13 February 2025	FY2024 Earnings Call
18-19 February 2025	Saudi Tadawul Group – Saudi Capital Market Forum 2025
08 April 2025	Extraordinary General Assembly Meeting
09-10 April 2025	EFG – The 19th Annual One-on-One Conference
27 April 2025	Q1 2025 Results
14-15 May 2025	Morgan Stanley – 16th Saudi Arabia and 5th MENA Conference
19-20 May 2025	Arqaam Capital – 12th Annual MENA Investor Conference
22 July 2025	Q2 2025 Results
31 July 2025	FY2025 Earnings Call
08-11 September 2025	The EFG Hermes 11th Annual London Conference
22 October 2025	Q3 2025 Results
04-05 November 2025	BofA – MENA Conference

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For more information, please
visit our Investor Relations page:

[https://anb.com.sa/web/anb/
investor-relations](https://anb.com.sa/web/anb/investor-relations)



Stakeholder engagement

At anb, we recognize that our success is deeply intertwined with the relationships we nurture with our diverse stakeholders. From our dedicated employees to loyal customers, trusted suppliers, vibrant communities and valued shareholders, each group plays a vital role in our journey of growth and transformation.

By fostering open dialogue, innovative collaboration and mutual respect, we create an environment where ideas flourish, challenges are addressed and opportunities are realized. Together, we work to shape a future of shared prosperity, reflecting our unwavering commitment to realizing possibilities and delivering results for everyone we serve.

Stakeholder group	 Our employees	 Our customers	 Our suppliers and partners	 Our community	 Our shareholders
How we engage	anb engages its people through a comprehensive employee experience framework that includes regular annual and pulse surveys, structured feedback mechanisms, recognition and reward programs, internal events, competitive benefits and allowances, financial and academic support, extensive learning and development opportunities, well-being and mental health initiatives and continuous two-way communication across internal channels.	anb delivers an integrated customer experience (CX) through structured CX programs, journey mapping and continuous feedback. Engagement is strengthened via behavior-led marketing, targeted campaigns, content-driven communication, social media and always-on digital touchpoints, alongside initiatives that enhance accessibility, inclusivity and clear communication across all service channels.	anb maintains strong supplier relationships through rigorous registration and due-diligence processes, segmentation based on performance and strategic importance and clearly defined engagement plans. Regular performance reviews, open and continuous communication, collaborative problem-solving sessions and structured coordination meetings are supported by an automated digital platform that streamlines supplier interaction and engagement.	Community engagement is driven by strategic partnerships with government entities and NGOs across the fields of health, education and environment, with an emphasis on women and youth empowerment. It also promotes volunteerism to reach the broadest segments of society, alongside financial inclusion programs, designed to achieve sustainable social impact in alignment with Vision 2030.	Engagement with shareholders is delivered through earnings calls, quarterly and annual results presentations, investor meetings, one-on-one discussions, regional and international roadshows, analyst days, participation in financial conferences, transparent regulatory disclosures and continuous communication across dedicated investor channels.
How often we engage	Daily engagement through internal platforms, learning programs and events; quarterly and annual surveys; ongoing leadership interactions; periodic reviews aligned with HR cycles.	Continuous digital and in-branch engagement through campaigns, insight sharing and CX alignment, supported by accessibility audits, staff training and participation in national inclusion initiatives.	Daily operational communication; monthly, quarterly, biannual and annual reviews; ongoing monitoring; and ad-hoc meetings for project launches and issue resolution.	Annual flagship community initiatives; monthly and quarterly awareness activities; as well as initiatives and partnerships developed in response to emerging needs in health, education, sustainability and social support.	Scheduled monthly/quarterly/semi annual investor engagements; annual disclosures; ad hoc outreach driven by market developments or investor requests.
Key items discussed	Employee satisfaction, culture development, leadership accessibility, collaboration and teamwork, innovation appetite, competitiveness, recognition, agility, accountability, talent development pathways and embedding anb's values.	Customer feedback trends, recurring pain points, opportunities to personalize journeys, optimization of digital and branch touchpoints, brand perception, accessibility and inclusivity themes and marketing effectiveness.	Supplier performance, service quality, operational bottlenecks, alignment with Bank needs, innovation in service delivery, action plans for improvement, project progress and strategic collaboration opportunities.	Focuses on community needs across health, education, sustainability and financial inclusion; assessing the effectiveness of ongoing programs and exploring new opportunities that strengthen long-term social impact and align with Vision 2030.	Market conditions, Bank performance, financial metrics, strategic priorities, leadership strength, competitive positioning, long-term outlook, risks, opportunities and shareholder expectations.
Key actions	Expanded training and leadership programs, upgraded recognition schemes, reinforcement of values, improved communication, initiatives encouraging innovation, refinement of benefits and targeted talent development interventions.	Improved customer journeys, digital and physical touchpoints, personalized campaigns and faster issue resolution, alongside ATM accessibility upgrades, inclusive branch readiness and frontline staff training.	Implementation of supplier action plans, optimization of procurement governance, performance improvements, stronger communication frameworks, greater collaboration on key projects and enhanced forecasting and operational planning.	Facilitating access to healthcare services through partnerships, expanding educational support initiatives, intensifying awareness and social solidarity efforts, implementing disability inclusion programs and launching renewed environmental initiatives.	More transparent reporting, reinforced investor confidence through consistent communication, clearer strategic storytelling, enhanced accessibility to leadership during investor interactions and proactive engagement addressing investor concerns.
Value created	Motivated, high performing workforce with access to development pathways, fair compensation, enhanced well-being and a culture aligned with strategic objectives.	Higher customer satisfaction and loyalty, more relevant and personalized interactions, increased engagement, better-informed decision-making across CX and marketing and a more inclusive banking experience.	Strengthened supplier relationships, improved operational efficiency, higher service reliability, better long-term value and resilience across the supply chain.	More empowered communities, improved health and education outcomes, inclusive opportunities for all groups, support for vulnerable segments and stronger environmental stewardship.	Greater investor trust, improved market perception, more informed investment decisions, transparency in performance and strategy and long-term shareholder value supported by dividends.

02

Strategic review

Chairman's statement	32
Managing Director's message	36
Business model	40
Strategy and KPIs	42
Saudi Vision 2030	46
Market overview	48
Chief Financial Officer's review	52
Business review	58
Digital transformation and technology	78

anb translated strategy into action across every part of the business. The year was marked by disciplined execution, stronger partnerships and consistent delivery.



Chairman's statement

Strong foundations. Delivering results.

» It gives me pleasure to present anb's Annual Report and closing accounts for the 2025 fiscal year. Our Bank enjoyed another exceptional year, with strong performances by our various divisions as the business accelerated its transformation and focused on profitable growth. »

Salah Rashed Al-Rashed
Chairman of the Board



This year demonstrated the strength of anb's foundations and ability to capitalize on our strategic priorities with focus and determination. We delivered market-leading balance sheet growth, expanded our digital footprint across Retail and Corporate Banking and protected liquidity and capital strength through disciplined management. These outcomes reflect years of investment in governance, risk oversight, technology and people and confirm anb's ability to convert strategic intent into consistent, measurable results.

Against a backdrop of heightened macroeconomic and geopolitical complexity, the Saudi economy continued to demonstrate resilience during 2025. GDP growth remained robust, supported by sustained momentum under Vision 2030 and tangible progress across flagship initiatives, including the expansion of the Red Sea destination, the launch of Qiddiya and continued advancement across giga projects and national transformation priorities.

Within this environment, anb maintained strong momentum while safeguarding its financial strength and balance sheet resilience. Total assets expanded, supported by balanced growth across assets and liabilities, enabled by disciplined funding management and a stable deposit base which reinforced our liquidity positing, leading to robust capital and liquidity ratios, providing comfortable buffers to support continued growth.

Enabling Vision 2030 through disciplined partnership and long-term capital

anb remains closely aligned with Saudi Vision 2030, with our strategy, capital allocation and partnerships structured to support the Kingdom's long-term economic, social and environmental transformation. Our role extends beyond financing to acting as a stable, trusted partner to national institutions, development funds and private-sector champions, ensuring capital is deployed in ways that advance diversification, resilience and sustainable growth. This alignment is embedded in our operating model and guides how success is measured over the long term.

Throughout 2025, we continued to support the delivery of Vision 2030 by financing priority sectors that underpin the Kingdom's transformation agenda. These included housing, tourism, infrastructure, healthcare, industry, logistics and

emerging growth sectors, alongside expanded support for corporates, commercial clients and SMEs. By deepening our engagement with national development programs, broadening Islamic and structured finance solutions and extending our presence across established and emerging cities, we helped accelerate private-sector participation, strengthen non-oil economic activity and enable job creation across the Kingdom.

Our contribution to Vision 2030 also reflects a broader commitment to social progress and sustainability. We continue to promote homeownership, financial inclusion, household savings, education and talent development, while advancing environmental stewardship and community initiatives aligned with national priorities. By integrating economic, social and environmental considerations into our business decisions, we are supporting a balanced national transformation and reinforcing our role as a long-term partner in building a more vibrant society, a thriving economy and an ambitious nation.

Embedding sustainability into long-term value creation

During 2025, we advanced our sustainability agenda through the deployment of a comprehensive ESG strategy with clearly defined ambitions and targets, including commitments aligned with KSA net zero 2060 objectives. The publication of our first ESG Report, alongside our Sustainable Finance Framework, marked a significant milestone in embedding environmental, social and governance considerations into our operating and financing activities. The Framework received an Excellent rating from Fitch, reflecting the strength and credibility of our approach and positioning anb among the leading regional peers in sustainable finance governance.

We further translated this strategy into action through our debut Tier-1 USD-denominated sustainable Sukuk issuance, strengthening capital resilience and expanding our international investor base. The strong response to the issuance demonstrated confidence in our governance, sustainability framework and long-term credit profile. These developments underscore our commitment to integrating sustainability into our funding strategy and long-term value creation agenda.

"Our role extends beyond financing to acting as a stable, trusted partner to national institutions, development funds and private sector champions, ensuring capital is deployed in ways that advance diversification, resilience and sustainable growth."

Chairman's statement continued

Discipline and profitability focus in 2026

Looking ahead, we will remain focused on successfully delivering our five-year strategy, building on the strong foundations established over recent years to advance our core ambitions. We will continue to prioritize selective growth across key sectors and customer segments, deepen digital and corporate banking capabilities and further embed data, AI and automation to enhance decision-making and operational efficiency. Capital strength, liquidity discipline and risk governance will remain central to how we allocate resources and measures success, ensuring that growth is sustainable and aligned with long-term value creation for all stakeholders.

The operating environment in 2026 is expected to evolve, with growing client expectations and intensifying competition across the banking sector. Against this backdrop, we will continue to focus on protecting profitability through holistic solutions and a relationship-led approach to become our clients' chosen banking partner. By focusing on prudent risk management with targeted investment in capabilities and talent, we are well positioned to navigate the cycle, preserve resilience and deliver consistent results within a demanding macroeconomic landscape.

Acknowledgements

On behalf of myself, the Board of Directors and the entire anb team, I express our sincere appreciation to the leadership of our Kingdom, under the guidance of the Custodian of the Two Holy Mosques and the Crown Prince. Their vision and steadfast support continue to drive economic progress and stability, providing a strong platform for anb's growth and long-term contribution to national development.

I also extend our thanks to the Saudi Central Bank (SAMA) for its continued oversight and constructive guidance. During a period of transformation in the banking sector, SAMA's leadership has been vital in reinforcing confidence, resilience and sound practices across the financial system.

To our customers and shareholders, your trust and confidence remain central to everything we do. Your continued partnership motivates us to uphold the highest standards of performance and service and to pursue sustainable value creation with discipline and purpose.

Finally, I would like to thank my fellow Board Members, our Managing Director and CEO, the executive management team and all our valued employees. Your dedication, expertise and professionalism enabled anb to deliver meaningful results during the year and to strengthen the foundations that will support our future progress and continued creation of lasting value.

"Looking ahead, we will remain focused on successfully delivering our five-year strategy, building on the strong foundations established over recent years to advance our core ambitions."



Managing Director's message

Leveraging strengths with focus and discipline

» 2025 was a year in which execution mattered. Against a backdrop of the Kingdom's economic momentum and rising competitive intensity, our focus as management was to translate the Bank's strong foundations into tangible results. We continued to progress toward our five-year strategy targets and capitalize on our balance sheet resilience. Our mandate was to execute with discipline, precision and accountability across every part of the organization. »

Obaid Abdullah Al-Rasheed
Managing Director and
Chief Executive Officer



Throughout the year, we remained focused on profitable growth, funding strength and operational excellence. This approach allowed us to continue investing in the capabilities required for long-term competitiveness. The results we achieved in 2025 reflect the maturity of our operating model and the depth of our institutional capabilities.

Disciplined execution at scale

The defining story of 2025 was our ability to operate at scale without compromising discipline. Credit demand remained strong, driven by priority Vision 2030 sectors, while sustained interest rates required sharpening our focus on funding depth, pricing, cross-selling and supporting sustainable growth in our loan book and deposit base.

In this environment, we focused on our strategic priorities, leveraging tailored propositions and product innovation across Wholesale, Retail, Private and anb capital to deepen core relationships, expand wallet share and further balance funded and fee-based income.

Stronger integration across the Bank also proved a key differentiator. Closer coordination between business lines, Treasury, Risk and Finance enabled us to leverage our full banking capabilities, maintain tight oversight of asset quality, liquidity and capital deployment and serve clients more holistically as their preferred banking partner.

Delivering strong results

We delivered leading balance sheet growth and maintained resilient financial performance in 2025, reflecting the scale of our strategic positioning and disciplined execution. Total assets increased to ₪ 281.4 billion underscoring the robustness of our balance sheet, while net income after zakat and tax reached ₪ 5,116 million, the highest in the Bank's history and continuing the growth on top of an exceptional year. These results were driven by healthy margins and a sustained focus on quality growth. Our alignment with Vision 2030 priorities and key growth sectors across the Kingdom enabled us to participate effectively, in line with the economic momentum and emerging opportunities.

Our capital strength and funding diversification were reinforced through successful capital markets execution during the year, including a local Tier 1 issuance and our inaugural USD-denominated AT1 sustainable issuance in international markets. These transactions demonstrated strong investor confidence, supported our leading ESG positioning and enhanced our capacity to fund future growth while maintaining capital resilience and long-term stability.

Outstanding progress across the Bank

Operationally, we strengthened our position with key corporates and government-related entities, enhancing the diversification and stability of our earnings and funding base. Wholesale Bank Group supported major financings and strategic national projects, while Global Transaction Banking enhanced our cash management, payments and trade offering for corporates and fintechs. Our Retail Banking Group delivered further growth and engagement, underpinned by better digital journeys and more targeted propositions. In parallel, Private Banking Group, together with anb capital, advanced our wealth and investment proposition for affluent and high-net-worth clients and our international presence, anchored by our London branch, continued to support clients with cross-border and global needs. Meanwhile, Treasury played a key role in managing funding and liquidity, reinforcing balance sheet resilience, as our SME and Commercial Banking activities expanded their reach across the Kingdom, supporting entrepreneurs and growing businesses.

Technology and innovation as execution enablers

Technology and innovation remained core to how we execute our strategy in 2025, as we continued to modernize our Retail and Corporate digital platforms and embed technology more deeply into decision-making and customer engagement.

We strengthened our data and analytics capabilities, including AI, improving speed, reliability, scalability, insight generation, risk monitoring and operational efficiency, while further reinforcing cybersecurity and resilience to protect our customers and the Bank.

Throughout the year, we applied technology as a practical enabler of efficiency and better client outcomes, ensuring our digital and data investments directly support performance today and long-term value creation.

People and culture driving consistent performance

Our people remain the cornerstone of our performance. Throughout 2025, we continued to invest in talent development, leadership capability and a culture that emphasizes accountability, collaboration and execution excellence.

"The defining story of 2025 was our ability to operate at scale without compromising discipline."

Managing Director's message continued

Across the Bank, we strengthened succession planning, expanded targeted training programs and enhanced performance management frameworks to ensure we have the leadership depth and technical expertise needed to operate effectively in an increasingly complex environment. We also continued to foster an inclusive, high-performance culture that aligns individual objectives with the Bank's strategic priorities. The professionalism and commitment of our teams were instrumental in delivering consistent results under demanding conditions.

Looking ahead with clarity and confidence

As we enter 2026, anb does so from a position of strength and momentum. We are approaching the final year of our five-year strategy and remain on track to deliver our key financial and non-financial objectives, with the foundations built in recent years now translating into sustained performance.

In the year ahead, we will focus on deepening client relationships through enhanced cross-sell, protecting profit margins and further diversifying our funding base. By leveraging the capabilities we have built in technology, data and human capital and underpinned by a strong balance sheet and disciplined risk management, anb is well positioned to deliver consistent results and long-term competitiveness.

Acknowledgements

During a year marked by purposeful progress and strong delivery, I extend my heartfelt gratitude our Board of Directors for its continued guidance and strategic oversight, which have been central to our achievements. I am equally appreciative of all anb colleagues, whose commitment and professionalism have reinforced our position as one of the Kingdom's leading banks. To our customers, your trust and loyalty drive us to raise our standards continuously and keep your success at the center of our efforts. Together, we are laying the foundations for lasting impact and shared prosperity.

"By leveraging the capabilities we have built in technology, data and human capital and underpinned by a strong balance sheet and disciplined risk management, anb is well positioned to deliver consistent results and long-term competitiveness."



Business model

As a recognized and respected bank in the Kingdom of Saudi Arabia, anb's business model leverages our strengths and core capabilities to create significant and sustainable value for all our stakeholders.



Inputs

anb's unique proposition and strengths provide the foundation for sustainable value creation:

- **Solid capital base:** Paid-up capital and equity (ﷲ 49.5 billion of Tier 1 + Tier 2).
- **Talented human resources:** Around 4,000 employees across different business units and groups, including Retail Banking, Wholesale Banking, Treasury, Capital Banking and other support functions.
- **Advanced technologies:** Investments in technology enhance operational efficiency, improve customer experience and drive omni-channel banking. ATMs, POS terminals and digital channels facilitate online and digital banking.
- **Robust regulatory environment:** Operating within a strong governance and regulatory environment defined by the Saudi Central Bank (SAMA) and in alignment with all local and international banking regulations.

Value-creation levers

anb creates value through:

Diversified operations:

- Serves different segments of customers, including individuals, small and medium enterprises (SME), corporate and institutional clients and government entities.
- Offers a range of products and services to meet the needs and preferences of each segment, such as deposit accounts, loans, credit cards, investment products, insurance products, trade finance, cash management and treasury services.

Continuous innovation and digitalization:

- Focuses on innovation and digitalization to enhance its competitive edge and customer satisfaction.
- Develops new products and services, eBusiness, mobile app, on-line banking, banking-as-a-service and open banking.

Strict risk management and compliance:

- Adopts a prudent and proactive approach to risk management and compliance to ensure its financial stability and reputation.
- Has a comprehensive risk management framework that covers credit risk, market risk, operational risk, liquidity risk and reputational risk.
- Follows the best practices and standards of corporate governance, internal control, anti-money laundering and social responsibility.

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- Follows the best practices and standards of corporate governance, internal control, anti-money laundering and social responsibility.

Outputs

anb generates outputs that reflect its performance, impact and value proposition:

Strong financial results:

- Net income after zakat and income tax of ﷲ 5.12 billion for 2025, an increase of 3% over the previous year.
- Increased total assets by 13.1% to ﷲ 281.38 billion, total deposits by 14.9% to ﷲ 209.29 billion and total loans and advances by 15.2% to ﷲ 195.29 billion.
- Return on equity (ROE) was 11.6% and return on assets (ROA) was 1.9%.

Increasing customer loyalty and satisfaction:

- Over 2 million customers and 192 premises across the Kingdom of Saudi Arabia.
- Providing high-quality service and experience to its customers.
- Invested in customer relationship management systems to manage customer interactions.

Significant social and environmental impact:

- Launched new ESG strategy with strong ambition to support business growth.
- Commitment to 20%+ emissions intensity reduction of financed emissions in power sector by 2030.
- Commitment to 20%+ emissions intensity reduction of financed emissions in aviation sector by 2030.
- Sustainable Finance Framework (SFF) published and recognized with an "Excellent" rating from Fitch.
- First Sustainability Report published.
- First sustainable USD 750 million Additional Tier 1 Sukuk issuance achieved with 4x oversubscription.
- Developed comprehensive Climate Risk Framework.
- Green initiatives to reduce Scope 1 and 2, such as solar panel installation, recycling and green space expansion.
- Contributes to the social and economic development of the Kingdom of Saudi Arabia and supports the goals of Vision 2030.
- Participates in various initiatives and programs, such as the SME Financing Program, the Mortgage Program and the Financial Literacy Program.
- Supports various charitable and humanitarian causes, such as health, education, culture, sports and environment.

Strategy and KPIs

Our philosophy



Our Vision

To become the chosen financial partner in the Kingdom.



Our Mission

To empower the Kingdom's ambitious people, organizations and society by providing innovative, tailored financial solutions and a fast simple experience.



Our Promise

Beyond Banking.



Strategy and KPIs continued

Our strategic pillars

The corporate strategy aims to drive profitable growth through a focus on the following pillars:

	 Wholesale bank of choice	 Empower our clients through tailored value propositions	 Diversify Treasury revenue streams and support anb's growth	 Premier investment bank of Saudi Arabia
	• Corporate Banking: Growing the portfolio, boosting profitability and aligning with Vision 2030. • Mid-sized corporates: Sustainable growth through a diversified portfolio. • SMEs: Becoming a leading SME enablement partner in the Kingdom of Saudi Arabia.	• Affluent focus: Enhancing wealth advisory services, introducing dedicated affluent services and expanding mortgage lending for affluent clients. • Digital and physical channels: Personalizing digital platforms and optimizing branch networks. • Diverse offerings: Increasing credit card and micro-lending solutions, enhancing deposit products and improving loyalty programs.	• Optimizing business growth through revenue diversification. • Robust human capital. • Advanced technological infrastructure.	• Capital markets: Target institutional flows and upcoming listings. • Asset management: Launch thematic funds and digitize operations. • Real estate and private equity: Expand fund offerings, geographic reach and build a track record of successful exits.
KPIs	• Number of customers • Net loans • Total operating income • Return on average assets • Net interest margin • Non-financial income/operating income	• Number of customers • Net loans • Total operating income • Return on average assets • Net interest margin • Non-financial income/operating income	• Assets • Total operating income • Net interest margin • Return on average assets	• Assets • Total operating income • Net interest margin
2025 Achievements	• Grew the customer base in key sectors, emerging cities and innovative solutions in line with Vision 2030. • Converted strategic relationships into revenue through landmark deals and product cross-sell.	• Introduced a CRM tool to strengthen client insights and tailor product offerings. • Revamped retail mobile app with premium offering. • Accelerated digital growth in retail digital users and customer acquisitions by +16% and +25% year-on-year.	• Strategically diversified portfolio to enhance yield and resilience. • Upgraded treasury management systems to enhance operational efficiency and financial oversight. • Strengthened debt market presence through successful issuances. • Enhanced cross-sell with Wholesale Bank Group (WBG) by increasing offerings to clients.	• Expanded assets under management (AUM) by 2.2x, fueled by strong growth across asset management, real estate and the launch of private equity. • Executed 16 investment banking transactions exceeding ₪ 85 billion. • Launched Sell-Side Research and the Institutional Sales Desk, driving market share among Saudi Capital Market Institutions (CMI) from 1.9% in 2021 to 4.1%.
2026 Goals	• Strengthen corporate client engagement and deepen holistic relationship coverage through expanded lending, deposits and fee-generating solutions. • Grow the project finance and public-private partnership (PPP) portfolio by focusing on high-quality, Vision 2030-aligned opportunities with strong cross-sell potential. • Expand partnerships with government-related entities and national programs by delivering tailored financing and banking solutions that support transformation mandates. • Accelerate growth in emerging corporates by enhancing sector-focused offerings and improving new-to-bank acquisition through stronger ecosystem coverage. • Broaden SME penetration by enhancing financing accessibility, improving turnaround times and expanding collaborations with key ecosystem partners. • Strengthen leadership in transaction banking by expanding digital payment, cash management and merchant solutions that drive client adoption and engagement. • Increase trade activity and improve client experience through greater utilization of trade facilities and continued digitalization of core trade processes.	• Strengthen the affluent banking proposition by expanding client acquisition and deepening proposition-led cross-sell across priority solutions. • Enhance customer experience by optimizing branch and ATM networks and expanding personalized programs that improve engagement and new account growth. • Broaden the retail product suite across lending, payments and liability offerings to drive deeper customer relationships and greater portfolio diversification. • Improve operational efficiency and resilience by optimizing the retail operating model, organizational structure and core processes, to support sustainable growth.	• Broaden and rebalance the investment strategy by expanding exposure across government securities, international fixed-income and alternative assets, while strengthening trading activities to build more resilient and diversified revenue streams. • Elevate Treasury's operating model by enhancing automation and streamlining core processes, to improve execution, efficiency and control across Treasury operations.	• Strengthen market leadership by expanding advisory capabilities and deepening institutional relationships. • Accelerate AUM growth through diversified engines across real estate, asset management and private equity. • Advance digital and client platforms to enhance accessibility, engagement and overall CX. • Expand product innovation by introducing new investment lines and partnering with fintechs to capture emerging opportunities. • Build a consistent performance track record supported by strong governance and disciplined investment processes.

Saudi Vision 2030

anb is deeply aligned with the ambitions of Vision 2030, anchoring its strategy to the Kingdom's economic, social and environmental priorities. The Bank supports the national agenda by financing transformational sectors, expanding access to opportunity, advancing financial inclusion and embedding sustainability across its operations. Through close collaboration with public sector partners and direct participation in major development programs, anb contributes to a more dynamic private sector, a more resilient economy and a stronger quality of life for communities across Saudi Arabia.



A Vibrant Society



Supporting homeownership growth

In line with the Vision 2030 target of increasing homeownership to 70%, anb continues to strengthen its role in the housing ecosystem. In addition to landmark financings such as participating in the \$ 9 billion syndicated facility for ROSHN, the Bank launched the Rahab initiative in partnership with the Ministry of Municipal and Rural Affairs and Housing and Mawa association for Social Services, to construct 100 housing units for the neediest families across Saudi Arabia over a 5-year period. Together with the Bank's ongoing collaboration with the Real Estate Development Fund (REDF), these efforts expand access to affordable, quality housing for Saudi families and directly support the Kingdom's development housing objectives.

Environmental stewardship and biodiversity

To contribute to quality of life and environmental sustainability, anb is aligning its community programs with the Saudi Green Initiative and national biodiversity goals. Through the anb Green Initiative, the Bank supports tree-planting activities that help combat climate change, improve air quality and protect the environment for future generations.

Cultural and entertainment sector growth

To support the goal of increasing household spending on cultural and entertainment activities from 2.9% to 6%, anb continues to finance and sponsor projects that enhance quality of life and leisure. The Bank has supported transformative giga-projects that are reshaping the entertainment landscape and provided tailored banking services to corporates and SMEs in entertainment, hospitality and tourism. The sponsorship of high-profile events and venues, in addition to acquiring the naming rights of "anb arena" for one year during Riyadh Season, further affirms the Bank's commitment to advancing the Kingdom's cultural and entertainment ambitions.

A Thriving Economy

Driving economic diversification

To help increase non-oil government revenue from \$ 163 billion in 2017 to \$ 1 trillion annually by 2030, anb has prioritized project financing for key sectors, advancing Vision 2030. In recent years, this has included landmark syndicated facilities such as participating in the \$ 10 billion syndicated financing granted to NEOM Company and major real estate developments like The Avenues – Al Khobar. In 2025, anb deepened its support to strategic sectors by engaging reputable local and international contractors and funds, closing large financing deals in healthcare, industrials, aviation and mining. These transactions collectively reinforce private investment in priority sectors and underpin the Kingdom's diversification agenda.

Powering tourism development

anb is aligned with the government in expanding the tourism sector to contribute to the GDP by 10%. The Bank has enhanced its tourism project financing portfolio by supporting hotel developments, leisure destinations and tourism operators linked to giga-projects and regional growth hubs. In addition, anb's Commercial Banking business is diversifying its portfolio around tourism, Islamic tourism, hospitality, logistics and entertainment, expanding into emerging cities such as Qatif, Qassim, Madinah and Khamis Mushait, stimulating tourism-related activity and job creation across the Kingdom.

Boosting non-oil exports

The Bank continues to strengthen its role in supporting non-oil exports by reinforcing its partnerships with the public sector, contributing to increased export financing and the stimulation of global trade, in support of the Kingdom's target of raising the share of non-oil exports from 18.7% to 50% of non-oil GDP. anb continues to collaborate with the Saudi Export-Import Bank (Saudi EXIM) to boost the growth and diversification of the Kingdom's non-oil exports. These efforts are complemented by broader wholesale initiatives in trade finance, including enhanced trade systems, more efficient processing and increased use of guarantee schemes that strengthen exporters' access to international markets.

Increasing private sector contribution

In line with Vision 2030's aim to increase the private sector's contribution to GDP, anb is positioning itself as a strategic banking partner for corporates, commercial clients and private institutions nationwide, with a focus on high-growth sectors and ancillary business opportunities. Corporate Banking has grown deposits and fee-based income by deepening cross-sell with Treasury and other product partners, while Project and Structured Finance has scaled participation in large industry-leading financings. Commercial Banking has expanded its footprint in emerging cities and diversified its loan portfolio across priority sectors such as tourism, manufacturing, logistics, entertainment and contracting. Across Wholesale, anb continues to broaden its solution set, including Islamic products and bespoke structures, to help clients achieve financial resilience and sustainable growth.

Enhancing foreign direct investment

To assist in achieving the target of increasing foreign direct investment's contribution to the GDP, anb will accommodate the growing demand for foreign currency financing by developing Shariah-compliant issuance programs. This initiative is designed to attract foreign investments, enabling the Kingdom to deliver on its economic diversification and growth ambitions.

Driving SME growth

anb remains focused on the SME segment by expanding strategic partnerships with SME Bank and other key stakeholders, supporting the Kingdom and increasing SME contribution to the GDP from 20% to 35%. The Bank enhances financing access for SMEs through tailored guarantee and financing programs, enabling SME expansion across industries. anb also expanded its presence in emerging cities to reach a wider base of customers, boosting economic growth.

An Ambitious Nation



Building financial security of individuals and families

To contribute to Vision 2030's target of increasing household savings from 6% to 10% of the total household income, anb continues to enhance its savings and deposit propositions, supported by improved digital channels and advisory tools. By promoting disciplined saving and offering products tailored to different life stages, the Bank helps individuals and families build stronger financial foundations and long-term resilience.

Supporting employment, education and opportunity

Aiding the goals of reducing unemployment and increasing women's participation in the workforce, anb is investing in talent development, leadership programs and structured career paths that position the Bank as an employer of choice for Saudi nationals. Complementing this, the Takreem & Taleem initiative provides university scholarships to the sons and daughters of martyrs to study bachelor's degrees at the Saudi Electronic University, in partnership with the Fund for Martyrs, Injured, Prisoners and Missing Persons. This program expands access to higher education and helps equip a new generation of Saudi youth with the skills needed for the future economy.

Fostering a culture of volunteering and strategic social impact

To deepen civic engagement and align CSR with Vision 2030, anb is scaling its social portfolio. In addition to Rahab, anb Green Initiative and Takreem & Taleem, the Bank is advancing government collaborations that align CSR activities with national priorities, enhance credibility and trust and expand capacity to serve larger community segments with sustainable, long-term benefits. Through these initiatives and the Bank's broader volunteering programs, anb encourages employees and partners to participate in environmental, educational and social projects, creating a lasting positive impact on communities across the Kingdom.

Market overview

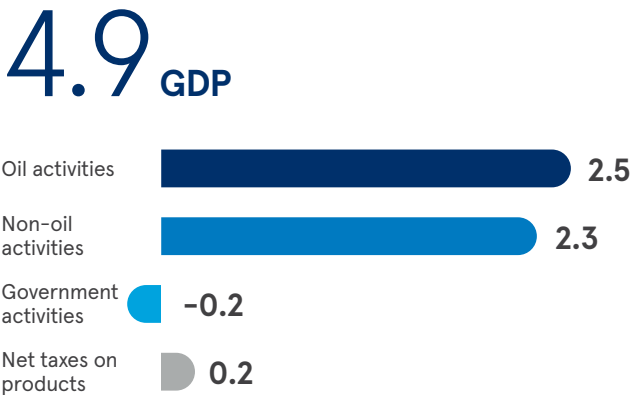
Saudi Arabia entered 2025 with sustained economic momentum, underpinned by resilient non-oil activity, active investment pipelines and continued progress across tourism, services and private-sector expansion. At the same time, tighter system liquidity and higher-for-longer funding costs shaped financial-sector dynamics, making balance-sheet discipline, deposit depth and risk-informed growth central themes for banks.

Saudi Arabian economy

A resilient and expanding economic landscape

Saudi Arabia's economy in 2025 demonstrated resilience and momentum, supported by sustained non-oil activity, stable macroeconomic conditions and an accommodative liquidity environment. Economic growth strengthened during the year, with GDP rising to 4.5%, reflecting continued progress in diversification and private-sector expansion. Business confidence remained firm, as evidenced by a Purchasing Managers' Index of 57.4, signaling ongoing expansion in non-oil sectors including services, construction, logistics and manufacturing.

Contribution to growth rate of real GDP (YoY, percentage points)



Economic growth in 2025 was broad-based, with non-oil sectors contributing meaningfully alongside oil.

+4.5%
Real GDP growth in 2025

Macroeconomic stability was reinforced by Saudi Arabia's strong fiscal and external position, with the Kingdom's A+ sovereign credit rating reaffirmed with a stable outlook. Monetary conditions remained supportive of growth. The repo rate was maintained at 5.0%, while SAIBOR averaged 4.89%, broadly tracking global rate trends while maintaining liquidity discipline. This balance helped sustain economic activity while preserving financial-system stability.

Liquidity conditions across the economy strengthened further in 2025. Broad money supply (M3) expanded steadily, reaching 3.17 trillion by December 2025, up from 2.95 trillion at year-end 2024. Growth was supported by rising demand deposits, which accounted for the largest share of liquidity and exceeded 3.1 trillion in total M3 with demand deposits around 1.4-1.5 trillion at their 2025 peak, alongside continued expansion in time and savings deposits, which reached about 1.07 trillion by March 2025, reflecting a shift toward more interest-bearing balances. The increasing share of longer-term deposits reflected a shift toward more stable savings behavior, supporting funding durability across the financial system.

Currency in circulation also increased, reaching 241.2 billion by December 2025, signaling strong transactional activity and consumer demand. At the same time, the

3.15 trillion
Bank claims on private sector

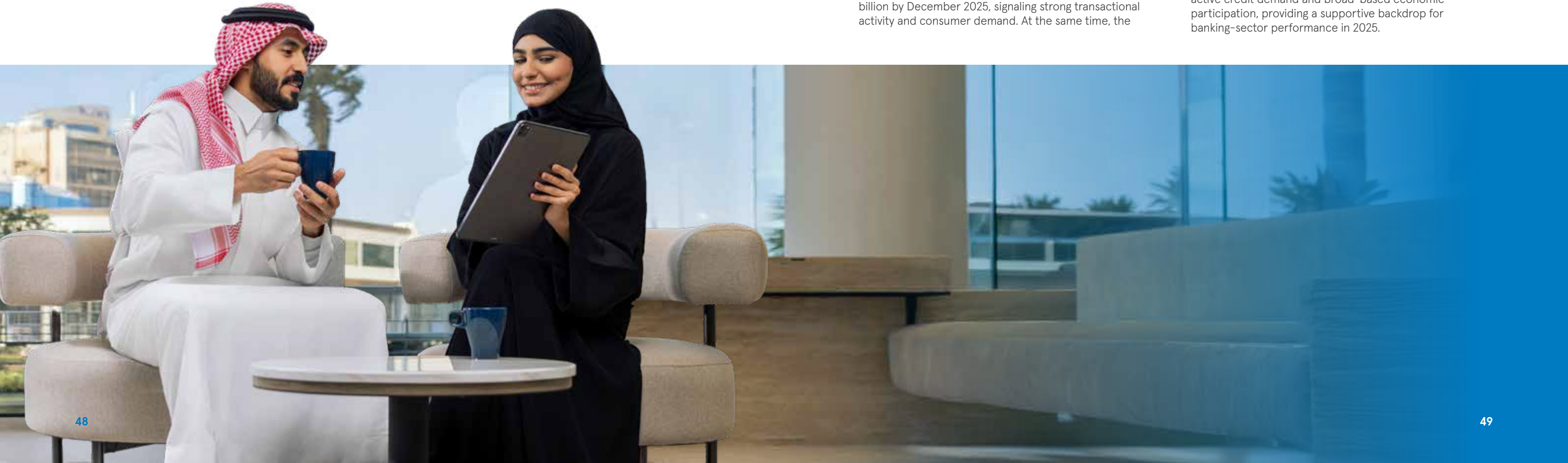
monetary base rose to 431.5 billion, underscoring the availability of liquidity to support credit growth and economic expansion.

Credit expansion supporting national transformation

Credit growth remained a central driver of economic momentum in 2025. Bank claims on the private sector rose to 3.15 trillion by September, reflecting strong financing activity across corporate, real estate and SME segments. This expansion aligned with ongoing investment in infrastructure, housing and strategic sectors linked to Vision 2030.

Total lending to the public sector reached 909.9 billion, including 256.6 billion in bank credit to public sector enterprises and 653.3 billion in other lending to the public sector. This increase reflected sustained public investment and development spending, reinforcing demand across the economy while providing banks with high-quality sovereign exposure.

These trends highlighted a macroeconomic environment characterized by healthy liquidity, active credit demand and broad-based economic participation, providing a supportive backdrop for banking-sector performance in 2025.



Market overview continued

Saudi Arabian banking sector

Balance sheet expansion amid strong credit demand

Saudi Arabia’s banking sector continued to expand in 2025, reflecting robust credit activity, deposit growth and sustained confidence in the financial system. Total banking system assets reached ﷲ 5.48 trillion by December 2025, up from ﷲ 5.17 trillion at the end of 2024. This growth was driven by loan expansion, rising deposits and increased investment balances.

Lending momentum remained firm across the year, though growth moderated quarter-on-quarter as the year progressed. In Q1 2025, net loans and advances rose 5.4% quarter-on-quarter, driven primarily by a 7.5% increase in corporate lending, which accounted for more than half of total gross loans. In Q2 and Q3 2025, loan growth moderated to 2.5% quarter-on-quarter, supported by continued corporate demand and measured retail expansion.

Deposit growth rebounded during the year, improving funding stability. Deposits rose 4.0% quarter-on-quarter in Q1 2025, led by an 8.1% increase in time deposits. Growth continued in Q3, with deposits increasing 2.2% quarter-on-quarter, supported by higher government deposits, which accounted for 31.2% of total deposits.

Liquidity dynamics and funding discipline

The pace of credit expansion relative to deposits resulted in elevated loan-to-deposit ratios (LDR) across the sector. The LDR reached 106.1% in Q1 2025 before easing to 105.9% in Q2 as deposit growth began to outpace lending, then increased again to 106.2% in Q3. While reflecting strong credit demand, these levels underscored the importance of disciplined liquidity management across the sector.

Despite these dynamics, funding conditions remained stable, supported by the growing share of time and savings deposits and continued access to diversified funding sources. The shift toward longer-term deposits provided greater balance-sheet stability and reduced reliance on short-term funding.

Profitability supported by income diversification

Sector profitability remained resilient throughout 2025, supported by a combination of margin discipline, non-interest income growth and cost efficiency. Operating income rose 3.2% quarter-on-quarter in Q1 2025, followed by 2.0% in Q2 and 1.8% in Q3, supported by strong non-interest income growth from trade finance, foreign exchange and investment-related activities.

Aggregate net income growth remained positive, rising 13% compared to last year. ROE improved to 15.5%, reflecting higher earnings and effective cost control, while ROA remained healthy at approximately 2.0%. Although net interest margins experienced modest compression during the year, declining by single-digit basis points, this was partially offset by improved funding costs and stronger fee-based income.

Cost efficiency continued to improve across the sector. The cost-to-income ratio declined to approximately 29.5%-29.8% during 2025, reflecting disciplined expense management and operating leverage as income expanded.

Asset quality and capital strength

Asset quality indicators remained broadly stable, despite rising credit volumes. Non-performing loans increased modestly, while impairment charges declined, supporting earnings performance. Coverage ratios remained strong, reflecting prudent provisioning practices and resilient balance sheets.

Capital adequacy across the sector remained solid. The capital adequacy ratio stood at approximately 20% in Q3 2025, indicating ample buffers to support continued growth while absorbing potential stress.

Outlook shaped by disciplined growth

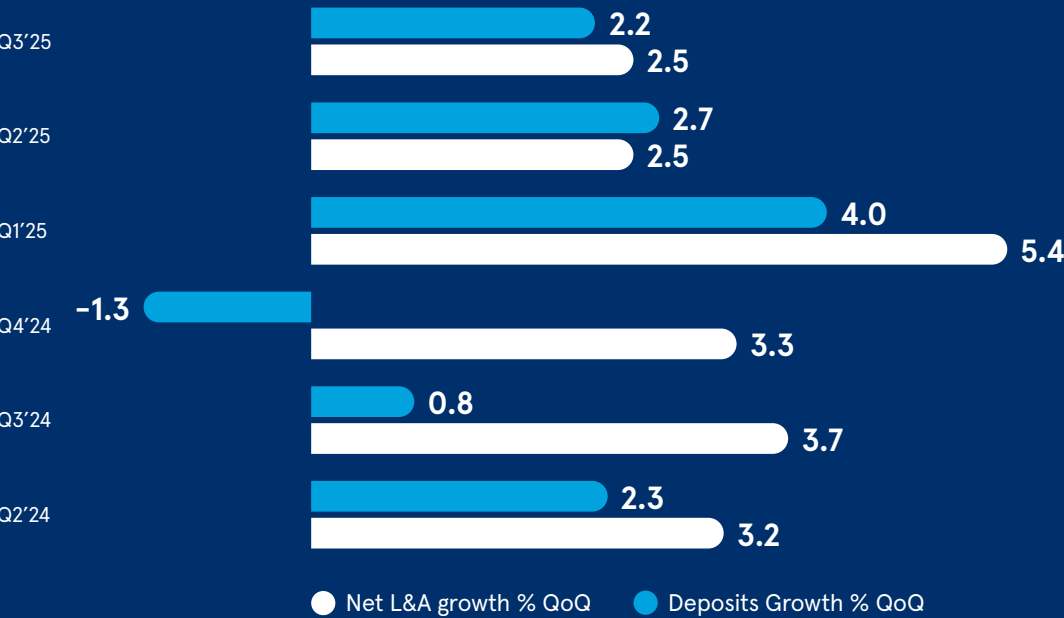
Overall, the Saudi banking sector in 2025 operated in an environment defined by strong economic activity, elevated credit demand and evolving liquidity dynamics. While funding pressures emerged as loan growth outpaced deposits at certain points during the year, banks demonstrated resilience through diversified income streams, disciplined cost management and prudent risk practices.

These conditions positioned the sector to continue supporting Saudi Arabia’s economic transformation, while navigating a more competitive and liquidity-conscious operating environment as the cycle matures.

ﷲ 5.8 trillion
Banking sector assets

29.5% – 29.8%
Banking sector
cost-to-income ratio

KSA banks’ net life and annuities (L&A) and deposits (%)



Chief Financial Officer's review

Disciplined growth underpinned by balance sheet strength

» During 2025, anb continued to build on a strong foundation of financial resilience, disciplined execution and sustained performance achieved over recent years. »

Saad Aldughish
Chief Financial Officer



The Bank's strategic direction remains focused on delivering sustainable profitability, strengthening its balance sheet and advancing digital and customer-centric capabilities. By maintaining a balanced business model across Wholesale and Retail Banking, anb continues to adapt to changing market conditions while supporting the Kingdom's economic transformation.

Financing and investment portfolios grew by double digits, reflecting the Bank's disciplined approach to portfolio management and its ability to capture opportunities in a dynamic market. Digital innovation remained central to its strategy, enhancing customer engagement and strengthening its competitive edge in an evolving financial landscape.

As Saudi Arabia advances toward the realization of its strategic Vision 2030, the Kingdom's economic landscape is increasingly shaped by its non-oil sector growth, large-

scale infrastructure development, rising private-sector participation and accelerating digital adoption. Despite ongoing global macroeconomic pressures, its resilient fiscal framework and reform momentum continue to provide a stable foundation for growth. Against this backdrop, anb strengthened its market position by executing its strategic priorities with discipline, advancing digital capabilities and delivering customer-focused solutions, while preserving a sound capital base and liquidity profile.

The Bank achieved reasonable growth in total operating income, fueled by the expansion of its financing and investment portfolios and increased revenue from fee-based services and portfolio diversification. Prudent balance sheet management and efficiency steadiness helped anb to sustain a stable cost-to-income ratio, while double-digit asset growth reflected well-balanced expansion across Retail and Corporate Banking.



Chief Financial Officer's review continued

Total assets

281.4  13.1% (24-25)
(AED billion)

Loans and advances, net

195.3  15.2% (24-25)
(AED billion)

Customer deposits

209.3  14.9% (24-25)
(AED billion)

Shareholders' equity

49.5  28.0% (24-25)
(AED billion)

Total operating income

9.9  4.86% (24-25)
(AED billion)

Net income (after zakat & tax)

5.12  3.02% (24-25)
(AED billion)

Net commission margin

3.44%  9.23% (24-25)

C/I ratio

33.77%  3.78% (24-25)

ROAE

11.61%  12.44% (24-25)

ROAA

1.93%  8.53% (24-25)

NPL coverage ratio

168.7%

Total CAR

20.02%
Tier 1 ratio 19.51%

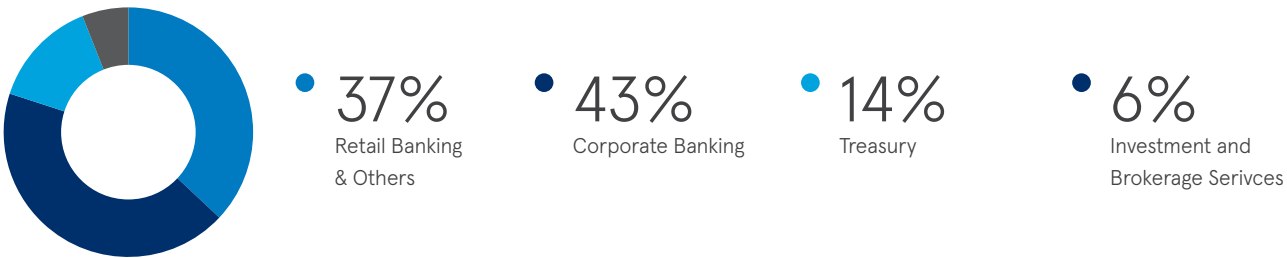
Financial performance and operating results

anb delivered stable financial performance during 2025, providing a solid platform for continued growth in 2026. Total operating income increased by 4.86% year-on-year to AED 9,883 million, reflecting the Bank's ability to grow revenues while maintaining operational efficiency.

Net income after zakat and tax rose by 3.02% to AED 5,116 million, supported by balanced growth across core revenue streams, effective cost management and disciplined balance sheet optimization. The Bank's diversified income base continued to enhance earnings stability and resilience.

Net special commission income increased by 2.15% to AED 8,097 million, driven by a 15.2% expansion in net financing and a 13.3% increase in investments. Net fee and commission income recorded strong growth of 23.9% to AED 878.4 million, reflecting increased transaction volumes, service diversification and enhanced customer engagement. Dividend income rose by 31.4% to AED 269.8 million, while trading income and net gains on FVIS financial instruments increased by 33.5% to reach AED 311.9 million.

Operating income by business segment



Cost management and efficiency

Operating expenses increased by 8.8% to AED 3,337 million, primarily reflecting strategic investments in technology, digital platforms, consultancy and employee benefits. These investments support the Bank's long-term growth agenda and operational scalability.

Despite higher expenditure, anb maintained effective cost discipline, with the cost-to-income ratio remaining stable at 33.77%. This reflects ongoing productivity improvements, process optimization and efficiency gains across the organization.

Credit quality and risk management

Credit quality remained a key strength for anb, supported by prudent risk management and disciplined provisioning practices. Allowance for credit losses slightly increased to AED 692.7 million, compared to AED 644.8 million in the previous year. In addition, a reversal of AED 100 million provision was recorded for impairment on a property acquired through debt recovery, representing a significant reduction in total provisions year-on-year.

The non-performing loan ratio improved to 0.94%, down from 1.20% in 2024, while the cost of risk also declined to 0.37%. The Bank further strengthened its NPL coverage ratio to 168.7%, up from 148.5% at the end of 2024, reinforcing balance sheet resilience and loss-absorbing capacity.



Chief Financial Officer’s review continued

Profitability and earnings metrics

Profitability and earnings metrics dropped, driven by the balance sheet expansion and issuances of additional Tier 1 capital Sukuk. Earnings per share remained stable at ₪ 2.49 in 2025. Return on average assets (ROAA) and return

on average equity (ROAE) weakened to 1.93% and 11.61%, respectively, compared to 2.11% and 13.26% in the previous year. The net commission margin ratio dropped to 3.44%, while the cost-to-income ratio remained stable at 33.77%, reinforcing the Bank’s financial resilience and efficiency.

₪ million	YE 2021	YE 2022	YE 2023	YE 2024	YE 2025
Income statement					
Net special commission income	4,748	5,718	7,259	7,927	8,097
Fee, exchange and other operating income	1,017	1,144	1,308	1,498	1,786
Total operating income	5,765	6,862	8,567	9,425	9,883
Total operating expenses	(2,201)	(2,458)	(2,848)	(3,067)	(3,337)
Net operating income before provisions	3,564	4,404	5,719	6,358	6,546
Provision for financing and other assets *	(1,034)	(880)	(992)	(764)	(593)
Share in earnings of associates net **	97	112	14	144	27
Net income before zakat and tax	2,627	3,636	4,742	5,738	5,980
Zakat and tax	(450)	(566)	(671)	(782)	(870)
Net income after zakat and tax from continued operations	2,177	3,070	4,071	4,956	5,110
Net income after zakat and tax from discontinued operations	0	0	0	11	6
Net income for the year	2,177	3,070	4,071	4,967	5,116

*2023 onward figures include impairment charges/(reversals) in value of properties acquired in recovery of debts.
**Inclusive of gain on disposal of investment in associate and non-controlling interests.

Balance sheet growth and financial strength

Total assets increased by 13.1% to ₪ 281.4 billion, reflecting balanced expansion across Retail and Corporate Banking activities. Net loans and advances grew by 15.2% to ₪ 195.3 billion, supported by growth in both consumer and commercial lending.

Gross consumer loans increased by 13.8%, driven primarily by mortgage financing, while gross commercial loans grew by 15.4%. The investment portfolio expanded by 13.3% to ₪ 60 billion. Customer deposits increased by 14.9% to ₪ 209.3 billion, reflecting strong customer confidence and effective funding diversification.

₪ million	YE 2021	YE 2022	YE 2023	YE 2024	YE 2025
Financial position					
Loans and advances, net	126,674	143,829	152,235	169,495	195,299
Investments	44,168	41,757	47,959	52,950	60,012
Total assets	192,502	213,367	221,894	248,840	281,383
Customer deposits	135,714	154,871	165,861	182,224	209,287
Total liabilities	161,374	180,300	185,615	210,158	231,870
Total shareholders' equity *	31,101	33,043	36,250	38,652	49,483

*2025 figure includes Tier 1 Sukuk.

Capital and liquidity management

anb maintained a strong capital and liquidity position, exceeding regulatory requirements and reinforcing financial stability. The Capital Adequacy Ratio stood at 20.02%, with a Tier 1 ratio of 19.51%. Liquidity metrics remained robust, with a loan-to-deposit ratio of 80.56%, liquidity coverage ratio of 143.19% and net stable funding ratio of 117.6%. During the year, the Bank issued a Saudi Riyal denominated additional Tier 1 capital Sukuk in the amount of ₪ 4,955 million under its ₪ 11,250 million additional Tier 1 capital Sukuk program and a US Dollar denominated additional Tier 1 capital sustainable Sukuk in the amount of USD 750 million pursuant to its additional Tier 1 capital sustainable Sukuk program. Further, the Bank completed the purchase of 10 million additional shares for the Employee Share Program during the year.

Strategic progress and business development

Throughout 2025, anb continued to advance its strategic priorities through digital transformation, product innovation and operational excellence. The Bank enhanced its core infrastructure, digital platforms and customer interfaces, delivering tangible improvements in service delivery, engagement and efficiency across both front-facing processes and back-office operations.

Strategic partnerships and targeted financing initiatives supported national development objectives, while internal process optimization and technology deployment strengthened governance, transparency and scalability.

Outlook for 2026

Looking ahead, anb enters 2026 with confidence, supported by a strong balance sheet, diversified revenue base and clear strategic direction. The Bank will continue to accelerate digital transformation, expand financing and investment portfolios in high-growth sectors aligned with Vision 2030 and deepen customer-centric innovation.

The rollout of ESG frameworks and sustainability initiatives, including net-zero pathways, will further align anb with national and global sustainability goals. A disciplined approach to cost management, capital allocation and risk governance will remain central to ensuring long-term financial resilience and sustainable value creation.



Business review

Retail banking

Delivering growth with purpose and precision

In 2025, Retail Banking delivered a sturdy performance driven by a clear customer-centric strategy and a commitment to innovation. Over recent years, anb has emphasized agility, portfolio diversification, product development, sales acceleration and customer satisfaction. This approach strengthened anb's financial results and operational outcomes, enabling the Bank to exceed key performance benchmarks and reinforce its position in the retail banking sector.

Advancing performance through a customer first model

anb continued to accelerate growth in the high-net-worth (HNW) and affluent segments through targeted propositions, tailored services and an expanded suite of solutions. The meaningful expansion of the Bank's assets and liabilities portfolio reflects the strength of these initiatives and the effectiveness of anb's model.

Retail Banking also supported Vision 2030 homeownership goals through strong mortgage financing. These efforts deepened anb's market presence, strengthened its role as a long-term financial partner in inclusive economic growth and enhanced stakeholders' confidence.

Transforming distribution and elevating the customer journey

The branch and sales network advanced its transformation to create a faster, simpler and more intuitive banking experience. anb relocated 5 branches to more strategic locations and upgraded 8 others to reflect its refreshed identity and modern design principles. A key milestone was the opening of the Kingdom's first Wealth Management Center in the Eastern Region, designed to serve affluent clients in a dedicated and discreet environment. A new Sales Center was also launched to expand reach and enhance service delivery in priority markets.

anb's network now spans 4 regions with 121 domestic branches and 1 international branch in London. Ongoing optimization supports efficiency, productivity and stronger customer engagement.

Embedding data intelligence for targeted engagement

anb scaled propensity models to improve its understanding of customer behavior and refine its value propositions. This data-driven approach, strengthened by strategic partnerships and customized bundles, supported more accurate cross-selling and enabled tailored solutions for specific segments including expats, youth, senior executives and lady customers.

The Bank also launched its elite proposition for ultra-high-net-worth (UHNW) individuals. Through exclusive cards, comprehensive insurance offerings and premium loyalty partnerships, this segment now benefits from a fully integrated service model that supports personalized and high-impact banking experiences.

Accelerating digital transformation and strengthening acquisition

anb advanced its transformation agenda across acquisition, engagement and service efficiency throughout the year. A major milestone was the launch of a unified Customer Relationship Management (CRM) platform serving all segments including youth and affluent customers. By consolidating service requests, relationship insight, lead generation and conversion tracking into one system, the platform provides a 360-degree customer view with behavior analytics, including cross-sell, which enhances sales effectiveness and improves service delivery.

The Bank continued to strengthen its digital platforms to support faster and more seamless onboarding. The redesigned anb mobile application offers a simplified user interface and new services, including auto lease facilities, minor account openings and enrollment in the Al Ghad Al Mubarak savings program. Through enhanced data integration, new customers can now open an account in 60 seconds, setting a new milestone in convenience and efficiency.

Together, these advances contributed to higher engagement among key customer groups that value intuitive, personalized and reliable digital services.

Enhancing experience and elevating service quality

Customer experience remained central to anb's strategy. The Customer Experience function was expanded on to enhance every stage of the retail journey and real-time feedback tools were introduced in branches to identify service gaps and drive improvements. Insights generated through analytics and frontline teams supported more effective cross-selling and higher retention.

Strengthening Relationship Manager capabilities continued to be a priority. Targeted training improved acquisition efforts and deepened relationships with affluent clients. Enhancements in onboarding and servicing processes raised conversion rates and contributed to improved Net Promoter Scores and customer satisfaction results, which are now linked to employee incentives to reinforce accountability.



Business review

Retail banking continued

Delivering a broader and more competitive product suite

anb expanded its portfolio to better serve the needs of affluent and middle-income customers. Mortgage financing grew by more than 15% as the Bank supported Vision 2030 through partnerships with major housing projects and collaboration with the Saudi Real Estate Company (SRC), including an asset sale of ﷲ 300 million. An Originate to Sell model with the SRC was initiated for selected customer segments.

In auto lease, the 50:50 product was improved by extending the loan tenure to 3 years and introducing refinance options. anb's loyalty program continued to strengthen customer relationships and contribute to asset and liability growth, while also introducing flexible payment plans for the personal loan's product.

Card partnerships expanded through new collaborations that provide greater value, exclusive privileges and tailored benefits for anb's customer segments. Savings and time deposit products were also enhanced through flexible payment plans and new Shariah-compliant offerings, including the advance profit payment feature for Islamic time deposits and ZAD time deposits, a zakat-paid Sukuk-based product.

Positioned for sustained growth

The Bank's long-term priorities center on deepening engagement, expanding digital capabilities and strengthening anb's value proposition for affluent and middle market customers. As competition intensifies among mid-sized and leading financial institutions, anb will continue to differentiate through personalization, data intelligence and enhanced CRM capabilities.

The 2026 strategy focuses on AI-driven personalization, refined segmentation and continued development of solutions tailored to high value customer groups. Predictive analytics, enhanced lead management and further improvements in conversion tools will streamline customer journeys and strengthen engagement across touchpoints.

Human capital development remains essential. Training programs will equip anb's teams with the capabilities needed to deliver exceptional service and adapt to evolving customer expectations. With a strategy anchored in innovation and operational excellence, anb is well positioned to build on the progress of 2025, strengthen market leadership and deliver long-term value for all stakeholders.

TeleMoney

TeleMoney has continued to evolve in response to changing market dynamics and growing competition in the remittance sector. The rise of digital banks and shifting customer expectations prompted a strategic shift toward stronger digital platforms supported by a well-established branch network. This balanced approach has positioned TeleMoney for sustainable growth and improved customer satisfaction.

TeleMoney plays an important role in advancing anb's strategic objectives and contributing to overall performance. Targeted enhancements and focused execution have strengthened the Bank's market position, improved operational efficiency and supported consistent business growth.

To deliver superior remittance services, anb introduced several upgrades that enhance convenience and user experience. The Bank's KIOSK machines were upgraded to accept cash deposits, enabling customers to complete remittance transactions more efficiently. anb also launched an enhanced version of its mobile application with a more intuitive interface designed to provide a seamless and reliable digital experience.

Looking ahead to 2026, the priorities for the remittance business are to focus on accessibility, efficiency and service quality. anb aims to ensure that customers can transfer funds swiftly, securely and cost effectively by leveraging technological advancements and streamlining internal processes. These efforts will support continued growth and strengthen anb's position in a highly competitive market.



Business Review

Private Banking

Deepening relationships and elevating client value

Private Banking delivered a strong performance in 2025, recording solid revenue growth and expanding its client base across the HNW segment. Through a disciplined focus on relationship depth, strategic engagement and tailored wealth solutions, the business continued to create meaningful value for both clients and the Bank.

Throughout the year, Relationship Managers played a key role in strengthening these outcomes. By drawing on their deep expertise and understanding of clients' financial goals and investment appetites, they were able to deliver highly customized solutions that addressed the full breadth of client needs. This approach was supported by a comprehensive suite of wealth management products and services designed to provide flexibility, diversification and long-term growth potential.

Private Banking also achieved higher assets under management alongside continued expansion in both deposit and loan portfolios. These results reflect the trust and confidence of long-standing clients and the success of efforts to attract new relationships in a competitive market.

To build on this momentum, Private Banking launched several strategic initiatives, including a dedicated female HNW program to increase the acquisition of the female base by catering to their specific financial and banking needs, with the aim of reinforcing its market position and advancing service excellence. These initiatives will broaden anb's offering, enhance client engagement and support continued business growth.

With an expanding client base, strengthened product capabilities and a dedicated team of expert Relationship Managers, Private Banking remains a trusted partner for HNW individuals and is well positioned to accelerate growth in the years ahead.

London Branch

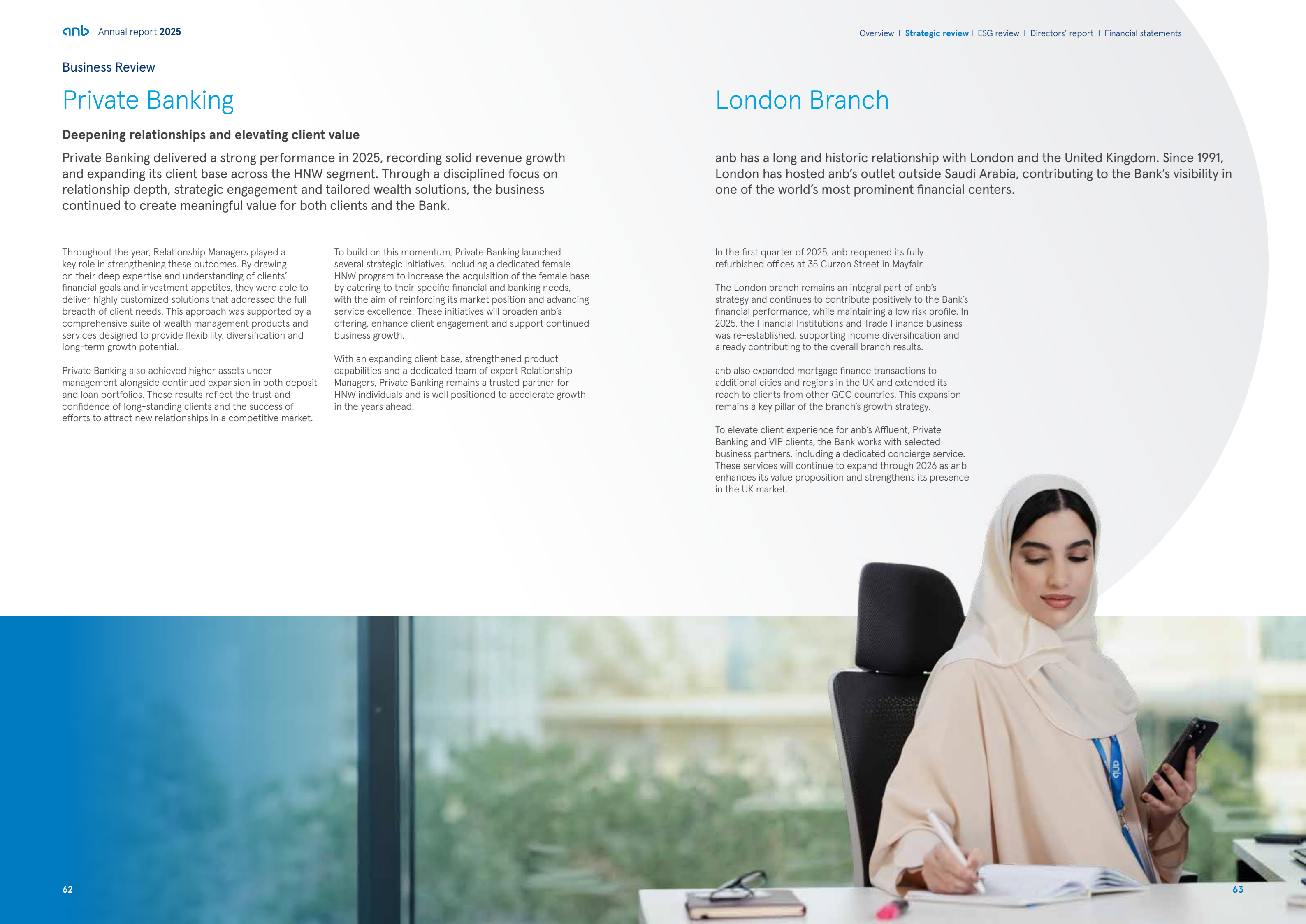
anb has a long and historic relationship with London and the United Kingdom. Since 1991, London has hosted anb's outlet outside Saudi Arabia, contributing to the Bank's visibility in one of the world's most prominent financial centers.

In the first quarter of 2025, anb reopened its fully refurbished offices at 35 Curzon Street in Mayfair.

The London branch remains an integral part of anb's strategy and continues to contribute positively to the Bank's financial performance, while maintaining a low risk profile. In 2025, the Financial Institutions and Trade Finance business was re-established, supporting income diversification and already contributing to the overall branch results.

anb also expanded mortgage finance transactions to additional cities and regions in the UK and extended its reach to clients from other GCC countries. This expansion remains a key pillar of the branch's growth strategy.

To elevate client experience for anb's Affluent, Private Banking and VIP clients, the Bank works with selected business partners, including a dedicated concierge service. These services will continue to expand through 2026 as anb enhances its value proposition and strengthens its presence in the UK market.



Islamic Banking

Advancing leadership in a fast-growing national market

anb’s Islamic Banking Division continued to build on the Kingdom’s leadership position in the global Islamic finance landscape, where Saudi Arabia accounts for nearly one-third of worldwide Islamic finance assets. With a strong reputation, disciplined governance and a clear focus on Shariah-compliant innovation, Islamic Banking remains well positioned to capture further growth and strengthen its contribution to the Bank’s overall performance.

In 2025, Islamic Banking delivered a 13.1% increase in assets driven by strong demand for Shariah-compliant financing. This momentum reflects anb’s commitment to offering products that align with market needs and reinforces the Bank’s position as a trusted provider of Islamic financial solutions. By year-end, Islamic liabilities accounted for almost 99% of total liabilities, while Islamic assets reached nearly 90% of total assets, highlighting the scale and depth of anb’s portfolio.

A central pillar of this progress is the Shariah Committee, which plays an integral role in the governance framework. The committee provided oversight on every new consumer product introduced during the year, ensuring

full compliance with Shariah principles. It also guided the implementation of digital solutions that enable customers to apply for products entirely online, improving accessibility and maintaining the highest standards of compliance and integrity.

anb continued investing in internal capabilities through specialized training programs for staff across the Bank. These initiatives deepened understanding of Islamic products and strengthened anb’s ability to deliver informed, high-quality service to its clients.

Looking ahead, anb’s ambition is to expand its share of Islamic assets and liabilities. This focus supports both the strategic priorities and the broader advancement of Islamic Banking in the Kingdom.

anb capital

Advancing leadership in a growing capital markets landscape

In 2025, anb capital sustained its growth momentum and continued strengthening its position as one of the Kingdom’s leading capital market institutions. This growth was underpinned by sound governance and effective risk management, ensuring the protection of investors’ interests while driving sustainable, long-term growth.

Strong performance across business lines, supported by ongoing investment in talent, technology and product innovation reinforced anb capital’s role as a trusted partner in Saudi Arabia’s rapidly evolving financial sector. anb capital broadened its capabilities, deepened client relationships and continued building on the foundations established in previous years.

Delivering landmark transactions in Investment Banking

Investment Banking delivered another notable year, successfully executing several high-profile mandates across equity, debt and advisory services. Among the key achievements, the division served as bookrunner for flynas’s ﷲ 4.1 billion IPO, the largest IPO in Saudi Arabia during 2025 and the first airline to list on the Saudi Exchange. The transaction also represented the first Gulf carrier IPO in nearly 2 decades.

anb capital also advised on anb’s ﷲ 3.35 billion additional Tier I Sukuk issuance and its first USD denominated additional Tier I issuance. The division also expanded its advisory pipeline with multiple Main Market IPOs and M&A mandates, underscoring sustained demand for its structuring capabilities and its ability to support clients through complex transactions.

Elevating capital markets through digital and institutional innovation

In 2025, anb capital advanced a meaningful transformation across its capital market business. anb capital launched an upgraded client application featuring conditional orders, stop-loss functionality, IPO subscriptions and enhanced online margin access, creating a more intuitive and efficient digital trading experience.

For institutional clients, the sales and trading platform was strengthened to provide improved liquidity access, execution quality and market intelligence, while new global broker relationships expanded anb capital’s ability to serve international clients.

The Sell-Side Research Department broadened its sector coverage to include software & services, insurance, logistics and retail pharma. Two new daily reports offered deeper technical and fundamental analysis, while stronger engagement with listed companies enhanced investor access. anb capital’s pre-IPO report for flynas received strong recognition in the market and weekly video updates on social media expanded reach and visibility among retail and institutional investors.

Expanding performance and product depth in asset management

The Asset Management Department continued to deliver strong performance, with several funds ranking among the top in their categories based on information available on the Saudi Stock Exchange (Tadawul) website. Two multi-asset funds were launched to support corporate thrift and saving plans, broadening anb capital’s institutional offering. Two new private fixed income funds were also introduced to diversify income generating strategies. These developments strengthened anb capital’s reputation for rigorous portfolio management and client focused growth.

Scaling real estate investment with disciplined growth

The Real Estate Department maintained its momentum with the launch of several new funds in 2025, bringing total funds under management to 24. Assets under management reached ﷲ 16.4 billion. The portfolio remained diversified across residential, commercial, logistics, industrial and mixed-use developments.

Successful exits during the year included the Narjis View Fund and Alargan Real Estate Fund III, which delivered returns of 2.3 times and 1.8 times, respectively. These outcomes reflect a prudent investment approach and a consistent focus on generating long-term value for investors.

Positioned for continued expansion in 2026

With Saudi Arabia’s capital markets continuing to deepen and mature, anb capital enters 2026 with strong momentum. Guided by a commitment to innovation, talent and disciplined execution, anb capital remains focused on delivering long-term value for clients, shareholders and the Kingdom’s economy. The progress made this year provides a solid foundation for the opportunities ahead.



Business Review

Wholesale Bank Group

Driving enterprise growth across the Kingdom

anb's Wholesale Bank Group (WBG) delivered strong value in 2025 by deepening relationships across its existing client base, expanding its overall customer portfolio by attracting new clients. Revenue growth was driven by increasing the share of wallet in ancillary business. A stronger emphasis on cross-selling, enhanced efficiencies and selective onboarding of high potential clients supported both revenue and profit growth while strengthening WBG's competitive position.

Powering progress through partnerships and engagement

During 2025, WBG expanded its market presence by leveraging technology investments that improved service delivery, streamlined processes and enhanced overall client experience. These advancements formed a strong framework for continued transformation and reinforced anb's ability to compete effectively in a rapidly evolving landscape. Beyond its lending activities, WBG positioned itself as a strategic partner to clients by delivering integrated financial solutions designed to promote business sustainability and strengthen the competitiveness of key sectors aligned with the Kingdom's economic priorities.

WBG further developed its digitalization program with a priority focus on SMEs and fintechs. Expanding digital channels and introducing more agile service models improved operational efficiency and provided clients with a faster and more responsive banking experience. These enhancements reflect anb's commitment to innovation and its ambition to remain a trusted partner for businesses across all segments.

As Saudi Arabia's economic expansion continues, WBG is supporting growth across large corporates, mid-sized companies and SMEs. In 2025, it delivered tailored financing solutions that aligned with client strategies and fostered long-term partnerships. These relationships underpin anb's growth momentum and contribute directly to the goals of Vision 2030.

A disciplined focus on end-to-end client engagement remained essential to WBG's approach. By offering comprehensive products across every stage of business growth and strengthening collaboration with other business units, cross-selling opportunities were enhanced, client base was broadened and loyalty deepened. These efforts position WBG to deliver sustained growth and long-term value for the Bank.

Corporate Banking

Driving strategic growth through disciplined portfolio expansion

In 2025, the Corporate Banking Department delivered strong portfolio growth by onboarding new clients in priority sectors and deepening relationships with existing customers. This focus on targeted expansion and stronger client engagement supported sustainable growth and aligned with the Bank's core strategic priorities.

Maintaining a resilient and high performing portfolio remained a priority. Corporate Banking continued to apply a disciplined growth strategy with an emphasis on fee-based services to enhance returns. Product and service enhancements were also introduced to improve efficiency and responsiveness, strengthening the Bank's ability to meet the evolving needs of corporate clients. This customer-focused approach reinforces anb's position as a trusted financial partner and supports long-term business growth.

Key achievements during 2025 included extending credit facilities of over 3 billion to support energy-related projects and the broader energy transition. These initiatives included 2.2 billion in financing provided to a as well as leading contractor, 960 million in credit facilities extended to a major contractor to support green energy projects, as well as leading a 606 million syndicated financing in collaboration with the Tourism Development Fund for the development of a real estate project in Makkah Al-Mukarramah and extending 450 million in credit facilities to a prominent entity in the automotive sector.

Corporate Banking remains committed to innovation, operational excellence and creating lasting value for clients and stakeholders as the Kingdom's economy continues to expand.



Business Review

Wholesale Bank Group continued

Project and Structured Finance

Delivering landmark financing that advances national transformation

The Project and Structured Finance Department delivered strong asset growth in 2025 by leading high-profile transactions, expanding into new growth sectors and increasing ancillary-income generation. As one of Saudi Arabia's leading providers of project and structured financing solutions, the department secured significant roles in landmark transactions that reflect its expertise and strategic importance to the Bank.

Key achievements in 2025 included the provision of credit support exceeding ٢ billion to leading companies in the education and healthcare sectors, in which the department acted as the underwriter and mandated-lead-arranger for a ١ billion acquisition financing for a prominent education-services provider, became the sole underwriter for a 1.2 billion financing for a leading healthcare provider, in addition to successfully arranging a syndicated loan exceeding ٥ billion for one of the largest steel pipe manufacturing companies and participated in a 5.8 billion financing transaction for the development of a real estate project comprising a commercial complex alongside a number of residential and commercial towers in Riyadh.

Additionally, the team underwrote a USD 484 million share in a multi-billion-dollar structured financing deal for a national oil company, in a lease-and-leaseback structure. The department also continued to support the Bank's ESG strategy and the Kingdom's net-zero goals by participating in arranging USD 4.5 billion syndicated financing for solar energy projects, alongside providing substantial financing commitments for gas power plants.

Collaboration with the Wholesale Bank Group's Vision Realization Department remained central to anb's work, enabling the execution of marquee transactions for sovereign and quasi-sovereign institutions and reinforcing alignment with Vision 2030 objectives.

Saudi Arabia's dynamic economic expansion, supported by large-scale development programs, public-private partnerships and a growing pipeline of ESG-compliant projects, continues to create significant opportunities in project-and-structured-finance. These opportunities remain at the core of the department's strategy and its contribution to the Bank's growth and the Kingdom's long-term transformation.

Commercial Banking

Expanding reach and deepening relationships with small and mid-sized businesses

anb's Commercial Banking business, which serves small and mid-sized organizations, strengthened its market presence in 2025 by expanding its client portfolio and reinforcing its reputation for dependable, relationship-driven service. The team focused on deepening existing relationships while onboarding new clients in priority sectors to support sustainable growth.

Investments in digitalization continued to streamline operations and improve efficiency, while in-person engagement was enhanced with the opening of 3 new branches in Buraydah, Khamis Mushait and Qatif. Commercial Banking operates across 3 regional locations, Central, East and West, serving clients in 7 key cities: Riyadh, Jeddah, Khobar, Madinah, Buraydah, Khamis Mushait and Qatif. Plans are underway to open additional branches in 2026, broadening anb's reach and enabling more consistent access to financial expertise across the Kingdom.

This combined model of physical presence supported by strong digital capabilities remains central to anb's strategy. It allows the Bank to deliver tailored financial solutions, build long-term partnerships and support the growth of SMEs in an increasingly dynamic economic environment.

Business Review

Wholesale Bank Group continued

Small and medium enterprises

Enabling small and medium enterprise (SME) growth through tailored solutions and a seamless experience

anb remains committed to being a leading enabler of SMEs in Saudi Arabia. By delivering an elevated value proposition and seamless customer experience, the Bank aims to strengthen both acquisition and service delivery for SME clients. anb's approach is rooted in innovative, research-driven financial solutions designed for priority segments, supported by technology and digital tools that advance anb's strategic goal of leading SME enablement across the Kingdom.

SMEs are critical in supporting Saudi Arabia's economic diversification under Vision 2030, driving innovation, job creation and long-term economic resilience. anb's growing activities in this sector reflect its position as a trusted partner for micro, small and medium businesses (MSME).

During the year, anb was recognized by SME Bank as their best partner in portfolio size and number of customers and received 2 awards from the Kafalah Program for outstanding performance and support for micro enterprises.

anb continued to enhance its digital channels to deliver faster, more efficient and more responsive services. Supported by a network of 14 centers across the Kingdom, the Bank's SME clients now benefit from the advanced capabilities of anb's new mobile application, including funds transfer, loan applications, trade and supply chain finance services and other essential features. These enhancements reinforce anb's commitment to providing SMEs with the tools and support needed to grow, compete and succeed in a dynamic economic environment.

The Bank continues to prioritize the SME sector, developing financial solutions that cater to both lending and non-lending needs. These efforts are reinforced through strategic collaborations with the SME Bank, the Kafalah Program, government funding initiatives and the General Authority for Small and Medium Enterprises (Monsha'at). By fostering the growth of this sector, the Bank aims to increase its contribution to the Kingdom's GDP and support the ongoing economic transformation.

Global Transaction Banking

Delivering integrated, technology-driven solutions for institutional clients

Global Transaction Banking (GTB) is central in anb's strategy by providing comprehensive, technology-driven payment and cash management solutions to corporate, institutional and financial clients. Supported by a skilled team and advanced digital infrastructure, GTB enables clients to manage their financial operations with efficiency, precision and transparency. Through continuous enhancement of platforms and processes, GTB reinforces anb's position as a trusted partner of end-to-end transaction banking services in Saudi Arabia.

By leveraging anb's international reach and advancements in payment technology, GTB delivers a broad suite of products tailored to the needs of large corporations and financial institutions. GTB's offering spans corporate and transactional banking, cash and liquidity management, specialized solutions for off-plan real-estate projects and tailored services for investment firms and fintechs. Clients benefit from both ready-made and customized solutions designed to address diverse financial requirements.

Digital transformation continued to shape GTB's evolution in 2025. Enhanced digital capabilities strengthened corporate working-capital management by providing secure, transparent and agile tools for collections, payments and reconciliation. These improvements enable businesses to maintain real-time visibility over cash flows and elevate operational efficiency across their financial processes.

GTB's scalable infrastructure and open-architecture model supported the integration of advanced payment and collection solutions, enabling seamless connectivity across corporations, government entities and financial intermediaries. During the year, GTB expanded its transaction banking suite with enhanced cash management, payment, collection and liquidity solutions. Automation initiatives reduced operational risk and improved processing speed, reinforcing a smoother client experience.

A notable achievement was the expansion of the POS network to more than 305,000 terminals, representing one of the fastest growth trajectories in the Saudi acquiring market. Strategic enablement, fintech partnerships and strengthened digital infrastructure also drove unprecedented growth in ecommerce acquiring volumes and values over the past 3 years. Upgraded systems and digital interfaces further strengthened clients' control and visibility over their transaction flows.

Since 2018, anb has established itself as a leading enabler of the fintech ecosystem, supporting a wide range of players including aggregators, payment service providers, digital payment platforms, micro-lenders, crowdfunding entities and receivables-financing providers. Holding more than 50% market share in the Saudi fintech sector, GTB offers seamless integration, advisory support and market access through a dedicated fintech team that coordinates engagement across the Bank.

GTB continued to extend anb's global connectivity by leveraging the Bank's London branch to facilitate transactions across Europe as well as strengthening partnerships with counterparties in Asia, Africa and the Americas. Participation in global forums such as the IMF and World Bank Group annual meetings in Washington, DC and the SIBOS conference in Beijing reflects anb's commitment to global engagement and industry collaboration.

Through the Financial Institutions Department, clients benefit from an extensive international correspondent network that ensures efficient cross-border transactions. By continuously enhancing the Bank's product suite and adopting new technologies, anb strengthens cash management capabilities and reaffirms its position as a partner of choice for corporates, fintechs and investment firms. This focus on innovation and tailored solutions supports anb's competitive position and contributes to national goals for financial inclusion and digital transformation under Vision 2030.



Wholesale Bank Group continued

Vision Realization Department

Advancing national priorities through strategic public-sector partnerships

Since its establishment in 2022, the Vision Realization Department has played a central role in aligning anb with the Kingdom’s Vision 2030 objectives. By actively pursuing public-sector opportunities, the department contributed meaningfully to asset and deposit growth in 2025, which strengthened anb’s position as a strategic partner in the Kingdom’s transformation.

The department has built strong relationships with Vision 2030 champions across government and semi-government entities, spearheading initiatives that contribute directly to the Kingdom’s economic and social development. These initiatives have also supported growth across multiple sectors, reinforcing the department’s impact on national development priorities. Its work spans a wide range of sectors critical to the Kingdom’s long-term ambitions, including industrialization, tourism, entertainment, sports, transportation, aviation, logistics, housing, utilities, renewables, education, healthcare, food and agriculture and automotive.

Since April 2022, the department has successfully executed several major strategic transactions worth billions of Saudi riyals across multiple strategic sectors, demonstrating its significant influence and capabilities. It acted as mandated lead arranger and bookrunner for a ﷲ 9 billion financing transaction for Roshn Group, supporting the company’s diverse development projects across the Kingdom. The department also participated in a ﷲ 10 billion financing for the NEOM project, aimed at funding large-scale development initiatives. In addition, it served as mandated lead arranger and bookrunner for a ﷲ 5 billion financing for Riyadh Air, facilitating the airline’s growth plans, acquisition

activities and short-term funding requirements, reflecting the department’s strategic impact and scale. In line with its strategic vision, the department further supported the aviation sector in 2025 by providing ﷲ 600 million in financing to The Helicopter Company, the Public Investment Fund-owned and largest commercial helicopter operator in the Kingdom.

These efforts have positioned the department as the largest contributor to deposit growth within the Wholesale Bank Group.

Reflecting the breadth of opportunities emerging from Vision 2030, the department continued expanding its team and capabilities to meet public-sector demand and enhance client service. Its contribution to the Kingdom’s non-oil economy also grew through strategic collaborations. These included expanding the collaborations with the Tourism Development Fund supporting the second edition of the Tourism Growth Accelerator Program and ongoing work with the Saudi EXIM Bank to enhance the export capabilities of SMEs and mid-sized corporates and expanding the collaboration with the National Infrastructure Fund (Infra) by strengthening strategic partnerships through the Social Infrastructure Financing Program (SIFP) and the Contractor Financing Program (CFP), that support high development impact infrastructure projects

To support the Housing Program, the department signed a Memorandum of Understanding with Damant to expand real-estate financing solutions across the Kingdom. Beyond sector-specific initiatives, the department partnered with The Ring magazine. These partnerships underscore anb’s commitment to advancing economic diversification and promoting development across multiple sectors, in alignment with the Kingdom’s Vision 2030 objectives.

By maintaining close relationships with clients through regular visits and engagement, the Vision Realization Department continues to advance anb’s mission and support the Kingdom’s long-term transformation journey.

Vision Realization success story

Powering a Vision 2030 healthcare champion

Securing a strategic national partnership

anb reached a major milestone in 2025 by establishing itself as the primary banking partner for a leading company driving the Health Sector Transformation Program. This achievement reflects anb’s commitment to supporting national champions and reinforces the Bank’s reputation for helping to advance the Kingdom’s strategic priorities.

Recognizing potential for impact

anb recognized the client’s potential when others were hesitant, taking the lead in delivering the financial and operational support needed to accelerate their growth. Close coordination allowed anb to design tailored solutions that strengthened efficiency and supported long-term objectives.

Designing seamless, end-to-end solutions

Working through the Vision Realization Department and cross-functional teams, anb implemented customized transaction banking services, financing solutions and employee-focused services. These efforts delivered an exceptional banking experience for the company and its employees, reflecting the Bank’s robust systems and capabilities in efficiently meeting the company’s needs, supporting its growth and enabling the achievement of its strategic objectives.

Driving measurable growth for both sides

This partnership has yielded tangible results, benefiting both parties and enabling the Bank to support and manage the majority of the company’s operations across its various divisions. The collaboration was recognized with the “Partner of Success” award, serving as a clear example of the Bank’s commitment to delivering long-term value aligned with the company’s objectives and supporting its contribution to the Kingdom’s Vision 2030.



anb is driving impact as the “Partner of Success” for a leading Health Sector Transformation Program entity.



Business Review

Wholesale Bank Group *continued*

Trade and Supply Chain Finance

Enabling seamless global trade through innovation and operational excellence

The Trade and Supply Chain Finance Department plays a central role in supporting the Bank's commitment to facilitating global trade and driving economic growth. It provides innovative solutions designed to meet client needs, enabling companies to operate efficiently and confidently in international markets. The department also contributes actively to realizing the Bank's vision for sustainable growth and reinforcing its leadership position.

The Trade and Supply Chain Finance Department continued to enable seamless global trade and support economic growth in 2025. By delivering innovative, client-focused solutions, the department helped businesses navigate international markets with confidence while contributing to anb's long-term growth and market leadership.

Throughout the year, the department launched a series of strategic initiatives, enhanced operational efficiency and introduced tailored products to address evolving client needs. These efforts strengthened anb's leadership position in Trade and Supply Chain finance and added meaningful value to its overall performance. Targeted workshops across the Kingdom showcased the Bank's Trade and Supply Chain finance capabilities and solutions, deepening client engagement and increasing adoption of anb's services.

anb reinforced its contribution to economic development by introducing new trade finance solutions to optimize clients' working capital, contributing to the growth of the Bank's trade finance portfolio. The Bank also expanded its supply-chain-finance offering, enabling clients to optimize working capital and extend advances to their suppliers. In traditional trade, particularly Letters of Guarantee, anb introduced a 50% cash-margin LG offering for Retail and SME clients, improving accessibility and supporting broader business activity. The department also optimized processing by servicing all Letters of Credit and Letters of Guarantee directly through Trade Operations and enabling remote LG printing at anb branches.

Operational enhancements remained a priority. By implementing process optimization and digital improvements, anb reduced turnaround times for trade transactions, creating a smoother and more efficient experience for clients. Automation further improved accuracy and speed, with trade settlements shifted to an auto-settlement process that enables real-time fee recognition and faster recovery of past dues.

With a strong foundation built on innovation, efficiency and client success, the Trade and Supply Chain Finance Department is well positioned to support anb's strategic objectives and reinforce its leadership in the Trade and Supply Chain finance landscape as the Bank advances into 2026 and beyond.

Strategic focus area in 2026

anb will build on its leadership in fintech enablement, expand partnerships with financial institutions across global markets and deepen ecosystem partnerships. This approach focuses on deeper collaboration, business alignment and the delivery of tailored solutions that integrate innovative technologies into the broader ecosystem. By strengthening relationships, anb aims to unlock new growth channels and reinforce its position as a trusted partner in an evolving landscape.

anb's comprehensive environmental, social and governance (ESG) strategy will also guide the Bank's plans for 2026. The Bank also developed a sustainable finance framework aligned with its ESG strategy and materiality assessment, providing a structured foundation to guide its sustainable financing activities and supporting the needs of ESG-conscious investors. It also aligns with anb's ESG strategy and materiality assessment, ensuring a consistent foundation for all sustainable financing activities.

These initiatives reflect anb's strategic vision to further drive sustainable growth, strengthen resilience and create long-term value. By aligning the Bank's objectives with sustainability priorities, anb will continue to advance in innovation, green financing and sector-wide progress across the banking industry.



Business Review

Treasury Group

Robust performance and momentum

In 2025, anb's Treasury Group reinforced the Bank's financial strength and sustained market leadership despite continued global economic volatility, delivering another year of solid performance and remaining central to advancing anb's strategic priorities.

Diversifying investments and advancing capital markets activity

The Treasury Group accelerated the diversification of its investment portfolio by exploring new and previously untapped asset classes while maintaining prudent liquidity management. This approach strengthened anb's balance sheet resilience and improved its ability to navigate shifting market conditions.

A major milestone during the year was anb's successful entry into the capital markets through 2 landmark issuances, including the Bank's first sustainable issuance. These transactions broadened anb's funding base, enhanced its market presence and supported its long-term growth strategy.

Expanding client capabilities through tailored risk solutions

Treasury continued to strengthen anb's client franchise by delivering bespoke hedging and risk management solutions. These offerings helped clients manage fluctuations in interest rates and foreign exchange markets with greater confidence and clarity. Treasury's advisory capabilities reinforced anb's position as a trusted financial partner for institutions across the Kingdom.

anb maintained its leadership in the foreign exchange market by offering some of the most competitive FX rates in Saudi Arabia. This supported higher transaction volumes and deepened client relationships across business lines.

Agile and disciplined trading strategies delivered improved revenues across multiple asset classes. Treasury's ability to manage risk effectively and capitalize on market opportunities contributed to a stronger financial performance and enhanced value creation for the Bank.

Building scale in sales and structured funding solutions

The Sales Division expanded its national footprint through new regional teams that improved client engagement and supported growth across Retail and Corporate Banking. Structured deposit products contributed to greater funding diversification, while customized financing and investment solutions continued to meet the evolving needs of corporate clients.

Positioned for continued momentum in 2026

Looking ahead, Treasury will focus on further enhancing trading performance, strengthening cross-selling with business segments and widening its product set through data-driven customer insight. To remain competitive in an environment shaped by rapid fintech expansion, anb is launching a new online FX pricing platform that will improve execution speed, transparency and transaction volumes across channels.

With a continued commitment to innovation, disciplined risk management and a client-focused approach, Treasury is well positioned to drive sustainable growth and deliver long-term value for anb's shareholders in 2026 and beyond.



Digital transformation and technology

Information Technology Group

Driving strategic progress through technology leadership

In 2025, technology continued to be the performance engine; elevating customer growth, operational efficiency and control assurance, amplifying data intelligence, enhancing risk and financial crime controls and future-proofing technology and infrastructure. The ensuing highlights showcase the tangible impacts of this performance engine.

A year of technological innovation and impact

Building on last year's progress in infrastructure modernization, automation and digital innovation, in 2025 anb completed a comprehensive refresh of its Information Technology Strategy to align with emerging trends, regulatory expectations and evolving market dynamics.

The Bank refreshed its IT Strategy Framework, anchored in the vision "to become a leading technology organization that accelerates business outcomes through reliable and innovative solutions", establishing a renewed foundation for how technology enables growth, resilience and competitiveness.

The strategy focuses on 5 integrated priorities: Innovation and Emerging Technology, Customer-Centric Enablement, Future-Proof Technology Stack, Operational Resilience and Excellence and Organizational Excellence.

These pillars collectively position technology as a business accelerator rather than a support function, driving measurable progress across every dimension of anb's strategic agenda.

Enabling growth and customer-centric banking

Technology investments in 2025 enhanced customer experience, deepened digital engagement and opened new avenues for business growth.



Initiatives

Impact

Digital trading experience uplift (retail investors)

Introduced a next-generation, mobile-first trading platform delivering faster execution, simplified navigation and a global-class retail trading experience.

Enhanced digital trading volumes, higher customer engagement and improved client acquisition in the retail investment segment.

Next-gen Wholesale Bank Group platform

Deployed a modern, unified interface for corporate clients, simplifying workflows, improving transparency and elevating service efficiency.

Enhanced digital transaction volumes, higher client engagement and improved onboarding and service turnaround across the Wholesale Bank Group portfolio.

Seamless B2B payment connectivity (Capital markets)

Enabled automated and secure integration for payment initiation and account validation.

Improved transaction reliability, reduced operational friction and strengthened connectivity between corporate and capital market systems.

Retail internet banking revamp

Standardized CX, UI and the service catalog on Retail Internet Banking to match the mobile channel, supported by a unified back office and in-house hosting across both channels.

Consistent cross-channel journeys and higher digital completion; simpler administration from a single operating backbone; while curtailing the annual maintenance costs.

Unified SADAD bill-pay journey

Standardized and simplified payment processes across channels to create a unified, frictionless SADAD experience for customers.

Faster bill-payment completion, higher satisfaction scores and reduced service-desk dependency.

Targeted customer outreach at scale (digital engagement)

Deployed a centralized, high-delivery notification platform to promote products, drive loan applications and increase awareness of digital services.

Boosted digital engagement and cross-sell conversions, supporting revenue growth through digital channels.

These initiatives collectively strengthened customer-centric delivery, improving engagement, efficiency and convenience across all banking segments.

Operational efficiency and control assurance

Significant progress was achieved in automating critical processes, ensuring service continuity and embedding control frameworks.

Within business operations, the initiatives advanced customer centricity, streamlining processes, reducing turnaround times and ensuring a consistent and seamless experience for every client.

Through all these initiatives, the Technology function delivered measurable outcomes in 2025, from enhanced customer journeys and data-driven decisions to stronger controls and operational excellence, aligned with anb's mission to build a future-ready, resilient and innovative institution.

Digital transformation and technology

Information Technology Group continued

Industry recognition and awards

anb continued to be recognized by the industry for its exceptional technology delivery and digital transformation leadership throughout 2025.



Outstanding Digital Banking Transformation – Saudi Arabia
Global Business Magazine Awards 2025

Recognized for delivering a comprehensive digital transformation across retail and corporate segments, unifying customer experience and accelerating product innovation through advanced technology and automation.



Transformation Excellence – Gold Winner
Infosys Finacle Innovation Awards 2025

Honored for achieving excellence in end-to-end transformation, leveraging modernization, process automation and innovation-led delivery to enhance agility and business performance.



Excellence in Digital Transformation
Finnovex Saudi Arabia Awards 2025

Awarded for driving breakthrough initiatives in digital enablement, customer engagement and technology-led growth, positioning anb as a benchmark in future-ready banking.

These industry recognitions reaffirm anb's sustained progress in executing its IT Strategy and its continued success in delivering reliable, innovative and high-impact technology solutions that power growth and competitiveness.

Looking ahead

In 2026, anb is moving towards disciplined execution, turning its 5 focus areas into measurable business gains.

Innovation and emerging tech	Customer-centric enablement	Future-proof technology stack	Operational resilience and excellence	Organizational excellence
- Scale AI, hyper automation and API-first integration from pilots to full production. - Use these capabilities to lift conversion, enable straight-through processing and unlock new digital revenue streams.	- Deepen hyper-personalization and insight-led decision-making across all channels. - Simplify onboarding and servicing journeys to reduce steps, increase completion rates and strengthen engagement.	- Advance targeted cloud adoption and modernize data platforms. - Retire technical debt to accelerate release cadence, enhance performance and optimize running costs.	- Progress towards always-on operations with real-time observability and self-healing automation. - Strengthen continuity and align technology controls more tightly with policy and regulatory expectations.	- Embed outcome-based governance and product-centric ways of working. - Invest in focused upskilling in technology and engineering to improve delivery predictability and quality.

Guided by these priorities, the ambition for 2026 is to convert the refreshed IT Strategy into a tangible business impact by delivering faster innovation, deeper customer value, stronger resilience and sustainable operational efficiency. Technology will remain the strategic backbone of the Bank's transformation, reinforcing the IT vision to "become a leading technology organization that accelerates business outcomes through reliable and innovative solutions".



Digital Office

Accelerating digital solutions and innovation

anb is poised to become the regional leader in Digital Financial Services and was recognized as winner for “Excellence in Digital Innovation – Saudi Arabia” by The Digital Banker. Building on the foundations laid in 2024, anb has made significant progress in 2025 to become an integral part of the Kingdom’s digital financial ecosystem.

anb has a wide array of products and services in place to meet customer’s personal, business and investment banking needs, therefore, making it a preferred choice for both individuals and corporates. To provide a seamless digital-first experience to customers across all segments, anb has reimagined and reshaped its digital channels and platforms in 2025 to offer robust, efficient and delightful journeys across all digital products and services.

The Digital Office is dedicated to providing the best-in-class user experience across electronic and digital channels to all anb customers at the place and time of their choice. The ambition is to demonstrate value for all customer segments by providing end-to-end digital solutions for their evolving and dynamic financial needs, coupled with a seamless “wow” experience. anb’s ambitious drive is to continuously improve its product/services portfolio and become the bank of choice for financial services customers.

In 2025, the key digital initiatives included provision of industry best corporate solutions in addition to retail and consumer offerings, positioning anb as a leader in the evolving digital banking landscape. anb’s digital DNA fuels innovation that has led to the establishment of an incubation hub for early stage fintech startups.

anb Business

anb has enhanced its on-line self-service banking platform for corporate clients, enabling them to manage their entire banking relationship and operations electronically – anytime, anywhere. The platform provides comprehensive functionality, including real-time account information, local and international transfers and bulk payment processing for payroll, government obligations and utility bills. With seamless access via both web and mobile channels, corporates can perform daily banking activities conveniently without the need to visit a branch.

B2B Solutions

During the year, anb enhanced its open banking platform by adding more services for funds collection, payment processing, account verification, beneficiary whitelisting and customer screening. These additions have streamlined processes and improved efficiency for corporate clients.

anb Mobile banking app

In 2025, the anb mobile banking app was revamped to cater to the financial needs of individual clients where they have access to a range of deposit, borrowing and investment products. The app is equipped with Musaned services for salary payments, upgraded push notifications for personalized content and integrated with anb capital to have access to an array of investment products. Customers can also apply for auto leases, balance transfer products and top up existing loans from the mobile banking app. The journeys have been redesigned to reduce friction and turnaround time in accessing products and services. To boost engagement and build loyalty, anb introduced gamification, making banking experiences for customers interactive and fun.

"During the year, anb enhanced its open banking platform by adding more services."

Success story

Greeshat: A standout digital experience in the world of banking

A new perspective on digital banking beyond transactions

As digital adoption accelerated, customer interaction within the anb mobile app remained largely transactional. While core banking journeys were strong, engagement was concentrated around moments of need, with limited daily interaction. This created a clear opportunity to increase habitual app usage, strengthen retention and establish more consistent digital touchpoints without disrupting regulated banking flows.

A rewarding, innovative digital experience

In 2025, anb introduced Greeshat, an app-exclusive digital rewards campaign designed to encourage frequent, effortless interaction with the mobile app. Customers collected digital items through simple, everyday actions during a limited campaign period.

Built in collaboration with the Digital Office, Marketing and Technology teams, Greeshat used lightweight gamification mechanics that were fully digital and easy to scale, without financial or regulatory complexity. The campaign reinforced anb’s digital engagement strategy by shifting the app from a transactional tool to a daily touchpoint that offers customers an easier, more fun banking experience.

Measurable engagement and lasting momentum

Greeshat delivered immediate impact. During the campaign period, anb recorded higher daily active users, increased session frequency per user, improved feature interaction rates and the reactivation of dormant accounts. Beyond engagement, the campaign also supported broader digital KPIs, including customer acquisition, retention and deposit-related activity.

Customers benefited from a more engaging, reward-driven experience, while the Bank strengthened digital relevance, brand visibility among digital-native segments and confidence in scalable engagement models. Momentum extended beyond the campaign window, validating the approach and establishing a framework for future initiatives.



Greeshat proved that simple, well-designed digital engagement can materially lift daily active usage and reactivation, reinforcing our mobile app as a core driver of long-term customer relationships.



Digital transformation and technology

Digital Office continued**TeleMoney app**

anb understands and prioritizes the financial needs of expatriates. During the year, TeleMoney app was completely overhauled to enhance the offerings to address financial needs of the expatriate customers. With integrations with Thunes (white label) and Transfast as additional money transfer operators, the upgraded app has the ability to manage cross-border transfers quickly and economically.

The latest version also includes Ratibi Service, which provides Ratibi users a cashless experience to remit money outside the country. The app also features push notifications for personalized content and is compatible with Apple/Samsung wallets, providing a seamless payment experience.

anb Innovate

In 2025, anb launched Saudi Arabia's first bank-led accelerator to transform the fintech landscape, with the launch of a first-of-its-kind fintech accelerator program in the country. Through anb Innovate, the Bank intends to drive innovation across the financial sector by leveraging

cutting-edge technology. This will enable anb to contribute towards the region's digital financial ecosystem, as selected startups tested and integrated their products and services with anb's banking system, thereby creating value for both anb and the startup.

Success story

anb Innovate: Accelerating innovation through open collaboration

Unlocking speed and amplifying strategic impact in a fast-moving fintech landscape

In 2025, the fintech landscape evolved at an unprecedented speed, reshaping customer expectations, financial infrastructure and business models. Rather than reacting to this pace, anb chose to actively shape it by positioning itself as an enabler of innovation. anb Innovate was launched to unlock speed with purpose: enabling faster experimentation, earlier validation and direct engagement with proven fintech capabilities. This approach reinforces anb's role in advancing the Kingdom's digital financial ecosystem and directly supports the objectives of Vision 2030 and the Financial Sector Development Program (FSDP).

Launching the first bank-led fintech accelerator

anb launched anb Innovate, the Kingdom's first structured bank-led fintech accelerator program, supported by ecosystem partners, including Fintech Saudi, Monsha'at and Plug and Play. Led by the Digital Office and delivered through close collaboration across multiple business

lines inside anb, the inaugural cohort attracted over 300 applications, with 16 fintechs selected (targeting 15 to 20 per cohort), demonstrating strong market demand. The 4-month accelerator, pre-seed to seed, targets fintechs with live MVPs across 9 prioritized focus areas, including digital payments, merchant solutions, embedded finance, B2B lending, BNPL, savings, artificial intelligence, digital assets and broader financial services. Selected startups receive hands-on support covering regulatory readiness, business model enhancement, product refinement and technical integration with anb systems. The program delivered measurable outcomes across commercial collaboration, investment activity and ecosystem development.

Building a pipeline for long-term value creation

Participating startups engaged directly with anb business lines, with real use cases signing 20 MoUs and agreements, benefited from soft-landing support to accelerate entry into the Saudi market and advanced toward integration within live banking environments.

Investor engagement included participation from anb Seed Fund, a capital fintech-dedicated seed fund, more than 50 venture capital firms, generating over 170 targeted introductions, resulting in closed funding rounds, signed investments and confirmed investment commitments.

To extend value beyond local acceleration, 5 Saudi startups were selected for the Global Overseas Acceleration & Learning (GOAL) Program, gaining exposure to the leading global innovation hub in Silicon Valley. This global extension strengthens cross-border innovation flows while reinforcing anb Innovate's position as a benchmark accelerator within the MENA region.

For anb, this program functions as a long-term value engine: creating a sustainable pipeline of partnerships, integrations and investment opportunities.



Through anb Innovate, we transformed innovation from aspiration into action, engaging over 300 fintechs and signing 20 MoUs that position us at the center of Saudi Arabia's next wave of financial innovation.

Looking ahead

In 2026, anb will accelerate its journey toward redefining the financial services landscape. The focus will be on scaling successful pilots into transformative solutions, ensuring innovation moves from concept to impact at speed. anb will lead the industry in delivering a truly customer-centric experience using advanced data and AI to provide tailored interactions at every touchpoint.

Strategic partnerships will be a cornerstone of the Bank's growth, enabling anb to co-create value and expand into new ecosystems. B2B offerings will be strengthened to empower businesses with next-generation financial solutions and enhance remittance services to deliver seamless, secure and inclusive cross-border transactions.

Finally, building on the successful launch of the country's first Bank-led Accelerator Program in 2025, anb will scale its impact to transform the fintech landscape, fostering collaboration and innovation that sets new benchmarks for the industry.

Digital transformation and technology

Data Office

Advancing strategic progress through AI integration

In 2025, anb strengthened its digital and customer experience capabilities through targeted integration of artificial intelligence across the retail ecosystem. The deployment of AI-driven next-best-offer models and a customer retention engine within the CX CRM system enhanced customer engagement, improved product penetration and supported proactive retention management. These initiatives positioned AI as a central pillar in anb's ongoing transformation and competitiveness.



Major milestones during the year included embedding AI models into the CX CRM platform, to enable personalized engagement and developing the enterprise AI Strategic Roadmap, to guide future adoption. The Bank also activated an RPA platform with agentic AI to automate operations and support advanced use cases.

In 2026, anb will prioritize strengthening data quality, governance, AI and analytics and data platform capabilities to meet both strategic objectives and regulatory expectations. Key priorities include reinforcing data privacy and governance through the deployment of centralized oversight tools, thereby enhancing visibility, consistency and control over data handling practices, while ensuring full compliance with National Data Management Office (NDMO) regulations.

Furthermore, AI adoption will be accelerated and advanced capabilities will be integrated across core banking operations – including risk management, fraud detection and customer domains – driving greater decision-making accuracy, improved operational efficiency and more personalized customer experiences through the effective use of GenAI and agentic AI.

These initiatives will be supported by strengthened adherence to evolving regulatory standards and the continued expansion of the enterprise data platform, enabling organization-wide analytics and advancing future data-driven initiatives.



03

ESG review

Our ESG approach	90
ESG strategy	92
Sustainable finance	93
Materiality	94
Our environment	96
Our people and society	98
Our community	102

Integrating sustainability into its core, anb drives meaningful ESG impact, aligning with Saudi Vision 2030 to deliver long-term stakeholder value.



Our ESG approach

Robust commitments delivering sustainable impact

At anb, sustainability is deeply embedded in our business as we seek to deliver meaningful environmental, social and governance (ESG) impact across our operations and footprint. Our ESG strategy drives progress in alignment with Saudi Arabia’s transformative goals, including Vision 2030 and Net Zero 2060, as well as leading international standards and the UN Sustainable Development Goals (SDGs). Through focused initiatives, we are empowering sustainable growth, supporting national priorities and delivering long-term value for our stakeholders and communities.

Our dedicated ESG function, based within the Strategy Transformation Office, coordinates clearly defined roles across teams and ensures adherence to standardized reporting and disclosure guidelines. Our Sustainable Finance Framework (SFF) directs capital toward priority themes, with a strong focus on decarbonization in high-emission sectors, including power and aviation. We also target sectors such as waste management, water, green real estate and aviation, while supporting SMEs, advancing green-tech innovation and empowering female entrepreneurship.

ESG is embedded into our risk management and day-to-day operations. We integrate ESG risk assessments into client evaluations and portfolio decisions, and address our own Scope 1 and Scope 2 emissions through sustainable procurement and effective facilities management. ESG-aligned procurement and facilities policies, along with tracking of key metrics, promote space efficiency, sustainability and ESG advocacy across the organization. Underpinned by a safety-first culture, this approach reflects our commitment to responsible, resilient and sustainable business practices.



ESG vision

We will lead in ESG by supporting KSA’s Vision 2030, Net Zero 2060 goals and KSA social advancement priorities, focusing on helping our clients transition to a sustainable future, while driving profitability through climate risk management and decarbonization of our portfolio.

Ambition, commitments and targets

₹ ~30+ billion
lending volume exposure in ESG assets by 2030

Fair market share in ESG opportunities in power, aviation, water and green renewable energy

First-ever sustainable debt issuance by anb

Aviation emissions reduction of 20%+ in financed emission intensity by 2030

#1 financer of SME transition in KSA by 2030

₹ ~500+ million
operating income across ESG opportunities by 2030

Leader in circularity/waste management in KSA by 2030

Publication of first ESG Report

Power emissions reduction of 20%+ in financed emission intensity by 2030

Net zero pathway: Publish decarbonization targets

Aligning with regional and international standards for sustainable impact

We remain strongly aligned with Saudi Arabia’s Vision 2030, which is built on three core pillars: A Vibrant Society, A Thriving Economy and An Ambitious Nation. Together, these pillars emphasize strengthening government effectiveness, promoting social responsibility, supporting economic diversification and creating employment opportunities, areas to which we actively contribute to through our sustainable financing efforts.

Our strategy and framework are also aligned with international and best-practice standards, including:

- SDGs
- ICMA Principles
- LSTA/LMA Guidelines

Through these alignments, we move beyond simple compliance and play an active, dedicated role in advancing sustainable growth across the banking sector and the Kingdom, committing to best practices.

ESG strategy

Our ESG strategy is structured around four core pillars: ESG Growth Strategies; Employees, Premises and Community; Finance and Treasury; and Risk Management. We aim to integrate these ESG considerations across our operations and business lines, including Wholesale Bank Group, Retail Banking, Private Banking, and anb capital. Through targeted initiatives, our strategy supports opportunities in ESG financing, decarbonization, greentech, SME transitions, and female entrepreneurship, while strengthening environmental and social practices, community engagement, and responsible workplace operations.

These pillars are supported by key enablers that ensure effective implementation, including a defined sustainability taxonomy aligned with the Sustainable Finance Framework (SFF), robust governance, and dedicated sustainability capabilities. Strong data and technology systems, transparent ESG disclosure and reporting, climate risk assessments, and comprehensive stakeholder engagement reinforce the strategy. This integrated framework enables anb to manage ESG risks effectively, enhance resilience and deliver sustainable growth and meaningful impact across our operations and the communities we serve.

Strategic Pillars				
	 ESG Growth Strategies	 Employees, Premises and Community	 Finance and Treasury	 Risk Management
Wholesale	Expanding presence in ESG opportunities	Environmental and social policies and engagement across own operations	Sustainable Finance Framework – green and social bond issuance	Climate risk assessment (stress tests and ESG risks modeling)
SME	Power and aviation portfolio decarbonization			
Retail	Leading bank for circularity in Wholesale Banking			
Private	SME transition and green-tech acceleration	Expanding our community engagement (CSR)	ESG disclosure and reporting	Risk appetite
Capital	Female entrepreneurship			

Enablers						
Taxonomy	Sustainable Finance Framework					
Operating model	Sustainability mandate and key functions	Sustainability team organizational setup	Ways of working	Capabilities and resources	Data and technology	Governance
Stakeholder management	Internal communications			External communications		

Sustainable finance

anb’s Sustainable Finance Framework (SFF) defines how we use green, social, sustainable and transition instruments (including Sukuk and loans) to finance projects that support Saudi Vision 2030 and the UN SDGs. The framework aligns with ICMA and LMA/LSTA principles and maps eligible activities to specific national targets, reflecting the critical role banks play in financing the Kingdom’s sustainable transition.

Under the SFF, proceeds are used to finance or refinance eligible green and social projects. Green categories encompass renewable energy, energy efficiency, clean transportation, green buildings, pollution prevention and control, sustainable water and wastewater management, and environmentally sustainable land and natural-resource use. Social categories focus on access to essential services such as healthcare and education, affordable housing, employment generation and SME finance, and socioeconomic advancement and empowerment, particularly for women. Each category has defined technical criteria and exclusions to ensure environmental and social integrity.

The framework is overseen by a Sustainable Finance Committee (SFC), which meets regularly to review and approve eligible projects, allocate proceeds and monitor ongoing compliance. anb will publish an annual Sustainable Finance Report outlining how funds are allocated, the share of new financing versus refinancing, and the environmental and social impacts achieved, supported by KPIs and case studies. To reinforce transparency and credibility, we obtain a second-party opinion on the framework and engage independent third-party reviewers to verify fund allocation and impact calculations.

To read more about our Sustainable Finance Framework, please refer to our ESG Report, available on our website: <https://anb.com.sa/web/anb/esg-reports>.



Materiality

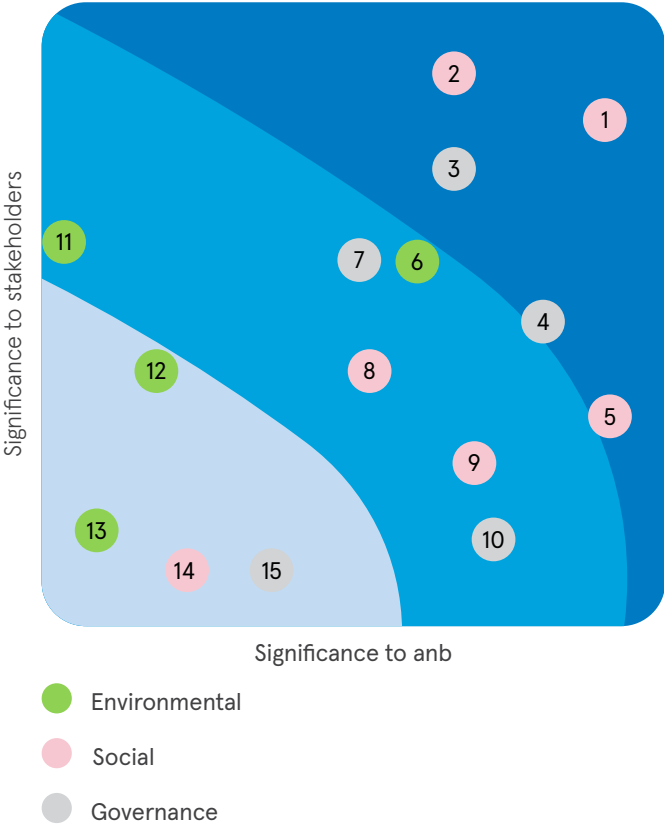
Following a thorough materiality assessment, we recognize the issues that are of utmost importance to our stakeholders and business. Integrating these priorities with our strategy enables us to contribute meaningfully to the Kingdom's Vision 2030 ambitions.

Process for determining material issues

Our process for identifying material issues follows a structured approach that welcomes input from key stakeholders, including employees, customers, supplies, community members and shareholders. Such valuable insight is gathered through ongoing engagement in the forms of surveys and meetings, and are further informed by input from external consultants to ensure balanced and comprehensive perspective.

The Board and Executive Management are actively involved in reviewing and prioritizing these issues based on their relevance to both stakeholders and the Bank. These issues are regularly reassessed to ensure they are effectively addressed through our evolving strategy, in line with stakeholder expectations and external developments.

List of material topics



Topic	UN SDGs
Most important	
1 Financial inclusion, accessibility and financial education	1 NO POVERTY, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
2 Supporting SMEs	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
3 Vision adherence	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
4 Sustainable finance	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
5 Talent attraction, retention and development	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH
Very important	
6 Energy usage/efficiency	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
7 Data privacy and cybersecurity	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
8 Community engagement	11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
9 Employee well-being	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH
10 Regulatory compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
11 Waste management	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Important	
12 Greenhouse gas emissions	13 CLIMATE ACTION
13 Climate strategy	13 CLIMATE ACTION
14 Diversity and equal opportunity	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES
15 Charitable contributions	1 NO POVERTY, 17 PARTNERSHIPS FOR THE GOALS

Our environment

In alignment with the aims of Vision 2030, our policies recognize climate change as a key priority, addressed through supporting emissions reduction, renewable energy adoption, and sustainable consumption. Furthermore, we support resource efficiency, particularly in water management, and the protection of natural heritage across forests, oceans, and biodiversity.

Climate strategy

The transition toward cleaner, renewable energy is reshaping the Middle East's role in the global energy sector, strengthening the region's economic outlook. At the national level, Saudi Arabia is accelerating this transition through significant investment across renewable energy sources, with the National Renewable Energy Program (NREP) targeting 50% of electricity generation from renewables by 2030.

As a service-based institution, our operations have a relatively limited Scope 1 and Scope 2 carbon footprint. Our most significant climate impact arises from Scope 3 emissions, particularly those associated with our financing portfolio. Accordingly, we assess the carbon footprint of our portfolio in line with industry standards specifically the Partnership for Carbon Accounting Financials (PCAF) methodology and actively manage climate related exposure. We are committed to supporting our clients in their transition toward lower emissions operations, especially those within our power and aviation portfolios where we have set clear intensity reduction targets.

Decarbonizing our financed emissions

Under the GHG Protocol, Scope 3 Category 15 includes emissions associated with investments and projects. At anb, we are addressing this by prioritizing emissions reduction across our financing portfolio, with aviation and power identified as priority sectors segmented across the value chain.

- **Power:** Within the power sector, we segment companies into upstream (generation), midstream (transmission), and downstream (sales). Electricity generation remains the primary focus as it accounts for the largest share of emissions within the sector. Key levers for reduction include increasing financing for clients with ambitious transition plans and expanding our green client portfolio.
- **Aviation:** Within the aviation sector, we classify companies across upstream (airports), midstream (manufacturing), and downstream (airline operations). Airline operations remain a priority focus due to their significant contribution to sector emissions. We aim to steer exposure toward airlines with more efficient fleets and support emerging technologies such as Sustainable Aviation Fuel (SAF).

In 2025, we continued to advance our ESG strategy and Sustainable Finance Framework (SFF), which governs the issuance of sustainable debt instruments to fund projects that advance Vision 2030 and the UN Sustainable Development Goals.

Climate change and energy efficiency

At anb, we recognize that enhancing energy efficiency is key to both controlling operational costs and reducing our environmental impact. We achieve this through initiatives that optimize energy consumption across our branches and offices, including the adoption of alternative energy sources.

Ongoing efforts consist of the continued renovation of our headquarters' building management systems to enhance efficiency in cooling and lighting. Furthermore, to promote sustainable commuting, we have implemented shuttle services between our Head Office and nearby metro stations to reduce car usage and associated emissions.

Waste management

We aim to become a leading practice in circularity and waste management in Saudi Arabia by 2030. In alignment with the Saudi Green Initiative (SGI) goals, we promote sustainable waste management as a core component of environmentalism and resource efficiency. Our approach is guided by the SGI principles: reducing waste generation, promoting recycling and recovery, responsible disposal practices, and public awareness.

A major achievement in our operational sustainability is our paperless initiative. By decommissioning physical printers and digitizing account opening processes, we have significantly reduced paper waste. We also maintain recycling facilities at key locations to encourage circular practices among our employees and visitors.

Water optimization

Water use across our offices and branches in the Kingdom is primarily for ablutions and cleaning. We acknowledge that our greatest opportunity to drive positive impact for water optimization lies within the projects we finance. In line with our Sustainable Finance Framework (SFF) and our ESG strategy, we aim to support water projects that deliver safe, reliable and eco-friendly water: potable water collection, leak detection, and efficient wastewater systems. Additionally, our green real estate financing encourages project developers to adopt advanced technologies that enhance water efficiency in new builds.

Further information and metrics

To read more about our climate strategy, energy efficiency initiatives, waste management and water consumption as well as detailed figures and year-on-year performance metrics, please refer to our full Sustainability Report, available on our website at: <https://anb.com.sa/web/anb/esg-reports>.



Our people and society

Our People

Empowering talent to drive sustainable growth

anb's people remain the most valued asset of the Bank and the foundation for delivering sustainable financial performance. Attracting and retaining capable talent through a strong Employee Value Proposition and a positive Employee Experience continued to define anb's success in 2025. Regular feedback from engagement and pulse surveys enabled the Bank to adapt to a rapidly changing work environment and maintain a culture centered on purpose, collaboration and accountability.

Future-ready talent and elevating experience

anb continued to invest in building future-ready capabilities across the organization by strengthening technical, soft and leadership skills. This focus was supported by ongoing alignment with market compensation and benefits to ensure that its people remain motivated and engaged. Enhancing the employee journey was an equally important priority. Key touchpoints were reviewed to ensure simplicity, agility and a seamless experience that allows employees to deliver exceptional customer service.

Efforts translated into stronger engagement indicators. The Organizational Vitality Index rose from 74% to 77.45% in 2025, with the highest scoring dimensions being Loyalty, Adaptability to Change and Collaborative Relationships. The Employee Net Promoter Score increased from 32% to 46%, significantly above the national benchmark. These results reflect a more committed, agile and purpose-driven workforce aligned with anb's values.

Digital transformation remained a key enabler of HR service delivery. The successful migration to the Oracle Cloud HR platform enhanced accessibility, speed and overall employee experience. Predictive analytics is now used more extensively to support decision-making and proactively mitigate people-related risks.

Organizational capability readiness

As part of the HR transformation, anb completed a comprehensive review of its job framework to streamline job families, refine competencies and define skill sets that support workforce planning, targeted learning and greater internal mobility. The Bank also modernized performance management by reinforcing continuous dialogue, strengthening self-assessment and incorporating a standard performance weight for evaluating adherence to risk and compliance requirements in line with SAMA's Remuneration and Risk Framework.

A differentiated Employee Value Proposition remained central to attracting and retaining top talent. The Bank enhanced financial and non-financial benefits and improved reward communication to ensure clarity and awareness. The Reward Philosophy continues to promote fairness, equity and market competitiveness, with pay for performance serving as the driving force for excellence. ESG principles remain embedded in anb's reward approach to promote sustainable and ethical practices. To support culture alignment, the Work Environment Excellence Framework has been introduced to synchronize behaviors with anb's Vision and Mission.

Advancing learning, leadership and frontline excellence

The anb Academy continued to deliver a wide range of soft and hard skills programs through a comprehensive Learning Catalogue. Specialized programs in critical areas such as risk management, fraud awareness, ESG, relationship management, IT and cybersecurity strengthened capabilities across the Bank. Through the Sales School, frontline development has been accelerated to support revenue growth, strengthen cross-selling discipline and elevate customer experience in all channels.

Preparing for the next stage of growth in 2026

Having established strong foundations in 2025, the priorities for 2026 focus on embedding the skills framework, strengthening succession pipelines and preparing talent for future roles. anb will expand career development opportunities, reinforce competitive financial and non-financial rewards and continue to promote awareness of misconduct risks and cyber-related fraud. These efforts support anb's ambition to build a resilient, high-performing workforce capable of driving the next phase of growth and excellence.

Our people by the numbers

Total employees

4,128

Female employees

1,011 (24.5%)

New hires

676

Training hours

364,279

Saudization

97.6%



Success story

Building a stronger employee experience through listening and action

Turning insight into momentum

As anb continues to grow and transform, sustaining a strong, engaged workforce has become a strategic priority. Annual employee surveys consistently provided valuable insight into what mattered most to the staff and where further progress was needed. The opportunity in 2025 was clear: convert this feedback into focused, measurable action that strengthens organizational vitality, engagement and alignment with the Bank's strategy.

Structured action driven by employee voice

Led by HR in close collaboration with senior leadership and business stakeholders, anb translated survey insight into targeted, Bank-wide action plans. Key themes and gaps were analyzed, prioritized and addressed through initiatives focused on engagement, communication, leadership accessibility and organizational effectiveness. This

structured approach ensured employee feedback directly shaped decision-making and supported anb's ambition to become an employer of choice in the Kingdom.

Measurable improvement and stronger advocacy

The impact in 2025 was tangible. The Organizational Vitality Index increased to 77%, up from 74% in 2024, reflecting improvements across multiple cultural and performance dimensions. Employee loyalty, collaboration, leadership accessibility and accountability all strengthened. Employee Net Promoter Score (eNPS) rose sharply to 46, compared to 32 in 2024, significantly outperforming national and global benchmarks. Participation also increased, with 3,289 employees taking part, representing a 79% response rate. These results confirm stronger engagement, higher morale and growing pride in anb as a place to work.

Sustaining progress in 2026

Building on this momentum, anb will continue to use annual engagement surveys to refine action plans, sustain progress and strengthen the employee experience.



By listening to our people and acting decisively, we strengthened organizational vitality to 77% and lifted eNPS to 46, reinforcing anb as a destination for talent and long-term growth.

Mr. Bader Al Otaibi
Chief Human Resources Officer

Our community

Our social commitment lies in generating measurable impact across the Kingdom by strengthening community outcomes through targeted and well-designed corporate, social responsibility (CSR) initiatives, enabled by strong partnerships and institutional capabilities.

Approach to CSR

Our efforts are guided by a clear CSR strategy focused on delivering tangible and meaningful outcomes for society, anchored in 4 core pillars: community empowerment, economic growth, youth and women empowerment and environmental sustainability.

By embedding impact and performance tracking into our CSR strategy, we ensure our initiatives remain effective and aligned with leading ESG practices in the Kingdom and internationally. Strategic partnerships with public sector entities, academic institutions and non-profit organizations further support the Kingdom's broader, long-term development goals.

Advancing inclusive impact through strategic CSR

Aligned with the goals of Saudi Vision 2030, our CSR efforts in 2025 focused on advancing inclusive social development by prioritizing addressing social challenges, expanding economic participation and enhancing quality of life across the Kingdom. Our approach is guided by national and international leading frameworks, ensuring the delivery of sustainable value for communities.

Progress and performance in 2025

During the year, we advanced healthcare access while supporting medical research and academic excellence through the establishment of the "anb Research Chair" for Ophthalmology at King Saud University. We also supported critical treatment initiatives for low-income patients, including 400 cataract surgeries under the "Nawwart" initiative, 95 knee-replacement surgeries through "Qader 4" in partnership with the Ministry of National Guard Health Affairs, and the continued provision of care for kidney patients through the "Hope for Life" program in collaboration with the Saudi Charity Association for Organ Donation (Eithar).

Community support during religious and national occasions remained a priority for us. Through "In Service of Pilgrims – Aoun 3," more than 1,000 volunteers supported over 200,000 pilgrims with medical, logistical and guidance services. During Ramadan, our "Ramadan Giving Caravan" distributed thousands of food baskets in cooperation with 70 charitable associations, supported by our employee volunteers.

In line with social stability and housing objectives, we provided 66 residential units to families most in need across the Kingdom through the "Jood Al-Manateq 2" initiative. We remained committed to our goal of alleviating financial hardships of the Kingdom's citizens for the 5th consecutive year, supporting 200 citizens through the "Furijat 5" initiative via the Ehsan platform. We also extended our annual support to the 5th National Charity Campaign, reinforcing values of social solidarity and the non-profit sector.

Empowering women, families and vulnerable groups remained central to our CSR efforts. Key initiatives included the "Rehabilitation & Empowerment" program supporting the training and employment readiness of low-income women; the "Positive Parenting" program with the Child Care Association, training over 3,000 mothers in positive parenting practices; and multiple programs supporting persons with disabilities, patients with chronic conditions and social inclusion. Our commitment to supporting women's empowerment and professional development was further demonstrated through our strategic partnership with the second Creative Women Forum in Riyadh.

In parallel, we advanced social inclusion for vulnerable groups through targeted initiatives, including support for the "Farah 14" group wedding organized by the Physically Disabled Adults Association (Harakia), reinforcing family stability and community inclusion. Additionally, we provided assistive devices to patients through our Parkinson's Support initiative in collaboration with the Saudi Parkinson's Disease Society, supporting daily living needs and quality of life.

We also advanced education, leadership and environmental awareness through the establishment of an advanced computer laboratory at a public girls' school in Riyadh to support more than 370 students and teachers in developing digital and innovation skills, and through our sponsorship of the 10KSA Cancer Awareness Initiative, which combined health awareness with environmental stewardship. Through our CSR initiatives, we continued to reinforce our commitment to our responsibilities and to supporting inclusive growth and sustainable development, creating

added value for communities across the Kingdom. In recognition of these efforts, we were crowned Silver Award for Corporate Social Responsibility (CSR) from the Ministry of Human Resources and Social Development.

For a comprehensive view of our community engagement practices, please refer to the Stakeholder engagement chapter in our ESG Report, available on our website: <https://anb.com.sa/web/anb/esg-reports>.

Financial inclusion, accessibility and financial education

We are committed to advancing financial inclusion, accessibility and education as core components of our business and ESG strategy, in alignment with Saudi Vision 2030 and the UN Sustainable Development Goals. Through partnerships with fintech companies and public institutions, we leverage digital innovation to reach underbanked populations, support SMEs, and promote non-oil exports.

We also play a pivotal role in major national projects through our Vision Realization department. Across Wholesale and Retail Banking, we support transformative initiatives that contribute to world-class infrastructure, advance financial inclusion, and empower more Saudis to achieve homeownership, in line with the objectives of Vision 2030. Our goals center on promoting financial literacy, expanding active fintech participation across the Kingdom and

strengthening sustainable and responsible banking practices. Together, these initiatives ensure underserved communities have access to the resources they need to thrive and contribute to the Kingdom's economic and sustainable development.

In 2025, we achieved significant progress in expanding our digital footprint to enhance accessibility. Key initiatives included the launch of a simplified mobile banking experience tailored for different demographic segments and the expansion of our SME financing programs through the Kafalah program and other strategic partnerships. We also enhanced our financial literacy programs, delivering educational content focused on personal saving and digital banking safety to empower our customers.

To support homeownership goals, our retail banking sector continued to offer flexible mortgage solutions and digital application processes, directly contributing to the Housing Program's targets under Vision 2030. Furthermore, our investment in fintech collaborations has allowed us to integrate advanced payment solutions, making banking more seamless for the unbanked and small business owners alike.

To read more about our financial education, accessibility policies, and specific performance metrics related to financial inclusion please refer to our full Sustainability Report, available on our website at: <https://anb.com.sa/web/anb/esg-reports>.



Our community continued

Supporting small and medium-sized enterprises (SMEs) and micro enterprises

As part of our ESG strategy and in alignment with our strategic pillar of becoming a leading SME enablement partner in the Kingdom, we aim to be a leading financier of SME transitions by 2030. This ambition is underpinned by our role in supporting Vision 2030 targets to increase SMEs' contribution to GDP from 20% to 35%, and by our commitment to financial inclusion, economic diversification, innovation and job creation through sustained support for SMEs and microenterprises.

In 2025, we continued to expand SME financing and guarantee programs, strengthened our presence in emerging cities and deepened collaboration with SME ecosystem partners to unlock growth for micro, small and medium businesses. Our leadership in this space was recognized in 2025 when we were named Best SME Bank in Saudi Arabia by the Global Banking & Finance Awards.

Female entrepreneurship

In alignment with Vision 2030's objectives for women's empowerment and economic inclusion, we are committed to advancing female entrepreneurship within our business and across the SME sector. In 2025, we reinforced this commitment by serving as a strategic partner of the Creative Women Forum in Riyadh, showcasing inspiring journeys of women leaders from within the Bank and highlighting their contributions to innovation and business growth. We also advanced dedicated programs for female customers in priority segments, supporting their access to tailored financial solutions, advisory support and growth opportunities.

Digital SME platforms and channels

We provide SMEs with simple and efficient access to financing and tailored support to grow their businesses through an integrated suite of digital and physical channels. In 2025, SME clients benefited from our dedicated SME mobile application, which enables funds transfer, loan applications, trade and supply chain finance services and other essential features through streamlined, end-to-end digital journeys. These capabilities are complemented by our network of 14 SME centers across the Kingdom, providing in-person advisory support and relationship management to help SMEs navigate their growth and financing needs.

Partnerships and financing solutions

In alignment with Vision 2030's objective to increase SMEs' contribution to GDP, we support the diversification of the Saudi economy by delivering tailored financing and guarantee solutions across various industries, backed by strategic partnerships. In 2025, we strengthened our position as a trusted SME partner by expanding collaborations with SME Bank, the Kafalah Program, Monsha'at and government funding initiatives. During the year, we were honored by SME Bank as a Top Commercial Partner under its Co- Financing Program and the Funding Gate and received two recognitions from the Kafalah Program for our performance and support for micro enterprises. We also signed a ₪ 100 million joint financing agreement with the Social Development Bank during DeveGO 2025 to support small and micro enterprises, reinforcing our role in enabling entrepreneurship and inclusive growth.

Comprehensive support for SMEs

At anb, our strategy focuses on improving SME accessibility through tailored approaches, specialized financial solutions and omni-channel delivery. We serve SMEs through a combined model of digital platforms and on-the-ground expertise, including our SME mobile application and 14 dedicated SME centers across 10 cities, supported by a broader network of 121 branches and over 1,000 ATMs. Through this network, SMEs benefit from faster decision-making, simplified processes and competitive solutions for their financing, trade, cash management and transactional needs, enabling them to grow, compete and succeed in a dynamic economic environment.

Creating value for customers

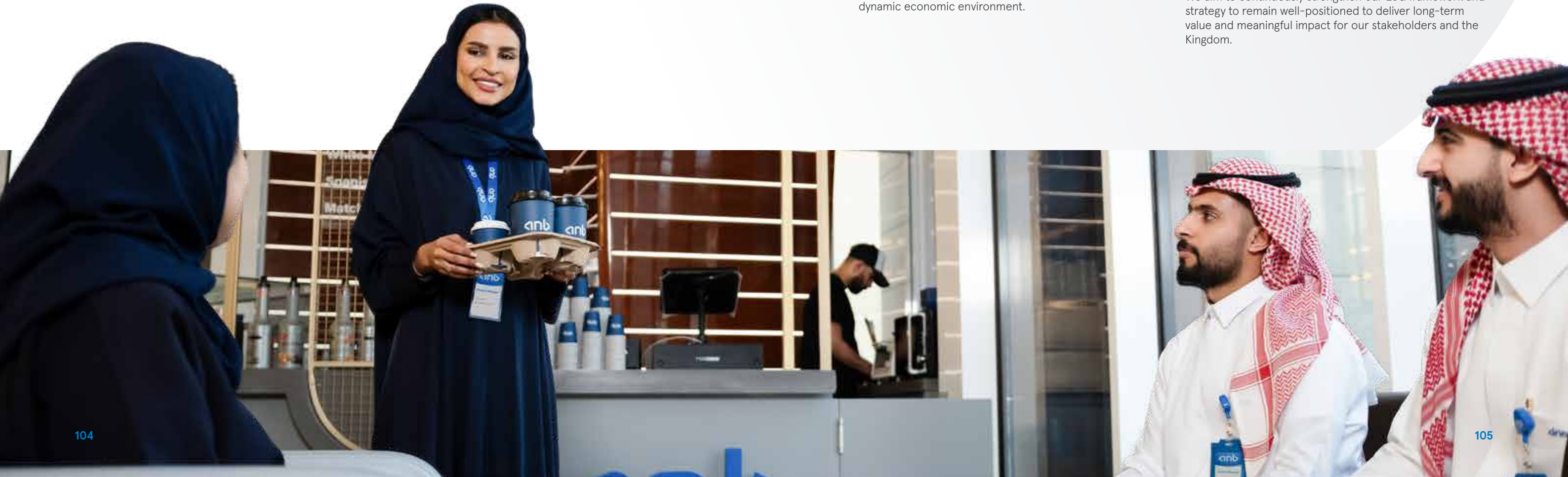
Our strategy places customer satisfaction at its core, as reflected in improved Net Promoter Score (NPS) and Customer Satisfaction (CSAT) performance. These metrics are actively used to motivate employees, address customer concerns and drive continuous improvement. We maintain high service quality across the organization through regular training and the use of real-time customer feedback.

We also remain focused on delivering sustainable organizational success by centering our efforts on three pillars: customer-centric enhancements, streamlined experiences and targeted marketing initiatives. Our Customer Experience team leads the development of solutions that strengthen the end-to-end customer journey across Retail Banking and in collaboration with other departments, ensuring a consistent and positive experience at every touchpoint.

Looking ahead

We will continue to embed sustainability and innovation in our operations, supporting the objectives of Vision 2030. Our focus will remain on advancing sustainable finance, strengthening our support for SMEs, and expanding digital and partnership-led solutions that enable inclusive and responsible growth of the Kingdom.

We will also continue to enhance customer experience by investing in our people and delivering tailored products and services that respond to the evolving needs of the market. We aim to continuously strengthen our ESG framework and strategy to remain well-positioned to deliver long-term value and meaningful impact for our stakeholders and the Kingdom.



04

Directors' report

Financial results	108
Subsidiaries and associates	111
Dividend distribution policy	112
Future strategic plans	113
Principal activities	115
Micro, small and medium enterprises (MSMEs)	116
Risks encountered or that could potentially be encountered by the Bank	117
Corporate governance in the Kingdom of Saudi Arabia	120
Board of Directors	121
Qualifications and experience of the Board Members, Board Committees and Senior Executives	124
Interests of Board Members, senior executives, their wives and children	150
Remunerations of Board Members, related committees and senior executives	152
Related party transactions	160

Grounded in integrity and accountability, anb’s governance framework ensures regulatory adherence, protecting stakeholder rights while driving long-term institutional performance.



Directors' Report

for the financial year ended 31 December 2025

To: The shareholders of arab national bank

The Board of Directors (the Board) is pleased to submit arab national bank’s Annual Report for the financial year ended 31 December 2025.

Introduction

arab national bank (the Bank or anb), a Saudi joint stock company, was incorporated pursuant to Royal Decree No. M/38 dated 18 Rajab 1399H (corresponding to 13 June 1979). The Bank commenced business on 2 February 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under the unified No. 7000018007 and commercial registration No. 1010027912 dated 1 Rabi Al-Awwal 1400H (corresponding to 19 January 1980) and is subject to the supervision and control of the Saudi Central Bank under license number 4017/M/A/254 through its network of branches, comprising of 121 branches and 54 remittance centers in the Kingdom of Saudi Arabia and one branch in the United Kingdom.

The Bank’s head office is located in Riyadh – Kingdom of Saudi Arabia and its national address is:

7317 King Faisal Road, Al Murabba, Unit “1”, Riyadh 12613 – 3536, P.O. Box 56921 – Riyadh 11546

The objectives of the Bank are to provide a full range of banking services. The Bank also provides its customers non-commission-based banking products which are approved and supervised by an independent Shariah Board established by the Bank.

Financial results

Net profit after zakat and income tax attributable to equity holders of the Bank for the year 2025 amounted to ₪ 5,116.2 million compared to ₪ 4,966.0 million last year, an increase of 3.02%. Earnings per share amounted to ₪ 2.49 from ₪ 2.48 in 2024. This reflects the growth in the portfolio of corporate and commercial loans further to the growth in residential and other consumer loans this year, in addition to the increase in the investment portfolio during the current year, higher trading income and net gains from FVIS financial instruments, higher dividend income and exchange income, and reversal of impairment charges on other real estate owned, offset by a decrease in net gain on sale of non-trading instruments, other operating income and share in earnings of associates in 2025 compared to the previous year.

Net special commission income increased by 2.15% to reach ₪ 8,097.1 million compared to ₪ 7,926.6 million in the previous year, while fees and commission income increased by 23.9% to reach ₪ 878.4 million from ₪ 708.8 million in 2024. Further, exchange income increased by 7.7% to reach ₪ 350.8 million compared to ₪ 325.8 million for the previous year.

Trading income and net gains from FVIS financial instruments increased by 33.5% to reach ₪ 311.9 million compared to ₪ 233.7 million in 2024. While net gains on sale of investments held for non-trading purposes decreased to record losses of ₪ 18.7 million compared to a profit of ₪ 6.1 million for the previous year.

Dividend income increased from ₪ 205.4 million in 2024 to ₪ 269.8 million in 2025, an increase of 31.4%.

Therefore, total operating income increased by 4.9% to reach ₪ 9,883.1 million compared to ₪ 9,425.0 million in 2024.

Operating expenses before provisions amounted to ₪ 3,337.2 million compared to ₪ 3,067.1 million in 2024, an increase of 8.8%.

The Bank assigned a provision charge for credit losses of ₪ 692.7 million in 2025 compared to ₪ 644.8 million in 2024, an increase of 7.4%; and the coverage ratio of the non-performing loans portfolio reached 168.7% as of 31 December 2025. The Bank also recorded a reversal of provision for the impairment in the value of an acquired property from a customer in the amount of ₪ 100 million during the current year compared to a provision of ₪ 119.2 million in 2024.

Profits collected from associate companies witnessed a decline, reaching ₪ 27.4 million compared to ₪ 144.8 million in 2024. This is due to the sale of the underlying assets of anbc Business Gate Fund and the recognition of transaction gain as share in earnings from associates in 2024.

The Bank’s loan portfolio reached at year-end to ₪ 195,299 million compared to ₪ 169,495 million in 2024, an increase of 15.2%, while its investment portfolio increased to ₪ 60,012 million from ₪ 52,950 million in 2024, an increase of 13.3%.

Further, the Bank’s Board of Directors has approved a plan to dispose of the control over Al Arabi Heavy Equipment Lease Company (AHEL), an 87.5% owned subsidiary. Accordingly, the Group has classified and presented the assets and liabilities of AHEL, amounting to ₪ 250.1 million and ₪ 11.4 million respectively as of 31 December 2025 as “held for sale” in the Group’s consolidated statement of financial position in accordance with the International Financial Reporting Standards (IFRS) 5 “Non-Current Assets Held for Sale and Discontinued Operations”. As the business of AHEL meets the definition of discontinued operations under IFRS 5, the results for the year have been classified as discontinued operations in the consolidated statement of income.

Accordingly, the Bank’s assets as of 31 December 2025 amounted to ₪ 281,383 million compared to ₪ 248,840 million in 2024, representing an increase of 13.1%.

As for the total liabilities as of 31 December 2025, they increased by 10.3% to reach ₪ 231,870 million, with customer deposits increased by 14.9% to reach ₪ 209,287 million as of 31 December 2025 as compared to ₪ 182,224 million in 2024. In October 2025, the Bank exercised the call option and fully redeemed the subordinated Tier 2 Sukuk denominated in USD amounting to USD 750 million.

The equity attributable to the Bank’s shareholders amounted to ₪ 41,715 million as of 31 December 2025 compared to ₪ 38,652 million in 2024, an increase of 7.9%. This increase was mainly due to the increase in profits for the year, less the distributed dividends and Tier 1 Sukuk costs in addition to the purchase of additional treasury shares in the amount of ₪ 218 million.

During 2025, the Bank also issued a Saudi Riyal denominated additional Tier 1 capital Sukuk with a total amount of ₪ 4,955 million as of 31 December 2025, by way of a private placement in the Kingdom of Saudi Arabia pursuant to its ₪ 11,250 million additional Tier 1 capital Sukuk program. The Bank also issued a USD denominated additional Tier 1 capital sustainable Sukuk in the amount of USD 750 million as of 31 December 2025, by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally pursuant to its additional Tier 1 capital sustainable Sukuk program.

Directors' Report

for the financial year ended 31 December 2025

Financial highlights – ﷲ millions

	2025	2024	2023	2022	2021
Loans and advances, net	195,299	169,495	152,235	143,829	126,674
Investments, net	60,012	52,950	47,959	41,757	44,168
Customers’ deposits	209,287	182,224	165,861	154,871	135,714
Equity attributable to equity holders of the Bank	41,715	38,652	36,250	33,043	31,101
Tier 1 Sukuk	7,768	-	-	-	-
Total assets	281,383	248,840	221,894	213,367	192,502
Total liabilities	231,870	210,158	185,615	180,300	161,374
Total operating income	9,883	9,425	8,567	6,862	5,765
Total operating expenses	3,930	3,831	3,840	3,338	3,236
Net income after zakat and income tax attributable to equity holders of the Bank	5,116	4,966	4,071	3,070	2,177

Geographical analysis of revenues

The Group’s revenues are earned mainly through its activities in the Kingdom of Saudi Arabia and are distributed as follows:

	ﷲ’000s
Central Region*	6,708,194
Western Region	1,781,550
Eastern Region	1,393,385
Total	9,883,129

* Includes London branch revenues (not disclosed separately due to being immaterial to the Bank as a whole).

Subsidiaries and associates

anb capital

anb capital (anbc) is a closed joint stock company wholly owned by the Bank, registered in the Kingdom of Saudi Arabia under commercial registration No. 1010239908 and a unified number 7001548267 on 26 Shawwal 1428H (corresponding to 7 November 2007). The company’s authorized and issued capital is ﷲ 1,000 million (100 million shares), and its objective is to undertake and manage the Bank’s investment services and asset management activities consisting of dealing, managing, arranging, advising and custody of securities. The subsidiary commenced operations on 3 Muharram 1429H (corresponding to 12 January 2008). On 19 Muharram 1436H (corresponding to 12 November 2014), the subsidiary changed its legal structure from a limited liability company to a closed joint stock company. The objective of the subsidiary was amended and approved by the Capital Market Authority (CMA) on 28 Muharram 1437H (corresponding to 10 November 2015) through the resolution number S/1/6/14832/15 to conduct dealings as a principal as well as an agent, underwriting the asset management and investment banking activities, discretionary portfolio management, brokerage, arranging, advising and custody activities in the Kingdom of Saudi Arabia. According to the directives of the CMA in its letter dated 10 Rabi’ Al-Awwal 1437H (corresponding to 21 December 2015), the company obtained the margin lending facility from arab national bank, effective 1 April 2017. Accordingly, the company amended its activities to include margin lending financing. The company changed its name from Arab National Investment Company to anb capital on 29 June 2022 and maintained the same commercial registration number.

Al Arabi Heavy Equipment Lease Company (AHEL)

An 87.5% owned subsidiary incorporated in the Kingdom of Saudi Arabia as a Saudi closed joint stock company under commercial registration No. 1010267489 issued in Riyadh on 15 Jumada Al-Awwal 1430H (corresponding to 10 May 2009). The company’s authorized and fully paid-up capital amounts to ﷲ 300 million representing 30 million shares of ﷲ 10 each as of 31 December 2025. The company is engaged in the leasing of heavy equipment and operates in compliance with Shariah principles. The Bank started consolidating the subsidiary’s financial statements effective 10 May 2009, the date the subsidiary started its operations. On 6 May 2014, the Bank increased its ownership percentage in this subsidiary from 62.5% to 87.5%.

On 23 November 2025, the Board of Directors approved the disposal of this investment and the sale of its entire stake in AHEL, after obtaining the necessary approvals to complete the required procedures for the sale transaction. Accordingly, the Group classified the assets and liabilities of AHEL and presented them as “held for sale” in the

consolidated statement of financial position as of 31 December 2025, in accordance with IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”. The results of AHEL have also been classified as discontinued operations in the consolidated income statement.

SHL Finance Company (SHL)

An associate company co-founded by the Bank in the Kingdom of Saudi Arabia under the commercial registration No. 1010241934 as a Saudi joint stock company on 22 Dhul Hijjah 1428H (corresponding to 1 January 2008), with a unified number 7001540165. The subsidiary is regulated by Saudi Central Bank under license No. 14/ASH/201403 dated 27 Rabi Al-Thani 1435H (corresponding to 27 February 2014). The issued and fully paid-up capital of the subsidiary amounted to ﷲ 1,000 million, divided into 100 million shares of ﷲ 10 each as of 31 December 2025. The company commenced its operations in the fourth quarter of 2007.

The Bank’s interest in the associate is accounted for under the equity method. The principal activities of the company are to finance the purchase of houses and residential land and apartments, financing of real estate properties and financing the establishment of commercial and industrial projects. During 2023, the company also obtained a license from the Saudi Central Bank to practice the financing of small and medium enterprise activities and consumer financing activities.

The Bank held a 40% stake in the associate’s capital. However, during the first quarter of 2022, the Bank offered 30% of its stake (12 million shares) as part of the company’s Initial Public Offering (IPO) for a gain of ﷲ 36.1 million. During the second quarter of 2022, the Bank purchased 1.4 million shares for an amount of ﷲ 28 million (ﷲ 20 per share), representing 1.4% of SHL’s issued capital. Accordingly, the Bank’s ownership in the associate became 29.4% (29.4 million shares) instead of 40% of the associate’s capital. The Bank continues to classify its remaining interest in the company as an associate, as the Bank still exercises a significant influence over SHL.

At the Extraordinary General Assembly meeting held on 14 February 2023, the shareholders of the associate company decided to change the name of the company from “Saudi Home Finance Company” to “SHL Finance Company”.

Al-Manzil Al-Mubarak Real Estate Financing Ltd.

A wholly owned subsidiary, registered in the Kingdom of Saudi Arabia as a limited liability company under commercial registration No. 1010199647 issued in Riyadh dated 18 Jumada Alawwal 1425H (corresponding to 6 July 2004), with a unified number 7009413191. The company’s capital amounts to ﷲ 1 million consisting of 10,000 parts (at a nominal value of ﷲ 100 per part) as of 31 December 2025. This subsidiary company’s activities include engaging in the purchase of land and real estate, selling or renting in favor

Directors' Report

for the financial year ended 31 December 2025

of the company, maintaining and managing of owners and others’ assets as a guarantee, and the sale and purchase of real estates for financing purposes as per the Saudi Central Bank’s approval No. 361000109161 dated 10 Shaban 1436H (corresponding to 28 May 2015).

anbc Business Gate Fund
The Bank indirectly owned 12.75% of anbc Business Gate Fund (the Fund), which is a closed-ended private placement real estate investment fund launched on 25 August 2014 for a period of 5 years starting from the date of closure of the first offering on 11 January 2015. The Fund’s activity is to acquire real estate assets, including an income generating real estate property located in the city of Riyadh, out of which the Fund receives rental and hotel operating income over the Fund period. The Fund’s total shareholding reached ﷲ 575 million divided into 950,000 units with a unit value of ﷲ 605.

Since its launch, the Fund’s period was extended a number of times. The last extension being 14 December 2020, when the unitholders approved an extension to 31 December 2025. The Group classified its investment in the Fund as investment in an associate company and accounted for the Group’s share under the equity method as the Group had significant influence over the Fund.

During the year ended 31 December 2024, the Fund sold the underlying assets, and the gain of the transaction has been recognized as share in earnings from associates in the Group consolidated statement of income; the Fund was closed on 31 July 2025.

Sara Second Real Estate Investment Fund
The Bank owns directly and indirectly 31.9% of Sara Second Real Estate Investment Fund (the Fund), which is a closed-ended, Shariah-compliant, private real estate fund established in the Kingdom of Saudi Arabia and launched on 22 May 2020 for a period of 12 years. The CMA was informed of the offering of the Fund on 4 June 2020. The Fund’s activity was to acquire the Sara Village Residential Compound, an income generating real estate property located in Al Khobar, out of which the Fund receives rental income over the Fund term. The Fund’s total shareholding reached ﷲ 1,368 million divided into 136.8 million units of ﷲ 10 each. The Group’s share in the Fund is equity accounted as it has significant influence over the Fund.

It is to be noted that the above-mentioned subsidiaries and associates’ primary businesses operate in the Kingdom of Saudi Arabia.

ANB Global Markets Limited
The Bank established on 3 Jumada Al Awwal 1438H (corresponding to 31 January 2017) ANB Global Markets Limited, a limited liability company registered in the Cayman Islands, which is 100% owned by the Bank. The company’s capital amounts to USD 50,000 consisting of 50,000 parts (at a nominal value of USD 1 per part). The objective of ANB Global Markets Limited is to trade in derivatives and repo activities on behalf of the Bank.

Dividend distribution policy
The rules governing the Bank’s dividend distribution are as follows:

1. In accordance with the Saudi Central Bank’s requirements, a minimum of 25% of the Bank’s annual net income is required to be transferred to a statutory reserve until such reserve equals the Bank’s paid-up capital.
2. The Board of Directors periodically reviews and analyzes the Bank’s financial position, capital adequacy and growth projections. Accordingly, it decides whether to distribute dividends or not.
3. If the Board of Directors decides to distribute dividends, they will be distributed to shareholders in proportion to their shareholdings held at the eligibility date as per the dividend announcement.
4. The Board of Directors may also decide to distribute interim dividends based on the Bank’s financial situation.
5. Non-distributed earnings are transferred to the next year or to the general reserve.

The Board proposed to distribute 2025 net income as follows:

	ﷲ ‘000s
2025 net income – after zakat and income tax	5,116,238
Retained earnings from previous years	6,144,860
Total	11,261,098
Distributed as follows:	
Total final dividends for 2024	(1,166,127)
Tier 1 Sukuk cost	(187,411)
Net loss on derecognition of FVOCI equity investments	(4,168)
Total interim dividends (for the first half of 2025 at a rate of 22.9% of the year’s net income) *	(1,173,658)
Transferred to statutory reserve	(1,285,000)
Retained earnings as of 31 December 2025	7,444,734

* On 31 January 2026, the Board of Directors approved to pay a cash dividend of ﷲ 1,300 million for the second half of 2025 after deducting zakat. The proposed final dividends resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. The income tax liability of the foreign shareholders for the current and prior period (if any) will be deducted from their dividend share. This final dividend will be distributed on 16 February 2026; accordingly, the total interim and final dividends for the year 2025 will be 45.7% of the net income of the year 2025.

Future strategic plans
anb embarked on an ambitious 5-year strategy in 2022 by laying the foundation for its future transformation and business sustainability. The strategy is focused on positioning the Bank as a leading player in the market with a focus on sustainable growth and enhancement of profitability across the key business segments.

Wholesale Banking – The Bank of Choice:
anb aims to differentiate itself in the Wholesale Banking segment by enhancing its service offerings and becoming the chosen banking partner for the leading corporations in the Kingdom of Saudi Arabia, in addition to supporting and leveraging the opportunities driven by the Kingdom’s transformation as part of Vision 2030.

As for Corporate and Commercial Banking, the Bank will focus on sustainable growth in strategic sectors through leading and participating in project and structured finance solutions, as well as bolstering anb’s position as a key financial partner by offering bespoke transaction banking, liquidity management solutions and capital market products through anb capital. Additionally, offer tailored solutions to Vision 2030 initiatives through the established Vision Realization Division, which will support the Bank in being an active participant in the Vision.

As for Micro, Small and Medium Enterprises (MSME) Banking, the Bank will exert maximum efforts to maintain its strong position as a supporter and enabler of this crucial segment, by partnering with Monsha’at and the Kafalah program. Enhancing product offerings and services by providing new innovative lending, transaction banking and advisory products.

Additionally, with the growth of fintech players in the Kingdom of Saudi Arabia, anb will continue to focus on enhancing the infrastructure and API capabilities to maintain its market-leading position.

As for Environment, Social and Governance, the Bank will support the national Net Zero 2060 goal and its clients’ climate transition efforts through unique, expertise-based value proposition across Wholesale and SME businesses. It will be done through better understanding of climate risk and decarbonizing the Bank’s portfolio.

Finally, anb will support the Kingdom’s social advancement priorities and the Bank’s local community, and transparently inform regulators and investors and other stakeholders about its ESG actions.

Retail Banking – Empower its clients through tailored value propositions:
As part of the 5-year strategy, anb aims to capitalize on the Kingdom’s growing retail banking opportunities, driven by the socioeconomic development taking place across the country. Therefore, Retail Banking is gearing itself toward enhancing its affluent customer segment and providing tailored offerings. The Bank will enhance and expand its product offerings in-line with clients’ needs. This will include tailored mortgage propositions, introducing new credit card products, enhancing personal finance products and growing the auto leasing portfolio. Furthermore, in-line with the Kingdom’s Vision 2030 initiative to support financial literacy and savings, anb is expanding its savings products, including current accounts, call accounts and time deposits, in addition to collaborating with anb capital to offer bespoke brokerage and investment solutions for the various client

Directors' Report

for the financial year ended 31 December 2025

segments. Finally, in line with the updated brand, optimizing the branch network to improve customer satisfaction and enhance operational efficiency is a key focus area.

Private Banking – trusted financial partner for High-Net-Worth Individuals (HNWI):
anb aims to deepen client relations by expanding product breadth and driving collaboration with Commercial Banking and Corporate Banking to cover the client’s full needs. Additionally, the Bank will start specialized programs targeting under-served HNWI segments and position the Bank as a multi-generational partner.

Treasury – Diversifying revenue streams to support growth:
Treasury aims to diversify its income sources by expanding its product offerings and increasing cross-selling with Wholesale and Private Banking to enhance existing relationships. In addition, Treasury will continue to cater to the expected balance sheet growth in the business segments and ensure the Bank’s healthy capital position is maintained.

anb capital – Become the premier investment company of Saudi Arabia:
anb capital's strategy aims to drive innovation in each business segment to build credentials and credibility, and become the trusted partner to Saudi individuals, institutions and government. This will be done through focused growth in capital markets and asset management, as well as expansion of advisory activity in real estate, investment banking and private equity.

In order for the Bank to achieve its business targets, anb’s 5-year strategy identified the key enablers, with the following highlights:

Digital – Build the regional digital champion:
anb’s Digital Office drives the digital transformation across the Bank and supports the business lines to be at the forefront of innovation. This includes launching and enhancing digital channels in Retail Banking to offer end-to-end personalized digital customer journeys across all products and services, in addition to improving efficiency in Retail Banking client services and operations to grow satisfaction and efficiency. Moreover, Wholesale Banking will develop its proprietary transaction banking solutions and enhance relationship management tools to enable best-in-class services for corporate, commercial and MSME clients.

Marketing and Customer Experience – Excellence in customer experience to strengthen Brand equity:
Following the highly successful rebrand and positive market reception of the new corporate identity, anb will continue to enhance its brand positioning across its key customer segments, by introducing new offerings such as strategic brand partnerships and a market-leading retail loyalty program. The Customer Experience Division will continue to focus on enhancing and optimizing customer journeys, ensuring the voice of the customer is always at the forefront of service design, to deliver on the promise of “faster, simpler banking”.

Technology – Become a leading technology organization that accelerates business outcomes through reliable and innovative solutions:
anb is investing in its technology and data infrastructure to enhance operational resilience and future-proof its capabilities in a fast-evolving banking sector. This includes the upgrade of the core and back-end systems to enhance the agility and efficiency required for digitization across all business lines.

Human Capital – The Kingdom’s banking employer of choice:
anb has placed increased emphasis on human capital initiatives to support the Bank’s growth and position itself as a leading employer in the Kingdom of Saudi Arabia. This includes focusing on learning and development to enhance employees’ competencies in the emerging digital field. In addition, anb is focused on enhancing the employer value proposition to attract and retain the best talent, by introducing cultural initiatives and enhancing the flexibility for employees to perform their daily activities.

Organizational Effectiveness – Drive organizational efficiency:
anb has placed increased importance on operational and financial efficiency through its initiatives to support the Bank’s performance. This includes focusing on procurement activities and practices to promote operational and financial optimization.

Risk Management – Fostering a risk culture to elevate operations and enable business growth:
anb aims to craft a resilient and strategic risk framework and elevate risk operational excellence to enable business growth. The Bank also aims to become the trusted and cyber resilient financial partner, by anticipating emerging threats and bolstering cybersecurity capabilities.

Principal activities
For management purposes, the Group is organized into the following major operating segments:

Retail Banking	Deposits, credit and investment products for individuals.
Corporate Banking	Loans and advances, deposits and other credit products for corporate and institutional customers, and small to medium sized businesses.
Treasury Banking	Manages the Bank’s trading and investment portfolios and the Bank’s funding, liquidity, currency and commission rate risks.
Investment and Brokerage Services	Investment management services, asset management activities related to dealing, managing, arranging, advising and custody of securities.
Other	Includes income on capital and unallocated costs and assets and liabilities of Head Office and other supporting departments.

Transactions between business segments are reported in accordance with the Group’s transfer pricing system. The basis for determining the intersegment operating income/ (expenses) for the current year are consistent with the basis used for 31 December 2024. Segment assets and liabilities mainly comprise of operating assets and liabilities. The Group’s primary business is conducted in the Kingdom of Saudi Arabia with one international branch in London, United Kingdom; however, the total assets, liabilities, commitments and results of operations of this branch are not material to the Group’s overall consolidated financial statements.

The Group’s total assets and liabilities as of 31 December 2025 and its total operating income, expenses and net income for the year then ended, by operating segments, are as follows:

2025 - ٢٠٢٥	Retail Banking	Corporate Banking	Treasury	Investment and brokerage services	Other	Total
Total assets	75,743,382	125,151,775	76,484,441	1,170,421	2,833,255	281,383,274
Investments in associates	-	-	-	289,722	618,404	908,126
Total liabilities	99,272,246	115,245,588	15,204,556	183,283	1,964,598	231,870,271
Operating income/ (expenses) from external customers	2,031,734	7,096,542	797,751	556,336	(599,234)	9,883,129
Intersegment operating income/ (expenses)	1,750,249	(2,837,137)	627,683	-	459,205	-
Total operating income	3,781,983	4,259,405	1,425,434	556,336	(140,029)	9,883,129
Of which:						
Net special commission income	3,622,182	3,208,842	529,845	248,347	487,850	8,097,066
ECL allowance charges and other provisions, net	282,098	403,182	4,380	3,000	-	692,660
Reversal of impairment charge on other real estate owned	-	(100,000)	-	-	-	(100,000)
Depreciation and amortization	240,139	12,265	5,528	4,818	(1,369)	261,381
Total operating expenses	2,381,901	1,161,965	135,213	197,036	53,780	3,929,895
Share in earnings of associates, net	-	-	-	11,156	16,247	27,403
Net income before zakat and income tax	1,400,082	3,097,440	1,290,221	370,456	(177,562)	5,980,637

Directors' Report

for the financial year ended 31 December 2025

Micro, small and medium enterprises (MSMEs)

MSME relationships are managed at anb by dedicated business units catering for the financial services requirements of (i) micro and small enterprises and (ii) medium sized businesses. This bifurcation is necessary because of the different client coverage, credit underwriting and risk management / control models required for these 2 segments. In view of the importance of the sector to the economy, a dedicated work force has been allocated for small and micro enterprises, this is in addition to the Commercial Banking Department force specialized to serve the medium-sized enterprises’ sector. This specialization in relationship management comes from the Bank's keenness to cover and meet all the needs of these enterprises in view of their sizes and growth requirements.

Establishing a meaningful presence in the MSME segment is a key strategic priority and to this end, the Bank over the past 4 years expanded its distribution footprint by establishing 14 dedicated MSME centers across the Kingdom covering 10 cities. anb offers its clients a range of facilities including borrowing services that include short- and medium-term loans, and non-borrowing services such as Trade Services, Account Services, Internet Banking, Utility Bill Payment, Payroll Services and POS Merchant. For the micro and small sub-segments, the Bank offers customized solutions via Product Programs to cover a wide range of financing requirements along with a competitive price range.

arab national bank is one of the leading participants of the Kafalah program, as it has won 2 awards from the Kafalah Program during 2025, “Bronze Award for Outstanding Performance”, and awards for “Excellence in Supporting and Financing Micro Enterprises”. The Bank works closely with Monsha’at SME, participating in its development programs through launching new financing and awareness programs. In addition, the Bank is one of the most important supporting financing bodies in the MSME funding platform; and being one of the leading banks in relation to co-financing

collaboration with SME Bank which commenced financing in 2023. The Bank was recognized in 2025 with the award for “Highest Commercial Bank Contributor” under the Co-Finance Program by SME Bank.

anb continues to support the transformation technology through the SME digital platform that allows micro and small enterprises to apply for facilities through the Bank's electronic gate, obtain the necessary approvals and sign the contracts electronically. The platform allows the micro and small enterprises to apply for drawdown and settlement requests and signing the required documents digitally.

The Bank envisages growth in 2026 to be challenging with increasing competition amongst financial institutions in the MSME segment. The Bank will continue to focus on selective industry and geographic segments and endeavor to provide innovative and relevant research based financial services solutions to the selected segments. Technology requirements including digital solutions will be a key enabler in this regard.

Building bench strength and a knowledge pool is another key dependency in anb’s strategic plan. The Bank plans to keep investing in its staff strength during 2026, as training needs are identified at the start of the year based on competency gaps. Individuals are then assigned to appropriate external and internal programs.

The Bank is committed to play its part in facilitating the government’s initiatives to increase the GDP participation of the MSME segment by introducing new research-based product propositions that meet the borrowing and non-borrowing financial servicing needs of the segment.

arab national bank also remains committed to supporting the Kafalah program, governmental funds and entities by partaking in initiatives to promote and develop the MSME segment, as identified by Monsha’at and other government institutions.

Quantitative disclosures

The year-on-year growth in the MSME business, as reported periodically to the Saudi Central Bank is highlighted as follows:

	As of 31 December 2025				As of 31 December 2024			
Details	Micro	Small	Medium	Total	Micro	Small	Medium	Total
Loans to MSMEs – on balance sheet (ﷲ millions)	1,900	9,879	20,324	32,103	1,518	8,001	16,749	26,268
Loans to MSMEs – off balance sheet (ﷲ millions)	334	2,022	7,767	10,123	303	1,828	6,406	8,537
On balance sheet loans to MSMEs as a percentage of total on balance sheet loans	0.96%	4.98%	10.24%	16.18%	0.88%	4.64%	9.70%	15.22%
Off balance sheet loans to MSMEs as a percentage of total off-balance sheet loans	0.58%	3.51%	13.48%	17.57%	0.61%	3.65%	12.79%	17.05%
Number of loans (on and off-balance sheet)	2,776	7,492	5,074	15,342	2,550	6,887	4,522	13,959
Number of customers (on and off-balance sheet)	1,701	2,805	749	5,255	1,506	2,543	679	4,728
Number of loans guaranteed by Kafalah program (on and off-balance sheet)	1,974	3,986	579	6,539	1,127	1,556	119	2,802
Amount of loans guaranteed by Kafalah program (on and off-balance sheet) - (ﷲ millions)	739	1,831	864	3,434	544	1,309	191	2,044

MSMEs training initiatives and workshops for staff and customers	FY 2025
Number of man-days training provided to staff (*)	1,114
Number of man-days training provided to customers (*)	17

(*) Man-days based on 6 hours per day.

Risks encountered or that could potentially be encountered by the Bank

Risk management

anb’s Risk Management Group (RMG) provides an independent and centralized risk management function to ensure that an optimal balance between risk and return is achieved given the Bank's strategic objectives. RMG is also responsible for implementing the Basel Accord’s capital and liquidity adequacy rules and other related requirements. RMG performs a critical role in ensuring that anb’s activities are prudent and reflect the dynamic nature of current and emerging risk factors.

The Bank is exposed to the following main risks:

a) Credit risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer or counterparty is either unwilling to perform an obligation or its ability to perform such an obligation is impaired, resulting in an economic loss to the Bank. The Bank is exposed to credit risk when its business units extend credit to various counterparties.

Established credit risk policies and procedures provide controls over credit risk portfolios through periodic assessment of the credit worthiness of obligors, quantifying

Directors' Report

for the financial year ended 31 December 2025

maximum permissible exposure to specific obligor and continuous monitoring of individual exposures and portfolios.

b) Market risk

Market risk is the risk that the value of the Bank’s on- and off-balance sheet positions will be adversely affected by movements in market rates or prices. Major market risk factors that the Bank is exposed to include Interest Rates (IR), Foreign Exchange (FX) rates and equity prices, which exist in both the trading book and the banking book and could result in losses to earnings and capital.

Liquidity risk could be of 2 types: funding liquidity risk and market liquidity risk. The former is the risk that the Bank will not be able to efficiently meet both, expected and unexpected, current and future cash flows and collateral needs without affecting either daily operations or the financial position of the Bank. The latter refers to the risk that the Bank cannot easily liquidate some or all of its holdings of liquid asset reserves without suffering a significant haircut due to inadequate market depth or market disruption.

Market risk is managed by effectively implementing Board-approved limits for all relevant market risk factors, e.g. interest rate risk, FX risk and equity price risk in the investment portfolio. The Board has also established a set of limits for liquidity risk to ensure that the Bank maintains a strong liquidity risk profile to meet both regulatory and internal requirements under both normal and stressed conditions.

c) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk.

Operational risks are inherent in the Bank’s products, activities, processes and systems. The Bank continually strives to reduce operational risks to acceptable levels. The Bank has defined the operational risk appetite metric, which is regularly monitored and reported to the Bank’s Senior Management and the Board Risk Committee.

Operational risks are managed through established risk management policies and procedures including a wide range of sources of operational risk such as business continuity, information security, technology risk, Shariah non-compliance risk, regulatory risk and fraud risk.

The Bank has also established policies and procedures for several risk-taking activities, including but not limited to, the launch of new products and services, outsourcing and third-party arrangements, changes to procedures, changes to systems, etc. The independent review process for such activities by Operational Risk Management among others is the second line of defense function, which effectively mitigates a multitude of risks faced by the Bank.

d) Regulatory and reputational risk

Reputational risk is the risk arising from an adverse perception of the image of the Bank on the part of customers, counterparties, shareholders, investors and /or regulators and supervisory authorities. It is also the potential risk that negative publicity, whether true or not, would cause a decline in the customer base, entail additional costs, affect the Bank’s brand value and/or result in revenue reductions.

The regulatory risks are related to imposing penalties by regulatory and supervisory authorities resulting from non-compliance to related regulations and instructions and resulting violations. Risks are managed mainly by the Bank’s Compliance and Anti-Money Laundering Group as an independent body, which is assigned to evaluate such risks and formulate the controls’ framework to mitigate such risks.

e) Technology risk

The Bank’s commitment to digital transformation has been a driver in reshaping its technology landscape, enabling enhanced service delivery through digital channels, automating processes, facilitating customer migration to online platforms, leveraging data analytics for business decision-making and regulatory reporting.

This evolution has also introduced new risks, including third-party risk, emerging technology risk, fintech risk, data privacy risk and cloud computing risk. These risks are managed through a coordinated approach, with Information Technology Group implementing safeguards and the Risk Management Group – comprising Technology Risk, Information Security Risk, Business Continuity and Operational Risk – developing and overseeing comprehensive risk management frameworks. This collaborative effort ensures the Bank remains resilient and well prepared to navigate the challenges of an ever-evolving technology landscape.

f) Fraud risk

Fraud risk refers to the risk of intentional deceit to obtain direct or indirect benefits by exploiting technical or documentary means, relationships or social means, using functional powers, or deliberately neglecting or exploiting weaknesses in systems or standards. The rapid development of new channels, services, products to enhance the customers experience and align with the ongoing technological advancements creates new methods for fraudulent activities that can be exposed by fraudsters.

Fraud risks are mitigated by assessing potential fraud risks prior to launching any new product, service or channel, as well as identifying risks and implementing required controls post implementation through the annual Bank-wide fraud risk assessment, and monitoring fraud incidents on a daily basis to identify root-cause analysis and take corrective measures when needed.

g) Cybersecurity risk

Cybersecurity is the practices and measures taken to protect digital information and technology systems from unauthorized access, data breaches and other cyber threats. This encompasses protecting sensitive customer data, financial transactions and internal banking systems.

The digitization of banking services inherently introduces various cybersecurity risks. Online banking, mobile applications and cloud-based services, while offering convenience and efficiency, also create vulnerabilities to cyber-attacks such as hacking, phishing and malware.

The Bank employs various strategies to manage and mitigate cybersecurity risks requiring a comprehensive approach that includes robust security measures, ongoing risk assessment, employee training, legal compliance and a proactive stance towards evolving cyber threats. This comprehensive approach is essential for protecting sensitive data and maintaining the trust and confidence of customers in the digital banking environment.

h) Real estate finance risk

The Bank’s total outstanding residential real estate finance portfolio as of 31 December 2025, was ₹ 27,432 million. 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 the 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 utilized to hedge various risks associated with its residential real estate finance portfolio:

- i. Life insurance: The life insurance provides financial protection in the event of death resulting from natural or accidental events or specified cause as per the insurance policy in order to recover the outstanding finance amount from the insurance company.
- ii. Disability insurance: The disability insurance provides financial protection to recover the outstanding financing amount in the event that the policyholder

becomes fully and permanently disabled and is unable to work or engage in an income earning activity.

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

i) Business continuity risk

Business continuity risks arise from threats – such as technical failures, natural disasters, cyber-attacks and others – that could disrupt the Bank’s services and operations beyond predefined tolerable objectives; potentially resulting in damage to the Bank’s performance, reputation, customers or the financial sector as a whole.

The Bank has a matured business continuity capability, that is conformant to relevant regulatory frameworks and international standards and best practices to ensure its services and operations, if disrupted, are restored within pre-approved times. This is achieved through a robust business continuity governance framework and sound and effective strategies, such as alternate data centers and workplaces, data backup and restoration capabilities, business continuity plans, emergency response and crisis management plans, regular testing and rehearsals, reviews, and continual improvement.

j) Data privacy risk

The Bank’s operations involve the use of personal data to deliver services and meet regulatory obligations. As the Bank continues to expand its digital channels and technology-enabled services, personal data is handled across a broader range of business activities and operational processes.

The Bank manages data privacy through an established governance and control framework, including approved policies and procedures, clearly defined roles and responsibilities, and supporting controls embedded within business and technology processes. These measures are designed, in accordance with applicable data privacy regulatory requirements, to support compliance and maintain strong data privacy practices as the Bank continues to expand and enhance its digital services.

Directors' Report

for the financial year ended 31 December 2025

Corporate governance in the Kingdom of Saudi Arabia

In line with the regulatory requirements stipulated in the Corporate Governance Regulation issued by the Capital Market Authority (CMA), including Article 87 paragraph (1), which stipulates the need to include the provisions of the Corporate Governance Regulation that have been applied or not and the reasons thereof, arab national bank confirms its full commitment to apply all provisions stipulated in the Corporate Governance Regulation, in order to enhance transparency and effective oversight of its business. The Bank clarifies the following exceptions:

No.	Article No.	Article / paragraph	Justification
1.	Article No. 39 - The Assessment paragraph (e) (Guiding article)	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third-party every 3 years.	The assessment is carried out internally and on an annual basis.
2.	Article No. 92 - formation of the Corporate Governance Committee (Guiding article)	If the Board forms a Corporate Governance Committee, it shall assign to it the competencies stipulated in Article 91 of these regulations. Such Committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	In accordance with its charter, the Board of Directors conducts annual oversight of the Bank’s governance policies and procedures, ensuring the practices in place are effective and making adjustments as needed.

Governance message

An effective governance framework – grounded in the principles of integrity, transparency, fairness and accountability – serves as a fundamental pillar of arab national bank’s operations and its approach to enhancing performance and sustaining long-term growth. Adherence to applicable laws and regulations forms a solid operational and administrative foundation that underpins the Bank’s activities across all functions, ensuring the protection of shareholders’ and stakeholders’ rights and strengthening confidence in the Bank’s practices.

The Bank is anchored in a well-established governance framework led by the Board of Directors through exemplary conduct and responsibility, while the executive management embodies this framework through a conscious commitment to both the spirit and letter of applicable regulations, reaffirming the critical role of governance in ensuring the efficiency and effectiveness of the institutional operating model.

In this context, the Bank has been committed to adopting a comprehensive set of regulatory references and internal policies, including the Bank’s Articles of Association, the Corporate Governance Policy, the Board of Directors’ charters and those of its Committees, in addition to the supporting system of policies and procedures that ensure role clarity, strengthen institutional discipline and promote effective decision-making.

The Bank’s application of governance principles is guided by an approach grounded in leading local and international best practices, alongside full compliance with the regulatory

requirements of the jurisdictions in which it operates. This includes the Companies’ Law issued under Royal Decree No. (M/132) dated 1 Dhul Hijjah 1443H, the Key Principles of Governance in Financial Institutions issued by the Saudi Central Bank (SAMA), and the Corporate Governance Regulations issued by the Capital Market Authority (CMA).

arab national bank reaffirms its ongoing commitment to enhancing the effectiveness of its governance framework and strengthening its culture across all organizational levels, in a manner that supports the Bank’s ability to adapt to market developments and deliver sustainable long-term value.

Subordinated Tier II capital Sukuk

On 21 October 2020, the Bank issued a USD 750 million, 10-year subordinated Tier II capital Sukuk, carrying a special commission rate of 3.326%. The Bank exercised the call option and fully redeemed the Sukuk in October 2025.

Share capital

As of 31 December 2025, the authorized and fully paid share capital of the Bank consists of 2,000 million shares of ﷲ 10 each. The ownership of the Bank’s share capital is as follows:

Saudi and non-strategic foreign shareholders	60%
Strategic shareholder – Arab Bank PLC – Jordan	40%

On 7 February 2024, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the share capital by ﷲ 5 billion through

capitalization from the retained earnings by way of granting 1 share for every 3 shares (i.e. issue of bonus shares). The issue of bonus shares was approved by the Extraordinary General Assembly on 20 May 2024 after obtaining the necessary regulatory approvals. The regulatory procedures to update the Bank’s bylaws and commercial registration to reflect the increase in share capital were completed during the year ended 31 December 2024.

Treasury shares

On 20 May 2024, the Extraordinary General Assembly approved the purchase of 5 million treasury shares. The purchase was completed during the year ended 31 December 2024. These shares are intended for allocation to the Employee Share Program.

On 17 December 2024, the Board of Directors recommended to buy-back an additional number of the Bank’s shares, with a maximum of 10 million shares, to allocate to the Employee Share Program. This was approved by the Extraordinary General Assembly Meeting held on 8 April 2025. The purchase was completed by purchasing 10 million shares during the year ended 31 December 2025.

The book value of treasury shares amounted to ﷲ 316,366 thousand as of 31 December 2025.

Tier 1 capital Sukuk

On 13 January 2025, arab national bank announced its intention to issue a Saudi Riyal denominated additional Tier 1 capital Sukuk by way of private placement in the Kingdom of Saudi Arabia pursuant to its ﷲ 11,250 million additional Tier 1 capital Sukuk program. As of 31 December 2025, the value of the issuance amounted to ﷲ 4,955 million.

On 28 August 2025, the Bank announced its intention to issue USD denominated Tier 1 capital sustainable Sukuk by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally, pursuant to its additional Tier 1 capital sustainable Sukuk program. As of 31 December 2025, the value of the issuance amounted to USD 750 million.

As of 31 December 2025, the Board consisted of the following members:

Name	Position
1. Mr. Salah Rashed Al-Rashed	Chairman of the Board (Non-Executive)
2. Mr. Abdulmohsen Ibrahim Al-Touq	Deputy Chairman of the Board (Independent)
3. Mr. Obaid Abdullah Al-Rasheed	Managing Director (Executive)
4. Mr. Hesham Abdullatif Al-Jabr	Board Member (Non-Executive)
5. Dr. Mohammed Faraj Alkanani Al-Zahrani	Board Member (Independent)
6. Mr. Thamer Mesfer Al-Wadai	Board Member (Independent)
7. Mr. Mohammed Abdulfattah Alghanamah	Board Member (Non-Executive)
8. Mr. Osama Khalid Alatiki	Board Member (Independent)
9. Mrs. Randa Muhammad Al-Sadiq	Board Member (Non-Executive)
10. Mr. Naim Rassem Al-Hussaini	Board Member (Non-Executive)

Board of Directors

The Bank’s management represented by the Chairman and members of the Board is keen to deliver sustainable long-term value to shareholders. Implementation of the strategy set by the Board is delegated to the Managing Director, who is supported by the Executive Committee (that comprises mainly of Board Members) as well as Board Committees.

The Board of Directors consists of 10 members, of whom 7 are elected by the General Assembly of the Bank’s shareholders and Arab Bank Plc. appoints the other 3 members for a period of 3 years. All members of the Board of Directors may be reappointed. When nominating members, professional skills, financial experience, appropriate qualifications, and appropriate personal characteristics are taken into account, as well as good reputation, integrity, competence, responsibility and the ability to carry out the duties and responsibilities as a member of the Board of Directors. Therefore, each member is required, before his appointment, to complete the suitability form issued by the Saudi Central Bank, where the Bank obtains a non-objection from the Saudi Central Bank to ensure integrity and suitability.

The Board has a clearly documented schedule of meetings and an agenda of key discussion points that include the agreement of strategy, budgets, major capital expenditures, policies covering treasury, credit and other business units, the annual internal audit plan and authority levels for expenditure as well as proposing dividend distributions and approving the appointment of general managers and the Head of Internal Audit. All directors have full and timely access to relevant information through the Board Secretary. They may also opt for independent professional advice, where needed, to discharge their responsibilities as Board Members.

The Board ensures that the Bank’s organizational structure is effectively established to manage its business. This structure includes appropriate delegation of authority and accountability considering acceptable levels of risks. This is documented in the Bank’s high-level control framework which is reviewed by the Board annually.

Directors' Report

for the financial year ended 31 December 2025

Naim Rassem Al-Hussaini
Board Member



Mohammed Faraj Alkanani Al-Zahrani
Board Member



Obaid Abdullah Al-Rasheed
Managing Director and Chief Executive Officer



Randa Muhammad Al-Sadiq
Board Member



Salah Rashed Al-Rashed
Chairman of the Board



Abdulmohsen Ibrahim Al-Touq
Deputy Chairman of the Board



Hesham Abdullatif Al-Jabr
Board Member



Thamer Mesfer Al-Wadai
Board Member



Osama Khalid Alatiki
Board Member



Mohammed Abdulfattah Alghanamah
Board Member



Directors' Report

for the financial year ended 31 December 2025

The following is a brief description of the qualifications and experience of the Board Members, Board Committees and Senior Executives:

a) Brief description of the Board Members and Board Committees members’ qualifications and experiences

Mr. Salah Rashed Al-Rashed



Position

- Chairman of the Board
- Chairman of the Executive Committee
- Member of the Nomination and Remuneration Committee

Academic qualifications

- Bachelor’s degree in Engineering from Washington University

Practical experience

He is the Executive Manager and Partner at Rashid Abdulrahman Al-Rashid and Sons Co. He has wide and extensive accumulated experience

in finance, business, management, commercial and industrial investment. He was a member of the Consulting Authority of the Supreme Economic Council, Board Member for the Chamber of Commerce & Industry, a member of the Finance Committee and Chairman of the Investment Committee. He was also the Chairman and a member of many closed stock joint and limited liability companies.

Mr. Obaid Abdullah Al-Rasheed



Position

- Managing Director
- Chief Executive Officer
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications

- Bachelor’s degree in Business Administration from Saint Jose University in California, USA

Practical experience

He is currently the Managing Director and Chief Executive Officer at arab national bank. He has extensive and long-standing experience in the

banking industry. He is a member of several Committees: the Executive Committee and the Strategy Committee, and has held several memberships, including Deputy Chairman of the Board of Directors of Doctor Sulaiman Al-Habib Company for Medical Services, Deputy Chairman of the Board of Directors of Saudi Chemical Company, anb capital (a subsidiary) and SHL Finance Company (an associate) and a member of the Executive Committee of the Saudi British Business Council.

Mr. Abdulmohsen Ibrahim Al-Touq



Position

- Deputy Chairman of the Board
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications

- Bachelor’s degree in Business Administration from King Saud University

Practical experience

He is the Chairman of the Board of Directors of Al-Touq Limited. He has extensive experience in management, real estate investment, energy, telecommunications and financial services. He is a member of the Young Presidents' Organization (YPO) and the

Young Arab Leaders Organization (YAL). He is also a member of the Board of Directors of the Tourism Development Fund, Chairman of the Audit and Risk Committees, member of the Credit Committee and Vice Chairman of the Board of Directors of Dan Company, Vice Chairman of the Executive Committee, and member of the Board of Directors and its Committees (Audit and Risk Committees) of Al-Aqeer Development Company, Vice Chairman of the Board of Directors at Thara Future Investment Company, and a member of the Board of Directors at several leading companies in Saudi Arabia and abroad.

Mr. Hesham Abdullatif Al-Jabr



Position

- Board Member
- Member of the Executive Committee
- Member of the Strategy Committee

Academic qualifications

- Management and Human Sciences/ (Secondary)

Practical experience

He has extensive experience in the fields of management and investment. He is a Board Member and General Manager at Al-Jabr Trading Holding Co. He currently serves as a member of the board of directors at several

companies; and his expertise includes investment and finance. He previously served as a Board Member for (Natly) Company for Furniture and Internal Design and for KIA Co. Furthermore, he was a Board Member for the Gulf Commercial Bank, the United Gas Transport Company and the Advanced Electronic Tools Co. Ltd. He has also previously served as a member of the Saudi Chinese Business Council and the Saudi Chinese Friendship Association, amongst many others; and he has completed several specialized courses in marketing, sales and finance, and attended seminars on governance.

Directors' Report

for the financial year ended 31 December 2025

Mr. Thamer
Mesfer Al-Wadai



Position

- Board Member
- Member of the Nomination and Remuneration Committee
- Chairman of the Audit Committee

Academic qualifications

- Master's degree in Business Administration from Yamamah University
- Bachelor's degree in Business Administration from Imam Mohammed Bin Saud Islamic University
- Accounting Diploma from the Institute of Public Administration

Practical experience

Currently, he is the Internal Audit

Executive Director at the Human Resources Development Fund (HADAF). He held several positions including Assistant Director of Internal Control and Director of the Control and Quality Assurance Program for SAMBA Financial Group, Board Member at MetLife-AIG-ANB for Cooperative Insurance, Internal Audit Assistant Manager at Alinma Bank and Alawwal Bank and Chief Internal Audit Officer at Alyusr Company for Ijara and Finance and American Express Company. He served as the General Director of the General Department of Internal Audit at the Saudi Customs Authority.

Mr. Mohammed Abdulfattah
Alghanamah



Position

- Board Member
- Member of the Executive Committee
- Chairman of the Risk Committee

Academic qualifications

- Bachelor's degree in Mathematics from King Saud University
- Diploma in Programming

Practical experience

He is a Board Member of arab national bank representing Arab Bank PLC, Jordan, and has extensive experience in banking. Currently, he is the Head of the Credit Department at Arab Bank PLC, Jordan.

Mrs. Randa
Muhammad Al-Sadiq



Position

- Board Member
- Chairman of the Strategy Committee

Academic qualifications

- Master's degree in Banking and Financial Sciences from the American University of Beirut
- Bachelor's degree in Business Administration from the American University of Beirut

Practical experience

She currently holds the position of Managing Director and Chief Executive Officer of Arab Bank PLC, Jordan. She has held several other positions

including General Manager of the International Banking Group at the National Bank of Kuwait - Kuwait, Managing Director and Executive Director of the Treasury Department, and Director of Current Assets Management at the National Bank of Kuwait, London.

Mr. Naim Rassem
Al-Hussaini



Position

- Board Member
- Member of the Risk Committee

Academic qualifications

- Bachelor's degree in Industry Management from King Fahd University of Petroleum and Minerals

Practical experience

He currently serves as Deputy General Manager of Retail Banking and Wealth Management at Arab Bank PLC and is a member of the boards of directors of regional banks and companies. He held several positions at Banque Saudi Fransi, including Director of Retail Banking Group, Acting Director

of Retail Banking Group, Director of Retail Asset Sales sector, Regional Head of the Retail Banking Group in the Eastern Province, and Head of Business Network and Financial Planning Department - Retail Banking Group and General Administration and Director of Personnel Affairs in the Human Resources Department as well as Director of Recruitment and Government Relations, in the Human Resources Department. He also served as Director of Budget and Financial Planning and Head of Bidding and Contracts at Saudi Telecommunications Company.

Directors' Report

for the financial year ended 31 December 2025

Mr. Osama Khalid Alatiki



Position

- Board Member
- Member of the Risk Committee

Academic qualifications

- Master's degree in Administration Technology from Wisconsin Stout, USA
- Bachelor's degree in Information Systems from Wisconsin Stout, USA

Practical experience

He currently holds the position of Chief Operating Officer at Hassana Investment Company. He has held several other senior positions including Executive Director of Investors

Services at JP Morgan Saudi Arabia. He also held various positions at HSBC Saudi Arabia and the Saudi British Bank.

Dr. Mohammed Faraj Alkanani Al-Zahrani



Position

- Board Member
- Chairman of the Nomination and Remuneration Committee
- Member of the Risk Committee
- Member of the Strategy Committee

Academic qualifications

- Ph.D. in Financial Sciences - Statistics from Oklahoma University in 2006
- Master's degree in Financial Sciences from Colorado University in Denver, USA
- Bachelor's degree in Financial Sciences from King Fahd University of Petroleum and Minerals
- Chartered Financial Analyst (CFA)

Practical experience

He is the Founder and CEO of the Development Alliance, as well as has

experience in various other leadership roles. He held several positions including Executive Vice President and General Supervisor of Endowment Investments of King Fahd University of Petroleum and Minerals. He is a Board Member and a member of auditing and investment Committees of several listed and unlisted companies. He also provides consultations and training to Aramco, Bin Laden Group, Al Rajhi Endowments and the General Presidency of the Two Holly Mosques Endowments. He is also experienced in mergers and acquisitions for private companies. He served as the Dean of the College of Business Administration at King Fahd University of Petroleum and Minerals and worked in the fields of executive and non-executive education.

b) Brief description of the qualifications and experience of the Risk Committee member from outside the Board

Member	Position	Academic qualifications	Practical experience
Mr. Sultan Suleiman Al-Tukheim	• Member of the Risk Committee (from outside the Board)	• Master's degree in Engineering Management from Florida Tech, USA • Master's degree in Information Systems from King Saud University • Bachelor's degree in Information Systems from King Saud University	He currently serves as a member of the Corporate Risk Committee at American Express Saudi Arabia and a member of the Risk and Credit Committees at United Financial Services Company (Tas'heel Finance), as well as Head of Cybersecurity and Compliance at Google Cloud Saudi Arabia. Previously held several positions, including General Manager of Cybersecurity and Data Governance at the Communications, Space and Technology Commission, Vice President of Information Security at Distinctive Solutions and Business Technology Analyst at Boeing Airlines - Seattle, Information Security Planner at Saudi Telecom Company, Information Systems Analyst at the Saudi Central Bank, Director of Information Security at the Capital Market Authority and Head of Information Security at the Saudi Investment Bank.

c) Brief description of the Audit Committee members' qualifications and experience

Member	Academic qualifications	Practical experience
Mr. Thamer Mesfer Al-Wadai	• Master's degree in Business Administration from Yamamah University • Bachelor's degree in Business Administration from Imam Mohammed Bin Saud Islamic University • Accounting Diploma from the Institute of Public Administration	Currently, he is the Internal Audit Executive Director at the Human Resources Development Fund (Hadafl). He held several positions including Assistant Director of Internal Control and Director of the Control and Quality Assurance Program for SAMBA Financial Group, Board Member at MetLife-AIG-ANB for Cooperative Insurance, Internal Audit Assistant Manager at Alinma Bank and Alawwal Bank, and Chief Internal Audit Officer at Alyusr Company for Ijara and Finance and American Express Company. He served as the General Director of the General Department of Internal Audit at Saudi Customs Authority.

Directors' Report

for the financial year ended 31 December 2025

Member	Academic qualifications	Practical experience
Mr. Khaled Mohammed Al-Bawardi	Bachelor’s degree in Industrial Management from King Fahd University of Petroleum and Minerals	He has lengthy experience in the field of management, investment and trade. He currently holds the position of Chairman of the Board for many companies, including Al-Bawardi Holding Group, International Transport and Warehousing Co., Eastern Gateway Bonded & Re-Export Zone Co., Al Masader Alinshaeah Company, Bena Steel Industries Co., Ashraq Development Company (Ashraq), the Investment Stimulation Committee of the Eastern Region Development Authority, and memberships for many other companies. He also served as Vice President of the Chamber of Commerce and Industry in the Eastern Province, a member of the Shura Council, and served as Chairman and member of the Board of Directors for a number of joint stock companies, Committees and social events.
Mr. Abdullah Sayel Alanizi	- Executive Master’s degree in Business Administration from King Fahd University of Petroleum and Minerals - Bachelor’s degree in Information Systems from King Saud University	He currently serves as the Chief Executive Officer of the Group’s Internal Audit Unit for Saudi Telecom Company, a member of the Audit Committee at Sahab Company, a member of the Audit Committee at Nabco for Unified Procurement Company, a member of the Audit Committee at Solutions Co. and a member of the Board of Directors and Chairman of the Audit and Risk Committees at Tatimah Financial Company. He has extensive experience in internal auditing, governance, risk management, fraud detection and information security and technology. He has held several positions, including Chairman of the Board of Directors of Awqaf Company and member of the Audit Committee of Saudi Investment Bank, Nadec Company, MetLife Insurance Company, Elm Company, and Al-Ahli Investment Company.

d) Brief description of the qualifications and experience of the Shariah Committee members from outside the Board

Name	Position	Practical experience
Sheikh Abdullah bin Sulaiman bin Muneea	Independent member from outside the Board	Sheikh Abdullah is a member of the Council of Senior Scholars in the Kingdom of Saudi Arabia since its establishment, an advisor at the Royal Court and former President of the Court of Cassation in Makkah. His Excellency is a member of a number of Shariah bodies of local and international financial institutions, in addition to being the Vice Chairman of the Shariah Council of the Accounting and Auditing Organization for Islamic Financial Institutions. He is a member of the International Islamic Fiqh Academy of the Organization of the Islamic Conference and the Fiqh Academy of the Muslim World League and has many contributions and publications in the field of Islamic jurisprudence and economics.
Dr. Abdullah bin Abdulaziz Al-Muslih	Independent member from outside the Board	Dr. Abdullah is the Secretary General of the Islamic Council for Da'wah and Relief, Vice Chairman of the Board of Trustees of Chittagong Islamic University in Bangladesh and Academic Advisor to the College of Islamic Studies in Dubai. He was appointed as an instructor at the College of Shariah after his graduation in 1391H (corresponding to 1971) and worked as Dean of the College of Shariah and Arabic Language in Abha in 1396H (corresponding to 1976) and continued as Dean of the College of Shariah South Branch, until 1415H (corresponding to 1995). He has many publications on financial transactions and others, including Advantages of Islamic Banks, Murabaha from Jurisprudential Heritage to Contemporary Applications in Islamic Banks, Guide to Hajj and Umrah Rituals and others.
Dr. Abdulwahab bin Abdullatif Al-Saleh	Independent member from outside the Board	Dr. Abdulwahab holds a Ph.D. from the Higher Institute of Judiciary from Imam Muhammad bin Saud Islamic University with an excellent grade and First-Class Honors from the Department of Comparative Jurisprudence. His thesis was entitled: Incidental dispositions on financing contracts and banking services, a comparative jurisprudential study - a printed thesis. Dr. Abdulwahab has 13 years of judicial experience in the public judiciary and is a former member of the Scientific Council of the Prince Muhammad bin Fahd bin Jalawi Foundation, former Chairman of the Endowments Committee at Al-Ahsa Chamber, and former teaching assistant at King Faisal University College of Law.

Directors' Report

for the financial year ended 31 December 2025

e) Brief description of the Senior Executives' qualifications and experiences (*)

Mr. Kamal Khodr



Position

- Chief Risk Officer

Academic qualifications

- Master's degree in Business Administration (with specialization in Finance) from the University of Liverpool, UK
- Bachelor's degree in Accounting and Business Administration from the University of Richmond in London, UK
- Executive Leaders Program from Harvard Business School

Practical experience

He currently holds the position of Chief Risk Officer and has extensive

and diverse experience in the banking sector, spanning more than 25 years in risk management and corporate banking. Before joining anb, he held leadership positions at Banque Saudi Fransi and Alawwal Bank. He is a member of key management Committees at anb.

Dr. Zeyad Abanmay



Position

- Chief Treasury Officer

Academic qualifications

- Ph.D. in Engineering Management from the University of Missouri in Rolla, USA
- Master's degree in Management Information Systems from Sangamon University in Springfield, USA
- Bachelor's degree in Computer Science from the University of Illinois at Carbondale, USA

Practical experience

He is currently the Chief Treasury Officer and has more than 27 years of experience in the investment field. He

served as Head of Foreign Investments and a member of the Advisory Group at the Saudi Central Bank, Senior Manager of Alternative Investments at Samba Financial Group and Director of Alternative Investments at anb.

Mr. Louai Alzahr



Position

- Chief Wholesale Bank Officer

Academic qualifications

- Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals

Practical experience

He currently holds the position of Chief Wholesale Bank Officer. He has proven his abilities in building and maintaining effective business strategies. He has more than 22 years of experience in banking services. He is a committed effective team member who possesses excellent

communication and interpersonal skills with proven results in achieving goals. He participated and attended several courses related to the banking field.

Mr. Aiedh Alzahrani



Position

- Chief Operating Officer

Academic qualifications

- Bachelor's degree in Information Systems from King Saud University
- Many specialized certificates including: Six Sigma Black and Green Belt, and TOGAF Architecture

Practical experience

He currently holds the position of Chief Operating Officer (COO) at anb. Before joining the Bank, he held several positions at Riyadh Bank including Chief Information Officer and Deputy Vice President of Banking Solutions'

Support Department. He has more than 22 years of experience in strategic solutions through technological integration. He is a member of a number of Committees at anb including the Information Technology Committee, Executive Committee, Enterprise Risk Committee, etc.

Directors' Report

for the financial year ended 31 December 2025

Mr. Saad Aldughish



Position

- Chief Financial Officer

Academic qualifications

- Bachelor's degree in Accounting from King Saud University

Practical experience

He currently holds the position of Chief Financial Officer at anb. He has more than 20 years of experience during which he held several leadership positions in the field of financial management at Al Rajhi Bank and anb. He also serves as a member of several different management Committees at anb.

Mr. Bader Alotaibi



Position

- Chief Human Resources Officer

Academic qualifications

- Bachelor's degree in Human Resources from King Abdulaziz University
- Master's degree in Business Administration from Inseac University, France
- Executive Master's degree in Business Administration (EMBA) from Al Yamamah University

Practical experience

He is currently the Chief Human Resources Officer at anb. He has more than 20 years of experience in the field

of Human Resources; developing and implementing strategic initiatives. He also serves as a member of several different management Committees at anb.

Mr. Khaled Alrashed



Position

- Chief Retail Banking Officer

Academic qualifications

- Bachelor's degree in Business Administration from King Saud University
- Master's degree in Business Administration from Inseac University, France
- Executive Master's degree in Business Administration (EMBA) from Al Yamamah University

Practical experience

He is currently the Chief Retail Bank Officer and has more than 17 years of

experience in the field of banking at anb. His versatile experience covered areas of small and medium enterprises and corporate banking. He also serves as a member of several different management Committees at anb.

Mr. Fahed Alsalem



Position

- Chief Corporate Governance Officer & Corporate Secretary

Academic qualifications

- Bachelor's degree in Business Administration from King Saud University
- Master's degree in Business Administration from University of Southern California, USA

Practical experience

He is currently holding the position of Chief Corporate Governance Officer and Corporate Secretary at anb. He has 23 years of experience varied between

the Supreme Commission for Tourism, Capital Market Authority, Saudi Awwal Bank and arab national bank, in the field of corporate governance and board secretarial work. He also serves as a member of several management Committees at anb.

Directors' Report

for the financial year ended 31 December 2025

Mr. Omar
Almudarra



Position

- Chief Legal Officer

Academic qualifications

- Bachelor's degree in Shariah from the College of Shariah
- Master's degree in Law from the Higher Judicial Institute
- Executive Master's degree in Business Administration from London Business School

Practical experience

He is currently the Chief Legal Officer. He is an experienced expert in corporate governance and legal affairs, with over 20 years of experience.

He previously served as Head of Governance and Legal Affairs at Al Rajhi Bank and Legal Advisor at Samba Financial Group.

Mr. Abdulaziz
Alomran



Position

- Chief Credit Officer

Academic qualifications

- Bachelor's degree in Business Administration from King Saud University
- Management Acceleration Certificate from Insead, France

Practical experience

He currently holds the position of Chief Credit Officer at anb; with diverse experience of more than 18 years in the banking sector in the Kingdom among several banks such as Saudi National Bank, Saudi Investment Bank, Alinma Bank and arab national

bank. He also serves as a member of several management Committees at anb.

Mr. Saleh
Almahmoud



Position

- Chief Private Bank Officer

Academic qualifications

- Bachelor's degree in Business Administration from Arab Open University

Practical experience

He is currently the Chief Private Bank Officer and has more than 23 years of experience in the banking sector, with practical experience at Riyadh Bank, Samba Financial Group and arab national bank. He also serves as a member of several management Committees at anb.

Mr. Waleed
Alomary



Position

- Chief Internal Auditor

Academic qualifications

- Bachelor's degree in English Language from Imam Mohamed Bin Saud University

Practical experience

He currently holds the position of Chief Internal Auditor, with more than 17 years of experience in the field of internal auditing in the banking sector. He held several leadership positions at Saudi Investment Bank. He also serves as a member on several Committees at anb.

Directors' Report

for the financial year ended 31 December 2025

**Mr. Abdelrahman
Ahmed**



Position
• Chief Strategy Transformation Officer

Academic qualifications
• Bachelor's degree in Industrial and System Engineering from King Fahd University of Petroleum and Minerals

Practical experience
He is currently the Chief Strategy Transformation Officer at arab national bank. He has 10 years of experience in the banking sector and the global consulting and advisory services. His experience includes Banque Saudi Fransi and Boston Consulting Group (BCG). He also serves as a member of several management Committees at anb.

**Mr. Hatim
Alghamdi**



Position
• Chief Customer Care Officer

Academic qualifications
• Bachelor's degree in Business Administration from King Faisal University

Practical experience
He is currently the Chief Customer Care Officer, with more than 20 years of experience in the Customer Care related professions. His experience includes SDAIA, Deutsche Gulf and Samba Bank.

**Mr. Waleed
Alkhulayfi**



Position
• Chief Compliance Officer

Academic qualifications
• Bachelor's degree in Economics and Administration from King Abdulaziz University

Practical experience
He is currently the Chief Compliance Officer at arab national bank. He has more than 16 years of experience in the field of the banking sector in Saudi Arabia and specifically in the field of compliance between Samba Group and anb. He is also Head of Compliance Committee and a member of several management Committees at anb.

(*) Brief description of the qualifications and experience of the Chief Executive Officer is included with the qualifications and experience of the Board Members.

Directors' Report

for the financial year ended 31 December 2025

An Extraordinary General Assembly Meeting was held on 8 April 2025 and the following are the names of the Board Members who attended this meeting:

1.	Mr. Salah Rashed Al-Rashed	Chairman of the Board and Head of the Executive Committee
2.	Mr. Abdulmohsen Ibrahim Al-Touq	Deputy Chairman of the Board
3.	Mr. Obaid Abdullah Al-Rasheed	Managing Director (CEO)
4.	Mr. Hesham Abdullatif Al-Jabr	Board Member
5.	Mr. Mohammed Abdulfattah Alghanamah	Board Member and Head of the Risk Committee (by means of modern technology)
6.	Dr. Mohammed Faraj Alkanani Al-Zahrani	Board Member and Head of the Nomination and Remuneration Committee
7.	Mr. Thamer Mesfer Al-Wadai	Board Member and Head of the Audit Committee
8.	Mr. Naim Rassem Al-Hussaini	Board Member
9.	Mrs. Randa Muhammad Al-Sadiq	Board Member and Head of the Strategy Committee (by means of modern technology)
10.	Mr. Osama Khalid Alatiki	Board Member

The Board held 4 regular meetings during 2025, and they were attended as follows:

Date	Attendance record	No. of attendees
8 April	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini.	10
29 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini.	10
18 September	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini.	10
16 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Thamer Mesfer Al-Wadai, Randa Muhammad Al-Sadiq, Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini.	10

Directors who were Board Members or Managers in other companies inside or outside the Kingdom

Following are the directors who were Board Members or Managers in other companies inside or outside the Kingdom as of 31 December 2025:

Name of Member	
Mr. Salah Rashed Al-Rashed	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Salah Rashid Al-Rashid and Sons Co.	Chairman of the Board of Directors
Rashed Abdulrahman Alrashed & Sons Company	Board Member
Al Awael Investment Holding Company	Board Member
Rashid Development Company Ltd (Rashidco)	Board Member
Rashid Al Rashid and Partners Company for Business and Development	Board Member
Rashid Al Rashid and Partners Company for Trade Investment	Board Member
Sanad Company for Health Care	Board Member
Balance House Holding Co.	Board Member
Rashid Al Rashid and Partners Company for Development and Real Estate Investment	Board Member
Al Rashid Company for Global Unified Investment	Board Member
Real Estate and Ammar Ltd.	Board Member
Abhar Construction Real Estate Co.	Board Member
Al-Rashid Trading & Contracting Co.	Deputy Chairman of the Board of Directors
Saudi Company for Electrical Works Services	Chairman of the Board of Directors
Al-Rashid Abetong Company	Chairman of the Board of Directors
Development Company for Investment, Real Estate and Tourism	Chairman of the Board of Directors
Tech Investment Company	Chairman of the Board of Directors
Riyadh Cement Company	Chairman of the Board of Directors
Care & Science Medical Co.	Chairman of the Board of Directors
Al-Rashid & Al-Omran Co.	Chairman of the Board of Directors
Arabian Industries Company	Chairman of the Board of Directors
Financial Union House Company	Board Member
Malathak for Real Estate Investment and Installment Company	Deputy Chairman of the Board of Directors
Gulf Complex Co.	Board Member
Supply Solutions for Information Technology Co.	Board Member
Gulf Applications Company	Board Member
Diyari Company for Real Estate Development	Board Member
Center of Infrastructure Projects in Riyadh Region	Board Member
Al Yamamah Company for Real Estate Investment	Board Member

Directors' Report

for the financial year ended 31 December 2025

Name of Member	
Mr. Abdulmohsen Ibrahim Al-Touq	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Al-Touq Company Ltd.	Chairman of the Board of Directors
Saudi Networkers Services Company Ltd.	Chairman of the Board of Directors
Dan Company	Deputy Chairman of the Board of Directors
Al Aqair Development Co.	Board Member
Tourism Development Fund	Board Member
Thara Almostaqbal Company for Investment	Deputy Chairman of the Board of Directors

Name of Member	
Mr. Hesham Abdullatif Al-Jabr	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Al Jabr Holding Company	Board Member
Gulf Carton Factory Co.	Board Member
Haier and Al-Jabr Saudi Electronics Trading Co.	Board Member
Canned Beverages Factory Co.	Board Member
Walaa Insurance Co.	Board Member
Einas Trading Co.	Board Member
Khuta Alkhair Co.	Board Member
Nama Almostaqbal Real Estate Co.	Board Member
Arab Pool United Company for Cans Manufacturing	Board Member

Name of Member	
Mr. Mohammed Faraj Alkanani Al-Zahrani	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Dhahran Valley Technology Holding Company	Board Member and Audit Committee Member
Saudi Real Estate Refinance Company	Board Member and Chairman of the Credit and Risk Committees
Dhahran Valley Business Services Company	Chairman of the Board of Directors
Financial Academy	Trustees’ Committee member and Audit, Competencies and Programs Committee member
Environment Fund	Board Member and Investment Committee member
Lajam Sports Company	Board Member and Audit Committee member
Oasis Business Park Company	Board Member and Audit Committee member
Aircraft Leasing Company	Audit Committee member
Sipchem Company	Audit and Risk Committees’ member
Al Maqam Althabet Investment Company	Board Member
Agricultural Development Fund	Board Member
Abdullah Bin Abdulaziz Al Rajhi Endowments Holding Company	Board Member
Business United Systems Company Ltd.	Board Member and Audit Committee member

Name of Member	
Mr. Thamer Mesfer Al-Wadai	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Human Resources Development Company (HADAF)	Internal Audit Executive Manager
Takamul Business Services	Audit and Risk Committees’ member
Sawaed Business Services	Audit and Risk Committees’ member
Saudi Summit for Trade Company	Board Member and Chairman of the Audit Committee
Tamkeen Technologies Company	Audit and Risk Committees’ member
Integrated Manpower Solutions Company	Audit Committee member
Tharawat Almadina Company	Audit Committee member
Nabaa Alsaha Co.	Board Member and Chairman of the Audit and Risk Committees
Reemat Arriad Development Company	Audit and Risk Committees’ member
SHL Finance Company	Audit and Risk Committees’ member

Name of Member	
Mr. Obaid Abdullah Al-Rasheed	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
anb capital	Deputy Chairman of the Board
SHL Finance Company	Deputy Chairman of the Board
Saudi Chemical Co.	Deputy Chairman of the Board
Doctor Sulaiman Al Habib Company for Medical Services	Deputy Chairman of the Board

Name of Member	
Mr. Osama Khalid Alatiki	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/Committee member/Directors)
Hassana Investment Company	Chief Operating Officer

Name of Member	
Mr. Naim Rassem Al-Hussaini	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
Arab Bank (Tunisia)	Chairman of the Board of Directors
Jordanian Hotels and Tourism Company (Jordan Hotel)	Board Member
International Islamic Arab Bank	Deputy Chairman of the Board of Directors
Akaps for Financial Technology / Branch of Foreign Co.	General Manager
Arab Bank Plc (Jordan)	Deputy General Manager for Retail Banking and Wealth Management

Directors' Report

for the financial year ended 31 December 2025

Name of Member	
Mr. Mohammed Abdulfattah Alghanamah	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
Arab Bank PLC (Syria)	Board Member
T- Bank (Turkey)	Deputy Chairman of the Board of Directors
Arab Bank Plc (Jordan)	Head of Credit Department
Oman Arab Bank (Sultanate Oman)	Board Member

Name of Member	
Mrs. Randa Muhammad Al-Sadiq	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
Oman Arab Bank	Deputy Chairman of the Board of Directors
The Jordanian Company for Payment and Clearing Systems	Board Member
Jordan Capital and Investment Fund Company	Chairman of the Board of Directors
Jordan Capital and Investment Fund Management Co.	Board Member
Endeavor Jordan	Board Member
Al Hussein Fund for Creativity and Excellence	Board Member
Association of Banks in Jordan	Board Member
Al Arabi Finance Holding Co.	Chairman of the Board of Directors
Madfo'atkom Electronic Payment Company	Board Member

Audit Committee Members (From outside the Board)

Name of Member	
Mr. Khalid Mohammed Al-Bawardi	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
Khaled M. Albawardi Holding Group	Chairman of the Board of Directors
Albawardi Holding Group	Chairman of the Board of Directors
Mohammed and Abdulrahman Alsaad Albawardi Co.	Chairman of the Board of Directors
International Transports & Warehousing Co. Ltd.	Chairman of the Board of Directors
Eastern Gate Logistics Services Co. Ltd.	Chairman of the Board of Directors
Almasader Alinshaeah Altijariya Company (LLC)	Chairman of the Board of Directors
Ishraq Development Co.	Deputy Chairman of the Board of Directors
Binaa for Steel Industries Co.	Chairman of the Board of Directors
Al Arabia Kready Agricole	Chairman of the Board of Directors

Name of Member	
Mr. Abdullah Sayel Alanizi	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
Saudi Telecommunications Company	Executive Director for Internal Audit
Nabco Company for Unified Purchase	Audit Committee member
Tattima Financial Company	Board Member and Head of Audit Committee
Solutions Company	Audit Committee member
Sahab Company	Board Member

Risk Committee Member (from outside the Board)

Name of Member	
Mr. Sultan Suleiman Al-Tukheim	
Company name	Memberships or Directors at other companies inside and outside the Kingdom (Board member/ Committee member/Directors)
American Express Saudi Arabia	Risk and Credit Committees’ member
United Financial Services Company (Tasheel for Finance)	Risk and Credit Committees’ member
Saudi Google Cloud	Head of Cybersecurity and Compliance

Directors' Report

for the financial year ended 31 December 2025

Principal Board Committees

The Board formed a number of Committees, of which the main Committees with their own specific terms of reference, functions and current members, are as follows.

Executive Committee

The Executive Committee consists of the Chairman of the Board (Chairman) and 4 other Board Members, among them the Managing Director. The Executive Committee meets to manage the Bank’s business with authority delegated to it by the Board. This Committee is responsible for implementing

the Bank’s policy, monitoring business performance and approving large capital expenditures.

During 2025, the Executive Committee is comprised of the following Board members:

1. Mr. Salah Rashed Al-Rashed (Committee Chairman)
2. Mr. Obaid Abdullah Al-Rasheed
3. Mr. Abdulmohsen Ibrahim Al-Touq
4. Mr. Hesham Abdullatif Al-Jabr
5. Mr. Mohammed Abdulfattah Alghanamah

The Executive Committee held 15 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	14 January	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
2.	20 February	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
3.	9 March	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
4.	8 April	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
5.	22 April	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
6.	13 May	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
7.	3 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
8.	30 June	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
9.	22 July	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
10.	2 September	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
11.	18 September	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
12.	21 October	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
13.	18 November	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	4
14.	2 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5
15.	16 December	Salah Rashed Al-Rashed, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Abdulfattah Alghanamah	5

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of the following 3 Non-Executive Board Members:

1. Dr. Mohammed Faraj Alkanani Al-Zahrani (Committee Chairman – Independent Member)
2. Mr. Salah Rashed Al-Rashed (Non-Executive Member)
3. Mr. Thamer Mesfer Al-Wadai (Independent Member)

The Committee has the authority to review and recommend to the Board, for its approval, amendments to the Bank’s remuneration policy and practices. The Committee also reviews the level and composition of remuneration of key executives and recommends a risk adjusted bonus

pool to the Board/Executive Committee for approval. Furthermore, the Committee determines the skills and capabilities required to reinforce the Board’s performance, and to review the Board’s structure and to evaluate its performance. The Committee also ensures availability of adequate time to enable the member to perform his duties and responsibilities in addition to the individual contribution based on an approved mechanism to identify strengths and weaknesses, propose remedial actions and submit the appropriate recommendations to the Board to achieve the Bank’s objectives. The Committee’s functions also include nominating members to the Board as well as Senior Executives by studying their qualifications and submitting related recommendations to the Board.

The Nomination and Remuneration Committee held 3 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	9 March	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3
2.	30 June	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3
3.	16 December	Mohammed Faraj Alkanani Al-Zahrani, Salah Rashed Al-Rashed, Thamer Mesfer Al-Wadai	3

Audit Committee

At its meeting held on 28 March 2023, the Ordinary General Assembly formed an Audit Committee, based on a recommendation from the Board, comprising of the following members:

1. Mr. Thamer Mesfer Al-Wadai (Committee Chairman – Independent Board Member)
2. Mr. Khaled Mohammed Al-Bawardi (Independent Member from outside the Board)
3. Mr. Abdullah Sayel Alanizi (Independent Member from outside the Board)

The Committee meets regularly with the Managing Director, Chief Financial Officer, Chief Internal Auditor, Chief Compliance Officer, Chief Risk Officer, external auditors and other members of the management team as may be required for discussions and deliberations. The Committee also discusses the Annual Report with the Board of Directors at the end of the year. The Audit Committee assists the Board of Directors in reviewing the effectiveness of the Bank’s internal control processes, ensuring accuracy and

correctness of the Bank’s financial statements, and closing accounts and adherence to the regulatory requirements and accounting standards. The Audit Committee also approves the annual review plans of the Internal Audit Division and assesses the results of their work and ensures the existence of control processes for proper implementation of the Bank’s procedures. Furthermore, the Committee studies the reports of the Compliance and Anti-Money Laundering Group and the Risk Management Group and discusses them with the concerned officials and makes relevant recommendations.

The Audit Committee provides a direct channel between the external auditors and the Board of Directors, and it ensures that the external audit is conducted in a thorough and effective manner and that the reports by the external auditors are properly actioned. The Committee also recommends the appointment of external auditors and reviews their audit plans, and the results of the work performed. The Bank complies with the Rules and Guidelines for Banks in Saudi Arabia for Organizing Audit Committees.

Directors' Report

for the financial year ended 31 December 2025

The Audit Committee held 10 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	2 February	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
2.	7 April	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
3.	24 April	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
4.	29 May	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
5.	29 June	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
6.	21 July	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
7.	14 September	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
8.	20 October	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
9.	17 November	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3
10.	15 December	Thamer Mesfer Al-Wadai, Khaled Mohammed Al-Bawardi, Abdullah Sayel Alanizi	3

Strategy Committee

The Board formed a Strategy Committee comprised of the following Board Members:

1. Mrs. Randa Muhammad Al-Sadiq (Committee Chairman)
2. Mr. Abdulmohsen Ibrahim Al-Touq
3. Mr. Obaid Abdullah Al-Rasheed
4. Mr. Hesham Abdullatif Al-Jabr
5. Dr. Mohammed Faraj Alkanani Al-Zahrani

The Strategy Committee oversees the strategic planning process on behalf of the Board of Directors and ensures the development, coordination, dissemination and integration of the Bank’s strategic plan and its compatibility with current conditions, taking into consideration future expectations. The Committee also sets forth the process of strategy implementation and monitoring.

The Strategy Committee, in coordination with the Managing Director, ensures that accountabilities, decision-making parameters and information channels exist for effective implementation of the Bank’s strategy.

The Strategy Committee is responsible for strategic matters in general and in particular the monitoring of the implementation of the Strategy Plan.

The Strategy Committee held 2 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	20 February	Randa Muhammad Al-Sadiq, Obaid Abdullah Al-Rasheed, Abdulmohsen Ibrahim Al-Touq, Hesham Abdullatif Al-Jabr, Mohammed Faraj Alkanani Al-Zahrani	5
2.	18 November	Randa Muhammad Al-Sadiq, Obaid Abdullah Al-Rasheed, Hesham Abdullatif Al-Jabr, Mohammed Faraj Alkanani Al-Zahrani	4

Risk Committee

The Board formed a Risk Committee comprised of the following Board Members:

1. Mr. Mohammed Abdulfattah Alghanamah (Committee Chairman)
2. Dr. Mohammed Faraj Alkanani Al-Zahrani
3. Mr. Naim Rassem Al-Hussaini
4. Mr. Osama Khalid Alatiki
5. Mr. Sultan Suleiman Al-Tukheim

Roles and responsibilities of the Committee include developing a comprehensive risk strategy in line with the Bank's nature and size of activities highlighting the Bank's overall risk appetite. The Committee ensures the implementation and updating of the strategy based on internal and external developments for Board approval, ensuring that the Bank has an effective risk management framework for the identification, measurement, monitoring and control of the various risks to which the Bank is exposed, e.g. credit, market, liquidity and operational risks.

The Risk Committee held 4 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	8 April	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5
2.	29 June	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5
3.	18 September	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5
4.	15 December	Mohammed Abdulfattah Alghanamah, Naim Rassem Al-Hussaini, Osama Khalid Alatiki, Mohammed Faraj Alkanani Al-Zahrani, Sultan Suleiman Al-Tukheim	5

Committees from outside the Board – Shariah Committee:

The Board formed the Shariah Committee which consists of the following members:

1. Sheikh Abdullah bin Suleiman bin Muneea (Independent)
2. Dr. Abdullah bin Abdulaziz Al-Muslih (Independent)
3. Dr. Abdulwahab bin Abdullatif Al-Saleh (Independent)

The Shariah Committee is an independent Committee that exercises all the powers delegated to it by the Board

of Directors in accordance with the laws and regulations, including the following:

1. Statement of Shariah rulings for Islamic products and services.
2. Contributing to the development of Islamic banking products and transactions in the Bank and providing Shariah proposals and solutions that help develop the Bank's performance from a Shariah perspective.
3. Verifying Shariah compliance in the Bank's transactions in accordance with Shariah regulations.
4. Enhancing the Bank's participation in publicizing Islamic banking and contributing to its development.

The Shariah Committee held 10 meetings during 2025, and they were attended as follows:

#	Date	Attendance record	No. of attendees
1.	28 January	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
2.	25 February	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
3.	23 April	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al Saleh	3
4.	20 May	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
5.	20 July	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
6.	29 July	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
7.	30 September	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
8.	30 October	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
9.	19 November	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3
10.	23 December	Abdullah bin Suleiman bin Muneea, Abdullah bin Abdulaziz Al-Muslih, Abdulwahab bin Abdullatif Al-Saleh	3

Directors' Report

for the financial year ended 31 December 2025

Interests of Board Members, senior executives, their wives and children

1) Major shareholders

Name	At beginning of year 1 January 2025		Change during the year		At end of year 31 December 2025	
	Number of shares	Ownership %	Number of shares	Change %	Number of shares	Ownership %
Arab Bank PLC	800,000,000	40.00	–	–	800,000,000	40.00
Rashed Abdul Rahman Al-Rashed and Sons Co.	200,000,000	10.0	–	–	200,000,000	10.00
Al-Jabr Investment Co.	113,084,189	5.65	–	–	113,084,189	5.65

2) Board Members, senior executives, their wives and children

Name	At beginning of year 1 January 2025		Change during the year		At end of year 31 December 2025	
	Number of shares	Ownership %	Number of shares	Change %	Number of shares	Ownership %
Mr. Salah Rashed Al-Rashed	194,666	0.00973	30,000	0.0015	224,666	0.0112
Mr. Abdulmohsen Ibrahim Al-Touq	400	0.00002	–	–	400	0.00002
Mr. Hesham Abdullatif Al-Jabr	24,028	0.0012	–	–	24,028	0.0012
Mr. Obaid Abdullah Al-Rasheed	235,633	0.01178	–	–	235,633	0.01178
Dr. Mohammed Faraj Alkanani Al-Zahrani	2,600	0.00013	–	–	2,600	0.00013
Mr. Thamer Mesfer Al-Wadai	5,000	0.00025	–	–	5,000	0.00025
Mr. Naim Rassem Al-Hussaini	–	–	9,500	0.000475	9,500	0.000475

Note: Board Member shares include those held by their wives and children.

Bank’s requests for the Shareholders’ Register and the dates of such requests

Date of request	Reason for request	No. of attendees
30 January 2025	Shareholders’ register update	1
10 February 2025	Dividends distribution for second half of 2024	1
27 February 2025	Shareholders’ register update	1
27 March 2025	Shareholders’ register update	1
8 April 2025	General Assembly	1
30 April 2025	Shareholders’ register update	1
29 May 2025	Shareholders’ register update	1
30 June 2025	Shareholders’ register update	1
29 July 2025	Dividends distribution for first half of 2025	1
30 July 2025	Shareholders’ register update	1
31 August 2025	Shareholders’ register update	1
30 September 2025	Shareholders’ register update	1
30 October 2025	Shareholders’ register update	1
30 November 2025	Shareholders’ register update	2
31 December 2025	Shareholders’ register update	1
Total		16

Directors' Report

for the financial year ended 31 December 2025

2025 Investors’/shareholders’ relations calendar

#	Event	Date
1.	Announcement of the Bank's intention to issue additional Tier 1 capital Sukuk denominated in Saudi Riyals.	13 January 2025
2.	The Bank’s announcement of the commencement of the offer of its ﷲ denominated additional Tier 1 capital Sukuk.	16 January 2025
3.	The Bank’s announcement of the completion of the offer of its ﷲ denominated additional Tier 1 capital Sukuk.	4 February 2025
4.	Announcement of its annual financial results for fiscal year 2024.	5 February 2025
5.	Distribution of its cash dividends for the second half of 2024.	5 February 2025
6.	Invite its shareholders to attend the Extraordinary General Assembly.	17 March 2025
7.	Starting date of electronic voting on the agenda of the Extraordinary General Assembly Meeting.	3 April 2025
8.	Results of the Extraordinary General Assembly Meeting.	9 April 2025
9.	Financial results for the period ended on 31 March 2025 (3 months).	27 April 2025
10.	Financial results for the period ended on 30 June 2025 (6 months).	22 July 2025
11.	Distribution of interim cash dividends to shareholders for the first half of 2025.	23 July 2025
12.	Announcement of the Bank's intention to issue USD denominated additional Tier 1 capital sustainable Sukuk.	28 August 2025
13.	Announcement of the result of the Bank's purchase of its shares (completing of purchasing number of its shares).	31 August 2025
14.	Announcement of the Bank's commencement of the offer on its USD denominated additional Tier 1 capital sustainable Sukuk.	2 September 2025
15.	Announcement of the Bank’s completion of the offer on its USD denominated additional Tier 1 capital Sukuk.	3 September 2025
16.	Announcement of the opening of nomination for membership of the Board of Directors for the upcoming term (2026–2029).	21 September 2025
17.	Announcement of the Bank's determination to redeem its USD 750,000,000 fixed-rate resettable Tier 2 trust certificates (capital Sukuk) due in 2030.	30 September 2025
18.	Financial results for the period ended on 30 September 2025 (9 months).	22 October 2025
19.	Announcement of the full redemption of its USD 750,000,000 fixed-rate resettable Tier 2 trust certificates (capital Sukuk) due in 2030.	29 October 2025

Remunerations of Board Members, related committees and senior executives

The Bank adopted a remunerations policy (recommended by the Nomination and Remuneration Committee), approved by the Board, which includes effective governance principles, sound remuneration practices, remuneration standards, determining the scope of implementation, factors for determining the allocation and distribution at group level and at the individual level and weighting the allocation to risks. The Bank is committed to applying this policy upon payment of remunerations with consideration to a number of practical facts that meet the Bank's interests,

such as the Bank's achieved financial results and extent of sustainable growth, the Bank's non-financial performance of the different business units, extent of achieving the Bank's strategic objectives, application of a system for calculation of risk adjusted income, and evaluating the performance of management executives on the Bank's long-term performance. The Bank strives to achieve the risk adjusted income on one hand, and to maintain competent staff (vulnerable for attraction) on the other hand, with consideration to last years' remunerations and to the fact that employees' contracts do not include any future guaranteed remunerations.

a) Board Members' remunerations

The Board approves the level of the remunerations of the Chairman and Board Members, considering the performance of each member during the year. As per the policy stated above, the total annual remunerations paid to the Board Members are detailed as follows:

	Fixed remunerations – 2025							Variable remunerations –2025							
ﷲ '000s	Fixed amount	Board meetings' attendance fees	Committee meetings' attendance fees	In-kind benefits	Technical, managerial and consultancy remunerations	Remunerations for the Chairman, Managing Director, or Secretary if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	Aggregate total	Expenses' allowance
First: Independent Members															
Abdulmohsen Ibrahim Al-Touq	600	20	575	-	-	-	1,195	-	-	-	-	-	-	1,195	-
Mohammed Faraj Alkanani Al-Zahrani	600	20	695	-	-	-	1,315	-	-	-	-	-	-	1,315	21.1
Thamer Mesfer Al-Wadai	600	20	615	-	-	-	1,235	-	-	-	-	-	-	1,235	-
Osama Khalid Alatiki	600	20	220	-	-	-	840	-	-	-	-	-	-	840	-
Second: Non-Executive Members															
Salah Rashed Al-Rashed	-	20	640	-	-	750	1, 410	-	-	-	-	-	-	1,410	101.2
Hesham Abdullatif Al-Jabr	600	20	585	-	-	-	1,205	-	-	-	-	-	-	1,205	-
Mohammed Abdulfattah Alghanamah	600	20	645	-	-	-	1,265	-	-	-	-	-	-	1,265	55.2
Randa Muhammad Al-Sadiq	600	20	260	-	-	-	880	-	-	-	-	-	-	880	30.7
Naim Rassem Al-Hussaini	600	20	220	-	-	-	840	-	-	-	-	-	-	840	10.4
Third: Executive Member															
Obaid Abdullah Al-Rasheed	-	20	585	-	-	600	1,205	-	-	-	-	-	-	1,205	67.5
Total	4,800	200	5,040	-	-	1,350	11,390	-	-	-	-	-	-	11,390	286.1

Directors' Report

for the financial year ended 31 December 2025

b) Committee Members’ remunerations

	2025 - ﷲ'000s		
	Membership allowance	Attendance allowance	Total
Executive Committee members			
Salah Rashed Al-Rashed (Committee Chairman)	350	75	425
Obaid Abdullah Al-Rasheed	300	75	375
Abdulmohsen Ibrahim Al-Touq	300	70	370
Hesham Abdullatif Al-Jabr	300	75	375
Mohammed Abdulfattah Alghanamah	300	75	375
Total	1,550	370	1,920

	2025 - ﷲ'000s		
	Membership allowance	Attendance allowance	Total
Audit Committee members			
Thamer Mesfer Al-Wadai (Committee Chairman)	350	50	400
Khaled Mohammed Al-Bawardi (Independent Member from outside the Board)	300	50	350
Abdullah Sayel Alanizi (Independent Member from outside the Board)	300	50	350
Total	950	150	1,100

	2025 - ﷲ'000s		
	Membership allowance	Attendance allowance	Total
Risk Committee members			
Mohammed Abdulfattah Alghanamah (Committee Chairman)	250	20	270
Mohammed Faraj Alkanani Al-Zahrani	200	20	220
Osama Khalid Alatiki	200	20	220
Naim Rassem Al-Hussaini	200	20	220
Sultan Suleiman Al-Tukheim (Independent Member from outside the Board)	300	20	320
Total	1,150	100	1,250

	2025 - ﷲ'000s		
	Membership allowance	Attendance allowance	Total
Strategy Committee members			
Randa Muhammad Al Sadiq (Committee Chairman)	250	10	260
Abdulmohsen Ibrahim Al-Touq	200	5	205
Obaid Abdullah Al-Rasheed	200	10	210
Hesham Abdullatif Al-Jabr	200	10	210
Mohammed Faraj Alkanani Al-Zahrani	200	10	210
Total	1,050	45	1,095

	2025 - ﷲ'000s		
	Membership allowance	Attendance allowance	Total
Nomination and Remuneration Committee members			
Mohammed Faraj Alkanani Al-Zahrani (Committee Chairman)	250	15	265
Salah Rashed Al-Rashed	200	15	215
Thamer Mesfer Al-Wadai	200	15	215
Total	650	45	695

c) Senior executives' remunerations

Based on the recommendations of the Nomination and Remuneration Committee, the Board sets the Senior Executives' remunerations to be in line with the Bank's strategic objectives and to urge senior executives to achieve such objectives. The table below shows the remunerations and benefits paid to 6 senior executives including the Chief Executive Officer and the Chief Financial Officer:

ﷲ'000s											
Fixed remunerations due for 2025				Variable remunerations paid in 2025							
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentives	Long-term incentives	Granted shares	Total	End of service benefits	Total
16,478	7,284	-	23,762	18,375	-	-	2,690	28,125	49,190	2,060	75,012

Internal Audit

Internal Audit Group represents the third line in the Three Lines model issued by the Institute of Internal Auditors (IIA). It reports directly to the Board Audit Committee, which was officially formed by the Bank's General Assembly.

Internal Audit plays a crucial role in adding value and improving the Bank's operations by performing an objective and independent audit review to provide reasonable assurance regarding the adequacy and effectiveness of governance processes, risk management and compliance.

The scope of the Internal Audit Department covers all activities, processes and units of the Bank according to the annual audit plan approved by the Audit Committee. This plan is developed based on a systematic risk-based approach. The Group also carries out various tasks assigned by the Saudi Central Bank and other regulatory bodies.

Internal Audit also follows up on the correction of observations issued in internal audit reports, external auditor reports and regulatory body reports, to ensure that all findings are validated and closed promptly. This approach, in turn, contributes to the sustainability and stability of the Bank's operations, enhances stakeholder trust and supports the Bank's strategic objectives.

Moreover, Internal Audit implements a Quality Assurance and Improvement Program covering all internal audit activities. This program helps to enhance audit performance levels, ensure compliance with International Internal Audit Standards, and follow best professional practices, which are incorporated in the Internal Audit policies and procedures.

Internal control framework

Senior Management is responsible for establishing and maintaining an adequate and effective internal control system for risk management within the Bank's approved risk acceptance framework. The internal control system includes the policies, procedures and processes, which are designed under supervision of the Board to achieve the strategic objectives of the Bank and safeguard its assets and ensure all operations are carried out pursuant to applicable legislative and internal guidelines.

Management has adopted an Internal Controls integrated framework as recommended by the Saudi Central Bank through its guidelines on Internal Controls. Such controls include the corporate governance that defines the roles and responsibilities of the Board and its sub-Committees.

Directors' Report

for the financial year ended 31 December 2025

Internal Audit Group acts as the third line of defense in providing an independent appraisal to the Board’s Audit Committee and the management as to the effectiveness of internal controls, including conducting independent periodical reviews for the activities of the Compliance and Anti-Money Laundering Group, to ensure regulatory compliance and conformity with the Bank’s approved policies and procedures. All significant and material findings of Internal Audit reviews are reported to the Audit Committee of the Board through quarterly activity reports. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated to safeguard the interests of the Bank and its stakeholders.

Concerted and integrated efforts are made by all functions of the Bank to improve the control environment at gross root level through continuous reviewing and streamlining of procedures to prevent and rectify any control deficiencies. Each function, under the supervision of the Senior Executive Management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by control bodies.

The Compliance and Anti-Money Laundering Group works closely with the Risk Management Group and other control bodies, in order to establish an effective control framework through its duties and responsibilities under the programs of Compliance and Anti-Money Laundering that sets out its planned activities, such as the implementation and review of specific policies and procedures, compliance risk assessments, and establishing a strong compliance culture that aims to educate employees and create awareness of the Bank’s regulations, and submit relevant reports to the Audit Committee who, in turn, assesses those programs and sets out relevant recommendations.

The Bank’s internal control system has been designed to provide reasonable assurance to the Board, on the management of risks to achieve the Bank’s strategic objectives. Internal control systems, no matter how effectively designed, has inherent limitations, and may not prevent or detect all control deficiencies. Moreover, the projection of current evaluations of the effectiveness to future periods is subject to a limitation that controls may become inadequate due to changes in conditions or compliance with policies and procedures.

Based on the results of the ongoing evaluation of internal controls carried out by the management during the year, the management considers that the Bank’s existing internal control system is adequately designed, operating effectively and monitored consistently. Nevertheless, the management continuously endeavors to enhance and further strengthen the internal control system of the Bank.

Based on the above, the Board of Directors has duly endorsed management’s evaluation of the effectiveness of the Bank’s internal control system.

Results of the review of Internal Control procedures’ effectiveness

Minutes of the Audit Committee meetings and results of its works in 2025 submitted to the Chairman of the Board included the main observations and recommendations to rectify them. The Committee, through its follow up of the performance of the Internal Audit Group and other related departments and being informed of the different internal controls procedures' reports in the Bank; mainly the reports of Internal Audit, Risk Management Group, Compliance and Anti-Money Laundering Group and external audit reports during 2025 as well as other reports required by the Committee from time to time in relation to the activity of some departments to look into some of the work’s aspects and related results, and in light of the meetings with the Bank’s Chief Executive Officer and other concerned departments' officials and its discussion with them on the contents of such reports and performance of their sectors; as well as its meetings with representatives of the external auditors and the Chief Internal Auditor during this year, whereby the meetings held totaled 10 in 2025; thus, the Committee concluded that the Bank’s internal control environment reflects the effectiveness of its internal control procedures and that it is in continued improvements to meet changes in business needs and responding to future developments. Furthermore, the Committee concluded that other than what was indicated in the Committee ’s minutes and reports, the Committee is not aware of any significant comments that require disclosure. The corrective procedures for violations, if any, are being resolved on the spot under follow up and close supervision by Internal Audit Group.

The accounting policies applied in the Bank, as well as implementation of all requirements and instructions of the Saudi Central Bank and other regulatory bodies, are discussed with the heads of the concerned departments in the Bank and the external auditors, on a periodical basis, as well as any changes to the policies or the International Financial Reporting Standards (IFRS), to ensure proper implementation; and their impact on the Bank’s current and future performance results and take precautionary measures through appropriate procedures.

Communication with shareholders

Communication with shareholders is given a high priority. Extensive information about the Bank’s activities is provided in the Annual Report and the interim condensed financial statements, which are posted on the Bank’s web-site (www.anb.com.sa.). Investor information is also accessible on the Bank’s web-site. There is a regular dialogue with institutional investors through different communication channels. Inquiries from individuals on matters relating to their shareholding and the Bank’s business are welcomed and are handled in an informative and timely manner. All shareholders are encouraged to attend the Annual General Meeting to discuss the progress of the Bank.

Credit ratings

During 2025, the Bank’s credit ratings granted by prominent international credit rating agencies were as follows:

Standard & Poor's	A-
Moody's	A1
Fitch	A-

Assignment of interests by anb directors / senior executives / shareholders

The Bank is not aware of any arrangements or agreements whereby directors, senior executives or shareholders have assigned interests or rights to dividends or any salary or remuneration.

Human resources

The total number of staff at the end of 2025 was 4,404 compared to 4,178 at the end of 2024. The Saudization ratio for the Bank and its subsidiaries at the end of 2025 was 95.7%. It is to be noted that the number of staff and the Saudization ratio do not include the staff of Al Arabi Heavy Equipment Lease Company (AHEL), the subsidiary under sale, whose employees totaled to 262 employees as at 31 December 2025 (2024: 296 employees).

Statutory payments

Statutory payments during the year 2025 were as follows:

	﷼ in millions
Zakat attributable to Saudi shareholders	373.9
Income tax payable by the non-Saudi shareholders	495.7
GOSI	165.8
Withholding tax	39.3

Community empowerment for sustainable impact

anb continues to strengthen its contribution to corporate social responsibility through a broad portfolio of sustainable development initiatives aligned with Saudi Vision 2030. These initiatives are designed to enhance quality of life, encourage national partnerships that support the non-profit sector and foster a culture of volunteerism and community service, ultimately helping advance social well-being across the Kingdom.

The Bank views corporate social responsibility as a strategic priority and an integral component of its role as an active contributor to the Kingdom’s banking and

financial sector. Guided by a long-term strategic vision, anb seeks to translate this commitment into meaningful community programs governed by institutional sustainability standards that ensure transparent measurement, continuous evaluation and ongoing development, with the overarching objective of delivering tangible impact for target beneficiaries.

anb’s community contribution efforts are primarily focused on 4 key pillars: innovative educational programs, strengthening a culture of employee volunteerism, supporting social initiatives with health and environmental impact that also empower women and youth and partnering with national charitable and development organizations to deliver programs addressing essential community needs.

Key initiatives implemented by the Bank during 2025 included the following:

#	Initiatives	Details of initiatives
1	Lasting Green Impact	Planted 10,000 trees across key locations in Riyadh using smart digital technologies, supporting the objectives of the Saudi Green Initiative and Riyadh Green Initiative and reinforcing environmental sustainability.
2	anb Endowed Chair for Ophthalmology Research	Established a dedicated ophthalmology research chair at King Saud University under the name “anb Research Chair”, supporting applied research, academic excellence and national talent development.

Directors' Report

for the financial year ended 31 December 2025

#	Initiatives	Details of initiatives
3	In Service of Pilgrims – Aoun 3	Supported the Kingdom’s efforts to serve pilgrims through the participation of 1,000 specialized volunteers who provided medical, logistical, guidance, interpretation and first-aid services to more than 200,000 pilgrims.
4	Developmental Housing Support	Provided more than 65 residential units for families most in need across the Kingdom under the “Jood Al-Manateq 2” initiative, improving the quality of life of 380 citizens and supporting Vision 2030 objectives to increase home ownership.
5	Rehabilitation and Empowerment	Sponsored the training and employment readiness of low-income women registered with Kafo Charity for Employing and Training to help them achieve financial independence through job opportunities in logistical and support services at Al-Diriyah Hospital.
6	Empowering Kidney Patients	Renewed support for patients with chronic kidney disease through anb’s partnership with the Saudi Charity Association for Organ Donation (Eithar), enabling continued delivery of the “Hope for Life” program for financially distressed patients.
7	Qader 4	Sponsored 95 knee-replacement surgeries for low-income patients in partnership with the Ministry of National Guard Health Affairs in celebration of Saudi National Day, helping restore mobility and enhance quality of life.
8	Childhood Care	Supported the “Positive Parenting” program in cooperation with the Child Care Association to train more than 3,000 mothers across the Kingdom, equipping them with skills that foster safe and nurturing environments for children.
9	Nawwart	Sponsored 400 cataract surgeries for low-income patients in partnership with Consultants Eye Centers and Oyouny Health Association, contributing to improved quality of life.
10	Furijat 5	For the fifth consecutive year, and coinciding with Ramadan, anb contributed financial support to alleviate the financial burdens of 200 citizens in debt through the Ehsan platform, bringing total beneficiaries since launch to 700 citizens.
11	Support for the National Charity Campaign	Provided anb’s annual contribution to the fifth National Charity Campaign through the Ehsan platform, reinforcing values of social solidarity and supporting the non-profit sector.
12	Ramadan Giving Caravan	Distributed thousands of Ramadan food baskets to families in need in cooperation with 70 charitable associations, with the participation of more than 100 anb employee volunteers.
13	10KSA Cancer Awareness	As a strategic partner of the 10KSA initiative under the theme “Together for Health”, anb sponsored the planting of 10,000 lavender seedlings at Prince Sultan Park in Asir, with participation from anb employees and school students, supporting national health awareness efforts.
14	Support for a Better Life	Supported the treatment and rehabilitation of 74 individuals with mobility impairments, in partnership with the Association for People with Disabilities in Al-Ahsa, helping enhance independence and daily quality of life.
15	Learn Today – Lead Tomorrow	Established a fully equipped advanced computer laboratory at Primary School No. 105 for Girls in Riyadh to support more than 370 students and teachers in developing digital and innovation skills.
16	"Farah 14" Group Wedding	Supported the 14th mass wedding for individuals with mobility disabilities, organized by the Physically Disabled Adults Association “Harakia” in Riyadh on the occasion of the International Day of Persons with Disabilities, to reinforce family stability and social inclusion.
17	Parkinson’s Support	Provided assistive devices to Parkinson’s patients in collaboration with the Saudi Parkinson’s Disease Society in Riyadh to support daily living needs.
18	Creative Women Forum 2025	Served as a strategic partner of the second Creative Women Forum in Riyadh, supporting women’s empowerment, leadership development and innovation, as well as highlighting the role of distinguished Saudi women as key contributors to sustainable social and economic development.

Regulatory penalties and restrictions

The penalties charged to the Bank during the year 2025, because of operational activities, are detailed as follows:

Saudi Central Bank's penalties:

ﷲ'000s				
Subject of violation	Prior year 2024		Current year 2025	
	Number of penalties	Total amount of penalties	Number of penalties	Total amount of penalties
Violation of Saudi Central Bank's instructions	11	4,322.6	10	2,483.5
Violation of Saudi Central Bank's instructions related to customer protection	1	162.5	1	60
Violation of Saudi Central Bank's instructions related to exerting due diligence	-	-	-	-
Violation of Saudi Central Bank's instructions related to level of ATM / POS performance	-	-	-	-
Violation of Saudi Central Bank's instructions related to exerting due diligence on Anti-Money Laundering (AML) and CTF	-	-	-	-

Other regulatory penalties:

ﷲ'000s					
Name	Prior year 2024		Current year 2025		
	Number of penalties	Total amount of penalties	Number of penalties	Total amount of penalties	Subject of Violation
SADAD penalties	-	-	4	370.5	-

Protective actions to remedy violations:

To enhance compliance efficiency, the Bank is keen to adhere to Regulatory and Supervisory Authorities' instructions and regulations. The Bank has control bodies working with business and support departments, in line with the three defense lines assigned to set forth protective measures, to mitigate violations and avoid their repetition in coordination with the concerned bodies and apply the potential protective monitoring methodology. The Bank promptly evaluates the violations, radically analyzes them and studies the reasons thereof and sets up the necessary corrective plans and follows up with the concerned departments, which resulted in reduction of financial penalties as shown above. The main methods to remedy violations and avoid repetition in the future include the following:

- Upgrade the existing systems to introduce new technological tools.
- Amend the related policies and procedures.
- Introduce new controls to support the Bank's related businesses.
- Employee awareness on the related regulatory requirements to enhance compliance culture.

- Include the violations within the control programs of the control departments in the Bank, to ensure implementation of the protective measures.

Conflicts of interest

The following is a statement of the related parties’ transactions as shown in the 2025 consolidated financial statements which includes any contract in which any member of the Board or any of their affiliates has or had any material interest, in addition to the facilities granted to some Board Members. All these facilities are governed by the Saudi Central Bank's instructions which stipulates that all facilities offered to non-banking parties should be fully guaranteed.

It is worth noting that the related party transactions are performed on an arm’s length basis where no preference conditions or prices are granted for such transactions. Furthermore, the Bank did not have, nor did it enter into any contract in which the Managing Director and/or the Chief Financial Officer has or had any material interest.

Directors' Report

for the financial year ended 31 December 2025

Related party transactions

a) The balances as of 31 December 2025 resulting from such transactions included in the consolidated financial statements are as follows:

	ﷲ'000s
Non-Saudi major shareholder and their affiliates:	
Investments	781,387
Due from banks and other financial institutions	95,392
Due to banks and other financial institutions	567,437
Commitments and contingencies	2,669,756
Directors, key management personnel and their affiliates:	
Loans and advances	11,667,447
Customers’ deposits	4,339,336
Commitments and contingencies	2,074,263
Investments	819,352
Associates:	
Investments in associates	908,126
Loans and advances	2,258,442
Customers’ deposits	14,357
Commitments and contingencies	2,074

b) Income and expense transactions with related parties included in the consolidated financial statements for the year ended 31 December 2025:

	ﷲ'000s
Special commission income**	1,122,350
Special commission expenses	(157,858)
Fees and commission income	43,259
Share in earnings of associates, net	27,403
Directors’ remuneration expense	(14,944)
Insurance contracts expense *	(90)

*Wala for Cooperative Insurance (related party: Mr. Hesham Abdullatif Al-Jabr – Board Member).
**Special commission income mainly includes income from directors, key management personnel and their affiliates.

Miscellaneous expenses for the year 2025

The following are details of miscellaneous expenses for 2025 for transactions with related parties that were carried out in accordance with the approved commercial terms and conditions applied to non-related parties and in accordance with the Bank’s approved policies in this regard, without granting any advantages or preferential treatment in terms of pricing, payment terms, guarantees or contractual periods. These transactions were subject to review and approval procedures in accordance with the approved authorities and after excluding any influence or participation of the related party in the decision-making process, in order to ensure compliance with governance and conflict of interest requirements:

			ﷲ'000s
Nature of item	Related party	Duration	Expense amount
Support services agreement for cash centers – supply, installation and maintenance of security cameras for all the Bank’s branches and centers	Abana Projects Company (related party: Mr. Salah Rashed Al-Rashed – Chairman of the Board)	As needed	457
Providing labor services	Al Khaleej Training and Education Co. (related party: Mr. Salah Rashed Al-Rashed – Chairman of the Board)	As needed	26
Providing the Bank with information on consumers’ wages and state of work	Saudi Credit Burea – SIMAH (related party: Mr. Kamal Khodr – one of the managers)	As needed	21,954
Subscription to the SANID system of the General Organization of Social Insurance	Saudi Financial Support Services Company – SANID (related party: Mr. Khalid Al- Rashed – one of the managers)	As needed	16,832
Providing storage services	Tujory Company (related party: Mr. Hisham Mohammed Mahmoud Alattar – Board Member of Arab Bank Plc)	10 years renewed automatically as needed	18,223
Providing information technology solutions	Arab Company for Internet Services – stc Solutions (related party: Mr. Abdullah Sayel Alanizi – Member of the Audit Committee)	As needed	22,176
Providing communications and internet services	Saudi Telecommunications Company – stc (related party: Mr. Abdullah Sayel Alanizi – Member of the Audit Committee)	As needed	37,419
Providing integrated solutions and consultations	Takamol Company for Business Services (related party: Mr. Thamer Mesfer Al-Wadai – Board Member)	As needed	300
Providing financial and banking education and training	The Financial Academy (related party: Mr. Mohammed Faraj Alkanani Al-Zahrani – Board Member)	As needed	72
Total miscellaneous expenses during the year			117,459

Directors' Report

for the financial year ended 31 December 2025

c) The total amount of remunerations paid to key management personnel during the year ended 31 December 2025 is as follows:

	ﷲ'000s
Short-term employee benefits (salaries and allowances)	60,372
Post-employment benefits (end of service indemnity and social security)	7,324

Key management personnel are those persons, including the executive directors, having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Bank.

anb Code of Conduct

The Bank is committed to conduct its business in accordance with the highest ethical standards, relevant legislation and regulations. The Bank fully cooperates with regulators and supervisory bodies in this respect.

The Board sets the Ethics and Banking Practice Rules and encourages management and staff to act ethically and in accordance with the applicable laws, rules, regulations and policies of the Bank, and in line with best practices.

The Board ensures, through senior management, that it has established through word and action the desired value-based culture and reinforces appropriate behavior through effective awareness programs.

The Bank sets out a Code of Ethical Behavior in order to formulate the values that guide behavior and conduct of business across the organization.

Accounting standards

The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Bank also prepares its consolidated financial statements to comply with the provisions of the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and the Bank's by-laws. There are no

significant differences to the accounting standards issued by SOCPA.

External auditors

In its Extraordinary General Assembly meeting held on 8 April 2025, the Bank's shareholders appointed Messrs. Deloitte and Touche and Ernst and Young as the external auditors for the Bank for the year 2025, and first quarter of 2026. The auditors' fees for the year ended 31 December 2025 amounting to ﷲ 7.1 million (31 December 2024: ﷲ 7.85 million).

Statement of directors' responsibilities in relation to the consolidated financial statements

The Board, to the best of its knowledge, confirms that:

- anb has properly maintained its accounting records.
- The internal control system was properly prepared and effectively implemented.
- There is no doubt that anb has the resources to continue in business.
- The Bank neither have nor have they entered into any contract in which any member of the Board, the Managing Director, the Chief Financial Officer or any of their associates has or had any material interest except as disclosed in this report and in note No. 36 to the consolidated financial statements disclosing related parties.

Board of Directors
19 February 2026



05

Financial statements

Independent auditors' report	166
Consolidated statement of financial position	172
Consolidated statement of income	173
Consolidated statement of comprehensive income	174
Consolidated statement of changes in equity	175
Consolidated statement of cash flow	177
Notes to consolidated financial statements	178

With a focus on stability and performance, anb translates strategic priorities into solid financial results.



**Independent Auditors’ Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company)**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arab National Bank (the “Bank”) and its subsidiaries (together, the “Group”), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing as 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, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for 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 auditors’ opinion thereon, and we do not provide a separate opinion on these matters.

**Independent Auditors’ Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Expected credit loss allowance against loans and advances</i> As at December 31, 2025, the gross loans and advances of the Group were SAR 198 billion against which an expected credit loss (“ECL”) allowance of SAR 3.1 billion was maintained. The determination of ECL involves significant estimation and management judgement, and this has a material impact on the consolidated financial statements of the Group. The key areas of judgement include: 1. Categorisation of loans and advances into Stage 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. 2. Assumptions used in the ECL model for determining the probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”), including but not limited to assessment of financial condition of counterparties, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probabilities weightages.	▪ We obtained and updated our understanding of management’s assessment of ECL allowance against loans and advances including the Group’s internal rating model, accounting policy and model methodology. ▪ We compared the Group’s accounting policy for ECL allowance and the ECL methodology against the requirements of IFRSs as endorsed in the Kingdom of Saudi Arabia. ▪ We assessed the design and implementation, and tested the operating effectiveness of the key controls (including relevant general Information Technology (“IT”) and application controls) over; • the ECL model, including governance over the model, and any model updates during the year, including the approval of the ECL committee of key inputs and assumptions; • the classification of loans and advances 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 model; and • the integrity of data inputs into the ECL model. ▪ For a sample of customers, we assessed: • the internal ratings determined by management based on the Group’s internal rating model and considered these assigned ratings in light of external market conditions and available industry information; • management’s computations for ECL; and • management’s assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment.

Independent Auditors' Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Expected credit loss allowance against loans and advances (continued)</i> We considered this to be a key audit matter as a result of the following: - the quantitative significance of the amount to the consolidated financial statements; - the judgements applied and estimates made by management; and - the level of audit effort required. <i>Refer to the material accounting policy information note 3.6 which describes the accounting policy related to allowance for expected credit losses; note 2.6.1 which contains the disclosure of critical accounting judgements, estimates and assumptions relating to ECL on financial assets and the impairment assessment methodology used by the Group; note 7 which contains the disclosure of impairment against loans and advances; and note 32.4 for details of credit quality analysis and key assumptions and factors considered in determination of ECL.</i>	- We assessed the Group's criteria for the determination of SICR and identification of "default" or "individually impaired" exposures. Further, for a sample of exposures, we assessed the staging classification of the Group's loan portfolio. - We assessed the underlying assumptions used by the Group in the ECL model including forward looking assumptions. - We tested the completeness and accuracy of data supporting the ECL calculations as of December 31, 2025. - We involved our specialists to assist us, where necessary, in reviewing model calculations, evaluating interrelated inputs and assessing the reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights. - We assessed disclosures in the consolidated financial statements relating to this matter against the requirement of IFRSs that are endorsed in the Kingdom of Saudi Arabia.

Independent Auditors' Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2024 were jointly audited by another joint auditor who expressed an unmodified opinion on those statements on February 13, 2025 (corresponding to Sha'ban 14, 1446H).

Other Information

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 Board of Directors of the Bank are responsible for the other information in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, when made available to us, 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 and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Bylaws, 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, are responsible for overseeing the Group's financial reporting process.

Independent Auditors' Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

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 ISAs, that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement 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 the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report
To the Shareholders of Arab National Bank (A Saudi Joint Stock Company) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable provisions of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Bylaws in so far as they affect the preparation and presentation of the consolidated financial statements for the year ended December 31, 2025.

Ernst & Young Professional Services


Fahad M. Altoaimi
Certified Public Accountant
License No. 354



Deloitte and Touche & Co.
Chartered Accountants


Tariq Mohammad Alfattani
Certified Public Accountant
License No. 446



21 Sha'ban 1447H
(9 February 2026)

Consolidated statement of financial position

As at December 31, 2025 and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024 – restated
Assets			
Cash and balances with Saudi Central Bank	4	13,167,397	12,342,361
Due from banks and other financial institutions, net	5	2,334,847	3,853,380
Positive fair value of derivatives	11	2,070,228	2,290,596
Investments, net	6–41	60,011,931	52,949,576
Loans and advances, net	7	195,299,305	169,494,661
Investments in associates	8	908,126	889,646
Other real estate owned, net		228,220	909,064
Property, equipment and right of use assets, net	9	3,299,379	2,978,359
Other assets	10–41	3,813,756	3,132,328
Assets held for sale	39	250,085	-
Total assets		281,383,274	248,839,971
Liabilities and equity			
Liabilities			
Due to banks, Saudi Central Bank and other financial institutions	12	11,948,622	14,410,463
Negative fair value of derivatives	11	1,326,794	1,598,910
Customers’ deposits	13	209,286,780	182,223,718
Debt securities in issue	15.1	451,962	2,828,870
Other liabilities	14	8,844,755	9,096,305
Liabilities associated with assets held for sale	39	11,358	-
Total liabilities		231,870,271	210,158,266
Equity			
Share capital	16.1	20,000,000	20,000,000
Treasury shares	16.2	(316,366)	(98,329)
Statutory reserve	17	13,175,000	11,890,000
Other reserves	18–41	1,411,642	715,427
Retained earnings	41	7,444,734	6,144,860
Equity attributable to shareholders of the Bank		41,715,010	38,651,958
Tier I Sukuk	15.2	7,767,500	-
Total equity attributable to equity holders of the Bank		49,482,510	38,651,958
Non-controlling interest		30,493	29,747
Total equity		49,513,003	38,681,705
Total liabilities and equity		281,383,274	248,839,971

The notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated statement of income

For the years ended December 31, 2025 and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024 – restated
Special commission income	20–41	15,205,132	14,406,461
Special commission expense	20	7,108,066	6,479,826
Special commission income, net		8,097,066	7,926,635
Fee and commission income	21	2,283,365	1,866,507
Fee and commission expense	21	1,404,953	1,157,691
Fee and commission income, net		878,412	708,816
Exchange income, net		350,845	325,796
Gains on FVSI financial instruments, net		230,748	174,409
Trading income, net		81,146	59,274
Dividend income	22–41	269,823	205,381
(Losses)/ gains on sale of non-trading instruments, net	23	(18,703)	6,140
Other operating (loss)/ income, net	24	(6,208)	18,544
Total operating income		9,883,129	9,424,995
Salaries and employee related expenses	29	2,012,359	1,771,718
Premises related expenses		50,676	55,387
Depreciation and amortisation	9	261,381	222,004
Other general and administrative expenses		1,012,819	1,017,967
Total operating expenses before impairment charges		3,337,235	3,067,076
Expected credit losses (ECL) and other impairment charges, net	25	692,660	644,813
Impairment (reversals)/ charges on other real estate owned		(100,000)	119,156
Total operating expenses		3,929,895	3,831,045
Net operating income		5,953,234	5,593,950
Share in earnings of associates, net	8	27,403	144,801
Net income before Zakat and tax		5,980,637	5,738,751
Zakat	27.5	373,898	334,056
Tax	27.5	495,715	447,856
Net income from continued operations		5,111,024	4,956,839
Income for the year from discontinued operations, net of Zakat and tax	39	5,960	10,508
Net income		5,116,984	4,967,347
Attributable to:			
Shareholders of the Bank		5,116,238	4,966,022
Non-controlling interest		746	1,325
Net income		5,116,984	4,967,347
Basic and diluted earnings per share (expressed in ﷲ)	26	2.49	2.48

The notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated statement of comprehensive income

For the years ended December 31, 2025 and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024 - restated
Net income		5,116,984	4,967,347
Other comprehensive income/ (loss):			
Items that will not be reclassified to consolidated statement of income in subsequent periods			
Equity instruments at FVOCI:			
- Net changes in fair value	41	256,790	(189,506)
Actuarial gain/ (loss) on defined benefit plans	30	67,177	(7,872)
Items that may be reclassified to the consolidated statement of income in subsequent periods			
Debt instruments at FVOCI:			
- Net changes in fair value	41	333,229	(131,907)
- Net amounts transferred to consolidated statement of income		(34,528)	(6,140)
Cash flow hedges:			
- Effective portion of change in the fair value		45,225	31,346
Total other comprehensive income/ (loss)		667,893	(304,079)
Total comprehensive income		5,784,877	4,663,268
Attributable to:			
Shareholders of the Bank		5,784,131	4,661,943
Non-controlling interest		746	1,325
Total comprehensive income		5,784,877	4,663,268

The notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated statement of changes in equity

For the year ended December 31, 2025

All amounts in thousands of Saudi Riyals unless stated otherwise

2025	Note	Attributable to equity holders of the Bank							Non-controlling interests	Total equity
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Tier I Sukuk	Total		
Restated balance as at December 31, 2024		20,000,000	(98,329)	11,890,000	715,427	6,144,860	-	38,651,958	29,747	38,681,705
Net income		-	-	-	-	5,116,238	-	5,116,238	746	5,116,984
Changes in equity for the year:										
Net changes in fair values of FVOCI equity investments		-	-	-	256,790	-	-	256,790	-	256,790
Net changes in fair values of FVOCI debt instruments		-	-	-	333,229	-	-	333,229	-	333,229
Net changes in fair value of cash flow hedges		-	-	-	45,225	-	-	45,225	-	45,225
Net transfers to consolidated statement of income		-	-	-	(34,528)	-	-	(34,528)	-	(34,528)
Actuarial gain	30	-	-	-	67,177	-	-	67,177	-	67,177
Total comprehensive income		-	-	-	667,893	5,116,238	-	5,784,131	746	5,784,877
Net loss on derecognition of FVOCI equity investments		-	-	-	4,168	(4,168)	-	-	-	-
Employee share plan reserve		-	-	-	24,154	-	-	24,154	-	24,154
Issuance of Tier I Sukuk	15.2	-	-	-	-	-	7,767,500	7,767,500	-	7,767,500
Tier I Sukuk cost	15.2	-	-	-	-	(187,411)	-	(187,411)	-	(187,411)
Transfer to statutory reserve	17	-	-	1,285,000	-	(1,285,000)	-	-	-	-
2024 final dividends	27.3	-	-	-	-	(1,166,127)	-	(1,166,127)	-	(1,166,127)
2025 interim dividends	27.4	-	-	-	-	(1,173,658)	-	(1,173,658)	-	(1,173,658)
Treasury shares	16.2	-	(218,037)	-	-	-	-	(218,037)	-	(218,037)
Balance as at December 31, 2025		20,000,000	(316,366)	13,175,000	1,411,642	7,444,734	7,767,500	49,482,510	30,493	49,513,003

The notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated statement of changes in equity

For the year ended December 31, 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

2024 – restated	Note	Attributable to equity holders of the Bank						Non-controlling interests	Total
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total		
Balance as at December 31, 2023 as previously presented		15,000,000	-	10,648,000	436,656	9,693,683	35,778,339	28,422	35,806,761
Restatement	41	-	-	-	543,739	(71,825)	471,914	-	471,914
Restated balance as at January 1, 2024		15,000,000	-	10,648,000	980,395	9,621,858	36,250,253	28,422	36,278,675
Net income		-	-	-	-	4,966,022	4,966,022	1,325	4,967,347
Changes in equity for the year:									
Net changes in fair values of FVOCI equity investments	41	-	-	-	(189,506)	-	(189,506)	-	(189,506)
Net changes in fair values of FVOCI debt instruments	41	-	-	-	(131,907)	-	(131,907)	-	(131,907)
Net changes in fair value of cash flow hedges		-	-	-	31,346	-	31,346	-	31,346
Net transfers to consolidated statement of income		-	-	-	(6,140)	-	(6,140)	-	(6,140)
Actuarial loss	30	-	-	-	(7,872)	-	(7,872)	-	(7,872)
Total comprehensive income		-	-	-	(304,079)	4,966,022	4,661,943	1,325	4,663,268
Net loss on derecognition of FVOCI equity investments		-	-	-	39,111	(39,111)	-	-	-
Transfer to statutory reserve	17	-	-	1,242,000	-	(1,242,000)	-	-	-
2023 final dividends	27.1	-	-	-	-	(956,692)	(956,692)	-	(956,692)
2024 interim dividends	27.2	-	-	-	-	(1,205,217)	(1,205,217)	-	(1,205,217)
Treasury shares	16.2	-	(98,329)	-	-	-	(98,329)	-	(98,329)
Issuance of bonus shares	16.1	5,000,000	-	-	-	(5,000,000)	-	-	-
Balance as at December 31, 2024		20,000,000	(98,329)	11,890,000	715,427	6,144,860	38,651,958	29,747	38,681,705

The notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated statement of cash flow

For the years ended December 31, 2025 and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024 – restated
Operating activities			
Net income before Zakat and tax		5,980,637	5,738,751
Adjustments to reconcile net income to net cash from operating activities:			
Amortisation relating to debt instruments, net		(255,873)	(173,459)
Special commission expense on debt securities in issue	20	79,619	93,544
Losses/ (gains) on sale of non-trading investments, net	23	18,703	(6,140)
Gains on FVSI financial instruments, net		(230,748)	(174,409)
Dividend income	22	(269,823)	(205,381)
Depreciation and amortisation	9	284,488	245,894
Gains on disposal of property and equipment, net	24	(1,452)	(13,559)
ECL and other provisions charges, net	25	692,660	644,813
Impairment (reversals)/ charges on other real estate owned		(100,000)	119,156
Share in earnings of associates, net	8	(27,403)	(144,801)
Losses on sale of other real estate owned	24	17,000	-
Net (increase)/ decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(1,343,589)	(871,797)
Investments held at FVSI		616,884	(292,963)
Positive fair value of derivatives		220,368	(488,705)
Loans and advances		(26,492,924)	(17,889,161)
Other real estate owned		50,000	-
Other assets		(731,958)	(1,038,354)
Net increase/ (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		(2,461,841)	5,979,687
Negative fair value of derivatives		(272,116)	195,550
Customers’ deposits		27,063,062	16,355,709
Other liabilities		(117,168)	1,845,490
Zakat and income tax paid		(986,743)	(662,058)
Net cash from operating activities		1,731,783	9,257,807
Investing activities			
Proceeds from sale and maturities of investments not held as FVSI		2,765,312	1,386,566
Purchase of investments not held as FVSI		(8,642,839)	(6,039,920)
Dividends received from investments		269,823	205,381
Dividends received from associates		8,923	204,558
Proceeds from sale of property and equipment		2,385	31,968
Purchase of property and equipment		(638,321)	(627,342)
Net cash used in investing activities		(6,234,717)	(4,838,789)
Financing activities			
Dividends paid		(2,339,785)	(2,161,909)
Special commission paid on debt securities in issue		(93,544)	(93,537)
Net repayments of debt securities in issue		449,517	-
Redemption of Tier II Sukuk		(2,812,500)	-
Tier I sukuk issuance		7,767,500	-
Tier I sukuk cost		(187,411)	-
Purchase of treasury shares		(218,037)	(98,329)
Payment of lease liabilities		(100,433)	(109,198)
Net cash from/ (used in) financing activities		2,465,307	(2,462,973)
Net (decrease)/ increase in cash and cash equivalents		(2,037,627)	1,956,045
Cash and cash equivalents at the beginning of the year		6,505,335	4,549,290
Cash and cash equivalents at the end of the year	28	4,467,708	6,505,335

The notes to Consolidated Financial Statements are an integral part of these statements.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

1. General

Arab National Bank (a Saudi Joint Stock Company, the “Bank”) was formed pursuant to Royal Decree No. M/38 dated Rajab 18,1399H (corresponding to June 13, 1979). The Bank commenced business on February 2, 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration No. 1010027912 dated Rabi Awal 1, 1400H (corresponding to January 19, 1980) through its 121 branches (2024: 122 branches), 54 remittance centres (2024: 58 remittance centres) in the Kingdom of Saudi Arabia and one branch in the United Kingdom. The address of the Bank’s head office is as follows:

Arab National Bank
P.O. Box 56921
Riyadh 11564
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of banking services. The Bank also provides its customers non-commission based banking products which are approved and supervised by an independent Shariah Board established by the Bank.

The consolidated financial statements comprise the financial statements of the Bank and the following subsidiaries (collectively referred to as “the Group”):

1.1 ANB Capital

In accordance with the Capital Market Authority (CMA) directives, a wholly owned subsidiary and a Saudi closed joint stock company registered in the Kingdom under Commercial Registration No. 1010239908 issued on Shawwal 26, 1428H (corresponding to November 7, 2007), to takeover and manage the Bank’s investment services and asset management activities consisting of dealing, managing, arranging, advising and custody of securities regulated by the CMA. The subsidiary commenced its operations effective Muharram 3, 1429H (corresponding to January 12, 2008). On Muharram 19, 1436H (corresponding to November 12, 2014), the subsidiary changed its legal structure from a limited liability company to a closed joint stock company.

The objective of the subsidiary was amended and approved by CMA Board of Commissioners on Muharram 28, 1437H (corresponding to November 10, 2015) through a resolution number S/1/6/14832/15 to include dealing as a principal activity.

The objective of the subsidiary was further amended on Sha’ban 26, 1437H (corresponding to June 2, 2016) to provide loans to the subsidiary’s customers to trade in shares as per the Saudi Central Bank (SAMA) circular No. 371000014867 dated Safar 5, 1437H, and the CMA’s circular No. S/6/16287/15 dated Rabi’h Al-Awal 10, 1437H.

1.2 Arabian Heavy Equipment Leasing Company (“AHEL”)

An 87.5% owned subsidiary incorporated in the Kingdom, as a Saudi closed joint stock company, under Commercial Registration no 1010267489 issued in Riyadh dated Jumada I 15, 1430H (corresponding to May 10, 2009). The Company is engaged in the leasing of heavy equipment and operates in compliance with Shari’ah principles.

AHEL is under sale process and has been classified as non-current assets held for sale and discontinued operations (note 39).

1.3 Al-Manzil Al-Mubarak Real Estate Financing Ltd.

A wholly owned Saudi limited liability company, registered in the Kingdom under the commercial registration no. 1010199647 issued in Riyadh dated Jumada I 18, 1425H (corresponding to July 6, 2004). The subsidiary is engaged in the purchase of lands and real estates and invest them through sale or rent in favor of the company, maintenance and management of owners and others’ assets as guarantee, sale and purchase of real estates for financing purposes as per SAMA approval No. 361000109161 dated Shaban 10, 1436H.

1.4 ANB Global Markets Limited

The Bank established on Jumada I 3, 1438H (corresponding to January 31, 2017) ANB Global Markets Limited, as a limited liability company registered in the Cayman Islands. The Bank has 100% ownership in the investee. The objective of ANB Global Markets Limited is trading in derivatives and Repo activities on behalf of the Bank.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared:

2.1.1 in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia; other standards and pronouncements endorsed by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”) referred to as “IFRS as endorsed in KSA”; and

2.1.2 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.

2.2 Basis of measurement and presentation

The consolidated financial statements are prepared on a going concern basis 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”), financial instruments held at Fair Value through Other Comprehensive Income (“FVOCI”), and employee defined benefit obligations which are stated at present value of their obligation using the projected unit credit method. In addition, financial assets or liabilities that are hedged in a fair value hedging relationship and otherwise adjusted to record changes in fair value attributable to the risks that are being hedged. The statement of financial position is stated in order of liquidity.

The new Regulations for Companies issued through Royal Decree M/132 on Dhul Hijjah 1, 1443H (corresponding to June 30, 2022) (hereinafter referred as “the Law”) came into force on Jumada II 26, 1444H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from Jumada II 26, 1444H (corresponding to January 19, 2023). On March 26, 2024, the Extra Ordinary General Assembly of the Bank has approved the amendments to the Bank’s By-laws to comply with the new Law. The regulatory procedures to update the Bank’s By-Laws were completed during the year ended December 31, 2024.

2.3 Going concern

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

2.4 Basis of consolidation

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies. Adjustments have been made to the financial statements of the subsidiaries where necessary to align them with the Bank’s financial statements.

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

Specifically, the Group controls an investee if and only if it has:

- Power over the investee i.e. existing rights that give it the current ability to direct the relevant activities of the investee;
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights granted by equity instruments such as shares.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated statement of income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated statement of income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the portion of net income or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of income and separately from equity holders of the Bank within equity in the consolidated statement of financial position. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Acquisitions of non-controlling interests are accounted for using the purchase method of accounting, whereby, the difference between the cost of acquisition and the fair value of the share of the net assets acquired is recognised as goodwill.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interest is subsequently adjusted for the Group's share of changes in the equity of the consolidated subsidiary after the date of acquisition.

All intra-group assets and liabilities, equity, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

2.5 Functional and presentation currency

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

2.6 Critical accounting judgements, estimates and assumptions

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

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and the assessment of the recoverable amount of non-financial assets.

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

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2. Basis of preparation (continued)

2.6.1 Expected Credit Losses (“ECL”) on financial assets:

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

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

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

- The Group's internal credit grading model, which assigns Probabilities of Defaults (“PDs”) to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
- The Bank applies overlay adjustments to its expected credit loss model to reflect factors not fully captured by model inputs, such as macroeconomic conditions, forward-looking information, or borrower-specific circumstances. These overlays involve significant judgment and the underlying assumptions considered include current and forecasted economic conditions, sectoral trends, and other factors that may materially affect credit risk. The overlay adjustments are regularly reviewed and revised to ensure they remain appropriate and reflective of the current credit risk environment. These adjustments are made in line with the Bank's credit risk management policies.

2.6.2 Fair value of financial instruments:

The fair value of financial instruments 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 most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Assumptions and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

2.6.3 Tier 1 Sukuk classification

The determination of equity classification of Tier 1 Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Group classifies as part of equity the Tier 1 Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit upon the occurrence of a non-payment event or non-payment election by the Bank subject to certain terms and conditions that are under the control of the Bank. The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity.

2.6.4 Define benefit plans (note 30); and

2.6.5 Fair value of other real estate owned.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies

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

3.1 Changes in accounting policies

3.1.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. An amendment applies for the first time in 2025, but does not have an impact on the consolidated financial statements of the Group.

- 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. Effective date is January 1, 2025.

3.1.2 Accounting standards issued but not yet effective

- Amendments to IFRS 10 and IAS 28– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. Effective date is January 1, 2026.
- Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity: Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements. Effective date is January 1, 2026.
- Annual improvements to IFRS – Volume 11: Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows. Effective date is January 1, 2026.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. Effective date is January 1, 2027.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards. Effective date is January 1, 2027.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.2 Classification of financial assets

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

3.2.1 Financial asset at amortised cost (AC)

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

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

3.2.2 Financial asset at fair value through other comprehensive income (FVOCI)

3.2.2.1 Debt instrument

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and 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 Other Comprehensive Income (OCI). Interest income and foreign exchange gains and losses are recognised in the consolidated statement of income.

3.2.2.2 Equity Instruments

On initial recognition of 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 instrument-by- instrument basis.

3.2.2.3 Financial Asset at fair value through statement of income (FVSI)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVSI.

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

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

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

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

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

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

3.2.4 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).

3.2.5 Designation at FVSI

At initial recognition, the Group may designate certain financial assets at FVSI. The designated financial assets (if any) are required to be managed, evaluated and reported internally on a fair value.

3.3 Classification of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium and costs that are an integral part of the Effective Interest Rate (“EIR”).

3.4 Derecognition

3.4.1 Financial assets

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

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

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

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

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

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

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

3.4.2 Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

3.5 Modifications of financial assets and financial liabilities

3.5.1 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.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with allowance for expected credit losses.

3.5.2 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 statement of income.

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

3.6 Allowance for expected credit losses

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

- Due from banks and other financial institutions;
- Investments in debt instruments;
- Loans and advances;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No allowance for expected credit losses is recognised on FVOCI equity investments.

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage1' financial instruments. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are 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'.

3.6.1 Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn 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.

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;
- Lease receivables: the discount rate used in measuring lease receivables;
- 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.

3.6.2 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 EIR of the existing financial asset.

3.6.3 Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at 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.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

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 other 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 allowance for expected credit losses. In addition, a loan that is overdue for 90 days or more is considered impaired.

In assessing 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;
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

3.6.4 Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision classified under 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 under other liabilities; and
- debt instruments measured at FVOCI: no ECL allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the ECL allowance is disclosed and is recognised in the fair value reserve. Allowances charge for expected credit losses are recognised in the consolidated statement of income and changes between the amortised cost of the assets and their fair value are recognised in OCI.

3.6.5 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 allowance charges for expected credit losses and other provisions.

3.6.6 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 ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

3.6.7 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 its internal operations are transferred to their relevant asset category, 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 to settle outstanding debt, but engages external agents to recover funds generally at auction. 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.

3.7 Financial guarantees, loan commitments, and other commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued and commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance.

The Group has not issued loan commitments that are measured at FVSI. It recognises an expected credit loss allowance for all other loan commitments.

3.8 Government grant

The Group recognizes a government grant related to income, if there is a reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant. The benefit of a government deposit at a below-market rate of interest is treated as a government grant related to income. The below-market rate deposit is recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the deposit determined in accordance with IFRS 9 and the proceeds received.

The benefit is accounted for in accordance with IAS 20. Government grant is recognised in statement of consolidated income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant is intended to compensate. The grant income is only recognised when the ultimate beneficiary is the Group.

Where the customer is the ultimate beneficiary, the Group only records the respective receivable and payable amounts.

3.9 Revenue/ expenses recognition

3.9.1 Special commission income and expenses

Special commission income and expense are recognised in the consolidated statement of income using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts of the financial instrument or the amortised cost of the financial instrument.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, excluding expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.9.2 Measurement of amortised cost and special commission income

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.9.3 Exchange income/ (loss)

Exchange income/ (loss) is recognised when earned/ incurred.

3.9.4 Fee and commission income

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 special commission income/ expense as applicable.

Income from asset management and brokerage are recognised at a point-in-time when the performance obligation of the Group is satisfied.

Investment banking and corporate finance fee revenues are recognised over the period of time that the performance obligations are met in accordance with the applicable terms of the contract.

Other fee and commission income, including account servicing fees, sales commission, placement fees and syndication fees, is recognised as the related services are performed and performance obligations are achieved as point-in-time. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

3.10 Rendering of services

The Group provides various services to its customer. These services are either rendered separately or bundled together with rendering of other services.

The Group has concluded that revenue from rendering of various services related to share trading and fund management, trade finance, corporate finance, and advisory and other banking services, should be recognized at the point when services are rendered i.e., when performance obligation is satisfied. Whereas for free services related to credit card, the Group recognizes revenue over the period of time.

3.10.1 Brokerage income

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, which is considered as a performance obligation satisfied at a point in time, which triggers immediate recognition of the revenue, as the Group will have no further commitments.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3.10.2 Asset management fees

Asset management fees are recognised based on a fixed percentage of net assets under management (“asset-based”), or a percentage of returns from net assets (“returns-based”), or % of capital deployed/raised 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 period, because the fee relates specifically to the Group’s efforts to transfer the services for that period. As asset management fees are not subject to clawbacks, the management does not expect any significant reversal of revenue previously recognised.

This fee compensates and contributes to single performance obligation, the Group’s obligation will generally be satisfied upon the provision of non-restrictive legal custodial structure and therefore recognized over time as the overall services are performed.

3.10.3 Advisory and investment banking services revenue

Advisory and investment banking services revenue is recognised when services are determined as complete in accordance with the underlying agreement based on performance obligations being met, agreed with the customer and invoiced, as generally set forth under the terms of the engagement.

Revenue recognition of retainer fees is recognized over a period of time and it is generally linked to the timing of performance obligation (i.e., monthly, quarterly, etc.).

Success fees are recognized upon the fulfilment of performance obligations. For example, either on the satisfaction of financial advisory services or completion of underwriting agreement.

3.11 Investments in associates

Investments in associates are initially recognised at cost and subsequently equity accounted. An associate is an entity in which the Group has significant influence (but not control) over financial and operating policies and which is neither a subsidiary nor a joint venture. Investments in associates are carried in the statement of financial position at cost, plus post-acquisition changes in the Group share of net assets of the associate, less any impairment in the value of individual investments. The Group share of its associates’ post-acquisition profits or losses are recognised in the statement of income, and its share of post-acquisition movements in other comprehensive income is recognised in reserves.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables (if applicable), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Under the equity method, the investment in the associate is carried on the statement of financial position at cost plus post acquisition changes in the Group’s share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of income reflects the Group’s share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains on transactions are eliminated to the extent of the Group’s interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

The Group’s share of profit of an associate is shown on the face of the statement of income. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in any subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the ‘share of profit of an associate’ in the statement of income.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.12 Settlement date accounting

All regular-way purchases and sales of financial assets are accounted for on settlement date. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe generally established by regulation or market convention. For financial instruments held at fair value, the Group accounts for any change in fair values between the trade date and the settlement date.

A contract that requires or permits net settlement of the change in the value of the contract is not a regular way contract. Instead, such a contract is accounted for as a derivative in the period between the trade date and the settlement date.

3.13 Derivative financial instruments and hedge accounting

Derivative financial instruments, including forward foreign exchange contracts, commission rate futures, forward rate agreements, currency and commission rate swaps and currency and commission rate options are measured at fair value. All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow models and pricing models, as appropriate.

The treatment of changes in fair values depends on classifying derivatives into the following categories:

3.13.1 Derivatives held for trading

Changes in the fair value of derivatives held for trading are taken directly to the consolidated statement of income and disclosed under trading income, net. Derivatives held for trading do not qualify for hedge accounting and embedded derivatives.

3.13.2 Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in statement of income unless they form part of a qualifying cash flow or net investment hedging relationship.

3.13.3 Hedge accounting

The Group elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships to manage exposures to interest rate, foreign currency, and credit risks, including exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria.

For the purpose of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability and (b) cash flow hedges which hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

In order to qualify for hedge accounting, the hedge should be expected to be highly effective, i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objective and strategy are documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Group will assess the effectiveness of the hedging relationship.

Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an ongoing basis.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3.13.3.1 Fair Value Hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect statement of income, any gain or loss from re-measuring the hedging instruments to fair value is recognised immediately in the consolidated statement of income together with change in the fair value of the hedged item attributable to the hedged risk under non-trading gains / losses in the statement of income.

For hedged items measured at amortised cost, where the fair value hedge of a commission bearing financial instrument ceases to meet the criteria for hedge accounting or is sold, exercised or terminated, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the effective commission rate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated statement of income.

3.13.3.2 Micro fair value hedges

A fair value hedge relationship is a 'Micro fair value hedge' when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments.

The financial instruments hedged for interest rate risk in a micro fair value hedge relationship include fixed rate corporate and small business loans, fixed rate debt instruments at FVOCI and fixed rate issued long-term deposits. These hedge relationships are assessed for prospective and retrospective hedge effectiveness on a monthly basis. If the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, or the Group decides to voluntarily discontinue the hedging relationship, the hedge relationship is discontinued prospectively.

If the relationship does not meet the hedge effectiveness criteria, the Group discontinues hedge accounting from the last date on which compliance with hedge effectiveness was demonstrated. If the hedge accounting relationship is terminated for an item recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item is amortised over the remaining term of the original hedge by recalculating the EIR. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement. For fair value hedge relationships where the hedged item is not measured at amortised cost, such as debt instruments at FVOCI, changes in fair value that were recorded in the income statement whilst hedge accounting was in place are amortised in a similar way to amortised cost instruments using the EIR method. However, as these instruments are measured at their fair values in the statement of financial position, the fair value hedge adjustments are transferred from the income statement to OCI. There were no such instances in either the current year or in the comparative year.

3.13.3.3 Portfolio macro fair value hedges

The Group applies macro fair value hedging to its fixed rate mortgages. The Group determines hedged items by identifying portfolios of homogenous loans based on their contractual interest rates, maturity and other risk characteristics. Loans within the Identified portfolios are allocated to repricing time buckets based on expected, rather than contractual, repricing dates. The hedging instruments (pay fix/receive floating rate interest rate swaps) are designated appropriately to those repricing time buckets. Hedge effectiveness is measured on a monthly basis, by comparing fair value movements of the designated proportion of the bucketed loans due to the hedged risk, against the fair value movements of the derivatives, to ensure that they are within an 80% to 125% range. The aggregated fair value changes in the hedged loans are recognised as an asset in the Fair value hedge accounting adjustment on the face of the statement of financial position.

Should hedge effectiveness testing highlight that movements for a particular bucket fall outside the 80-125% range (i.e., the hedge relationship was ineffective for the period), no fair value hedge accounting adjustment is recorded for that month for that particular bucket. Regardless of the results of the retrospective hedge effectiveness testing, at the end of every month, in order to minimise the ineffectiveness from early repayments and accommodate new exposures, the Group voluntarily de-designates the hedge relationships and re-designates them as new hedges. At de-designation, the fair value hedge accounting adjustments are amortised on a straight-line basis over the original hedged life. The Group has elected to commence amortisation at the date of de-designation.

IBOR reform Phase 2 provide relief for items within a designated group of items such as those forming part of the Group's macro fair value hedging strategy, that are amended as a result of IBOR reform. The reliefs allow the Group's hedging strategy to remain and not be discontinued. As items within the hedged group transition at different times from IBORs to RFRs, the Group transfers them to sub-groups of instruments that reference RFRs as the hedged risk.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.13.3.4 Cash flow hedges

For designated and qualifying cash flow hedging, derivatives instruments in a hedge of a variability in cash flows attributable to a particular risk associated with recognised asset or a liability or a highly probable forecast transaction that could affect the statement of income, the portion of the gain or loss on the hedging instrument that is determined to be an effective portion is recognised directly in other comprehensive income and the ineffective portion, if any, is recognised in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves, are transferred to the consolidated statement of income in the same period in which the hedged item affects the consolidated statement of income.

However, if the Group expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into the statement of income as a reclassification adjustment the amount that is not to be recognised.

Where the hedged forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, then at the time such asset or liability is recognised the associated gains or losses that had previously been recognised directly in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of such asset or liability. When the hedging instrument is expired or sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the forecast transaction is no longer expected to occur, or the Group revokes the designation then hedge accounting is discontinued prospectively.

At that point of time, any cumulative gain or loss on the cash flow hedging instrument that was recognised in other comprehensive income from the period when the hedge was effective is transferred from equity to statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affects the statement of income, the net cumulative gain or loss recognised in "other comprehensive income" is transferred immediately to the consolidated statement of income for the period.

3.14 Foreign currencies

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The Group's consolidated financial statements are presented in Saudi Arabian Riyals, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the spot rates prevailing at transaction dates. Monetary assets and liabilities at year-end (other than monetary items that form part of the net investment in a foreign operation), denominated in foreign currencies, are translated into Saudi Arabian Riyals at rates of exchange prevailing at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for the effective interest rate and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. All differences arising on non-trading activities are taken to other non-operating income in the statement of income, with the exception of differences on foreign currency borrowings that provide an effective hedge against a net investment in foreign entity.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Foreign currency differences arising from the translation of the following items are recognized in OCI:

- FVOCI equity instruments in respect of which an election has been made to present subsequent changes in fair value in OCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

As at the reporting date, the assets and liabilities of foreign operations are translated into Saudi Arabian Riyals at the rate of exchange as at the statement of financial position date, and their statement of incomes are translated at the weighted average exchange rates for the year. Exchange differences arising on translation are recognized in other comprehensive income. Goodwill and fair value adjustments, arising on the acquisition of foreign subsidiaries are maintained in the functional currency of the foreign operation are translated at the closing rate and included in hedges of net investments where appropriate. If the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of income as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the statement of income.

3.15 Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised on the consolidated statement of financial position and are measured in accordance with relevant accounting policies for trading, FVSI, FVOCI and at amortised cost securities. The counterparty liability for amounts received under these agreements is included in due to banks, SAMA and other financial institutions or customers' deposits, as appropriate. The difference between the sale and repurchase price is treated as special commission expense and accrued over the life of the repo agreement on an effective yield basis. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognised in the consolidated statement of financial position of the Group. Amounts paid under these agreements are included in cash and balances with SAMA, due from banks, SAMA and other financial institutions or loans and advances, as appropriate. The difference between the purchase and resale price is treated as special commission income and accrued over the life of the reverse repo agreement on an effective yield basis.

3.16 Tier I Sukuk

The Group classifies Sukuk issued with no fixed redemption/ maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit, as part of the equity in the consolidated statement of financial position. The related costs and distributions thereon are recognised directly in the retained earnings.

3.17 Share based payments

Under the terms of the Employee Share Program ('ESP'), eligible employees of the Group are offered 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.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.18 Non-Current assets held for sale and discontinued operations

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the assets is recognised at the date of derecognition. Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

3.19 Other real estate owned

The Group, in the ordinary course of business, acquires certain real estate against settlement of loans and advances. Such real estate is considered as assets held for sale and are initially stated at the carrying amount of the defaulted loans and advances. No depreciation is charged on such real estate.

Subsequent to initial recognition, write downs to fair value, less costs to sell, is charged to the consolidated statement of income. Similarly, subsequent gains in fair value less costs to sell are recognised as income to the extent that it does not exceed the cumulative write down. Gains or losses on disposal are recognised in the consolidated statement of income.

3.20 Property and equipment

Property and equipment are stated at cost and presented net of accumulated depreciation and accumulated allowance for expected credit losses. Freehold land is not depreciated.

Changes in the expected useful life are accounted for by changing the period or method, as appropriate, and treating it as a change in accounting estimates.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the group. On-going repairs and maintenance are expensed as incurred.

The cost of property and equipment is depreciated on a straight-line method over the estimated useful lives of assets as follows:

Buildings:
30 to 40 years

Leasehold improvements:
shorter of lease term or useful life

Furniture, equipment, vehicles, computer and software:
3 to 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income.

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.21 Provisions

Provisions other than allowance charges for expected credit losses are recognised when a reliable estimate can be made of a present legal or constructive obligation as a result of past events that is more likely than not to lead to an outflow of resources to settle the obligation.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3.21.1 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.

3.22 Accounting for leases

3.22.1 Right of Use Assets / Lease Liabilities

On initial recognition, at inception of the contract, the Group assesses 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.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.22.2 Right of Use Asset

The Group applies a cost model, and measures the right of use of an asset at cost:

- less any accumulated depreciation and any accumulated impairment losses; and
- adjusted for any re-measurement of the lease liability for lease modifications.

3.22.3 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 remeasured 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 remeasured 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.

3.22.4 Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.23 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are defined as those amounts included in cash, cash with others, balances with SAMA (excluding statutory deposit) and due from banks and other financial institutions maturing within 90 days.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

3. Summary of material accounting policies (continued)

3.24 Employee defined benefit obligation

The provision for employee defined benefit obligation 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 recognized in full in the period in which they occur in other comprehensive income. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Group recognizes the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the consolidated statement of income.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net 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.

3.25 Zakat and income tax

3.25.1 Zakat

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). The Zakat expense is charged to the consolidated statement of income. Zakat principles are not the same basis as income tax and as such no deferred tax is required to be calculated.

3.25.2 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, 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 based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Bank and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made.

3.25.3 Value added tax ("VAT")

The Group collects VAT from its customers for qualifying services and makes VAT payments to its vendors for qualifying payments. On a monthly basis, net VAT remittances are made to 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.

3.25.4 Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of 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. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised.

3.26 Investment management services

The Group offers investment services to its customers, through its subsidiary, ANBC, which include management of certain investment funds. The Group’s share of these funds is included in the FVSI investments and fees earned are disclosed under related party transactions. Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in the consolidated financial statements.

3.27 Shari’ah compliant banking products

In addition to conventional banking, the Group offers its customers the following non-special commission based banking products, which are approved by its Shari’ah Board:

3.27.1 Murabaha is an agreement whereby the Group sells to a customer a commodity or an asset, which the Group has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.

3.27.2 Tawarruq is a form of Murabaha transactions where the Group purchases a commodity and sells it to the customer. The customer sells the underlying commodity at spot and uses the proceeds for his financing requirements.

These non-commission based banking products are included in “loans and advances” in conformity with the related accounting policies described in these consolidated financial statements.

4. Cash and balances with Saudi Central Bank

	2025	2024
Cash in hand	1,280,148	1,204,664
Cash held in custody with others	823,629	881,827
Statutory deposit	11,038,536	9,694,947
Placement with SAMA	24,000	560,000
Current account	1,084	923
Total	13,167,397	12,342,361

In accordance with the Banking Control Law and regulations issued by SAMA, the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its deposit liabilities calculated on monthly averages at the end of reporting period. The statutory deposit with SAMA is not available to finance the Bank’s day-to-day operations and is therefore not part of cash and cash equivalents (note 28).

5. Due from banks and other financial institutions, net

	2025	2024
Current accounts	763,614	458,195
Money market placements	1,575,233	3,399,726
ECL allowance	(4,000)	(4,541)
Total	2,334,847	3,853,380

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

5. Due from banks and other financial institutions, net (continued)

5.1 The following table further explains changes in gross carrying amount of the due from banks and other financial institutions:

	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	3,857,921	-	-	3,857,921
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	(1,519,074)	-	-	(1,519,074)
Write-offs	-	-	-	-
Closing balance as at December 31	2,338,847	-	-	2,338,847

	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	2,480,258	-	-	2,480,258
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	1,377,663	-	-	1,377,663
Write-offs	-	-	-	-
Closing balance as at December 31	3,857,921	-	-	3,857,921

5.2 An analysis of changes of the ECL allowance for due from banks and other financial institutions are as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	4,541	-	-	4,541
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	(541)	-	-	(541)
Write-offs	-	-	-	-
Closing balance as at December 31	4,000	-	-	4,000

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	2,309	-	-	2,309
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	2,232	-	-	2,232
Write-offs	-	-	-	-
Closing balance as at December 31	4,541	-	-	4,541

6. Investments, net

6.1 Investment securities are classified as follows:

	2025	2024 – restated
Investments at amortised cost	42,792,004	38,685,327
Equity investments at FVOCI	5,130,571	4,551,959
Debt investments at FVOCI	9,915,984	7,868,485
Investments at FVSI	2,182,687	1,854,979
ECL allowance	(9,315)	(11,174)
Total	60,011,931	52,949,576

Certain equity investments designated at FVOCI were disposed of during the year and a cumulative net loss was transferred within the equity amounted to ₪ 4,168 thousands for the year ended December 31, 2025 (2024: loss ₪ 39,111 thousands).

Investments include items which have been utilised as pledged collateral under repurchase agreement and securities available under other arrangements. The market value of such investments held as a collateral against active repurchase agreements at December 31, 2025 is ₪ 1,580 million (2024: ₪ 1,473 million).

The uncalled portion of the Group’s committed capital contributions to investment funds as at December 31, 2025, which remains subject to drawdown at the discretion of the respective fund managers, amounts to ₪ 409 million.

6.2 Investments by type of securities:

	Domestic		International		Total	
	2025	2024 – restated	2025	2024	2025	2024 – restated
Fixed rate debt securities	43,307,881	37,237,759	5,815,246	5,521,550	49,123,127	42,759,309
Floating rate debt securities	3,584,861	3,794,503	-	-	3,584,861	3,794,503
Equities and funds	5,273,655	4,249,308	2,039,603	2,157,630	7,313,258	6,406,938
ECL allowance	(8,333)	(10,302)	(982)	(872)	(9,315)	(11,174)
Total	52,158,064	45,271,268	7,853,867	7,678,308	60,011,931	52,949,576

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

6. Investments, net (continued)

6.3 Staging details by class of investments:

6.3.1 The following table further explains changes in gross carrying amount of debt investments at amortised cost:

Debt instruments carried at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	38,685,327	-	-	38,685,327
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	4,106,677	-	-	4,106,677
Closing balance as at December 31	42,792,004	-	-	42,792,004

Debt instruments carried at amortised cost	2024 – restated			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	36,438,350	-	-	36,438,350
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	2,246,977	-	-	2,246,977
Closing balance as at December 31	38,685,327	-	-	38,685,327

6.3.2 The following table further explains changes in gross carrying amount of debt investments at FVOCI:

Debt instruments carried at FVOCI	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	7,868,485	-	-	7,868,485
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	2,047,499	-	-	2,047,499
Write-offs	-	-	-	-
Closing balance as at December 31	9,915,984	-	-	9,915,984

Debt instruments carried at FVOCI	2024 – restated			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	6,288,279	-	-	6,288,279
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	1,580,206	-	-	1,580,206
Closing balance as at December 31	7,868,485	-	-	7,868,485

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

6.3.3 The analysis of changes in ECL allowance for debt instruments carried at amortised cost:

Debt instruments carried at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	11,174	-	-	11,174
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	(1,859)	-	-	(1,859)
Write-offs	-	-	-	-
Closing balance as at December 31	9,315	-	-	9,315

Debt instruments carried at amortised cost	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	12,370	-	-	12,370
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	(1,196)	-	-	(1,196)
Write-offs	-	-	-	-
Closing balance as at December 31	11,174	-	-	11,174

6.3.4 The analysis of changes in ECL allowance for debt instruments carried at FVOCI:

Debt instruments carried at FVOCI	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	40,899	-	-	40,899
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	6,780	-	-	6,780
Write-offs	-	-	-	-
Closing balance as at December 31	47,679	-	-	47,679

Debt instruments carried at FVOCI	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	26,733	-	-	26,733
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Net change for the year	14,166	-	-	14,166
Write-offs	-	-	-	-
Closing balance as at December 31	40,899	-	-	40,899

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

6. Investments, net (continued)

6.4 The analysis of the composition of investments is as follows:

	2025			2024 – restated		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Fixed rate debt securities	48,922,467	200,660	49,123,127	42,479,425	279,884	42,759,309
Floating rate debt securities	1,802,452	1,782,409	3,584,861	1,802,172	1,992,331	3,794,503
Equities and funds	3,597,139	3,716,119	7,313,258	4,916,336	1,490,602	6,406,938
ECL allowance	(4,803)	(4,512)	(9,315)	(4,312)	(6,862)	(11,174)
Investments, net	54,317,255	5,694,676	60,011,931	49,193,621	3,755,955	52,949,576

6.5 The analysis of unrealised gains and losses and fair values of investments held at amortised cost is as follows:

	2025				2024 – restated			
	Carrying value	Gross unrealised gains	Gross unrealised losses	Fair value	Carrying value	Gross unrealised gains	Gross Unrealized Losses	Fair value
Fixed rate debt securities	39,420,253	272,555	(3,381,754)	36,311,054	35,312,787	70,928	(3,663,406)	31,720,309
Floating rate debt securities	3,371,751	9,941	(5,628)	3,376,064	3,372,540	13,344	(6,561)	3,379,323
ECL allowance	(9,315)	-	-	(9,315)	(11,174)	-	-	(11,174)
Total	42,782,689	282,496	(3,387,382)	39,677,803	38,674,153	84,272	(3,669,967)	35,088,458

6.6 The analysis of investments by counter-party is as follows:

	2025	2024 – restated
Government and quasi government	45,607,553	39,557,379
Banks and other financial institutions	7,019,838	6,362,025
Corporate	7,384,540	7,030,172
Total	60,011,931	52,949,576

6.7 Investments include Shariah based investments as follows:

	2025	2024 – restated
Investments at amortised cost	40,567,071	36,330,736
Equity investments at FVOCI	1,242,889	948,808
Debt investments at FVOCI	1,378,991	567,566
ECL allowance	(7,570)	(9,126)
Total	43,181,381	37,837,984

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

6.8 Involvement with unconsolidated structured entities

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Group
Private equity funds	To generate returns from long-term capital appreciation in the net worth of the fund, realised via periodic distributions and eventual exit at the end of the life of the fund.	Investments in units/ shares issued by the funds.
	These funds are financed through the issue of units/ shares to investors.	

The table below sets out an analysis of the carrying amounts of interest held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

	2025	2024
Private equity funds	92,847	72,437

During the years ended December 31, 2025 and 2024, the Group did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

7. Loans and advances, net

7.1 Loans and advances held at amortised cost comprise of the following:

2025	Corporate Banking	Retail Banking	Total
Performing loans and advances	145,687,375	50,891,780	196,579,155
Non-performing loans and advances	1,762,761	100,884	1,863,645
Total loans and advances	147,450,136	50,992,664	198,442,800
ECL allowance	(2,428,718)	(714,777)	(3,143,495)
Loans and advances, net	145,021,418	50,277,887	195,299,305

2024	Corporate Banking	Retail Banking	Total
Performing loans and advances	125,805,472	44,691,169	170,496,641
Non-performing loans and advances	1,952,154	114,763	2,066,917
Total loans and advances	127,757,626	44,805,932	172,563,558
ECL allowance	(2,400,863)	(668,034)	(3,068,897)
Loans and advances, net	125,356,763	44,137,898	169,494,661

7.2 Loans and advances include Shariah based products as follow:

	2025	2024
Murabaha	26,170,176	22,915,207
Tawarruq	144,472,910	117,738,366
ECL allowance	(2,781,053)	(2,507,276)
Total	167,862,033	138,146,297

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

7. Loans and advances, net (continued)

7.3 The following table further explains changes in gross carrying amount:

Total loans and advances	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	158,186,016	12,252,942	2,124,600	172,563,558
Transfers to stage 1	2,532,530	(2,513,260)	(19,270)	-
Transfers to stage 2	(4,167,540)	4,215,901	(48,361)	-
Transfers to stage 3	(124,693)	(170,616)	295,309	-
Net change for the year	27,421,617	(1,127,983)	405,931	26,699,565
Write-offs	-	-	(820,323)	(820,323)
Closing balance as at December 31	183,847,930	12,656,984	1,937,886	198,442,800

Total loans and advances	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	138,660,682	14,531,404	2,372,184	155,564,270
Transfers to stage 1	2,012,454	(1,958,155)	(54,299)	-
Transfers to stage 2	(6,059,969)	6,092,181	(32,212)	-
Transfers to stage 3	(201,033)	(986,572)	1,187,605	-
Net change for the year	23,773,882	(5,425,916)	(445,670)	17,902,296
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31	158,186,016	12,252,942	2,124,600	172,563,558

Corporate banking	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	117,129,774	8,667,073	1,960,779	127,757,626
Transfers to stage 1	1,765,547	(1,765,547)	-	-
Transfers to stage 2	(1,734,402)	1,759,583	(25,181)	-
Transfers to stage 3	(71,970)	(121,432)	193,402	-
Net change for the year	20,919,825	(891,435)	249,139	20,277,529
Write-offs	-	-	(585,019)	(585,019)
Closing balance as at December 31	138,008,774	7,648,242	1,793,120	147,450,136

Corporate banking	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	101,931,827	10,544,315	2,191,887	114,668,029
Transfers to stage 1	868,925	(861,198)	(7,727)	-
Transfers to stage 2	(3,982,165)	3,989,944	(7,779)	-
Transfers to stage 3	(131,833)	(923,684)	1,055,517	-
Net change for the year	18,443,020	(4,082,304)	(660,523)	13,700,193
Write-offs	-	-	(610,596)	(610,596)
Closing balance as at December 31	117,129,774	8,667,073	1,960,779	127,757,626

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Retail banking	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	41,056,242	3,585,869	163,821	44,805,932
Transfers to stage 1	766,983	(747,713)	(19,270)	-
Transfers to stage 2	(2,433,138)	2,456,318	(23,180)	-
Transfers to stage 3	(52,723)	(49,184)	101,907	-
Net change for the year	6,501,792	(236,548)	156,792	6,422,036
Write-offs	-	-	(235,304)	(235,304)
Closing balance as at December 31	45,839,156	5,008,742	144,766	50,992,664

Retail banking	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	36,728,855	3,987,089	180,297	40,896,241
Transfers to stage 1	1,143,529	(1,096,957)	(46,572)	-
Transfers to stage 2	(2,077,804)	2,102,237	(24,433)	-
Transfers to stage 3	(69,200)	(62,888)	132,088	-
Net change for the year	5,330,862	(1,343,612)	214,853	4,202,103
Write-offs	-	-	(292,412)	(292,412)
Closing balance as at December 31	41,056,242	3,585,869	163,821	44,805,932

7.4 ECL allowance for expected credit losses:

7.4.1 Movement in ECL allowance balance is as follows:

2025	Corporate banking	Retail banking	Total
Opening balance as at January 1	2,400,863	668,034	3,068,897
Net change for the year	612,874	282,047	894,921
Written-off against allowance	(585,019)	(235,304)	(820,323)
Closing balance as at December 31	2,428,718	714,777	3,143,495

2024	Corporate banking	Retail banking	Total
Opening balance as at January 1	2,761,278	567,883	3,329,161
Net change for the year	250,181	392,563	642,744
Written-off against allowance	(610,596)	(292,412)	(903,008)
Closing balance as at December 31	2,400,863	668,034	3,068,897

ECL allowance for loans and advances, net for the year ended December 31, 2025 amounted to ₪ 715,230 thousands (2024: ₪ 494,298 thousands) (note 25), including bad debts directly written-off to consolidated statement of income amounting to ₪ 8,670 thousands (2024: ₪ 6,982 thousands), and net of recoveries and others amounting to ₪ 188,361 thousands (2024: ₪ 155,428 thousands).

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

7. Loans and advances, net (continued)

7.4.2 An analysis of changes in the ECL allowance by product is as follows:

Total loans and advances	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	875,672	717,419	1,475,806	3,068,897
Transfers to stage 1	79,307	(68,103)	(11,204)	-
Transfers to stage 2	(57,625)	98,256	(40,631)	-
Transfers to stage 3	(14,642)	(10,371)	25,013	-
Net change for the year	249,976	94,368	550,577	894,921
Write-offs	-	-	(820,323)	(820,323)
Closing balance as at December 31	1,132,688	831,569	1,179,238	3,143,495

Total loans and advances	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	860,756	901,604	1,566,801	3,329,161
Transfers to stage 1	96,874	(57,960)	(38,914)	-
Transfers to stage 2	(50,550)	73,294	(22,744)	-
Transfers to stage 3	(2,582)	(154,154)	156,736	-
Net change for the year	(28,826)	(45,365)	716,935	642,744
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31	875,672	717,419	1,475,806	3,068,897

Corporate banking	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	542,417	515,039	1,343,407	2,400,863
Transfers to stage 1	27,273	(27,273)	-	-
Transfers to stage 2	(16,503)	39,315	(22,812)	-
Transfers to stage 3	(13,720)	(2,827)	16,547	-
Net change for the year	238,765	46,307	327,802	612,874
Write-offs	-	-	(585,019)	(585,019)
Closing balance as at December 31	778,232	570,561	1,079,925	2,428,718

Corporate banking	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	588,054	752,367	1,420,857	2,761,278
Transfers to stage 1	16,207	(12,741)	(3,466)	-
Transfers to stage 2	(23,514)	28,457	(4,943)	-
Transfers to stage 3	(1,085)	(147,947)	149,032	-
Net change for the year	(37,245)	(105,097)	392,523	250,181
Write-offs	-	-	(610,596)	(610,596)
Closing balance as at December 31	542,417	515,039	1,343,407	2,400,863

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Retail banking	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	333,255	202,380	132,399	668,034
Transfers to stage 1	52,034	(40,830)	(11,204)	-
Transfers to stage 2	(41,122)	58,941	(17,819)	-
Transfers to stage 3	(922)	(7,544)	8,466	-
Net change for the year	11,211	48,061	222,775	282,047
Write-offs	-	-	(235,304)	(235,304)
Closing balance as at December 31	354,456	261,008	99,313	714,777

Retail banking	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	272,702	149,237	145,944	567,883
Transfers to stage 1	80,667	(45,219)	(35,448)	-
Transfers to stage 2	(27,036)	44,837	(17,801)	-
Transfers to stage 3	(1,497)	(6,207)	7,704	-
Net change for the year	8,419	59,732	324,412	392,563
Write-offs	-	-	(292,412)	(292,412)
Closing balance as at December 31	333,255	202,380	132,399	668,034

7.5 Concentration for loans and advances, net is as follow:

7.5.1 Economic sector risk concentration for loans and advances, net:

2025	Performing	Non-performing	ECL allowance	Loans and advances, net
Government	438,348	-	(673)	437,675
Banks and other financial institutions	7,898,147	657	(56,372)	7,842,432
Agriculture and fishing	1,662,290	-	(10,439)	1,651,851
Manufacturing	15,175,912	657,440	(589,133)	15,244,219
Mining and quarrying	7,736,097	1,532	(65,125)	7,672,504
Electricity, water, gas and health services	7,613,255	837	(50,037)	7,564,055
Building and construction	5,618,283	241,417	(208,228)	5,651,472
Commerce	11,331,904	304,481	(338,949)	11,297,436
Real estate activities	25,313,707	44,873	(169,742)	25,188,838
Transportation and communication	6,443,658	10,611	(254,194)	6,200,075
Services	16,567,471	77,767	(181,113)	16,464,125
Consumer loans and credit cards	50,891,780	100,884	(714,777)	50,277,887
Other	39,888,303	423,146	(504,713)	39,806,736
Total	196,579,155	1,863,645	(3,143,495)	195,299,305

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

7. Loans and advances, net (continued)

2024	Performing	Non-performing	ECL allowance	Loans and advances, net
Government	431,717	-	(176)	431,541
Banks and other financial institutions	9,352,923	668	(45,921)	9,307,670
Agriculture and fishing	1,041,168	497	(4,165)	1,037,500
Manufacturing	12,006,752	837,453	(664,938)	12,179,267
Mining and quarrying	5,009,097	2,353	(42,473)	4,968,977
Electricity, water, gas and health services	7,484,505	1,433	(35,405)	7,450,533
Building and construction	4,484,085	281,875	(237,758)	4,528,202
Commerce	14,449,454	281,699	(428,815)	14,302,338
Real estate activities	26,339,209	59,388	(179,702)	26,218,895
Transportation and communication	6,879,587	11,531	(117,979)	6,773,139
Services	6,826,620	83,759	(138,396)	6,771,983
Consumer loans and credit cards	44,691,169	114,763	(668,034)	44,137,898
Other	31,500,355	391,498	(505,135)	31,386,718
Total	170,496,641	2,066,917	(3,068,897)	169,494,661

7.5.2 Loans by customer type:

2025	Retail	MSMEs *	Other Corporate	Total
Performing loans and advances	50,891,780	31,753,147	113,934,228	196,579,155
Non-performing loans and advances	100,884	529,150	1,233,611	1,863,645
Total loans and advances	50,992,664	32,282,297	115,167,839	198,442,800
ECL allowance	(714,777)	(709,883)	(1,718,835)	(3,143,495)
Loans and advances, net	50,277,887	31,572,414	113,449,004	195,299,305

2024	Retail	MSMEs *	Other Corporate	Total
Performing loans and advances	44,691,169	25,546,540	100,258,932	170,496,641
Non-performing loans and advances	114,763	690,159	1,261,995	2,066,917
Total loans and advances	44,805,932	26,236,699	101,520,927	172,563,558
ECL allowance	(668,034)	(693,459)	(1,707,404)	(3,068,897)
Loans and advances, net	44,137,898	25,543,240	99,813,523	169,494,661

* Micro, Small, and Medium Enterprises (MSMEs)

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

7.5.3 Retail loans by product type:

2025	Credit card	Auto lease	Housing	Personal loans	Total
Performing loans and advances	1,411,904	1,955,452	27,431,216	20,093,208	50,891,780
Non-performing loans and advances	13,489	5,599	46,966	34,830	100,884
Total loans and advances	1,425,393	1,961,051	27,478,182	20,128,038	50,992,664
ECL allowance	(112,357)	(76,109)	(95,819)	(430,492)	(714,777)
Loans and advances, net	1,313,036	1,884,942	27,382,363	19,697,546	50,277,887

2024	Credit card	Auto lease	Housing	Personal loans	Total
Performing loans and advances	1,219,849	1,396,594	23,770,017	18,304,709	44,691,169
Non-performing loans and advances	21,722	141	47,176	45,724	114,763
Total loans and advances	1,241,571	1,396,735	23,817,193	18,350,433	44,805,932
ECL allowance	(142,487)	(53,998)	(92,647)	(378,902)	(668,034)
Loans and advances, net	1,099,084	1,342,737	23,724,546	17,971,531	44,137,898

8. Investments in associates

	2025	2024
Balance at beginning of the year	889,646	949,403
Dividends received during the year	(8,923)	(204,558)
Share in earnings, net	27,403	144,801
Balance at end of the year	908,126	889,646

8.1 SHL Finance Company

The Group participated in the setting up of SHL Finance Company (SHL). The associate’s authorised capital was ￼ 1 billion and its issued and paid-up capital was ￼ 1 billion. The Group’s share of the paid-up capital amounted to ￼ 400 million, (40 million shares at ￼ 10 per share), representing 40% of the issued share capital of the associate.

During the year 2022, the Group offered 30% of its shareholding (12 million shares) as part of the company’s initial public offering (IPO) which reduces the group ownership in the company to 29.4% (29.4 million shares). The group continues to classify its remaining interest as an associate as the Group still exercises significant influence over SHL.

The associate is a specialised Islamic home and real estate finance company with all its products and services being fully Shariah compliant. The associate was launched at the end of the fourth quarter of 2007 and is accounted for under the equity method.

Below is the latest available financial information of the company:

	2025	2024
Total assets	4,744,096	4,523,803
Total liabilities	3,022,913	2,846,752
Total equity	1,721,183	1,677,051
Total income	298,162	263,881
Total expenses	(257,429)	(244,149)

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

8. Investments in associates (continued)

8.2 ANBC Business Gate Fund

The Group has no remaining interest in ANBC Business Gate Fund (the Fund) as at December, 31 2025 (2024: 12.75%), which is a closed-ended private placement real estate investment fund launched on August 25, 2014 for a period of 5 years starting from the date of closure of the first offering on January 11, 2015. Since its launch the fund was extended a number of times. The last being December 14, 2020 when the unitholders approved an extension to December 31, 2025.

During the year ended December 31, 2024, the Fund sold the underlying assets and the gain of the transaction has been recognized as share in earnings in the Group consolidated statement of income, the Fund was closed on July 31, 2025.

8.3 Sara Second Real Estate Investment Fund (Sara Second Fund)

The Group invested in the Sara Second Real Estate Investment Fund, a private, CMA regulated and closed ended fund. It was formed to acquire an income generating residential compound in Khobar. The Fund commenced operations in May 2020 and the Group’s interest in the Fund is 31.9%.

Below is the latest available financial information of the Sara Second Fund:

	2025	2024
Total assets	1,697,945	1,729,277
Total liabilities	478,549	528,727
Total equity	1,219,396	1,200,550
Total income	135,351	163,660
Total expenses	(86,284)	(93,994)

9. Property, equipment and right of use assets, net *

	Land and buildings	Leasehold improvements	Equipment, furniture and vehicles	Computer and software	Work in-progress	Right of Use Assets (ROU)	Total
Cost:							
Balance at beginning of the year	1,374,245	782,616	743,000	1,465,809	638,726	1,238,336	6,242,732
Additions	-	99,444	53,130	180,267	305,480	200,298	838,619
Disposals/ adjustments	-	(2,087)	(8,454)	(52,084)	-	(79,006)	(141,631)
Reclassified related to disposal group classified as held for sale	(644)	-	(516,160)	(4,911)	-	-	(521,715)
Balance as at December 31, 2025	1,373,601	879,973	271,516	1,589,081	944,206	1,359,628	6,418,005

Balance at beginning of the year	1,382,266	727,222	686,141	1,312,244	302,094	1,168,979	5,578,946
Additions	9,500	56,462	71,174	153,574	336,632	202,862	830,204
Disposals/ adjustments	(17,521)	(1,068)	(14,315)	(9)	-	(133,505)	(166,418)
Balance as at December 31, 2024	1,374,245	782,616	743,000	1,465,809	638,726	1,238,336	6,242,732

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

	Land and buildings	Leasehold improvements	Equipment, furniture and vehicles	Computer and software	Work in-progress	Right of Use Assets (ROU)	Total
Accumulated depreciation:							
Balance at beginning of the year	574,436	629,384	533,464	1,187,817	-	339,272	3,264,373
Charge for the year	17,644	38,685	45,606	101,335	-	81,218	284,488
Disposals/ adjustments	-	(2,087)	(7,523)	(52,082)	-	(33,448)	(95,140)
Reclassified related to disposal group classified as held for sale	(644)	-	(329,589)	(4,862)	-	-	(335,095)
Balance as at December 31, 2025	591,436	665,982	241,958	1,232,208	-	387,042	3,118,626
Net book value as at December 31, 2025	782,165	213,991	29,558	356,873	944,206	972,586	3,299,379
Balance at beginning of the year	556,777	594,946	500,751	1,117,290	-	311,505	3,081,269
Charge for the year	17,659	35,506	46,141	70,535	-	76,053	245,894
Disposals/ adjustments	-	(1,068)	(13,428)	(8)	-	(48,286)	(62,790)
Balance as at December 31, 2024	574,436	629,384	533,464	1,187,817	-	339,272	3,264,373
Net book value as at December 31, 2024	799,809	153,232	209,536	277,992	638,726	899,064	2,978,359

* The table above includes movements related to discontinued operations.

10. Other assets

	2025	2024 - restated
Paid derivatives collateral margins	1,316,356	938,023
Accrued commission	101,768	584,877
Prepaid expenses	223,094	228,911
Accrued income	173,791	122,198
Other	1,998,747	1,258,319
Total	3,813,756	3,132,328

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

11. Derivative financial instruments

In the ordinary course of business, the Group utilises the following derivative financial instruments for both trading and hedging purposes:

Swaps

Swaps are commitments to exchange one set of cash flows for another. For commission rate swaps, counterparties generally exchange fixed and floating rate commission payments in a single currency without exchanging principal. For currency swaps, fixed commission payments and principal are exchanged in different currencies. For cross-currency commission rate swaps, principal, fixed and floating commission payments are exchanged in different currencies.

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 on a date in the future. Forwards are customised contracts transacted in the over-the-counter market.

Foreign currency and commission rate futures are transacted in standardised amounts on regulated exchanges with changes in fair values settled daily.

Forward rate agreements

Forward rate agreements are individually negotiated commission rate contracts that call for the cash settlement, on a specified future date or series of dates, of the difference between the contracted commission rate and the market rate calculated on a notional principal.

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, on a fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

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 and banks in order to, inter alia, enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favorable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profiting from price differentials between markets or products.

Held for hedging purposes

The Group has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Group’s exposure to fluctuations in foreign exchange and commission rates to reduce its exposure to currency and commission rate risks to acceptable levels as determined by the Board of Directors (the Board) within the guidelines issued by SAMA.

The Board of Directors has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the set limits. The Board of Directors has established the level of commission rate risk by setting limits on commission rate gaps for stipulated periods. Asset and liability commission rate gaps are reviewed on a periodic basis and hedging strategies are used to reduce commission rate gap to be within the set limits.

As part of its asset and liability management, the Group uses derivatives for hedging purposes in order to adjust its exposure to currency and commission rate risks to acceptable levels. This is generally achieved by hedging specific transactions as well as strategic hedging against overall statement of financial position exposures. Strategic hedging, other than portfolio hedges for commission rate risk, do not qualify for hedge accounting and 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 commission rate swaps and commission rate futures to hedge against commission rate risk arising from specifically identified fixed commission rate exposures.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The Group also uses 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 details of the hedged items and hedging instrument are formally documented and the transactions are accounted for as either fair value or cash flow hedges.

The tables below show the notional amounts and the positive and negative fair values of derivative financial instruments 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. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk:

			Notional amount total	Notional amounts by term to maturity			
2025	Positive fair value	Negative fair value		Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Commission rate and cross currency swaps	1,289,147	1,176,907	49,276,156	466,750	3,788,260	29,963,830	15,057,316
Commission rate futures and options	2,153	1,839	1,823,019	56,250	100,000	1,666,769	-
Forward foreign exchange and commodity contracts	146,819	133,635	4,413,823	3,758,265	171,058	225,000	259,500
Currency and commodity options	458	429	107,601	89,437	18,164	-	-
Held as fair value hedges:							
Commission rate swaps	631,651	4,881	20,932,486	-	5,178	4,191,058	16,736,250
Held as cash flow hedges:							
Commission rate swaps	-	9,103	1,800,000	1,800,000	-	-	-
Total	2,070,228	1,326,794	78,353,085	6,170,702	4,082,660	36,046,657	32,053,066

2024	Positive fair value	Negative fair value	Notional amount total	Notional amounts by term to maturity			
				Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Commission rate and cross currency swaps	1,535,398	1,455,714	40,765,093	50,000	3,341,478	20,860,880	16,512,735
Commission rate futures and options	9,600	8,795	1,335,374	375,000	612,389	337,985	10,000
Forward foreign exchange and commodity contracts	89,533	73,321	7,023,979	6,573,060	450,919	-	-
Currency and commodity options	1,628	1,467	179,274	59,625	119,649	-	-
Held as fair value hedges:							
Commission rate swaps	654,437	5,285	13,695,363	1,307,309	5,893	3,663,411	8,718,750
Held as cash flow hedges:							
Commission rate swaps	-	54,328	1,800,000	-	-	1,800,000	-
Total	2,290,596	1,598,910	64,799,083	8,364,994	4,530,328	26,662,276	25,241,485

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

11. Derivative financial instruments (continued)

11.1 Cash flow hedges

The Group is exposed to variability in future commission cash flows on non-trading assets which bear commission income at a variable rate. The Group uses commission rate swaps as cash flow hedges to hedge these commission rate risks. The below table indicating, 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)	33,815	-	-	-
Cash out flows (liabilities)	(21,823)	-	-	-
Net cash flow	11,992	-	-	-

2024	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	141,988	33,544	-	-
Cash out flows (liabilities)	(94,329)	(21,794)	-	-
Net cash flow	47,659	11,750	-	-

11.2 The previous table includes Shariah approved derivatives products as follows:

			Notional amount total	Within 3 months	3-12 months	1-5 years	Over 5 years
2025	Positive fair value	Negative fair value					
Held for trading:							
Commission rate and cross currency swaps	339,965	202,831	10,573,545	-	529,170	9,464,159	580,216
Commission rate futures and options	-	1,839	258,653	-	100,000	158,653	-
Forward foreign exchange and commodity contracts	6,302	-	242,250	-	-	112,500	129,750
Total	346,267	204,670	11,074,448	-	629,170	9,735,312	709,966

	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3–12 months	1–5 years	Over 5 years
2024							
Held for trading:							
Commission rate and cross currency swaps	416,845	325,395	9,856,266	7	1,165,793	6,606,400	2,084,066
Commission rate futures and options	–	4,699	168,993	–	–	168,993	–
Total	416,845	330,094	10,025,259	7	1,165,793	6,775,393	2,084,066

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

11.3 The table below shows a summary of hedged items and portfolios, the nature of the risk being hedged, the hedging instrument and its fair value:

2025	Fair value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Fixed commission rate investments	13,525,930	14,109,375	Fair value	Commission rate swap	583,674	229
Floating commission rate investments	1,809,103	1,800,000	Cash flow	Commission rate swap	-	9,103
Fixed commission rate loans	4,716,760	4,762,825	Fair value	Commission rate swap	46,065	-
Fixed commission rate deposits	2,696,543	2,693,803	Fair value	Commission rate swap	1,912	4,652

2024	Fair value	Hedge inception value	Risk	Hedging instrument	Positive fair value	Negative fair value
Fixed commission rate investments	5,758,758	6,260,625	Fair value	Commission rate swap	501,867	-
Floating commission rate investments	1,854,328	1,800,000	Cash flow	Commission rate swap	-	54,328
Fixed commission rate loans	6,111,925	6,264,495	Fair value	Commission rate swap	152,570	-
Fixed commission rate deposits	2,045,285	2,040,000	Fair value	Commission rate swap	-	5,285

The Group is exposed to variability in future special commission cash flows on non-trading assets and liabilities which bear special commission at variable rates. The Group generally uses special commission rate swaps as hedging instruments to hedge against these special commission rate risks.

In the case of discontinued fair value hedges, the remaining unamortised accumulated fair value hedge adjustment to the carrying amount of hedged items held at amortised cost is ﷲ 694 million (2024: ﷲ 725 million). This amount will continue to be amortised over the remaining term of the original hedge.

Approximately 63.9 % (2024: 67.5%) of the positive fair value of the Group’s derivatives are entered into with financial institutions and approximately 36.1 % (2024: 32.5%) of the positive fair value contracts are with non-financial institutions at the reporting date. Derivative activities are mainly carried out by the Group’s treasury segment.

11.4 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 to calculate hedge ineffectiveness	Ineffectiveness recognised in statement of income
Held as fair value hedges:					
Commission rate swaps	631,651	4,881	20,932,486	2,047	(4,705)

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

11. Derivative financial instruments (continued)

2024	Positive fair value	Negative fair value	Notional amount Total	Change in fair value used to calculate hedge ineffectiveness	Ineffectiveness recognised in statement of income
Held as fair value hedges:					
Commission rate swaps	654,437	5,285	13,695,363	3,610	(6,730)

12. Due to banks, Saudi Central Bank and other financial institutions

	2025	2024 – restated
Current accounts	112,621	162,151
Money market deposits	7,090,386	4,635,340
Deposits from SAMA	4,745,615	9,612,972
Total	11,948,622	14,410,463

13. Customers’ deposits

	2025	2024
Demand	96,784,498	92,727,933
Time	106,261,549	82,216,649
Saving	606,115	464,613
Other	5,634,618	6,814,523
Total	209,286,780	182,223,718

Other customers’ deposits include ﷲ 1,890 million (2024: ﷲ 2,285 million) of margins held against commitments.

13.1 The above include Shariah approved customer deposits as below:

	2025	2024
Demand	75,867,271	61,352,273
Time	100,822,650	60,234,628
Other	1,873,140	1,714,210
Total	178,563,061	123,301,111

13.2 Customers’ deposits include foreign currency deposits as follows:

	2025	2024
Demand	9,445,350	6,778,803
Time	17,326,938	16,091,783
Saving	887	2,752
Other	186,563	399,044
Total	26,959,738	23,272,382

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

14. Other liabilities

	2025	2024 – restated
Employee defined benefit obligation (note 30)	602,424	595,214
ECL allowance on loan commitment and financial guarantee contracts	536,952	566,256
Accrued expenses	767,289	869,364
Zakat and income tax accrual	519,659	629,816
Lease liability	1,053,329	966,444
Received derivatives collateral margins	1,041,936	1,244,322
Others	4,323,166	4,224,889
Total	8,844,755	9,096,305

14.1 Movement in ECL allowance for credit related commitments and contingencies:

2025	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	64,008	41,433	460,815	566,256
Transfer to stage 1	861	(861)	-	-
Transfer to stage 2	(709)	727	(18)	-
Transfer to stage 3	-	(71)	71	-
Net change for the year	(10,154)	142,593	(159,389)	(26,950)
Write-off	-	-	(2,354)	(2,354)
Closing balance as at December 31	54,006	183,821	299,125	536,952

2024	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	44,137	34,956	353,744	432,837
Transfer to stage 1	2,315	(2,092)	(223)	-
Transfer to stage 2	(1,755)	1,898	(143)	-
Transfer to stage 3	-	(661)	661	-
Net change for the year	19,311	7,332	108,670	135,313
Write-off	-	-	(1,894)	(1,894)
Closing balance as at December 31	64,008	41,433	460,815	566,256

14.2 Movement in gross carrying amounts for credit related commitments and contingencies:

2025	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	47,740,024	1,743,706	594,937	50,078,667
Transfer to stage 1	1,511,727	(1,511,727)	-	-
Transfer to stage 2	(1,604,269)	1,604,305	(36)	-
Transfer to stage 3	(665)	(1,293)	1,958	-
Net change for the year	7,739,349	(200,644)	(10,598)	7,528,107
Closing balance as at December 31	55,386,166	1,634,347	586,261	57,606,774

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

14. Other liabilities (continued)

2024	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1	35,770,689	1,470,874	752,671	37,994,234
Transfer to stage 1	1,223,604	(1,223,381)	(223)	-
Transfer to stage 2	(718,376)	718,662	(286)	-
Transfer to stage 3	-	(17,708)	17,708	-
Net change for the year	11,464,107	795,259	(174,933)	12,084,433
Closing balance as at December 31	47,740,024	1,743,706	594,937	50,078,667

15. Debt securities in issue and Tier I Sukuk

15.1 Debt securities in issue

On October 21, 2020 the Group issued a USD 750 million (equivalent to ﷲ 2,812 million) 10 years subordinated Tier II capital Sukuk callable in 5 years and carrying a special commission rate of 3.326%. The Group exercised the call option and fully redeemed the Sukuk in October 2025.

During the year ended December 31,2025, the Group established a Certificate of Deposits programme, and the balance of ﷲ 452 million as of December 31, 2025 pertain to issuances made under this programme.

15.2 Tier I Sukuk

On January 13, 2025, the Bank announced its intention to issue a Saudi Riyal denominated additional Tier I capital Sukuk by way of private placement in the Kingdom of Saudi Arabia pursuant to its ﷲ 11,250 million additional Tier I capital Sukuk program. The necessary regulatory approvals on the program and offerings were obtained during the year. As at December 31, 2025, the value of issued Sukuk is ﷲ 4,955 million.

On August 28, 2025, the Bank announced its intention to issue a US Dollar denominated additional Tier I capital sustainable Sukuk by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally pursuant to its additional Tier I capital sustainable Sukuk program. The necessary regulatory approvals on the program and offerings were obtained during the year. As at December 31, 2025, the value of the issued Sukuk is US Dollar 750 million (equivalent to ﷲ 2,812.5 million).

The above 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, constituting an unsecured, conditional and subordinated obligation of the Group classified under equity. However, the Group shall have the exclusive right to redeem or call the Sukuk in a specific period of time, subject to the terms and conditions stipulated in the Sukuk agreements.

The applicable profit rate on the Sukuk is payable on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Group whereby the Group may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

16. Share capital and treasury shares

16.1 Share capital

As at December 31, 2025, the authorised, issued and fully paid share capital of the Bank consists of 2,000 million shares of ﷲ 10 each (2024: 2,000 million shares of ﷲ 10 each). The ownership of the Bank’s share capital is as follows:

	2025	2024
Saudi and non-strategic foreign shareholders	60%	60%
Strategic shareholder – Arab Bank PLC – Jordan	40%	40%

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

On February 7, 2024, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the share capital by ﷲ 5 billion through capitalization from the retained earnings by way of granting one share for every three shares (i.e. issue of bonus shares). The issue of bonus shares was approved by Extraordinary General Assembly on May 20, 2024 after obtaining the necessary regulatory approvals. The regulatory procedures to update the Bank’s bylaws and Commercial Registration to reflect the increase in share capital were completed during the year ended December 31, 2024.

16.2 Treasury shares

On May 20, 2024, the Extraordinary General Assembly Meeting approved the purchase of 5 million treasury shares. The purchase was completed during the year ended December 31, 2024 at a total cost of ﷲ 98 million. These shares are intended for allocation to the Employee Share Program.

On December 17, 2024, the Board of Directors recommended to buy-back additional number of the Bank’s shares with a maximum of 10 million shares to allocate them to Employee Share Program. This buy-back was approved by the Extraordinary General Assembly meeting held in April 8, 2025. The purchase was completed by purchasing 10 million shares during the year ended December 31, 2025 at a total cost of ﷲ 218 million.

17. Statutory reserve

In accordance with the Saudi Arabian Banking Control Law and the By-Laws of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up share capital of the Bank. Accordingly, ﷲ 1,285 million was transferred from 2025 net income to statutory reserve (2024: ﷲ 1,242 million). The statutory reserve is not currently available for distribution.

18. Other reserves

The movement of the other reserve for the years ended December 31, 2025 and 2024 is summarised as follows:

	FVOCI – debt instruments	FVOCI – equity instruments	Cash flow hedge	Actuarial defined benefit plan	Employee share plan reserve	Total
2025						
Balance as at December 31, 2024	4,539	859,350	(54,328)	(94,134)	–	715,427
Net changes in fair values	333,229	256,790	45,225	–	–	635,244
Actuarial gain	–	–	–	67,177	–	67,177
Net transfers to consolidated statement of income	(34,528)	–	–	–	–	(34,528)
Total comprehensive income for the year	298,701	256,790	45,225	67,177	–	667,893
Net loss on derecognition of FVOCI equity investments	–	4,168	–	–	–	4,168
Employee share plan reserve	–	–	–	–	24,154	24,154
Balance as at December 31, 2025	303,240	1,120,308	(9,103)	(26,957)	24,154	1,411,642

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

18. Other reserves (continued)

2024 – restated	FVOCI – debt instruments	FVOCI – equity instruments	Cash flow hedge	Actuarial defined benefit plan	Total
Balance as at December 31, 2023 as presented previously	142,586	466,006	(85,674)	(86,262)	436,656
Restatement	–	543,739	–	–	543,739
Restated balance as at January 1, 2024	142,586	1,009,745	(85,674)	(86,262)	980,395
Net changes in fair values	(131,907)	(189,506)	31,346	–	(290,067)
Actuarial loss	–	–	–	(7,872)	(7,872)
Net transfers to consolidated statement of income	(6,140)	–	–	–	(6,140)
Total comprehensive loss for the year	(138,047)	(189,506)	31,346	(7,872)	(304,079)
Net loss on derecognition of FVOCI equity investments	–	39,111	–	–	39,111
Balance as at December 31, 2024	4,539	859,350	(54,328)	(94,134)	715,427

19. Commitments and contingencies

19.1 Legal proceedings

As at December 31, 2025 and 2024 there were legal proceedings of a routine nature outstanding against the Group. No material provision has been made as professional legal advice indicates that the possibility of any adverse outcome is remote.

19.2 Capital commitments

As at December 31, 2025 the Group had capital commitments of ﷲ 944 million (2024: ﷲ 1,627 million) in respect of capital projects.

19.3 Credit related commitments and contingencies

The primary purpose of these instruments is to ensure that funds are available to customers as required.

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and advances. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit, which are written undertakings by the Group on behalf of a customer 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 Group expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent the unused 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 unused commitments. However, the likely amount of loss, which cannot readily be quantified, is expected to be considerably less than the total unused commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The below mentioned commitments and contingences are callable on demand of the counter-party. Furthermore, the total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

19.3.1 The Group's commitments and contingencies is as follows:

	2025	2024
Letters of credit	8,049,979	5,899,143
Letters of guarantee	35,494,079	32,268,297
Acceptances	2,259,696	2,061,217
Irrevocable commitments to extend credit	11,793,270	9,840,260
Other	9,750	9,750
Total	57,606,774	50,078,667

The unutilised portion of non-firm commitments for commercial and corporate loans as at December 31,2025, which can be revoked unilaterally at any time by the Group, amounts to ₪ 28.34 billion (2024: ₪ 26.66 billion).

19.3.2 The analysis of commitments and contingencies by counter-party is as follows:

	2025	2024
Corporate	50,966,689	46,418,195
Banks and other financial institutions	5,220,240	3,103,584
Other	1,419,845	556,888
Total	57,606,774	50,078,667

19.3.3 Assets pledged

Securities utilized as pledged collateral under repurchase agreements with other financial institutions. The market value of assets pledged as collateral with other financial institutions as security is as follows:

	2025		2024	
	Assets	Related liabilities	Assets	Related liabilities
Debt securities	1,579,620	1,530,664	1,472,669	1,773,750

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

20. Special commission income, net

	2025	2024 – restated
Special commission income:		
Investments at FVOCI	457,980	400,643
Investments at amortised cost	2,154,413	1,910,821
Due from banks and other financial institutions	256,405	192,705
Loans and advances	12,336,334	11,902,292
Total	15,205,132	14,406,461
Special commission expense:		
Due to banks, SAMA and other financial institutions	628,259	505,551
Customers’ deposits	6,362,175	5,847,074
Debt securities in issue	79,619	93,544
Other	38,013	33,657
Total	7,108,066	6,479,826
Special commission income, net	8,097,066	7,926,635

Net special commission income for the years ended December 31, 2025 and 2024 include income from shariah transactions amounting to ₪ 6,247 million and ₪ 5,438 million respectively.

21. Fee and commission income, net

	2025	2024
Fee and commission income:		
Share trading and fund management	241,168	167,640
Trade finance	299,006	224,866
Credit cards	497,963	464,839
Credit facilities	512,760	450,192
Other banking services	732,468	558,970
Total	2,283,365	1,866,507
Fee and commission expense:		
Credit cards	672,895	511,314
Credit facilities	204,151	162,814
Other banking services	527,907	483,563
Total	1,404,953	1,157,691
Fee and commission income, net	878,412	708,816

22. Dividend income

	2025	2024 – restated
FVSI investments	42,643	31,714
FVOCI investments	227,180	173,667
Total	269,823	205,381

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

23. (Losses)/ gains on sale of non-trading investments, net

	2025	2024
Debt investments at FVOCI	38,147	6,140
Investments at amortised cost	(56,850)	-
Total	(18,703)	6,140

24. Other operating income

	2025	2024
Gains on disposal of property and equipment, net	1,452	13,559
Losses on disposal of other real estate, net	(17,000)	-
Others	9,340	4,985
Total	(6,208)	18,544

25. Impairment charges, net

	2025	2024
ECL allowance for loans and advances, net (note 7)	715,230	494,298
ECL allowance for other financial assets	4,380	15,202
(Reversals)/ charges of ECL allowance for credit-related commitments and contingencies (note 14.1)	(26,950)	135,313
Total	692,660	644,813

26. Basic and diluted earnings per share

Basic and diluted earnings per share for the years ending on December 31, 2025 and 2024 is calculated by dividing net income for the year attributable to equity holders, adjusted for Tier 1 Sukuk costs, by the weighted average number of outstanding shares as of December 31, 2025: 1,992.2 million shares (December 31, 2024: 1,999.7 million shares) after accounting for treasury shares.

27. Dividends, Zakat and income tax

27.1 On February 6, 2024, the Board of Directors approved to pay cash dividends of ﷲ 1,050 million from net income after deducting Zakat for the second half of 2023. This final dividend resulted in a net payment of ﷲ 0.70 per share to Saudi shareholders. Upon distribution, the tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 25, 2024.

27.2 On August 7, 2024, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million from net income after deducting Zakat for the first half of 2024. This interim dividend resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the tax liability of the non-Saudi strategic shareholder for the related period was deducted from their share of the dividend. This cash dividend was distributed on August 21, 2024.

27.3 On February 5, 2025, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million from net income after deducting Zakat for the second half of 2024. This final dividend resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 19, 2025.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

27. Dividends, Zakat and income tax (continued)

27.4 On July 22, 2025, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million from the net income after deducting Zakat for the first half of 2025. This interim dividend resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the tax liability of the non-saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on August 6, 2025. The dividends are paid to Saudi and the non-Saudi strategic shareholder after deduction of Zakat and tax respectively.

27.5 Zakat and tax

27.5.1 Zakat

Zakat for the year attributable to Group on Saudi shareholders amounted to ﷲ 374 million (2024: ﷲ 334 million).

27.5.2 Tax

Income tax attributable to Group on the current year’s share of net income for the non-Saudi strategic shareholder is ﷲ 496 million (2024: ﷲ 478 million), including reversals recognized in the statement of income during the year amounted to ﷲ 6.4 million (2024: ﷲ 29.8 million) respectively.

27.5.3 Deferred tax

The deferred tax balance included in these financial statements comprise of the following:

	2025	2024 – restated
Accelerated depreciation for accounting purposes	2,316	8,977
Provision for employee benefit obligation	45,692	44,721
Provision for losses	49,811	96,158
Fair value of investments	(11,988)	(73,916)
Total	85,831	75,940

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 statutory deposit (note 4)	2,128,861	2,647,414
Due from banks and other financial institutions maturing within ninety days of acquisition	2,338,847	3,857,921
Total	4,467,708	6,505,335

29. Salaries and employee related expenses

The Group has implemented a “Risk-Based Compensation Policy” in compliance with the rules issued by SAMA, which are consistent with the principles and standards of the Financial Stability Board (FSB). The policy was approved by the Board of Directors and gives highest consideration to the alignment of compensation with risk and provides a competitive and balanced package of fixed and variable compensation. The policy ensures that compensation takes into account the likelihood and timelines of earnings and its impact on the Group’s capital. It also focuses on promoting effective risk management, achieving financial stability and dealing with risks posed by the Group’s compensation practices. The Group takes into account all types of existing and potential material risks and ensures a balance between general industry practices and Group-specific factors such as business model, financial condition, operating performance, market perception, business prospects and appropriate managerial judgement, etc.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The Board of Directors, while determining and approving the bonus pool of the Group, considers performance in absolute and relative terms, consistency of earnings, long term performance, historical bonus pool, market conditions, etc. Similarly, while allocating the Group-wide bonus pool to business units, due consideration is given to the type of business transacted, level of risk assumed, relative importance of earnings, distinctive business drivers, historical bonus pool, current performance and the business unit’s consistency of performance.

The Board of Directors has ultimate responsibility for promoting effective governance and sound compensation practices. In order to assist it in overseeing the compensation policies design and its operation, the Board of Directors has appointed a Nomination & Compensation Committee. The Nomination & Compensation Committee comprises three non-executives members of the Board of Directors and is chaired by an independent member of the Board of Directors. The Committee has full authority on behalf of the Board of Directors to review and were considered appropriate propose changes to the Group’s compensation policy and practices and recommend the same to the Board of Directors, for its approval and to ensure adequacy and effectiveness of the policy in meeting its intended objectives. The Committee also reviews the level and composition of remuneration of key executives of the Group and recommends a risk-adjusted bonus pool to the Board of Directors, for approval.

The governance process ensures that the Compensation Policy is consistently applied and operates as intended. The Group has established an oversight mechanism to regularly evaluate the design characteristics of compensation practices and their implementation.

	Number of employees	Fixed compensation	Variable cost paid (cash basis)
2025 **			
Senior executive requiring SAMA no objections	22	51,897	34,175
Employees engaged in risk taking activities	341	177,213	54,399
Employees engaged in control functions	623	201,801	38,712
Other employees	3,418	867,662	120,810
Total	4,404	1,298,573	248,096
Variable compensation accrued		265,350	
Other employee related costs *		448,436	
Total salaries and employee related expenses		2,012,359	

	Number of employees	Fixed compensation	Variable cost paid (cash basis)
2024 **			
Senior executive requiring SAMA no objections	21	49,556	38,060
Employees engaged in risk taking activities	302	152,353	46,963
Employees engaged in control functions	559	176,553	33,991
Other employees	3,296	748,890	99,665
Total	4,178	1,127,352	218,679
Variable compensation accrued		274,571	
Other employee related costs *		369,795	
Total salaries and employee related expenses		1,771,718	

* Other employee related costs include defined benefit obligation plan, GOSI, business travel, training and development, and other employees’ benefits.

** Tables above reflect the impact of reclassification related to discontinued operations.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

29. Salaries and employee related expenses (continued)

29.1 Share Based Bonus Payments

The Group has Share Based Equity settled Bonus payment plan outstanding at the end of the year. Under the terms of the plan, anb’s eligible employees are offered shares at a predetermined price. At the vesting dates determined under the terms of the plan, anb delivers the underlying allotted shares to the employees, subject to the satisfactory completion of the vesting conditions.

The cost of the plan 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.

The Group has currently one Share Based Equity Plan, introduced during 2025 with a maturity period of three years from the respective grant dates and shares vesting is 33%, 33% and 34% for the first, second and third year, respectively. the ownership of these shares will pass to the employees at the respective vesting dates, subject to satisfactory completion of the vesting conditions.

The movement in the number of shares under Share Based Equity settled plan is as follows:

Number of shares	2025 *	2024
Beginning of the year	-	-
Granted during the year	3,775,925	-
Forfeited during the year	(54,633)	-
End of the year	3,721,292	-

* No vesting happened during the year.

30. Employee benefit obligation

30.1 General description

The Group operates a defined benefit obligation plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

30.2 The movement of the defined benefit obligation plan balance based on its present value is as follows:

	2025	2024
Employee defined benefit obligation at the beginning of the year	595,214	552,161
Past service cost	812	-
Current service cost	70,927	61,244
Special commission cost	31,672	30,196
Benefits paid	(29,024)	(56,259)
Remeasurements due to actuarial (gain)/ loss	(67,177)	7,872
Employee defined benefit obligation at the end of the year	602,424	595,214

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

30.3 Charge for the year:

	2025	2024
Current service cost	70,927	61,244
Special commission cost	31,672	30,196
Past service cost	812	-
	103,411	91,440

30.4 Re-measurement recognised in other comprehensive income:

	2025	2024
Loss from change in experience assumptions	45,168	23,242
Gain from change in financial assumptions	(112,345)	(15,370)
	(67,177)	7,872

30.5 Principal defined benefit obligation plan actuarial assumptions in respect of the employee benefit scheme:

	2025	2024
Discount rate	5.55%	5.55%
Expected rate of salary increase	2.00%	4.00%
Normal retirement age	65 years	65 years

30.6 Sensitivity of actuarial assumptions:

The table below illustrates the sensitivity of the defined benefit obligation valuation as at December 31, 2025 and 2024 based on the principal actuarial assumptions disclosed in note 30.5 above:

2025 Base Scenario	Impact on defined benefit obligation – Increase/ (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+1%	(51,398)	-
	-1%	-	49,104
Expected rate of salary increase	+1%	50,519	-
	-1%	-	(53,319)
Withdrawal rate	+20%	9,707	-
	-20%	-	(22,466)

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

30. Employee benefit obligation (continued)

2024 Base Scenario	Impact on defined benefit obligation – Increase/ (Decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+1%	(52,043)	-
	-1%	-	58,642
Expected rate of salary increase	+1%	58,981	-
	-1%	-	(53,208)
Withdrawal rate	+20%	2,651	-
	-20%	-	(6,249)

The above sensitivity analyses are based on a change in an assumption holding all other assumptions constant.

31. Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer in order to allocate resources to the segments and to assess its performance.

For management purposes, the Group is organised into the following major operating segments:

Retail banking

Deposit, credit and investment products for individuals.

Corporate banking

Loans and advances, deposits and other credit products for corporate and institutional customers, small to medium sized businesses.

Treasury

Manages the Bank's trading and investment portfolios and the Bank's funding, liquidity, currency and commission rate risks.

Investment and brokerage services

Investment management services, asset management activities related to dealing, managing, arranging, advising and custody of securities.

Other

Includes income on capital and unallocated costs and assets and liabilities of Head Office and other supporting departments.

Transactions between operating segments are reported as recorded in the Group's transfer pricing system. The basis for determining intersegment operating income/ (expense) for the current year are consistent with the basis used for December 31, 2024. Segment assets and liabilities comprise mainly operating assets and liabilities.

The Group's primary business is conducted in the Kingdom with one international branch in United Kingdom. The total assets, liabilities, commitments and results of operations of this branch are, however, not material to the Group's overall consolidated financial statements.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

31.1 The Group’s total assets and liabilities as at December 31, 2025 and 2024 and its total operating income, expenses and net income before zakat and income tax for the years then ended, by operating segments, are as follows:

2025	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	75,743,382	125,151,775	76,484,441	1,170,421	2,833,255	281,383,274
Investments in associates	-	-	-	289,722	618,404	908,126
Total liabilities	99,272,246	115,245,588	15,204,556	183,283	1,964,598	231,870,271
Operating income/ (expense) from external customers	2,031,734	7,096,542	797,751	556,336	(599,234)	9,883,129
Intersegment operating income/ (expense)	1,750,249	(2,837,137)	627,683	-	459,205	-
Total operating income	3,781,983	4,259,405	1,425,434	556,336	(140,029)	9,883,129
Of which:						
Net special commission income	3,622,182	3,208,842	529,845	248,347	487,850	8,097,066
ECL allowance charges and other provisions, net	282,098	403,182	4,380	3,000	-	692,660
Impairment charge on other real estate owned	-	(100,000)	-	-	-	(100,000)
Depreciation and amortisation	240,139	12,265	5,528	4,818	(1,369)	261,381
Total operating expenses	2,381,901	1,161,965	135,213	197,036	53,780	3,929,895
Share in earnings of associates, net	-	-	-	11,156	16,247	27,403
Net income before Zakat and income tax	1,400,082	3,097,440	1,290,221	370,456	(177,562)	5,980,637

2024 - restated	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	68,708,018	106,365,022	70,101,114	898,984	2,766,833	248,839,971
Investments in associates	-	-	-	285,218	604,428	889,646
Total liabilities	92,394,163	96,274,063	19,171,519	147,007	2,171,514	210,158,266
Operating income/ (expense) from external customers	2,256,655	6,977,346	365,860	486,100	(660,966)	9,424,995
Intersegment operating income/ (expense)	2,113,088	(2,973,768)	424,184	-	436,496	-
Total operating income	4,369,743	4,003,578	790,044	486,100	(224,470)	9,424,995
Of which:						
Net special commission income	4,132,839	3,167,892	19,400	258,756	347,748	7,926,635
ECL allowance charges and other provisions, net	253,752	369,858	15,203	6,000	-	644,813
Impairment charge on other real estate owned	-	119,156	-	-	-	119,156
Depreciation and amortisation	208,195	10,695	40	4,767	(1,693)	222,004
Total operating expenses	2,352,227	1,173,490	162,991	178,789	(36,452)	3,831,045
Share in earnings of associates, net	-	-	-	155,773	(10,972)	144,801
Net income before Zakat and income tax	2,017,516	2,830,088	627,053	463,084	(198,990)	5,738,751

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

31. Operating segments (continued)

31.2 The Group’s credit exposure by operating segments is as follows:

2025	Retail banking	Corporate Banking	Treasury	Investment and brokerage services	Other	Total
Total assets	71,269,888	124,551,911	75,055,177	1,042,498	18,668	271,938,142
Credit-related commitment and contingencies	428,428	32,803,516	-	-	-	33,231,944
Derivatives	-	1,124,087	3,549,908	-	-	4,673,995

2024 - restated	Retail banking	Corporate Banking	Treasury	Investment and brokerage services	Other	Total
Total assets	65,319,725	105,128,844	68,477,355	807,805	-	239,733,729
Credit-related commitment and contingencies	809,399	27,426,976	-	-	-	28,236,375
Derivatives	-	1,000,424	4,215,071	-	-	5,215,495

Credit exposure comprises the carrying value of consolidated statement of financial position assets, excluding cash, property, equipment and right of use assets, other real estate owned, and other assets. The credit equivalent value of commitments, contingencies and derivatives are included in credit exposure (note 32.4.15).

32. Credit risk

Credit risk is the risk that a customer or counter-party may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer or counter-party is either unwilling to perform an obligation or its ability to perform such an obligation is impaired, resulting in an economic loss to the Group. The Group is exposed to credit risk when its business units extend credit to counterparties. The Group’s Executive Committee (ExCom)/ Board of Directors provides oversight of Credit Risk through the documented Credit Policy.

The enterprise-wide requirements for identification, assessment, monitoring and reporting of credit risk is set by the Risk Management Group, while business/support units are accountable for the credit risks within their respective areas, aligning business strategies with Group’s risk appetite.

Credit risk policies and procedures are established to provide control of credit portfolios through periodic assessment of the credit standing of borrowers and quantifying maximum permissible exposures to specific borrowers. Such individuals and/or groups exposures are monitored periodically on a portfolio basis. The Group’s Credit Policy provides detailed guidelines to manage credit risk effectively; it is reviewed and updated from time to time based on experience, emerging issues, best market practices and directives from regulatory authorities. The Credit Policy is designed to ensure clear recognition of credit risk management strategies and objectives, which, inter-alia, include:

- Strengthening and enhancing Group's ability to measure and mitigate credit risks on pre-emptive basis to minimise credit losses.
- Strengthening and enhancing credit portfolio management process.
- Strengthening and enhancing Group's systems and procedures for early problem recognition.
- Compliance with local regulatory requirement and industry’s best practices for credit risk management.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The Credit Policy addresses all functions and activities related to the credit process including the underwriting criteria. It stipulates Group’s appetite for risk, which, inter-alia, provides guidance on the target markets (Corporate, Commercial/ Small and Medium Enterprises (SMEs), Consumer and High Net-Worth Individuals) and desirable type of borrowers/ industries. Some criteria are product-specific and are governed by individual credit product policies, while others generally include credit quality standards, purpose and terms of facilities, undesirable loans, credit analysis, concentrations of credit, repayment ability, compliance with laws & regulations, expected losses and documentation.

32.1 Portfolio Monitoring

Portfolio management is ensured through diversification of the credit portfolio on the basis of tenor, industries/business segments, risk grades and geographical areas to avoid the risk of over-exposure to certain economic sectors/credit products, which might be impacted by unfavorable developments in the economy. The Group broadly uses borrower and sector criteria for mitigating concentration risk. The Group’s business is predominantly concentrated in Saudi Arabia, minimising cross-currency risk although geographical concentration remains but this is considered acceptable and within Group’s risk appetite.

Consumer banking portfolio is a diversified one since relatively small exposures are approved to a large number of individuals, based mainly on assignment of salary or security with exposure caps on products/ employers, etc.

32.2 Risk Measurement and Reporting System

Credit Risk tracks trends and identifies weaknesses in the quality of corporate, commercial, retail and private banking loans portfolio by employing:

- Obligor and facility risk rating system to assess the quality of obligor and riskiness of facilities; and
- Periodic reviews and reporting of aggregate statistics on asset diversification and credit quality for key segments of the portfolio.

Rating system is established with the objective to:

- place the responsibility on business units to regularly evaluate credit risk on exposures and identify problems within their portfolios;
- establish early warning signals for detecting deterioration in credit quality;
- set standards for business units to submit their inputs on problematic exposures; and
- provide guidelines to respond and take remedial actions as soon as deterioration in credit quality is detected.

The Group classifies its exposures into 13 risk categories, of which 10 are for performing obligors and 3 are for non-performing obligors. A rating is assigned to a borrower through a system-based methodology that takes into account financial and non-financial information, translating into a grade and PD for the relationship.

Facility Risk Rating (FRR), which assesses the riskiness of facilities, is used for deriving the Loss Given Default (LGD) for a relationship, thus assigning separate rating for obligor and facility characteristics.

Management reports are generated for monitoring and control purposes on periodical basis – monthly, quarterly, semi-annually and annually. These reports are comprehensive, have wide scope and address several issues including:

- Portfolio quality, industry concentration and large exposures;
- Product concentration, credit monitoring and concentration of shares held by the Group as collateral; and
- Past due follow-up, customer-provisioning details and provision movement.

Retail portfolio comprises of personal loans, credit cards, housing loans and auto leasing.

Individual customers are assessed on the basis of standardised pre-set criteria for specific schemes to assess eligibility for each of the above products. Delinquent customers, based on days past due (bucket-wise), are classified as non-performing.

For the retail portfolio, personal loans are granted against salary assignments to borrowers who are employees of approved

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

list of acceptable employers, mainly government and quasi-government employees. The main criteria for lending to this portfolio include approved employer, minimum salary requirements, length of service and pre-specified Debt Service Ratio (DSR). Housing loan and auto leasing products are considered generally secured since the underlying assets are owned by the Group and leased to customers in the case of auto loans, or mortgaged to the Group in the case of housing loans, thus mitigating risk to a large extent, housing loans are also insured against mortality, permanent disability and damages to property.

The Group has developed application score-cards and behavior score-cards, using internal and external data, to evaluate, monitor and control consumer credits as this is expected to go a long way in making consumer credit risk management more effective and efficient.

32.3 Asset Quality

Corporate and commercial exposures are considered non-performing in the following circumstances:

- The principal of loan or interest payment remains past due more than 90 days after its due date;
- The outstanding of an overdraft remains in excess of approved limit for more than 90 days or the overdraft account is in-active for more than 180 days.

Non-performing exposures migrate across the non-performing risk grades (substandard, doubtful and loss) according to their days past due and/or deterioration in credit quality.

In determining whether a corporate exposure has become impaired, the Group makes judgements as to whether there is any observable data indicating decrease in the estimated future cash flows. This evidence may include an indication that there has been an adverse change in the payment status of borrowers. Management uses estimates based on historical loss experience for loans with similar credit risk characteristics, when estimating the cash flows.

The methodology and assumptions used for estimating both, the amount and timing of future cash flows, are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Consumer exposures are considered non-performing if payment remains past due more than 90 days after its due date.

32.4 Credit quality analysis

32.4.1 Financial assets measured at amortised cost and FVOCI debt investments

The following tables sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively:

Due from bank and other financial institutions	2025			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	2,129,844	-	-	2,129,844
Non-investment grade	129,089	-	-	129,089
Unrated	79,914	-	-	79,914
Gross carrying amount	2,338,847	-	-	2,338,847

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Due from bank and other financial institutions	2024			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	3,734,456	-	-	3,734,456
Non-investment grade	123,465	-	-	123,465
Unrated	-	-	-	-
Gross carrying amount	3,857,921	-	-	3,857,921

Retail banking Loans and advances carried at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	Total
Current and within 30 days	45,695,744	4,703,658	22,941	50,422,343
Past due 31-90 days	143,412	305,084	20,941	469,437
Above 90 days	-	-	100,884	100,884
Gross carrying amount	45,839,156	5,008,742	144,766	50,992,664

Retail banking Loans and advances carried at amortised cost	2024			
	Stage 1	Stage 2	Stage 3	Total
Current and within 30 days	40,962,182	3,296,253	25,969	44,284,404
Past due 31-90 days	94,060	289,616	23,089	406,765
Above 90 days	-	-	114,763	114,763
Gross carrying amount	41,056,242	3,585,869	163,821	44,805,932

Corporate banking Loans and advances carried at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	Total
Grades 1-4: Low risk	32,853,541	142,935	-	32,996,476
Grades 5-8: Fair risk	105,153,986	3,478,546	103	108,632,635
Grades 9-10: Watch list	1,247	4,026,761	30,256	4,058,264
Grades 11-13 Substandard, Doubtful, Loss	-	-	1,762,761	1,762,761
Carrying amount - corporate banking	138,008,774	7,648,242	1,793,120	147,450,136

Corporate banking Loans and advances carried at amortised cost	2024			
	Stage 1	Stage 2	Stage 3	Total
Grades 1-4: Low risk	28,739,252	136,519	67	28,875,838
Grades 5-8: Fair risk	88,390,522	5,607,965	-	93,998,487
Grades 9-10: Watch list	-	2,922,589	8,558	2,931,147
Grades 11-13 Substandard, Doubtful, Loss	-	-	1,952,154	1,952,154
Carrying amount - corporate banking	117,129,774	8,667,073	1,960,779	127,757,626

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

Debt instruments carried at amortised cost	2025			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	41,740,913	-	-	41,740,913
Non-investment grade	45,805	-	-	45,805
Unrated	1,005,286	-	-	1,005,286
Gross carrying amount	42,792,004	-	-	42,792,004

Debt instruments carried at amortised cost	2024 - restated			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	37,634,104	-	-	37,634,104
Non-investment grade	45,689	-	-	45,689
Unrated	1,005,534	-	-	1,005,534
Gross carrying amount	38,685,327	-	-	38,685,327

Debt instruments carried at FVOCI	2025			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	8,515,168	-	-	8,515,168
Non-investment grade	1,400,816	-	-	1,400,816
Unrated	-	-	-	-
Gross carrying amount	9,915,984	-	-	9,915,984

Debt instruments carried at FVOCI	2024 - restated			
	Stage 1	Stage 2	Stage 3	Total
Investment grade	5,846,790	-	-	5,846,790
Non-investment grade	1,770,744	-	-	1,770,744
Unrated	250,951	-	-	250,951
Gross carrying amount	7,868,485	-	-	7,868,485

Investment grade comprises investments having credit rating equivalent to Standard & Poor's AAA to BBB.

Credit-related commitments and contingencies	2025			
	Stage 1	Stage 2	Stage 3	Total
Grades 1-4: Low risk	23,942,791	54,712	-	23,997,503
Grades 5-8: Fair risk	30,900,663	359,894	-	31,260,557
Grades 9-10: Watch list	542,712	1,219,741	-	1,762,453
Grades 11-13 Substandard, Doubtful, Loss	-	-	586,261	586,261
Closing balance - non-funded	55,386,166	1,634,347	586,261	57,606,774

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Credit-related commitments and contingencies	2024			
	Stage 1	Stage 2	Stage 3	Total
Grades 1–4: Low risk	26,599,895	24,597	–	26,624,492
Grades 5–8: Fair risk	20,431,182	530,544	–	20,961,726
Grades 9–10: Watch list	708,947	1,188,565	–	1,897,512
Grades 11–13 Substandard, Doubtful, Loss	–	–	594,937	594,937
Closing balance – non-funded	47,740,024	1,743,706	594,937	50,078,667

32.4.2 Credit analysis of financial assets held as FVSI

The following table sets out the credit analysis for financial assets measured at FVSI:

	2025	2024
Investment grade	76,700	897,808
Non-investment grade	–	–
Unrated	2,105,987	957,171
Gross carrying amount	2,182,687	1,854,979

32.4.3 Amounts arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

No change has been made in the backstop criteria for all types of exposures

32.4.4 Credit risk grades

The Group allocates credit risk grades to each exposure based on a variety of variables that is determined to be predictive of the risk of default and applying experienced individual assessed. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases significantly as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 8 and 9.

The 12 month average PIT PD for the corporate exposures in grade 1 to 8 ranges from 0.36% to 3.52%. The 12 month average PIT PD for grade 9 and 10 (watch list) goes up to 18.06% .

Credit risk grade or score is allocated to each exposure at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade or score. The monitoring of exposures involves use of the following data:

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

Corporate exposures	Retail exposures
Information obtained during periodic review of customer files – e.g., audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes etc	Internally collected data and customer behaviour data – e.g., utilisation of credit card facilities
Data from credit reference agencies, press articles, changes in external credit ratings	Affordability metrics
Quoted bond and credit default swap (CDS) prices for the borrower where available.	External data from credit reference agencies; including default information
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	

32.4.5 Generating the term structure of PD

Credit risk grades are a primary input in the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analyzed by type of product and borrower as well as by credit risk grading. For retail portfolios, The Saudi Credit Bureau (SIMAH) information is also used.

The Group employs statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change over a period of time, and consumer Price Index.

This analysis includes the identification and calibration of relationships between changes in default rates and macro-economic factors. For most exposures, key macro-economic indicators include Oil Price, GDP, Unemployment Rate , Share Price Index and Employment.

Based on the available economic data and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts to adjust its estimates of PDs.

32.4.6 Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and a backstop based on delinquency.

Using its expert credit judgements and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The assessment of significant increase in credit risk, is assessed taking on account of:

- Days past due;
- Change in probability of default by 150% occurring since initial recognition for retail portfolio;
- Downgrade in obligor risk rating of 2 or more notches for wholesale portfolio expected life of the financial instrument.
- Reasonable and supportable information, that is available without undue cost or effort that may affect credit risk; or
- Delay in coupon or principle for treasury exposures and investments.

Lifetime expected credit losses are recognised against any material facility which has experienced significant increase in credit risk since initial recognition. Recognition of lifetime expected credit losses will be made if any facility is past due for 30 days or more. The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default; or
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date when full payment became due.

32.4.7 Modified financial assets

The contractual terms of a loan may be modified for several reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in de-recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- Its remaining Net Present Value (NPV) of the cash-flows at the reporting date based on the modified terms; with
- The remaining NPV of the cash-flows calculated based on data at initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. As per Group's policy, loan restructuring is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the restructuring policy.

For financial assets modified as part of the Group's policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar restructuring action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

32.4.8 Definition of 'Default'

The following criteria are used to determine obligor default, if the obligor:

- Has an obligation which is 90 (or more) days past due;
- Has an obligation for which the Group has stopped accruing interest;
- Has obligation(s) that has/have been restructured with loss to the Group;
- Has an obligation that is classified as non-performing by the Group; or
- Has an obligation that the Group has charged off in part or in full.

In assessing whether a borrower is in default, the Group considers indicators that are:

- Qualitative - e.g., breaches of covenant;
- Quantitative - e.g., overdue status and non-payment on another obligation of the same issuer to the Group;
- Based on data developed internally and obtained from external sources; and
- Inputs to 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 Group for regulatory capital purposes.

32.4.9 Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on consideration of a variety of actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts provided by agencies, such as Moody's Economic Data services.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio using an analysis of historical data and estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used included the following weightages ranges of key indicators:

Economic Indicators	2025	2024
GDP	Upside 25%	Upside 25%
	Base case 30%	Base case 30%
	Downside 45%	Downside 45%
Brent oil prices	Upside 25%	Upside 25%
	Base case 30%	Base case 30%
	Downside 45%	Downside 45%
Tadawul all shares index	Upside 25%	Upside 25%
	Base case 30%	Base case 30%
	Downside 45%	Downside 45%

32.4.10 Probability weightages

The Group considered the probability weightings to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Group's credit portfolios in determining them.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 10 to 15 years. The Group has used below scenarios forecast in its ECL model, which is based on updated information available as at the reporting date:

		Forecast calendar years used in 2025 ECL model			Forecast calendar years used in 2024 ECL model		
Economic Indicators		2026	2027	2028	2025	2026	2027
GDP (Billions USD\$)	Upside	1,025	1,059	1,089	872	902	929
	Base	1,004	1,033	1,062	853	878	904
	Downside	940	928	976	800	790	832
Brent oil prices (USD\$)	Upside	70.00	70.00	70.00	79.74	72.23	70.22
	Base	65.00	67.00	69.00	74.12	68.96	69.01
	Downside	32.00	48.00	61.00	41.01	50.29	61.13
Tadawul all shares index (TASI)	Upside	12,633	12,696	13,137	12,985	12,476	12,842
	Base	11,933	12,427	12,911	11,613	11,350	11,987
	Downside	7,512	9,904	11,392	7,704	9,698	11,141

The table below shows the sensitivity of change in economic indicators to the ECL computed under three different scenarios used by the Group:

	Due from Banks and other financial institutions	Investments	Loans and advances	Commitments and contingencies	Total
2025					
More optimistic (upside)	1,888	26,166	2,332,041	502,847	2,862,942
Most likely (base case)	2,393	32,941	2,620,787	509,727	3,165,848
More pessimistic (downside)	6,244	90,156	3,942,774	574,049	4,613,223

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2024	Due from Banks and other financial institutions	Investments	Loans and advances	Commitments and contingencies	Total
More optimistic (upside)	2,437	26,554	2,618,248	520,712	3,167,951
Most likely (base case)	3,116	33,451	2,750,698	535,046	3,322,311
More pessimistic (downside)	6,660	78,664	3,531,390	612,364	4,229,078

32.4.11 Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (“PD”);
- Loss given default (“LGD”);
- Exposure at default (“EAD”).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described earlier.

PD estimates are estimates at a certain date, which are calculated, based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral and recovery costs of any collateral that is integral to the financial asset. For secured retail loans, asset value/ type is a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modeling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described earlier and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower’s extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group’s contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group’s exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect; however this contractual right is not enforced in the normal day-to-day management but only when the Group becomes aware of significant increase in credit risk at the facility level, prompting such action. This longer period is estimated considering the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

32.4.12 Sensitivity of ECL allowance

The table below illustrates the sensitivity of ECL to key factors used in determining it as at the year-end:

Assumptions sensitised	Statement of income impact (absolute values)	
	2025	2024
Changes in Macro-economic factors while other assumptions kept constant:		
Decrease/ increase in Oil price by 1%	9,212	7,050
Decrease/ increase in GDP by 1%	55,433	39,611
Decrease/ increase in Tadawul all shares index by 1%	5,351	4,327
Scenario weightages:		
Base scenario sensitised by - 5% with corresponding change in downside	55,403	36,582
Base scenario increases by + 5% with corresponding change in upside	6,073	6,200

32.4.13 Aging of loans and advances (past due but not impaired)

2025	Retail Banking	Corporate banking	Total
Past due (1-30) days	1,361,338	1,436,439	2,797,777
Past due (31-60) days	332,458	259,259	591,717
Past due (61-90) days	116,038	69,564	185,602
Past due (91-180) days	-	37,275	37,275
Above 180 days	-	210,849	210,849
Total	1,809,834	2,013,386	3,823,220

2024	Retail Banking	Corporate banking	Total
Past due (1-30) days	1,165,846	1,136,529	2,302,375
Past due (31-60) days	260,697	39,624	300,321
Past due (61-90) days	122,979	126,720	249,699
Past due (91-180) days	-	32,620	32,620
Above 180 days	-	15,213	15,213
Total	1,549,522	1,350,706	2,900,228

In exceptional cases financial assets past due more than 90 days are considered performing based on reasonable and supportable information (e.g., administrative oversight, delay in receipt of receivables from entities with strong credit standing) after following a rigorous review and governance process.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32.4.14 Collateral

In the ordinary course of lending activities, the Group hold collaterals as security to mitigate credit risk. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial 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.

The amount of collateral held as security for loans that are credit impaired are as follows:

	2025	2024
Less than 50%	871,556	571,872
51-70%	235,241	238,872
More than 70%	831,089	1,313,856
Total	1,937,886	2,124,600

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

32.4.15 Geographical concentration

The Group’s main credit exposure by geographical region is as follows in the table below:

2025	Saudi Arabia	Other GCC & Middle East	Europe	North America	Latin America	South East Asia	Other Countries	Total
Assets								
Cash and balances with SAMA								
Cash in hand	2,102,379	-	1,398	-	-	-	-	2,103,777
Balances with SAMA	11,063,620	-	-	-	-	-	-	11,063,620
Due from banks and other financial institutions								
Current accounts	-	247,008	186,542	234,624	-	13,566	81,874	763,614
Money market placements	-	821,081	750,152	-	-	-	-	1,571,233
Investments, net								
Held as FVSI	1,243,020	-	249,039	690,628	-	-	-	2,182,687
Held as FVOCI	8,177,178	2,101,144	872,655	3,389,354	205,078	92,089	209,057	15,046,555
Held at amortised cost	42,737,866	44,823	-	-	-	-	-	42,782,689
Positive fair value of derivatives								
Held for trading	415,077	206,815	491,362	325,323	-	-	-	1,438,577
Held as fair value hedges	-	777	630,874	-	-	-	-	631,651
Loans and advances, net								
Net corporate banking loans	136,323,295	464,474	6,920,859	1,312,790	-	-	-	145,021,418
Net retail banking loans	50,277,431	-	456	-	-	-	-	50,277,887
Other assets								
Accounts receivable	3,587,718	-	2,944	-	-	-	-	3,590,662
Total assets	255,927,584	3,886,122	10,106,281	5,952,719	205,078	105,655	290,931	276,474,370
Liabilities								
Due to banks, SAMA and other financial institutions								
Current accounts	-	67,677	2,587	37,125	-	135	5,097	112,621
Money market deposits & SAMA deposits	5,495,760	5,581,755	379,180	-	-	-	379,306	11,836,001

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2025	Saudi Arabia	Other GCC & Middle East	Europe	North America	Latin America	South East Asia	Other Countries	Total
Customers' deposits								
Demand	96,445,587	-	338,911	-	-	-	-	96,784,498
Time	105,546,008	-	715,541	-	-	-	-	106,261,549
Saving	606,115	-	-	-	-	-	-	606,115
Other	5,634,618	-	-	-	-	-	-	5,634,618
Negative fair value of derivatives								
Held for trading	178,311	38,589	897,550	198,360	-	-	-	1,312,810
Held as fair value hedges	-	825	4,056	-	-	-	-	4,881
Held as cash flow hedges	2,145	-	6,958	-	-	-	-	9,103
Other Liabilities	7,690,819	-	31,853	-	-	-	-	7,722,672
Debt securities in issue	-	451,962	-	-	-	-	-	451,962
Total liabilities	221,599,363	6,140,808	2,376,636	235,485	-	135	384,403	230,736,830
Commitments and contingencies								
Letters of credit	6,582,683	1,272,382	18,808	13,168	-	-	162,938	8,049,979
Letters of guarantee	32,000,686	2,454,486	358,570	8,751	-	316,101	355,485	35,494,079
Acceptances	2,259,696	-	-	-	-	-	-	2,259,696
Irrevocable commitments to extend credit	11,793,270	-	-	-	-	-	-	11,793,270
Other	9,750	-	-	-	-	-	-	9,750
Maximum credit exposure (credit equivalent amounts)								
Derivatives								
Held for trading	1,133,894	385,279	1,104,542	74,169	-	-	241,067	2,938,951
Held as fair value hedges	210	214,400	1,456,559	63,875	-	-	-	1,735,044
Commitments and contingencies								
Letters of credit	6,200,863	1,272,382	18,808	13,168	-	-	162,938	7,668,159
Letters of guarantee	16,839,110	1,227,243	179,285	4,376	-	158,050	177,742	18,585,806
Acceptances	2,259,696	-	-	-	-	-	-	2,259,696
Irrevocable commitments to extend credit	4,717,308	-	-	-	-	-	-	4,717,308
Other	975	-	-	-	-	-	-	975

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

2024 - restated	Saudi Arabia	Other GCC & Middle East	Europe	North America	Latin America	South East Asia	Other Countries	Total
Assets								
Cash and balances with SAMA								
Cash in hand	2,085,108	-	1,383	-	-	-	-	2,086,491
Balances with SAMA	10,255,870	-	-	-	-	-	-	10,255,870
Due from banks and other financial institutions								
Current accounts	-	137,881	176,831	1,187	-	16,851	125,445	458,195
Money market placements	1,495,641	308,787	1,590,757	-	-	-	-	3,395,185
Investments, net								
Held as FVSI	303,275	-	68	1,551,636	-	-	-	1,854,979
Held as FVOCI	6,337,593	1,965,815	728,293	2,917,023	190,657	82,292	198,771	12,420,444
Held at amortised cost	38,629,336	44,817	-	-	-	-	-	38,674,153
Positive fair value of derivatives								
Held for trading	349,518	233,214	654,375	399,052	-	-	-	1,636,159
Held as fair value hedges	-	-	654,437	-	-	-	-	654,437
Loans and advances, net								
Net corporate banking loans	118,300,683	527,617	5,090,337	1,438,126	-	-	-	125,356,763
Net retail banking loans	44,137,349	-	549	-	-	-	-	44,137,898
Other assets								
Accounts receivable	2,608,552	-	294,865	-	-	-	-	2,903,417
Total assets	224,502,925	3,218,131	9,191,895	6,307,024	190,657	99,143	324,216	243,833,991
Liabilities								
Due to banks, SAMA and other financial institutions								
Current accounts	-	93,361	2,955	64,670	-	486	679	162,151
Money market deposits & SAMA deposits	11,076,449	2,630,788	446,785	-	-	-	94,290	14,248,312
Customers' deposits								
Demand	92,199,997	-	527,936	-	-	-	-	92,727,933
Time	81,572,482	-	644,167	-	-	-	-	82,216,649
Saving	464,613	-	-	-	-	-	-	464,613
Other	6,814,523	-	-	-	-	-	-	6,814,523

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2024 – restated	Saudi Arabia	Other GCC & Middle East	Europe	North America	Latin America	South East Asia	Other Countries	Total
Negative fair value of derivatives								
Held for trading	145,568	54,536	1,035,898	303,295	-	-	-	1,539,297
Held as fair value hedges	-	1,659	3,626	-	-	-	-	5,285
Held as cash flow hedges	12,413	-	41,915	-	-	-	-	54,328
Other liabilities	7,863,598	-	7,677	-	-	-	-	7,871,275
Debt securities in issue	2,828,870	-	-	-	-	-	-	2,828,870
Total liabilities	202,978,513	2,780,344	2,710,959	367,965	-	486	94,969	208,933,236
Commitments and contingencies								
Letters of credit	5,865,063	17,327	16,725	-	-	-	28	5,899,143
Letters of guarantee	31,127,725	699,407	292,552	852	-	111,190	36,571	32,268,297
Acceptances	2,058,960	2,257	-	-	-	-	-	2,061,217
Irrevocable commitments to extend credit	9,840,260	-	-	-	-	-	-	9,840,260
Other	9,750	-	-	-	-	-	-	9,750
Maximum credit exposure (credit equivalent amounts)								
Derivatives								
Held for trading	1,012,883	741,886	726,483	75,020	-	-	300,089	2,856,361
Held as fair value hedges	67	-	2,282,374	76,693	-	-	-	2,359,134
Commitments and contingencies								
Letters of credit	5,113,608	17,327	16,725	-	-	-	28	5,147,688
Letters of guarantee	16,520,106	349,703	146,276	426	-	55,595	18,285	17,090,391
Acceptances	2,058,960	2,257	-	-	-	-	-	2,061,217
Irrevocable commitments to extend credit	3,936,104	-	-	-	-	-	-	3,936,104
Other	975	-	-	-	-	-	-	975

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

32. Credit risk (continued)

Credit equivalent amounts reflect the amounts that result from translating the Group’s off consolidated statement of financial position liabilities into the risk equivalent of loans using credit conversion factors prescribed by SAMA. Credit conversion factor is meant to capture the potential credit risk related to commitments being exercised.

32.4.16 The distributions by geographical concentration of non-performing loans and advances and allowance for expected credit losses are as follows:

2025	Non-Performing Loans		Allowance for expected credit losses	
	Retail banking	Corporate banking	Retail banking	Corporate banking
Saudi Arabia	100,884	1,762,761	714,777	2,428,718

2024	Non-Performing Loans		Allowance for expected credit losses	
	Retail banking	Corporate banking	Retail banking	Corporate banking
Saudi Arabia	114,763	1,952,154	668,034	2,400,863

33. 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 commission rates, foreign exchange rates, and equity prices. The Group classifies exposures to market risk into either trading, non-trading or banking-book.

33.1 Market risk – trading book

The Board of Directors has set limits for the acceptable level of risk in managing the trading book. To manage market risk in the trading book, the Group periodically applies a VaR (Value at Risk) methodology to assess the market risk positions held and to estimate the potential economic loss based on a set of parameters and assumptions regarding changes in market conditions.

A VaR methodology estimates the potential negative change in market value of a portfolio at a given confidence level and over a specified time horizon. The Group uses risk 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 thereof has limitations due to it being 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 one day. The use of 99% confidence level depicts that within a one-day horizon, losses exceeding VaR should occur, on average, not more than once every hundred days.

The VaR represents the market risk in a portfolio at the close of a business day. It does not account for any losses that may occur beyond the defined confidence interval. Actual trading results can, however, differ from the VaR calculations. VaR does not provide a meaningful indication of profits and losses in stressed market conditions.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 1-day holding period assumes that it is possible to hedge or dispose of positions within a one day horizon. This is considered to be a realistic assumption in most cases but may not be true in situations where there is severe market liquidity for a prolonged period.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed VaR.
- VaR is calculated on an end of day basis and does not reflect exposures that may arise on positions during the trading day.
- VaR is dependent upon the Group’s position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

The limitations of VaR are recognised by supplementing the VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the Group carries out stress testing on its trading book to simulate conditions outside normal confidence intervals. The potential losses occurring under stress test conditions are reported regularly to the Bank's Asset and Liabilities Committee (ALCO) for review.

The Group's calculated VaR is disclosed below in ₪ million as follows:

	2025			2024		
	Year-end	High	Low	Year-end	High	Low
Special commission rate risk	0.3371	2.4098	0.2230	0.4844	1.4188	0.3294
Foreign exchange risk	1.6809	5.2665	0.9786	1.5931	10.6243	0.1323
Diversification effect *	(0.3504)	**	**	(0.5105)	**	**
Total VaR (one day measure)	1.6675	5.4172	1.0159	1.5670	10.2134	0.3988

* Total VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from a portfolio diversification effect.

** It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

33.2 Market risk: non-trading or banking book

Market risk on non-trading or banking positions mainly arises from commission rate and foreign currency exposures and equity price changes.

33.2.1 Commission rate risk

Commission rate risk arises from the possibility that changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Board of Directors has established commission rate gap limits for stipulated periods. The Group monitors positions daily and uses hedging strategies to ensure positions are maintained within the established gap limits.

The following table shows the sensitivity of the Group's consolidated statement of income and equity to a reasonable possible change in commission rates, with other variables held constant. Income sensitivity arises from the impact of assumed changes in commission rates on net special commission income for one year, based on floating rate non-trading financial assets and liabilities held as at year end, after taking into account the effect of hedging. Equity sensitivity is calculated by revaluing fixed rate FVOCI/ FVOCI financial assets, including the effect of any associated hedges for the effect of assumed changes in commission rates. The sensitivity of equity is analyzed by maturity of the asset or swap.

Banking book exposures are monitored and analyzed in their respective currencies and relevant sensitivities are disclosed in ₪ million as follows:

Currency	Increase/ (decrease) in basis points	2025					
		Sensitivity of net special commission income	Sensitivity of equity				Total
			6 months or less	1 year or less	1-5 years or less	Over 5 years	
₪	+10	(8.39)	-	(0.02)	(0.27)	-	(0.29)
USD	+10	2.64	(0.07)	(1.74)	(46.59)	-	(48.40)
Others	+10	1.08	-	-	-	-	-
₪	-10	8.39	-	0.02	0.27	-	0.29
USD	-10	(2.64)	0.07	1.74	46.59	-	48.40
Others	-10	(1.08)	-	-	-	-	-

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

33. Market risk (continued)

Currency	Increase/ (decrease) in basis points	Sensitivity of net special commission income	2024				
			Sensitivity of equity				Total
			6 months or less	1 year or less	1-5 years or less	Over 5 years	
₪	+10	(2.36)	(0.06)	-	(0.32)	-	(0.38)
USD	+10	(2.45)	(0.02)	(2.16)	(34.26)	(8.31)	(44.75)
Others	+10	0.63	-	-	-	-	-
₪	-10	2.36	0.06	-	0.32	-	0.38
USD	-10	2.45	0.02	2.16	34.26	8.31	44.75
Others	-10	(0.63)	-	-	-	-	-

33.2.2 Commission rate sensitivity of assets, liabilities and off consolidated statement of financial position items

The Group manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market commission rates on its financial position and cash flows.

The table in next page summarises the Group's exposure to commission rate risk. Included in the table are the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates. The Group is exposed to commission rate risk as a result of mismatches or gaps in the amounts of financial assets and liabilities and derivatives, credit related commitment and contingencies that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2025	Within 3 months	3–12 months	1–5 years	Over 5 years	Non commission bearing	Total
Assets						
Cash and balances with SAMA	24,000	-	-	-	13,143,397	13,167,397
Due from banks and other financial institutions	1,571,233	-	-	-	763,614	2,334,847
Positive fair value derivatives	-	-	-	-	2,070,228	2,070,228
Investments, net						
Held as FVSI	-	-	-	-	2,182,687	2,182,687
Held as FVOCI	540,644	655,270	3,766,852	6,556,312	3,527,477	15,046,555
Held at amortised cost	3,393,170	612,491	589,796	38,187,232	-	42,782,689
Loans and advances, net						
Net corporate banking loans	69,063,462	53,608,525	19,409,584	2,939,847	-	145,021,418
Net retail banking loans	2,786,881	5,644,461	20,451,415	21,395,130	-	50,277,887
Other assets						
Accounts receivable	-	-	-	-	3,590,662	3,590,662
Total assets	77,379,390	60,520,747	44,217,647	69,078,521	25,278,065	276,474,370
Liabilities						
Due to banks, SAMA and other financial institutions	9,350,247	2,485,754	-	-	112,621	11,948,622
Negative fair value derivatives	-	-	-	-	1,326,794	1,326,794
Customers' deposits	94,414,181	29,299,079	3,042,302	-	82,531,218	209,286,780
Other liabilities						
Accrued expenses and accounts payable	-	-	-	-	7,722,672	7,722,672
Debt securities in issue	-	451,962	-	-	-	451,962
Total liabilities	103,764,428	32,236,795	3,042,302	-	91,693,305	230,736,830
Commission rate sensitivity on financial assets and liabilities financial position gap	(26,385,038)	28,283,952	41,175,345	69,078,521	(66,415,240)	45,737,540
Commission rate sensitivity for derivative financial instruments	5,783,178	11,986,127	(1,033,055)	(16,736,250)	-	-
Total commission rate sensitivity gap	(20,601,860)	40,270,079	40,142,290	52,342,271	(66,415,240)	45,737,540
Cumulative commission rate sensitivity gap	(20,601,860)	19,668,219	59,810,509	112,152,780	45,737,540	-

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

33. Market risk (continued)

2024 – restated	Within 3 months	3–12 months	1–5 years	Over 5 years	Non commission bearing	Total
Assets						
Cash and balances with SAMA	560,000	-	-	-	11,782,361	12,342,361
Due from banks and other financial institutions	3,399,727	-	-	-	453,653	3,853,380
Positive fair value derivatives	-	-	-	-	2,290,596	2,290,596
Investments, net						
Held as FVSI	-	-	-	-	1,854,979	1,854,979
Held as FVOCI	794,865	245,266	3,423,576	4,540,556	3,416,181	12,420,444
Held at amortised cost	2,612,223	515,128	8,640,653	26,906,149	-	38,674,153
Loans and advances, net						
Net corporate banking loans	69,156,025	42,200,288	12,695,660	1,304,790	-	125,356,763
Net retail banking loans	2,520,974	5,190,823	18,011,356	18,414,745	-	44,137,898
Other assets						
Accounts receivable	-	-	-	-	2,903,417	2,903,417
Total assets	79,043,814	48,151,505	42,771,245	51,166,240	22,701,187	243,833,991
Liabilities						
Due to banks, SAMA and other financial institutions	10,435,163	3,813,149	-	-	162,151	14,410,463
Negative fair value derivatives	-	-	-	-	1,598,910	1,598,910
Customers' deposits	72,800,886	16,400,269	404,238	-	92,618,325	182,223,718
Other liabilities						
Accrued expenses and accounts payable	-	-	-	-	7,871,275	7,871,275
Debt securities in issue	-	-	-	2,828,870	-	2,828,870
Total liabilities	83,236,049	20,213,418	404,238	2,828,870	102,250,661	208,933,236
Commission rate sensitivity on financial assets and liabilities financial position gap	(4,192,235)	27,938,087	42,367,007	48,337,370	(79,549,474)	34,900,755
Commission rate sensitivity for derivative financial instruments	5,291,179	5,050,982	(1,623,411)	(8,718,750)	-	-
Total commission rate sensitivity gap	1,098,944	32,989,069	40,743,596	39,618,620	(79,549,474)	34,900,755
Cumulative commission rate sensitivity gap	1,098,944	34,088,013	74,831,609	114,450,229	34,900,755	-

The off consolidated statement of financial position gap represents the net notional amounts of derivative financial instruments, which are used to manage commission rate risk.

The effective commission rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument or an instrument carried at fair value.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

33.2.3 Currency risk

Currency risk represents the risk of changes in the value of financial instruments due to changes in foreign exchange rates. Foreign currency risk exposures that arise in the banking book are transferred to the trading book and are managed as part of the trading portfolio. The Board sets various types of currency risk limits that are monitored daily, including position, stop-loss and VaR limits.

The table below shows the currencies to which the Group has a significant exposure as at year end, 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 consolidated statement of income (due to changes in fair values of currency sensitive non-trading monetary assets and liabilities) and equity (due to changes in fair values of currency swaps used as cash flow hedges). A positive effect shows a potential increase in the consolidated statement of income or equity whereas, a negative effect shows a potential net reduction in the consolidated statement of income or equity, and are disclosed as per the below table:

Currency risk exposures	2025		2024	
	Changes in currency rate in %	Effect in value	Changes in currency rate in %	Effect in value
US Dollar	+5	(184,466)	+5	(87,786)
	-5	184,466	-5	87,786
Euro	+3	(45)	+3	31
	-3	45	-3	(31)
Pound Sterling	+3	(4)	+3	3
	-3	4	-3	(3)

33.2.4 Currency position

The Group manages exposure to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. These limits are monitored daily. At the end of the year, the Group had the following significant net exposures denominated in foreign currencies:

	Long (short) 2025	Long (short) 2024
US Dollar	(3,689,318)	(1,755,718)
Euro	(1,510)	1,039
Pound Sterling	(143)	101

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

33. Market risk (continued)

33.2.5 Equity price risk

Equity price risk refers to the risk of a decrease in the fair values of equities in the 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 Group’s FVOCI equity investments due to reasonable possible change in equity indices, with all other variables held constant is as follows:

Market indices	2025		2024	
	Change in index %	Effect in value	Change in index %	Effect in value
Tadawul	+5	107,510	+5	81,660
	-5	(107,510)	-5	(81,660)
International indices	+5	55,360	+5	70,960
	-5	(55,360)	-5	(70,960)
Unquoted	+5	109,250	+5	41,230
	-5	(109,250)	-5	(41,230)

34. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up suddenly. To mitigate this risk, management has diversified funding sources, manages assets with liquidity in mind and maintains a healthy balance of cash, cash equivalents and readily marketable securities.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Group maintains a statutory deposit with SAMA equal to 7% (2024: 7%) of total demand deposits and 4% (2024: 4%) of saving and time deposits.

The Group has the ability to raise additional funds through repo facilities with SAMA mainly against debt instruments issued by Saudi companies or Saudi government.

34.1 Analysis of undiscounted financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted repayment obligations. As special commission payments up to contractual maturity are included in the table, totals do not match with the consolidated statement of financial position. The contractual maturities of liabilities have been determined based on the remaining period at the reporting date to the contractual maturity date and do not take into account the effective expected maturities. The Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not affect the expected cash flows indicated by the Group’s deposit retention history.

2025	Within 3 months	3-12 months	1-5 years	Above 5 years	No fixed maturity	Total
Due to banks, SAMA and other financial institutions	9,385,728	2,530,803	-	-	112,621	12,029,152
Customers’ deposits	74,042,942	30,213,206	3,424,394	-	103,025,231	210,705,773
Debt securities in issue	-	468,572	-	-	-	468,572
Other liabilities						
Accrued expenses and accounts payable	-	-	-	-	7,722,672	7,722,672
Total financial liabilities	83,428,670	33,212,581	3,424,394	-	110,860,524	230,926,169

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

2024 – restated	Within 3 months	3–12 months	1–5 years	Above 5 years	No fixed maturity	Total
Due to banks, SAMA and other financial institutions	10,411,882	3,883,172	–	–	162,151	14,457,205
Customers’ deposits	62,040,691	17,880,147	2,842,820	–	100,562,494	183,326,152
Debt securities in issue	16,402	93,544	305,833	2,906,051	–	3,321,830
Other liabilities						
Accrued expenses and accounts payable	–	–	–	–	7,871,275	7,871,275
Total financial liabilities	72,468,975	21,856,863	3,148,653	2,906,051	108,595,920	208,976,462

34.2 Maturity profile of Group’s financial assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to contractual maturities. See note 34.1 for the Group’s contractual undiscounted financial liabilities.

Management monitors the maturity profile to ensure that adequate liquidity is maintained. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports cover the liquidity position of the Bank, operating subsidiaries and the foreign branch. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

2025	Within 3 months	3–12 months	1–5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA	2,128,861	–	–	–	11,038,536	13,167,397
Due from banks and other financial institutions	1,575,233	–	–	–	759,614	2,334,847
Positive fair value of derivatives	123,148	212,774	909,303	825,003	–	2,070,228
Investments, net						
Held as FVSI	–	–	–	–	2,182,687	2,182,687
Held as FVOCI	238,637	558,636	3,953,859	6,767,946	3,527,477	15,046,555
Held at amortised cost	2,330,620	95,809	1,264,279	39,091,981	–	42,782,689
Loans and advances, net						
Net corporate banking loans	55,103,439	35,195,802	34,942,499	19,779,678	–	145,021,418
Net retail banking loans	2,995,235	5,644,461	20,256,068	21,382,123	–	50,277,887
Other assets						
Accounts receivable	–	–	–	–	3,590,662	3,590,662
Total assets	64,495,173	41,707,482	61,326,008	87,846,731	21,098,976	276,474,370
Liabilities						
Due to banks, SAMA and other financial institutions	9,350,247	2,485,754	–	–	112,621	11,948,622
Negative fair value of derivatives	78,925	136,365	582,766	528,738	–	1,326,794
Customers’ deposits	73,922,541	29,296,686	3,042,322	–	103,025,231	209,286,780
Debt securities in issue	–	451,962	–	–	–	451,962
Other liabilities						
Accrued expenses and accounts payable	–	–	–	–	7,722,672	7,722,672
Total liabilities	83,351,713	32,370,767	3,625,088	528,738	110,860,524	230,736,830

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

34. Liquidity risk (continued)

2024 – restated	Within 3 months	3–12 months	1–5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA	2,647,414	–	–	–	9,694,947	12,342,361
Due from banks and other financial institutions	3,399,727	–	–	–	453,653	3,853,380
Positive fair value of derivatives	313,059	150,263	910,274	917,000	–	2,290,596
Investments, net						
Held as FVSI	–	–	–	–	1,854,979	1,854,979
Held as FVOCI	376,910	275,705	2,672,420	4,543,450	4,551,959	12,420,444
Held at amortised cost	453,492	126,050	10,874,578	27,220,033	–	38,674,153
Loans and advances, net						
Net corporate banking loans	54,459,286	33,426,893	26,505,284	10,965,300	–	125,356,763
Net retail banking loans	2,608,327	5,088,862	17,969,955	18,470,754	–	44,137,898
Other assets						
Accounts receivable	–	–	–	–	2,903,417	2,903,417
Total assets	64,258,215	39,067,773	58,932,511	62,116,537	19,458,955	243,833,991
Liabilities						
Due to banks, SAMA and other financial institutions	10,435,163	3,813,149	–	–	162,151	14,410,463
Negative fair value of derivatives	218,525	104,888	635,401	640,096	–	1,598,910
Customers’ deposits	63,109,390	16,685,205	2,422,054	–	100,007,069	182,223,718
Debt securities in issue	–	–	–	2,828,870	–	2,828,870
Other liabilities						
Accrued expenses and accounts payable	–	–	–	–	7,871,275	7,871,275
Total liabilities	73,763,078	20,603,242	3,057,455	3,468,966	108,040,495	208,933,236

35. Fair values of assets and liabilities

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 in either:

- The accessible principal market for the asset or liability.
- The absence of a principal market, in the most advantageous accessible market for the asset or liability; or
- The fair values of on-consolidated statement of financial position for assets and liabilities are not significantly different from their carrying amounts included in the consolidated financial statements.

Determination of fair value and fair value hierarchy. The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

- Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repacking);
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data;
- Level 3: valuation techniques for which any significant inputs are not based on observable market data.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

35.1 Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. It does not include the fair value hierarchy information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

35.1.1 Financial assets

2025	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	2,182,687	23,250	83,034	2,076,403	2,182,687
Investments at FVOCI	15,046,555	4,381,439	9,915,984	749,132	15,046,555
Positive fair value of derivatives	2,070,228	-	2,070,228	-	2,070,228
Financial assets not measured at fair value					
Investments at amortised cost	42,782,689	-	39,677,803	-	39,677,803
Loans and advances	195,299,305	-	-	191,519,118	191,519,118

2024 – restated	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	1,854,979	925,158	–	929,821	1,854,979
Investments at FVOCI	12,420,444	2,811,700	9,004,262	604,482	12,420,444
Positive fair value of derivatives	2,290,596	–	2,290,596	–	2,290,596
Financial assets not measured at fair value					
Investments at amortised cost	38,674,153	–	35,088,458	–	35,088,458
Loans and advances	169,494,661	–	–	165,794,208	165,794,208

35.1.2 Financial Liabilities

2025	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,326,794	-	1,326,794	-	1,326,794
Financial liabilities not measured at fair value					
Debt securities in issue	451,962	-	451,962	-	451,962

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

35. Fair values of assets and liabilities (continued)

2024	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,598,910	-	1,598,910	-	1,598,910
Financial liabilities not measured at fair value					
Debt securities in issue	2,828,870	-	2,758,050	-	2,758,050

35.2 Measurement of fair values

35.2.1 Transfer between levels of the fair value hierarchy

There have been no transfers between levels of the fair value hierarchy during the years ended December 31, 2025 and 2024.

35.2.2 Reconciliation of Level 3 fair values

The following table shows the movement of Level 3 instruments measured at fair value for the year:

	2025	2024 – restated
Balance at the beginning of the year	1,534,303	1,170,712
Total gains in consolidated statement of income	260,773	138,012
Additions/ Settlements	1,030,459	225,579
Balance at the end of the year	2,825,535	1,534,303

35.2.3 Valuation technique and significant unobservable inputs

The Group uses various valuation techniques for determination of fair values for financial instruments classified under levels 2 and 3 of the fair value hierarchy. These techniques and the significant unobservable inputs used therein are analysed below.

The Group utilises fund managers' reports (and appropriate discounts or haircuts where required) for the determination of fair values of private equity funds. The fund manager deploys various techniques (such as discounted cashflow models and multiples method) for the valuation of underlying financial instruments classified under levels 2 and 3 of the respective fund's fair value hierarchy. Significant unobservable inputs embedded in the models used by the fund manager include risk adjusted discount rates, marketability and liquidity discounts and control premiums.

For the valuation of unquoted debt securities and derivative financial instruments, the Group obtains fair value estimates from reputable third party valuers, who use techniques such as discounted cash flows, option pricing models and other sophisticated models.

Loans and advances are classified as Level 3, the fair value of which is determined by discounting future cash flows using expected SAIBOR rates.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

36. Related party transactions

In the ordinary course of its activities, the Group transacts business with related parties. In the opinion of management and the Board of Directors, the related party transactions are performed on an arm’s length basis. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA.

36.1 The balances resulting from transactions with related parties included in the consolidated financial statements are as follows:

	2025	2024 - restated
Non-Saudi Major Shareholder and their Affiliates:		
Investments	781,387	507,312
Due from banks and other financial institutions	95,392	35,996
Due to banks and other financial institutions	567,437	792,777
Commitments and contingencies	2,669,756	2,291,495
Directors, key management personnel, and their affiliates:		
Loans and advances	11,667,447	10,000,411
Customers’ deposits	4,339,336	3,265,863
Commitments and contingencies	2,074,263	1,875,832
Investments	819,352	413,165
Associates:		
Investments in associates	908,126	889,646
Loans and advances	2,258,442	2,246,997
Customers’ deposits	14,357	36,093
Commitments and contingencies	2,074	-

36.2 Income and expense transactions with related parties included in these consolidated financial statements are as follows:

	2025	2024 - restated
Special commission income	1,122,350	1,111,043
Special commission expense	157,858	128,615
Fees and commission income	43,259	53,222
Share in earnings of associates, net	27,403	144,801
Directors’ remuneration expense	14,944	13,349
Miscellaneous expenses	117,459	141,667
Insurance contracts expense	90	1,541

Special commission income mainly include income from directors, key management personnel and their affiliates.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

36. Related party transactions (continued)

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

	2025	2024
Short-term employee benefits (Salaries and allowances)	60,372	51,098
Post-employment benefits (End of service indemnity and social security)	7,324	5,338

Key management personnel are those persons, including an executive director, having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Group.

37. Capital adequacy

The Group’s objectives when managing capital is 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. During the year, the Group fully complied with regulatory capital requirements.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group’s eligible capital with its interim consolidated statement of financial position assets, commitments and notional amounts of derivatives at a weighted amount to reflect their relative risk.

The current year figures are presented as per Basel III revised framework issued by SAMA effective from January 1, 2023.

Accordingly, the Group’s Pillar I consolidated Risk Weighted Assets (RWA), total capital and related ratios are as follows:

	2025	2024 - restated
Credit Risk RWA	227,747,430	198,277,680
Operational Risk RWA	12,256,651	10,684,489
Market Risk RWA	13,667,159	14,410,729
Total Pillar I RWA	253,671,240	223,372,898
Tier I Capital	49,482,510	38,723,783
Tier II Capital	1,305,945	3,905,342
Total Tier I & II Capital	50,788,455	42,629,125
Capital Adequacy Ratio %		
CET1	16.44%	17.30%
Tier I ratio	19.51%	17.34%
Tier I + Tier II ratio	20.02%	19.08%

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision as adopted by SAMA in supervising the Bank.

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

38. Investment management services

The Group offers investment services to its customers, which include management of investment funds with assets totaling ﷲ 24,563 million (2024: ﷲ 15,614 million).

The financial statements of these funds are not consolidated with these consolidated financial statements, as the Group is not significantly exposed to variability of return and hence do not qualify to be considered as a subsidiary. However, the Group’s share of these non-consolidated funds is included in FVSI investments and fees earned are disclosed under related party transactions.

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these consolidated financial statements.

39. Held for sale and discontinued operations

The Board of Directors has approved a plan to lose control over Arabian Heavy Equipment Leasing Company (AHEL), an 87.5% owned subsidiary. The subsidiary meets the criteria to be classified as held for sale for the following reasons:

- AHEL is available for immediate sale and can be sold in its current condition;
- There is an active buyer, where the sale plan is expected to be completed within one year from the date of initial classification; and
- The Group is committed to follow all steps required for the sale arrangements to be executed in line with the approved plan.

The Group has classified and presented the assets and liabilities of AHEL (the “disposal group”) as “held for sale” in the Group’s statement of financial position in accordance with IFRS 5, “Non-Current Assets Held for Sale and Discontinued Operations”. As the business of AHEL meets the definition of discontinued operations under IFRS 5, the results for the year have been classified as discontinued operations in the consolidated statement of income.

Summarised statement of financial position of AHEL, after intragroup adjustments, in the consolidated financial statements as at December 31, 2025 as follow:

	2025
Assets classified as held for sale:	
Property, equipment and right of use assets, net	186,624
Other assets	63,461
Total assets classified as held for sale	250,085
Liabilities directly associated with assets classified as held for sale:	
Other Liabilities	11,358
Total liabilities directly associated with assets classified as held for sale	11,358

Summarised statement of income of AHEL, after intragroup adjustments, in the consolidated financial statements for the year ended December 31, 2025 and 2024 as follow:

	2025	2024
Total operating income	67,534	75,033
Total operating expenses	58,541	60,935
Zakat and tax	3,033	3,590
Net Income from discontinued operations for the year	5,960	10,508

Notes to consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

40. Subsequent events

40.1 Cash dividends

On January 31, 2026, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million for the second half of 2025 after deducting zakat. This final dividend will result in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the tax liability of the non-Saudi strategic shareholder for the current and prior period (if any) will be deducted from their share of the dividend. This final dividend will be distributed on February 16, 2026.

41. Comparative figures

41.1 Certain prior year figures have been reclassified to conform with current period presentation, which are not material in nature to the consolidated financial statements.

41.2 During the year ended December 31, 2025, the Group corrected the classification of some of its investments from “Debt investments at FVOCI” and “Investments at amortised cost” to “Equity investments at FVOCI”. These adjustments are considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and are material to the consolidated financial statements and accordingly the disclosure note 6 to the consolidated financial statements, consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of income have been restated.

41.3 During the year ended December 31, 2025, the Group corrected its valuation of its equity interest in equity instruments that are classified as investment at FVOCI which was historically valued at cost. These adjustments are considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and are material to the consolidated financial statements and accordingly the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of changes in equity have been restated.

41.4 During the year ended December 31, 2025, the Group corrected its calculation of deferred tax. These adjustments are considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and are material to the consolidated financial statements and accordingly the consolidated statement of financial position and consolidated statement of changes in equity have been restated.

Accordingly, the Group has restated the impacted line items to correct the financial statements for prior periods as follows:

	Note	As previously presented	Restatement	Restated
Consolidated statement of financial position as at December 31, 2024				
Investments, net	41.3	52,345,094	604,482	52,949,576
Other assets	41.4	3,204,153	(71,825)	3,132,328
Other reserves	41.3	110,945	604,482	715,427
Retained earnings	41.4	6,216,685	(71,825)	6,144,860
Consolidated statement of income for the year ended December 31, 2024				
Special commission income	41.2	14,454,214	(47,753)	14,406,461
Dividend income	41.2	157,628	47,753	205,381
Consolidated statement of comprehensive income for the year ended December 31, 2024				
Equity instruments at FVOCI: Net changes in fair value	41.3	(253,966)	64,460 *	(189,506)

* The restated amount as stated in the above table includes a credit balance of ﷲ 3,717 thousand pertains to reclassification as per note 41.2 above.

42. Board of Directors’ approval

The consolidated financial statements were approved by the Board on Sha’aban 10, 1447 (corresponding to January 29, 2026).

