SNB

Annual Report 2025

Shaping the Bank of Tomorrow

Saudi National Bank Annual Report 2025

SNB

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King Abdullah Financial District
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Kingdom of Saudi Arabia

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Contents

The Board of Directors of Saudi National Bank (SNB) is honored to present its annual report for 2025.

This report covers the year's performance, achievements, and consolidated financial statements, as well as the business activities of the Bank, its subsidiaries, and affiliated companies.

بسم الله الرحمن الرحيم

King Abdulaziz bin Abdulrahman Al Faisal Al Saud
The Founder

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

Prince Muhammad Bin Salman Bin Abdulaziz Al Saud
His Royal Highness, Crown Prince Prime Minister of the Kingdom of Saudi Arabia

Strategic and Financial

Highlights of 2025

⃁25.0 bn

SNB achieved a fifth consecutive year of record net income, at ⃁25.0 billion nearly double the result of 2021, our first year operating as Saudi National Bank.

CASA deposits rose 11% to ⃁464.2 billion, bolstering the CASA ratio to 73% and confirming a stable, low-cost funding base.

Deposit strength

⃁729.3 bn

Net financing and advances expanded 11% to ⃁729.3 billion, driven by 21% growth in Wholesale financing and an 8% rise in residential financing.

MSME +66%

Support for the dynamic private sector saw total MSME credit increase to ⃁110.3 billion, a 66% increase.

SNB accelerated approval timings - by 35% for residential finance, 68% for corporate, and 38% for leasing - through process simplification and advanced automation.

Approval speed

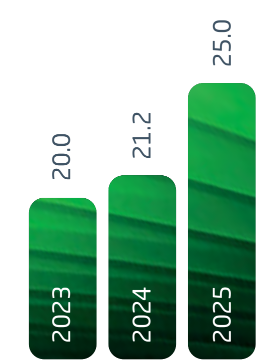
93%

Retail Banking’s digital-first strategy achieved 93% customer penetration and a 4.7 rating for the SNB app on Apple Store.

Net income*

⃁ billion

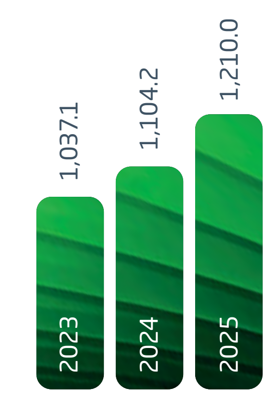
+18%



Total assets

⃁ billion

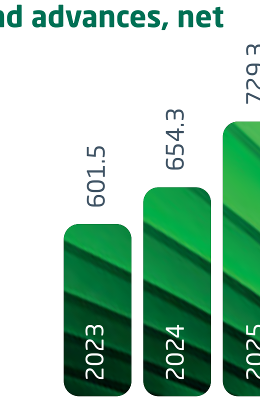
+10%



Financing and advances, net

⃁ billion

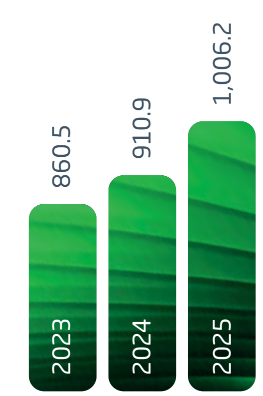
+11%



Total liabilities

⃁ billion

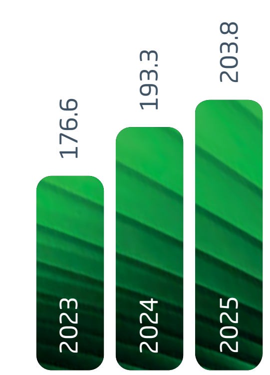
+10%



Total equity

⃁ billion

+5%



Return on tangible equity **

Percent

Capital adequacy ratio

Percent

Cost-to-income ratio ***

Percent

Earnings per share (EPS)

⃁4.04

* Net income attributed to equity holders.

** After Tier 1 Sukuk costs. Return on tangible equity pre-Tier 1 Sukuk and amortization of intangible costs is 18.6%.

*** Excludes amortization of intangibles. Domestic cost-to-income ratio is 20.3%.

Let's Shape

Your Tomorrow

A changing Saudi Arabia needs a new kind of bank. One that is invested in helping the nation and its people move toward a more innovative and prosperous future.

Saudi National Bank is a leading banking entity that was formed after the merger of two of the largest financial institutions in the Kingdom of Saudi Arabia. Our goal is to propel the nation's progress towards Vision 2030, and beyond, by spearheading technological innovation, funding progress, and using our expertise to provide the best opportunities for our people and the economy.

Our Purpose

To empower our customers to achieve their goals for the future.
To bring the best opportunities to our economy and our people.
To reinforce the nation's position on the global financial map.
To carry our expertise, thinking, and values to the world.

About
SNB

Our Story

Saudi National Bank (SNB) has gained considerable pre-eminence and respect over the years, thanks mainly to our empathy and partnership with the Saudi community. It has given us a special position of trust throughout the Kingdom where we are known simply as Alahli, the national bank.

SNB is both a visionary and an innovator, and has always had the interests of its customers at heart. Today, with a nationwide network of 481 domestic branches and a world class range of digital platforms, SNB is shaping the lives of people every day.

The Innovator

Established in 1953, SNB's 72-year journey to become one of the largest regional banks is marked by a series of firsts: we introduced the first credit cards, the first ATMs, the first investment funds, the first branches exclusively for women, the first savings schemes for students, and the first range of Shariah-compliant products and services.

With this record, in 2022 Forbes Middle East recognized SNB as worthy of inclusion in its list of the top 10 most innovative companies in Saudi Arabia.

As a one-stop digital shop, in 2025 SNB achieved 93% in retail digital penetration, while retail digital transaction migration reached 99%.

The Bank's digital innovations unit supports technological initiatives by linking internal and external stakeholders and partners, while our new Digital Ventures operating business acts as an incubator for a range of innovation initiatives.

Largest and Fastest Merger

In April 2021, Samba Financial Group merged into the National Commercial Bank (NCB), and NCB amended its name to the Saudi National Bank (SNB) resulting in the largest and fastest corporate merger in the region's history.

The merger could not have come at a more critical juncture. Not only did it create a regional financial giant, and one of the world's largest 100 banks by assets, but also an entity with the heritage, scale, and network to partner with the government in supporting Saudi Arabia's new economic direction, as enshrined in Vision 2030.

Supporting Vision 2030

The mega projects and global investments which signal to the world that Saudi Arabia is fast-tracking its way to becoming a global powerhouse demands an institution of the scale of SNB to support the Kingdom's economic agenda.

The Bank's corporate strategy is closely aligned with the Vision 2030 goal of creating sustainable national prosperity that is diversified away from oil. Potential growth industries – including mining, infrastructure, wider financial sector with opportunities to make a meaningful and effective contribution by mobilizing capital and channeling financing to these sectors.

The Bank is a conduit for change in supporting the development of the new Saudi economy which will form the bedrock of the country's future prosperity up to 2030 and beyond.

Our Businesses

Retail Banking

SNB provides Shariah-compliant personal banking services to millions of consumers across the Kingdom. With around 28% domestic market share, all SNB retail products and services are monitored by our independent Shariah Committee.

Quick Pay is SNB's multi-currency remittance and payments ecosystem that facilitates frictionless international payments.

Digital Ventures

NEO is our new digital brand launched in 2024. It offers services such as easy account opening, financial transfers and bill payments, personal expense management, savings, currency exchange, and financing.

Wholesale Banking

SNB maintains the largest Wholesale book in the Kingdom, providing corporate banking to medium and large businesses and institutions. These include Shariah-compliant financing products such as cash management and trading services, as well as conventional credit products.

In addition, the Bank has around 24% market share in the micro, small and medium enterprises (MSME) sector, providing banking to more than one in three micro-enterprises and one in four of the Kingdom's small businesses.

SNB's Treasury provides all treasury and correspondent banking products and services, including foreign exchange, hedging, and money market services. In addition, Treasury conducts investment and trading activities, locally and internationally.

Capital Markets

SNB Capital is Saudi Arabia's leading asset manager and investment bank, with total assets under management of ⃁294.3 billion as of December 2025. The firm provides wealth management, asset management, investment banking, principal investments, and securities services.

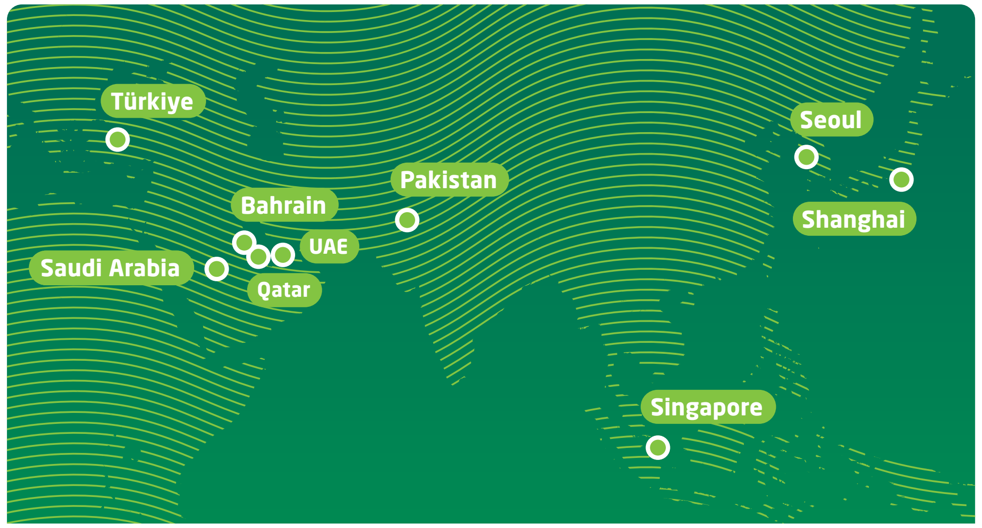
International

Türkiye Finans Katılım Bankası

SNB owns 67.03% of Türkiye Finans Katılım Bankası, a Shariah-compliant bank with 224 branches. The bank offers current accounts and profit-sharing investment accounts, and financing, to retail and corporate clients through finance, lease, and profit/loss sharing partnerships.

Samba Pakistan

SNB also owns a 84.51% stake in Samba Bank Limited in Pakistan. The bank's 77 branches provide retail and corporate banking services to local and non-resident customers across the country's major cities.



SNB in Numbers

Total Assets
⃁ 1.2 trillion

Customers
15.0 million

Countries
9

Employees
15,000+

Market Share

Overall Banking
Assets
#1 26%

Retail Banking
Domestic financing
#2 28%

Wholesale Banking
Domestic financing
#1 19%

Treasury
Investments
#1 33%

Asset Management*
AUM
#1 22%

Brokerage
Value traded
#2 15%

Digital Channels

Retail
93% user penetration
80% sales
99% transactions

Wholesale
68% user penetration
98% transactions

Physical Network

Saudi Arabia
481 branches
3,800 ATMs
440,000+ POS terminals
93 Quick Pay centers

International
4 wholesale branches:
Bahrain, UAE, Qatar, Singapore
2 representative offices:
Shanghai and Seoul
2 subsidiaries:
Türkiye and Pakistan

Credit Ratings

S&P Global
A
Outlook
Stable

Moody's
Aa3
Outlook
Stable

Fitch Ratings
A
Outlook
Stable

Capital Intelligence
AA-
Outlook
Stable

* Source: SNB and other bank financial statements for 3Q 2025.

Strategic Review

Chairman's

Statement

In presenting SNB's annual report for the year ended 31 December 2025, I am pleased to report that the resilience of the Saudi economy allowed the Bank to maintain its upward trajectory, with another strong financial and operational performance.

Robust, consistent strategic execution across all businesses generated record net income for the year, a milestone enabled by sustained revenue growth, disciplined cost management, and ongoing balance sheet expansion.

In 2025, we delivered 10% growth in total assets, mainly as a result of higher financing and investments. Total assets at the year-end once again topped the trillion Saudi Riyal mark, reaching ⃁1.2 trillion (2024: ⃁1.1 trillion).

SNB reported net income of ⃁25.0 billion for 2025, an 18% increase compared to 2024 (⃁21.2 billion). This strong performance was driven by positive revenue growth across core business lines, continued cost discipline, and strong credit quality. Earnings per share reached ⃁4.04 (2024: ⃁3.44), an increase of 17%.

The Board has recommended a final dividend amounting to ⃁6.9 billion, taking the full year dividend to ⃁12.9 billion. This translates to a dividend per share of ⃁2.15 (2024: ⃁1.90) and a payout ratio of 52% of earnings.

Our strategy gives us the opportunity to drive the business benefits from the five years since our successful and historic merger, an important milestone in SNB's evolution.

The new strategy is based around five pillars: market share and value creation; operational excellence; customer centricity; innovation; and talent magnet. It forms SNB's roadmap to further value creation and consistent operational and financial performance.

We will focus on generating further market share, build on our long track record of disciplined cost management, boost automation, and deliver organizational agility – while striving to make the SNB customer journey unique and unrivaled.

SNB Capital, which is Saudi Arabia's largest capital markets institution, also has a key role to play in maintaining the Kingdom's status as an attractive investment haven for national and international investors. We will support its drive to consolidate its market leadership in assets under management, investment banking, wealth management and securities services.

In 2025, we completed a comprehensive sustainability strategy refresh to define the Bank's direction over the next five years. Its main thrust is to strengthen our ESG risk management and sustainable finance capabilities; advance the net-zero transition across financed and operational emissions; boost financial empowerment and talent development; and enhance governance, disclosure, and responsible AI readiness.

Looking ahead, the Board is optimistic about our prospects. Along with the Management team, we are determined to build on the positive progress of previous years, and to continue delivering on our strategic benchmarks of growth, efficiency, exceptional customer experience, and digital innovation.

We are excited about the opportunities that exist to create sustainable long-term value for shareholders and in developing our role as the Kingdom's banking champion.

On behalf of the Board of Directors, I offer my sincere gratitude to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud; His Royal Highness Prince Muhammad Bin Salman Bin Abdulaziz Al Saud, Crown Prince and Prime Minister of the Kingdom of Saudi Arabia; and the Government of the Custodian of the Two Holy Mosques.

The Board also thanks the Council of Economic and Development Affairs, the Ministry of Finance, the Saudi Central Bank, the Capital Market Authority, the Ministry of Commerce, and the Ministry of Investment, for their support and stewardship of the Kingdom's financial services sector, and wider economy, which has contributed so significantly to SNB Group's success.

As in previous years, I acknowledge that our success is founded on the contributions of numerous stakeholders, including the Bank's customers. I want to use this opportunity to express our gratitude to them, our shareholders, other stakeholders and workforce, for their collective support and efforts that have made SNB the outstanding institution it is today.

Saeed Mohammed AlGhamdi
Chairman

Board of Directors

Mr. Saeed Mohammed AlGhamdi
Chairman of the Board
Non-executive
Executive Committee Chairman

Mr. Yazeed Abdulrahman AlHumied
Vice-Chairman of the Board
Non-executive
Nomination & Remuneration Committee Member

Mr. Abdullah Abdulrahman AlRowais
Board Member
Independent
Audit Committee Chairman

Mr. Ziad Mohammed AlTunisi
Board Member
Independent
Nomination & Remuneration Committee Chairman, Executive Committee Member

Mr. Faisal Omar AlSaggaf
Board Member
Independent
Risk Committee Chairman, Executive Committee Member, Nomination & Remuneration Committee Member

Mr. Rashed Ibrahim Sharif
Board Member
Non-executive
Risk Committee Member

Dr. Ibrahim Saad AlMojel
Board Member
Non-executive
Executive Committee Member

Ms. Huda Mohammed Bin Ghoson
Board Member
Non-executive
Nomination & Remuneration Committee Member

Dr. Ammr Khaled Kurdi
Board Member
Non-executive
Risk Committee Member

Ms. Deemah Yahya AlYahya
Board Member
Independant
Risk Committee Member

Mr. Tareq Abdulrahman Alsadhan
Board Member
Executive
Executive Committee Member, Risk Committee Member

Group Chief Executive Officer's

Statement

I am delighted to report another year of excellence for SNB. The Bank's across-the-board support for the economic priorities of Vision 2030 – facilitating home ownership, driving economic growth through new industrial and service sectors, and nurturing small business enterprises – contributed to a record-breaking year.

Strong growth in financing and investments helped to deliver another exceptional financial performance, driving total assets to ⃁1.2 trillion, a 10% increase over 2024. Concurrently, a robust 11% rise in CASA deposits to ⃁464.2 billion strengthened our CASA ratio to 73%. Supported by improved operating efficiency and healthy credit quality, operating income rose 9% to ⃁39.2 billion, generating a net income of ⃁25.0 billion, up 18%.

Wholesale Banking remained the Bank's principal growth driver, up 21% in 2025. Net income before zakat and tax reached ⃁15.3 billion, an increase of 17%, while strong financing and investments growth resulted in a jump in total assets to ⃁693.4 billion, 12% higher than the previous year.

The ongoing strength of the mortgage market underpinned another robust showing from Retail Banking. Total assets reached ⃁447.2 billion, up 4%, supported by residential financing growth of 8%, to reach ⃁195.1 billion. Retail net income before zakat and tax grew by 17% to reach ⃁10.7 billion.

This excellent financial performance, allied to the quality of our assets, contributed significantly to the low provisioning that we booked during the year, while our collection activities also enhanced the bottom line.

In terms of specific achievements, our progress toward operational excellence was noteworthy. This was only achieved as a result of instilling a culture of cost discipline and broad-based efficiency measures throughout the Bank. It is pleasing to report that the resulting year-on-year decrease of 10% in operating expenses drove SNB's cost-to-income ratio to the best level in our history.

Another of the year's major priorities was the ongoing redesign of core processes, and the deployment of AI and new technology, to refine and enhance the customer experience.

These efforts have had tangible results, in the form of continued improvement in turnaround times, faster approvals, greater customer satisfaction, and gains in operational efficiency.

Last year, I noted that micro, small and medium enterprises (MSMEs) are critical to the nation's economic diversification and the backbone of its future economic success. In 2025, SNB's MSME offering saw rapid expansion, with total credit to MSMEs rising by 66% to ⃁110.3 billion.

I am also pleased to report that our SME strategy continued to gain traction during the year, with the launch of the Largest Enabler Campaign, and the opening of the first standalone SME flagship branch in the Eastern Province. Two further centers in Riyadh and Jeddah, dedicated exclusively to supporting SMEs, are also planned.

Looking ahead, we will maintain our focus on reskilling and upskilling our young talent. This is not only to prepare them for the next era in banking, but to support the enhancement of our value proposition and digital offering and, critically, to create a memorable customer experience that will give SNB additional competitive advantage.

SNB's ambition to be the Kingdom's premier banking innovator and a fully tech-driven bank burns as brightly as ever. We will continue to accelerate the adoption of digitization for maximum benefit, but at minimum risk.

Much of this year's success can be attributed to the Board for its collective wisdom, but we also owe much to our customers for their willingness to embrace innovation, including how they interact with the Bank. The SNB team's energy, and motivation to progress, also merits special praise. As we continue to execute the 2025-2027 Strategy, we remain energized by our mission to modernize and innovate.

Tareq Abdulrahman Alsadhan
Group Chief Executive Officer

SNB's ambition to be the Kingdom's premier banking innovator and a fully tech-driven bank burns as brightly as ever. We will continue to accelerate the adoption of digitization for maximum benefit, but at minimum risk.

Executive Management

Mr. Tareq Abdulrahman Alsadhan
Group Chief Executive Officer

Mr. Saud Abdulaziz Bajbair
Head, Retail Business Group

Mr. Nasser Sulaiman Al Fraih
Head, Corporate Business Group

Mr. Fawaz Abdullah Al Thumairi
Head, Treasury Business Group

Mr. Hussein Hassan Eid
Group Chief Financial Officer

Mr. Waleed Hassan Abdulshakoor
Group Chief Legal Officer

Mr. Saleh Mohammed Saleh
Head, Group Shared Services

Mr. Fuad Abdullah Alharbi
Group Chief Compliance Officer

Mr. Abdulaziz Fahed Al Fayez
Group Chief Risk Officer

Mr. Hasan Faisal Hammad
Group Chief Human Resources Officer

Mr. Ali Mushabbab Alqahtani
Group Chief Audit Officer

Mr. Mazen Mohammed Khalefah
Acting Head, Group Strategy & Innovation

Market
Overview

Actual data for 2025 indicates that the Saudi economy expanded by a modest 4.5% year-on-year (versus our forecast of 4.7%) compared to growth of 2.7% in 2024.

Oil activities GDP of 5.6% (versus -4.4% in 2024) supported top-line GDP growth, which reflected a similar annual improvement in Saudi crude oil production, in line with OPEC+ and eased production policy. By contrast, non-oil activities GDP showed strong growth at 4.9% year-on-year (versus our forecast of 6.0% year-on-year).

The latest available sectoral data (full year to Q3) suggests that growth in 2025 was likely broad-based, but with finance, insurance, and business activities (up 6.9%), wholesale, retail, restaurants, and hotels (up 6.5%); and the electricity, gas, and water sectors (up 6.2%) seeing significant rises.

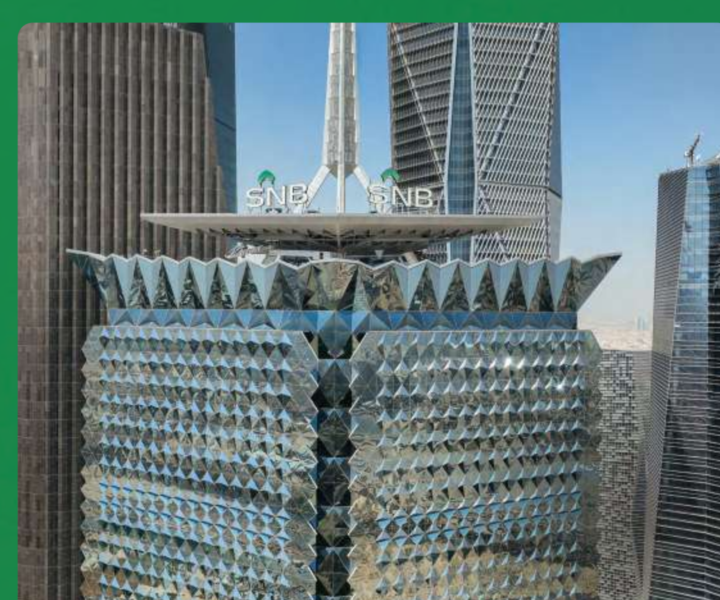
Looking forward to 2026, we forecast the Saudi economy will grow by 4.7% year-on-year, with oil activities expected to register notable growth of 8.0% year-on-year, supported by the OPEC+ easing outputs policies.

That said, we expect non-oil activities GDP to show robust growth of 4.0% year-on-year (chart 1). Saudi Arabia's pursuit of economic diversification will ensure the ongoing execution of an extensive range of Vision 2030 projects that span all sectors of the economy.

As such, most high-frequency economic data is indicating that non-oil activities GDP is set to contribute significantly to a resurgence in top-line economic growth in 2026. A recent reading of the non-oil Purchasing Manager's Index (PMI), for example, shows that the economy remains in growth territory (well above 50 points).

In addition, consumer spending continues to rise and the Saudi unemployment rate is lower than last year. More specifically, the expansion of the non-oil economy will be supported by increased expenditure on domestic services, a continued rise in foreign visitor arrivals, and a pipeline of ⃁0.32 trillion worth of projects that are expected to be awarded during the coming year.

The Saudi Central Bank (SAMA), in line with the US Federal Reserve, reduced policy rates by 75 basis points toward the end of 2025. This monetary policy easing cycle is expected to continue in 2026, with one to two cuts in rates.



A further decline in domestic interest rates will boost the economy in 2026 by reducing household debt burden ratios, freeing up more disposable income for discretionary spending and, as the cost of funding declines, making it more financially attractive for businesses to take on loans to fund projects.

Oil and Gas Production

As a result of the Kingdom's commitment to the OPEC+ agreement, Saudi crude oil output averaged 9.5 million barrels per day (MMBD) in 2025, 5.6% higher than the output of 9.0 MMBD the year before. In line with this, oil activities GDP also rebounded by 5.6% year-on-year in 2025.

Meanwhile, following an OPEC+ meeting in January 2026, Saudi Arabia's oil output has been paused at the same level (near to 10MMBD) to the end of Q1 2026. As such, and assuming the current agreement remains in place, Saudi crude oil production is expected to average 10.2 MMBD in 2026 (chart 2).

Inflation Driven by Housing Costs

Saudi Arabia continued to see little price pressure beyond the housing segment, with inflation averaging 2.0% year-on-year in 2025, against an average of 1.5% year-on-year in 2024. Inflation is currently driven by the cost of housing, water, electricity, gas, and other fuels (CPI weight of 19.5%), with 2025 data showing that the sector continued to decelerate at an annual rate of 6.1% year-on-year.

More specifically, this results from rises in actual rentals for housing, which averaged 8.2% year-on-year in 2025. Although rental inflation saw periodic rises, the highest were in the Najran region (up 4.0%), Madinah (up 3.2%), and Riyadh (up 2.8%) during 2025 (chart 3).

There appears to be limited inflationary pressure outside the housing, water, electricity, gas and other fuels sectors. When the figures for this sector are excluded, average inflation falls to 0.9%. As a result, rentals for the housing sector are expected to show a gradual annual decline in 2026 but, driven by the Real Estate Balance initiative, we expect overall prices to change, resulting in inflation averaging 1.7% year-on-year in 2026.

Interest Rates

The US Federal Reserve's Open Market Committee (FOMC) decided to cut the Federal Funds Rate (FFR) by a cumulative 75 basis points during 2025, resulting in the FFR finishing the year at a range of 3.50%-3.75%.

Concurrently, SAMA also changed domestic policy rates by 75 basis points, with SAMA's repo and reverse repo rates at 4.25% and 3.75%, respectively. The US Federal Reserve's latest Summary of Economic Projections (SEP) report shows that FOMC participants are expecting one to two cuts in 2026.

The latest SEP also showed upward revisions in policymakers' forecasts for 2026 US GDP growth to 2.3%, up from 1.8% previously; core inflation down to 2.5%, from 2.6% previously; and the unemployment rate maintained at 4.4%. Together, these projections reflect stronger than expected US economic growth in the year ahead. The current market expectations for FFR also imply a cumulative cut of 25 to 50 BPS cuts in 2026 (resulting in the FFR at 3.25% to 3.50% or at 3.00% to 3.25% by the end of 2026).

Chart 1: Saudi Arabia Real Gross Domestic Product Growth

(% year-on-year change) Source: Gstat, SNB Economics

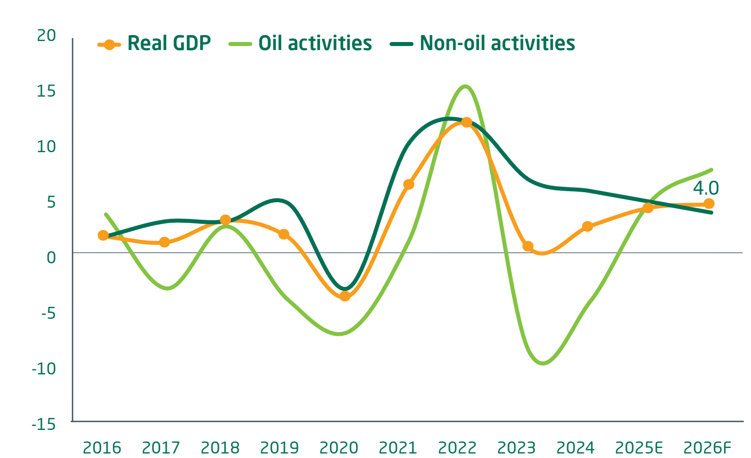


Chart 2: Saudi Crude Oil Production

(Million barrels per day) Source: OPEC, SNB Economics

Market Overview continued

Bank Deposits and Lending

The broad measure of money supply (M3) continued in 2025 to show solid growth of 8.4% year-on-year, versus 8.8% for 2024, reaching a total of ⃁3.17 trillion. The rise in total bank deposits (constituting 92.4% of M3) sustained money supply growth during 2025. Demand deposits declined by 0.6% year-on-year but, with domestic interest rates remaining high, customers kept their cash in time and savings deposits, resulting in a 23.6% rise year-on-year.

Taking bank deposits by type of institution, government deposits (32.2% of total deposits) rose by 16.9% year-on-year, while private deposits (66.1% of total deposits) rose 5.8% year-on-year.

Looking ahead, we expect money supply to rise in 2026 by 8.5% year-on-year. Despite a continued decline in domestic interest rates, time and savings deposits are expected to remain a significant contributor to deposit growth in 2026, with sustained growth in demand deposits.

Bank lending to the private sector grew by 10.4% year-on-year to ⃁3.04 trillion by December 2025. Looking at the breakdown of bank lending by sector, personal (retail) loans – defined as all types of loans offered to individuals – accelerated to end 5.2% higher year-on-year at ⃁1.43 trillion.

Corporate lending is expected to have performed more strongly, rising 17.0% year-on-year. The highest year-on-year rises were seen in agriculture, forestry and fishing, up 71.9%; scientific and technical activities, up 60.3%; and transportation and storage, up 31.3%.

The performance of personal loans was influenced by a decline in gross mortgage originations. More specifically, new gross monthly residential mortgages provided by banks reached ⃁80.4 billion in 2025 (chart 4), down 11.7% compared to ⃁91.1 billion in 2024.

Looking ahead, we expect bank credit to grow by 11.4% year-on-year, with robust growth in personal retail loans reflecting ongoing efforts to raise home ownership levels for citizens under the Saudi Housing program. A further decline in domestic interest rates is expected to boost the non-subsidized segment.

At the same time, credit growth in the corporate sector is likely to be supported by estimated non-oil activities GDP of 4.0% in 2026 and ⃁323 billion worth of projects expected to be awarded during the year.

Chart 3: Headline Inflation and Sub-categories Inflation

(% year-on-year change) Source: Gstat

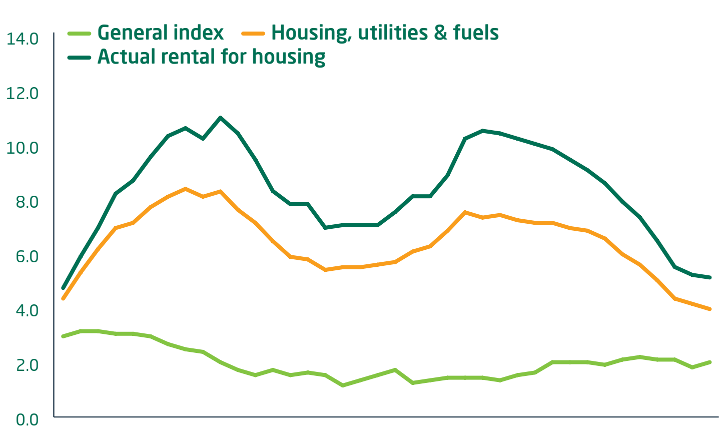
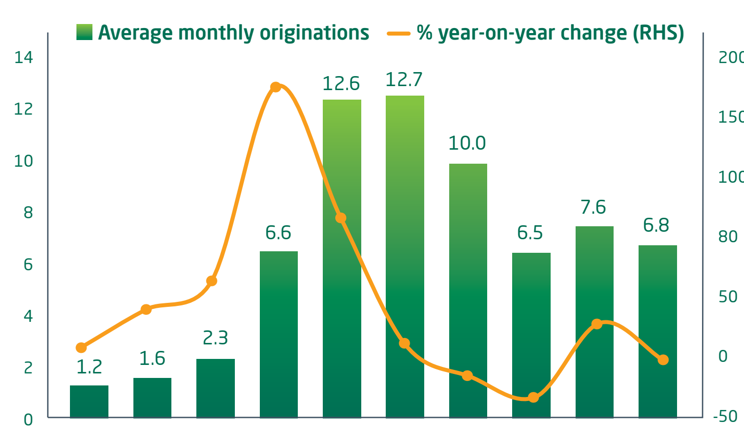


Chart 4: Monthly Residential Mortgages

(⃁billions / Percent) Source: SAMA, SNB Economics



Ministry of Finance 2026 Budget

The Ministry of Finance's budget for 2026 anticipates revenue of ⃁1.147 trillion, a 3.1% year-on-year increase compared to revenue for 2025, where growth was primarily due to a projected 1.7% year-on-year increase in other revenues, including oil revenue, to ⃁735 billion. According to the statement, the Ministry of Finance expects to collect ⃁412 billion in taxes in 2026, down 18.4% year-on-year.

The sector's growth is expected to be driven by a 6.8% increase in taxes on goods and services (including VAT) to ⃁314 billion. At ⃁1.313 trillion, total spending for 2026 is unchanged from the Pre-Budget Statement, a 5.4% decrease from estimated expenditure in 2025 of ⃁1.336 trillion.

Current expenditure, the more fixed element of expenditure, is expected to decrease by 5.7% year-on-year to reach the budgeted figure of ⃁1.151 trillion. Budgeted government capital expenditure (capex) is anticipated to reach ⃁162 billion, or 12.3% of overall expenditure.

According to the Ministry of Finance, a fiscal deficit of ⃁165 billion, or -3.3% of GDP, is expected in 2026. That said, three revenue scenarios also implicitly map out different fiscal deficits in 2026, with a lower scenario of ⃁1.063 trillion and a higher scenario of ⃁1.206 trillion when expenditure is held constant at ⃁1.313 trillion.

Total public debt was set to reach ⃁1.519 trillion by the end of 2025 (equivalent to 31.0% of GDP). It is expected to rise to a total of ⃁1.622 trillion by the end of 2026 (32.7% of GDP).

Despite our continued confidence in the performance of Saudi Arabia's economy, the year ahead comes with unique challenges and risks – the most apparent being the probability of a major shift in US trade policy, specifically toward China, and its resulting impact on global trade. Additionally, there is potential for prolonged geopolitical tensions and a risk of slower monetary easing, with implications for the cost of funding.

SNB Strategy 2025-2027:

Shaping the Bank of Tomorrow

In the five years since the region's largest and fastest corporate merger, SNB has unlocked cost synergies of about ⃁1.4 billion (against the budgeted ⃁800 million) and achieved double digit outperformance of integration costs. In 2025, we delivered our fifth successive year of record net income, at ⃁25.0 billion close to double the result of 2021, our first year operating as Saudi National Bank.

KEY PILLARS	Market share and value creation	Operational excellence	Customer centricity	Innovation	Talent magnet
THEMES AND PRIORITIES	**Grow Financing market share** Recalibrate risk appetite to support balanced growth across different segments and sectors Enhance our go-to-market operating model Drive customer acquisition through attractive financing proposition and strong marketing efforts **Drive CASA acquisition** Enrich our strong institutional deposit franchise Deliver differentiated value proposition in HNW and Affluent Accelerate growth in SME and Mass through best-in-market Global Transaction Banking functionalities and payroll acquisition **Enhance Fee income** Capture underpenetrated clients through targeted sales efforts Develop new fee revenue streams Drive Corporate cross-sell through expanding GTB product offering and cross-sell covenants SNB Capital fee focus	**Improve operating model** Value-based prioritization of projects Process re-engineering and automation Institutionalize agile execution to expedite time-to-market **Capture non-FTE cost savings** Realize current Cost Efficiency program initiatives Launch additional Cost Efficiency initiatives in key focus areas	**Embed CX culture** Centralize CX governance Greater emphasis on NPS with accountability through KPIs **Improve CX outcomes** Transformative changes to key customer journeys and TATs Enhance CX across all channels and interactions	**Capturing the value from data and analytics** Upgrade data architecture and foundations Leverage AI, advanced analytics and Open banking to unlock new revenue streams Develop talent and operating model **Accelerate the adoption of digital innovation** Enhance digital UX across platforms Accelerate digital sales through digital marketing, embedded banking and journey digitization Central steer to drive innovation integration across the Bank Accelerate customer growth in NEO by expanding offering basket	**Create a distinctive culture** Set up shared KPIs for management team Capitalize on revamped organizational structure to elevate focus on Innovation, Data, CX and Transformation **Become a talent magnet** Revamp training and development for workforce of the future, leveraging SNB academy Increase emphasis on career path and progression Specialized and targeted hiring programs, e.g. technology and data

Financial Review

Financial Results

In generating the highest annual net income ever recorded by a Saudi bank, SNB also maintained its upward trajectory of consistent profit growth during 2025.

The Bank achieved a net profit attributable to shareholders totaling ⃁25.0 billion after Zakat and income tax, compared to ⃁21.2 billion the previous year, an increase of ⃁3.8 billion and representing growth of 18%. Earnings per share after Zakat and income tax amounted to ⃁4.04.

Net special commission income by 5% to reach ⃁29.2 billion in 2025, against ⃁27.7 billion in 2024. Total operating income rose by 9% to ⃁39.2 billion, from ⃁36.0 billion in 2024. Total operating expenses, including a net impairment charge for expected credit losses, decreased by 9%, from ⃁12.0 billion to ⃁10.9 billion.

The Bank's total assets increased by 10% to ⃁1.2 trillion, compared to ⃁1.1 trillion at the end of the previous year. The financing and advances portfolio grew by 11% to reach ⃁729.3 billion, compared to ⃁654.3 billion in 2024.

Conversely, investments rose 9% to ⃁320.0 billion, compared to ⃁292.5 billion in 2024. Customer deposits increased 10% to ⃁636.1 billion, compared to ⃁579.8 billion the year before.

Balance Sheet

Total assets increased by 10% year-on-year to ⃁1.2 trillion, reflecting strong expansion across core banking activities, while prudent liquidity and risk management was maintained.

Asset growth was primarily driven by an 11% increase in financing and advances, which reached ⃁729.3 billion by year end. This expansion reflects continued diversified growth across Wholesale and Retail, supported by SNB's leading market position and ability to deploy capital efficiently. Investments also increased by 9% to ⃁320.0 billion, underlining the Bank's active balance sheet management and continued focus on high-quality, income-generating assets.

On the funding side, customers' deposits grew by 10% to ⃁636.1 billion, reinforcing the strength of SNB's core deposit franchise and its ability to attract stable, low-cost funding in a competitive environment. In parallel, debt securities issued and term loans increased significantly, rising by 39% to ⃁132.6 billion, a reflection of diversification in proactive funding and effective access to capital markets.

The Bank's capital position strengthened further, with a Tier 1 capital ratio of 19.8% and a total capital adequacy ratio of 21.2% as at 31 December 2025. Total risk-weighted assets (RWA) increased by 10% over the year and this was mainly driven by financing growth.

SNB maintained its solid liquidity position with the liquidity coverage ratio at 285.1%, the net stable funding ratio at 114.2%, and the SAMA financing to customers' deposits ratio (SAMA LDR) of 82.5%, all comfortably within regulatory thresholds.

Financing and Advances

Net financing and advances expanded by 11% year-on-year to ⃁729.3 billion as at 31 December 2025. This was driven by sustained growth across the Wholesale and Retail portfolios, and the ongoing deployment of capital into priority sectors, in line with the Kingdom's Vision 2030 agenda.

Growth was supported by a 21% increase in wholesale portfolios, driven by strong and broad-based credit demand. In Wholesale, total credit to micro, small and medium enterprises (MSMEs) grew in 2025 to exceed ⃁110 billion, up 66% year-on-year. Targeted programs, government-backed initiatives and further enhancements to digital onboarding and credit approval processes helped propel this growth. Corporate was also up strongly by 15%, reaching ⃁274.3 billion by year-end, as the Bank continued its strong partnership across the Kingdom and reinforced its position as the largest wholesale financier in Saudi Arabia.

Accelerated digital origination and improved turnaround times drove strong growth, leading to Retail financing expanding by 3% during the year to reach ⃁351.0 billion. This growth was underpinned by mortgage expansion of approximately 8%, equivalent to about ⃁195.1 billion. Excluding portfolio sales to the Saudi Real Estate Refinance Company (SRC), mortgage finance growth would have approached 10%.

Investments

SNB's investment portfolio increased by 9% year-on-year to ⃁320.0 billion, an outcome of the strategy of continued allocation to high-quality fixed-income instruments. Growth was driven primarily by increased investments in Saudi Government securities, which rose 10% year-on-year. This strategic positioning supports stable income generation, strong liquidity and overall balance sheet resilience.

The portfolio continues to demonstrate high quality, with approximately 87% of investments rated as investment grade. Allocations are 61% to Saudi assets, 19% to US assets, 5% to GCC & Middle East, 3% to Europe, 1% to Turkey, and 11% to others. The result is a prudently balanced, stable and geographically diversified portfolio.

Customers' Deposits

Customers' deposits increased by 10% year-on-year, to ⃁636.1 billion. This growth is attributed to the strength of SNB's core deposit franchise and effective funding mix management in a competitive market. Growth was supported by sustained momentum in current and savings account balances, underpinned by strong primary customer relationships, transactional banking activity and a strategic focus on affluent and high net worth clients.

This focus on higher-value customer segments, combined with cross-selling from financing activities across the Retail and Wholesale businesses, contributed to deeper customer engagement and higher quality deposit inflows. As a result, the CASA ratio strengthened to 73.0% as at 31 December 2025, reinforcing SNB's strong deposit franchise position and supporting balance sheet flexibility and margin resilience.

Balance Sheet Highlights

⃁ million	2025	2024	Δ YoY
Cash and balances with central banks	**44,923**	**42,120**	+7%
Due from banks and other financial institutions, net	22,971	21,088	+9%
Investments, net	320,004	292,487	+9%
Financing and advances, net	729,311	654,252	+11%
Other assets, net	92,822	94,207	-1%
Total assets	**1,210,032**	**1,104,155**	**+10%**
Due to banks and other financial institutions	190,189	185,120	+3%
Customers' deposits	636,094	579,762	+10%
Debt securities issued and term loans issued	132,642	95,305	+39%
Other liabilities	47,279	50,692	-7%
Total liabilities	**1,006,204**	**910,879**	**+10%**
Share capital	60,000	60,000	+0%
Retained earnings	21,630	14,351	+51%
Other reserves	103,996	97,027	+7%
Equity attributable to shareholders of the Bank	**185,626**	**171,378**	**+8%**
Tier 1 sukuk	17,653	21,188	-17%
Non-controlling interests	549	710	-23%
Total equity	**203,827**	**193,275**	**+5%**
NPL Ratio*	0.68%	1.16%	-48bps
NPL Coverage Ratio	147.1%	135.3%	+11.8ppt
CASA % of Total Deposits	73.0%	72.2%	+0.7ppt
Tier 1 ratio	19.8%	20.3%	-0.5ppt
Capital adequacy ratio	21.2%	20.8%	+0.3ppt
Liquidity coverage ratio	285.1%	265.2%	+19.8ppt
Net stable funding ratio	114.2%	106.6%	+7.6ppt
Financing to customers' deposit ratio (SAMA)	82.5%	84.0%	-1.5ppt

* NPL Ratio excluding POCI

Financial Review
continued

Credit Quality
The NPL ratio (excluding purchased or originated credit-impaired financial assets, POCI) improved to a record low 0.68% at year-end, marking a 48 basis points decrease year-on-year, and reflecting prudent risk management and healthy asset quality. The total NPL coverage, excluding POCI, increased from 135% to 147%.

Capital and Liquidity
The Tier 1 capital ratio stood at 19.8% as at 31 December 2025, and the capital adequacy ratio reached 21.2%.

The Bank's liquidity position remains at a comfortable level both to serve its growth ambitions and in relation to prudent thresholds.

Income Statement
SNB delivered record net income attributed to equity holders of ⃁25.0 billion for 2025, representing an increase of 18% year-on-year. The performance was driven by higher domestic operating revenues across net interest income, and fee and other income, an improved contribution from international operations, substantially enhanced operating efficiency, and low risk costs.

Operating Income
The Group's total annual operating income increased by 9% year-on-year to ⃁39.2 billion, a result of a 21% rise in fee and other income, and 5% growth in net special commission income. The NSCI margin for 2025 declined to 2.87%, down 15 basis points on 2024, as the impact of lower benchmark rates on asset yields outweighed a partial reduction in funding costs.

Income Statement Highlights

⃁ million	2025	2024	Δ YoY
Net special commission income	29,155	27,723	+5%
Fee and other income	10,039	8,310	+21%
Total operating income	**39,195**	**36,033**	**+9%**
Total operating expenses before expected credit losses	(9,872)	(11,022)	-10%
Net operating income before impairment charge	**29,322**	**25,011**	**+17%**
Impairment charge/(reversal) for expected credit losses, net	(1,034)	(1,019)	+2%
Income from operations, net	**28,288**	**23,992**	**+18%**
Other non-operating income/(expenses), net	(391)	(378)	+4%
Income for the year before zakat and income tax	**27,897**	**23,615**	**+18%**
Zakat and income tax expense	(2,905)	(2,521)	+15%
Income for the year after zakat and income tax	**24,992**	**21,094**	**+18%**
Net income attributable to non-controlling interests	(22)	(99)	-78%
Net income attributable to equity holders	**25,013**	**21,193**	**+18%**
Earnings per share	**4.04**	**3.44**	**+17%**
Return on tangible common equity	17.2%	16.2%	+98bps
Return on tangible common equity pre Tier-1 Sukuk and amortization of intangible costs	18.6%	17.5%	+108bps
Net special commission margin	2.87%	3.02%	-15bps
Cost to income ratio	23.1%	28.3%	-522bps
Cost of risk	0.15%	0.16%	-1bps

Delivery Against Guidance

Metric	Initial 2025 Guidance	2025 Guidance as at 2Q 25	2025 Guidance as at 3Q 25	2025 Actual
Financing Growth	Low double digit	Unchanged	Unchanged	**11%**
NSCI Growth	Mid-to-high single digit	Low-to-mid single digit	Unchanged	**5%**
Group Cost-to-Income ratio	Below 28%	Below 27%	Below 26%	**23.1%**
Domestic Cost-to-Income ratio	Below 25.5%	Below 24%	Below 23%	**20.3%**
Cost of Risk	10 to 20 bps	5 to 15 bps	Unchanged	**15 bps**
Tier 1 CAR	19% to 20%	Unchanged	Unchanged	**19.8%**
ROTE	16% to 16.5%	16% to 17%	16.5% to 17.5%	**17.2%**
ROTE, adjusted	~17%	17.5% to 18.5%	18% to 19%	**18.6%**

Fee and other income accelerated to 21%, to exceed ⃁10.0 billion, reflecting a rebound in investment-related income, and solid growth in net fee income from banking services and foreign exchange income.

Operating Expenses
Successful ongoing cost optimization initiatives drove a 10% year-on-year decrease in operating expenses, driven by lower depreciation, rent and general and administrative expenses. The Group's cost efficiency improved once again, with the cost-to-income ratio strengthening to record lows: 23.1% at Group level and 20.3% for the domestic business.

Credit Impairments and Cost of Risk
An impairment charge of ⃁1.0 billion was recorded in 2025 – with the majority reflected in Q4 2025 – as the Bank normalized provisioning levels after a period of strong recovery efforts with meaningful inflows from fully provisioned and legacy exposures across Retail and Wholesale. The Cost of Risk for 2025 came in at 15 basis points.

Delivery Against Guidance
At the start of 2025, SNB provided market guidance outlining its expected performance across key financial metrics. This guidance was reviewed and refined during the year to reflect evolving market conditions, operating performance and increased visibility, with updates communicated at the half-year and third-quarter stages. The initial guidance, subsequent revisions and final outcomes are summarized in the table below.

SNB delivered financing growth of 11%, in line with its guidance of low double-digit growth, supported by sustained momentum across Wholesale and Retail portfolios and a strong pipeline throughout the year.

Net special commission income grew by 5%, consistent with the revised guidance. Performance was delivered against the backdrop of a high-interest rate environment, intensified liquidity competition and shifts in the deposit mix, demonstrating the resilience of SNB's earnings base and balance sheet positioning.

Cost efficiency significantly exceeded initial expectations and the subsequently upgraded guidance as well. SNB Group and domestic cost-to-income ratios improved to 23.1% and 20.3%, respectively, far outperforming the original and twice upgraded guidance levels during the year. This exceptional result is an outcome of disciplined cost management, operating leverage from revenue growth and further efficiency gains, while domestic operations delivered improvements in underlying cost discipline.

Asset quality remained strong throughout the year. The cost of risk remained within the upgraded guidance range, and reflected prudent underwriting, proactive portfolio monitoring and a diversified financing book, despite a dynamic macroeconomic environment.

Capitalization remained robust, with the Tier 1 capital adequacy ratio maintained comfortably within the guided range, supporting balance sheet strength and future growth capacity.

Importantly, the consistent delivery across operating, efficiency and risk metrics translated into a return on tangible equity (ROTE) of 17.2%, exceeding the initial estimate and in line with the updated guidance range. This outcome underscores the strength of SNB's diversified business model, scale advantages and disciplined execution, enabling it to outperform expectations for the year.

Financial Review
continued

Financial Results over the Past Five Years

⃁ million	2025	2024	2023	2022	2021
Total assets	**1,210,032**	1,104,155	1,037,081	945,496	914,147
Financing and advances, net	**729,311**	654,252	601,527	545,311	497,568
Investments, net	**320,004**	292,487	269,129	258,292	242,561
Total liabilities	**1,006,204**	910,879	860,452	778,719	751,378
Customers' deposits	**636,094**	579,762	590,051	568,283	588,574
Total equity attributable to equity holders of the Bank	**203,279**	192,565	175,905	165,973	162,198
Total operating income	**39,195**	36,033	34,589	33,005	28,236
Total operating expenses*	**10,907**	12,041	11,280	11,470	13,523
Net income attributable to equity holders of the Bank	**25,013**	21,193	20,010	18,581	12,668

* Total operating expenses includes expected credit losses

Financial Results of the Bank's Operational Segments in 2025 and 2024

	Retail		Wholesale		Capital Markets		International		Total	
⃁ million	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total operating income	**17,168**	17,059	**17,442**	15,029	**2,422**	2,282	**2,163**	1,662	**39,195**	36,033
Total operating expenses*	**6,385**	7,814	**2,147**	1,989	**690**	727	**1,684**	1,510	**10,907**	12,041
Net income before zakat and income tax	**10,715**	9,191	**15,254**	12,989	**1,731**	1,546	**197**	(112)	**27,897**	23,615
Total assets	**447,165**	428,391	**693,424**	620,340	**33,634**	23,348	**35,809**	32,075	**1,210,032**	1,104,155
Total liabilities	**356,773**	354,154	**598,377**	517,053	**19,065**	11,288	**31,989**	28,384	**1,006,204**	910,879

* Total operating expenses includes expected credit losses

Net Income Distributed Between the Bank and its Main Subsidiaries

⃁ million	Net income attributable to equity holder	% of total income
Saudi National Bank	23,517	94.02%
SNB Capital and its subsidiaries	1,535	6.14%
Türkiye Finans Katılım Bankası and its subsidiaries	(47)	(0.19%)
Samba Bank Limited (SBL)	8	0.03%
Total	**25,013**	**100%**

Geographic Analysis of Operating Income

⃁ million	Kingdom of Saudi Arabia, GCC countries, and Middle East	Türkiye	Pakistan	Other	Total
2025	38,122	1,971	105	(1,003)	**39,195**

Credit Ratings

International credit rating agencies highlighted SNB's strengthened credit profile in 2025, with S&P Global and Fitch Ratings upgrading their short- and long-term ratings. Capital Intelligence upgraded the Bank's long-term rating, while reaffirming its short-term rating. Moody's reaffirmed their assessments. The credit agencies' detailed evaluations for the year were:

Credit Ratings 2025

Rating agency	Short term	Long term	Outlook
S&P Global	A-1	A	Stable
Fitch Ratings	F1	A	Stable
Moody's	P-1	Aa3	Stable
Capital Intelligence	A1	AA-	Stable

Dividend Distribution

Upon a proposal of the Board of Directors, and after approval by the General Assembly, and with due consideration to provisions of the Banking Control Law and SAMA instructions, the Bank's annual net profits, after deduction of all general expenditure and amounts allocated for potential losses and other liabilities, of any nature, whatsoever, shall be allocated as follows:

1. There shall be set-aside zakat imposed on Saudi shareholders and the tax imposed on non-Saudi shareholders (if any) in accordance with the relevant laws and regulations, provided that the Bank pays these amounts to the competent authorities. The zakat paid from the Saudi shareholders shall be deducted from their share in the net profit, and the tax shall be deducted from the non-Saudi shareholders' (if any) share in the net profit.
2. There shall be set-aside twenty five percent (25%) of the net profits in order to form a statutory reserve. However, the Ordinary General Assembly may discontinue such setting aside, or reduce the rate thereof, if the total reserve so set-aside reaches an amount equal to the full paid-up capital.
3. Upon a proposal by the Board of Directors, the Ordinary General Assembly may set-aside a certain percentage of the net profit in order to form an additional reserve. Such additional reserve may be used only under a resolution by the Extraordinary General Assembly. However, if such reserve is not allocated for a certain purpose, then the Ordinary General Assembly may, upon a proposal by a Board of Directors, decide to use the same in anyway realizing a benefit for the Bank or the Shareholders.
4. There shall be set-aside amounts for income purification (Tat'heer).
5. After deducting the amounts stated in the above paragraphs, there shall be distributed from the balance a first dividend share to the Shareholders of no less than five percent (5%) of the Bank's capital. However, if the remaining net profit is insufficient to pay the said share, then the Shareholders shall not request such share from the Bank's net profit in the following years.
6. After deduction of the amounts referred to in the above paragraphs, a percentage of the balance shall be allocated as compensation to the Board of Directors if the General Assembly resolves that the remuneration or one of its elements to be part of the dividends pursuant to the Companies' Law, its implementing regulations and the instructions issued in that regard by SAMA.
7. Thereafter, upon a proposal by the Board of Director, the remaining profit shall be allocated towards forming an additional reserve, to be distributed as additional share of the profit or for any other purpose to be decided by the General Assembly. However, the General Assembly may not decide to distribute any share of the profit exceeding that share proposed by the Board of Directors.
8. Under a resolution by the Board of Directors, and after obtaining a written no objection from SAMA, periodic dividends may be distributed on a quarterly or semiannual basis, to be deducted thereafter from the annual profit in accordance with the regulating rules in that regard issued by the Authority.

Financial Review
continued

Dividend Distribution

Year	Distribution date	Amount (⃁ per share)	Total amount paid after Zakat (⃁'000)	Type	Status
2026	To be announced	1.15	6,900,000	Final	Proposed
2025	August 2025	1.00	6,000,000	Interim	Paid
	February 2025	1.00	6,000,000	Final	Paid
2024	August 2024	0.90	5,400,000	Interim	Paid
	May 2024	0.90	5,400,000	Final	Paid

Income Distribution

2025	⃁ million
Income for year before Zakat and income tax	27,897
Zakat and income tax expense	(2,905)
Transfer to statutory reserve	(6,251)
Interim dividends paid	(6,000)
Costs related to Tier I Sukuk	(1,037)
Non-controlling interests	22
Transfer to retained earnings	11,726

Financing and Debt Securities Issued

In the normal course of business, SNB engages in borrowing and financing activities with other banks and the Saudi Central Bank. These transactions are conducted at prevailing market rates and are recorded in the Bank's consolidated financial statements.

During 2025, the Bank issued additional Tier 1 Sukuk through a Shariah-compliant arrangement amounting to ⃁2.7 billion (⃁ denominated). These arrangements were approved by the regulatory authorities and the Bank's Board of Directors.

Debt Securities Issued and Paid

Issuer	Issued amount ⃁'000	Term	Paid during the year ⃁'000	Outstanding amount ⃁'000
Saudi National Bank	108,578,899	More than 5 years	(82,577,889)	72,863,693
International subsidiaries	1,082,520	More than 5 years	(1,053,709)	129,921

Term Loans Issued and Paid

Issuer	Issued amount ⃁'000	Term	Paid during the year ⃁'000	Outstanding amount ⃁'000
Saudi National Bank	66,785,523	More than 5 years	(55,639,003)	59,648,749

Operating Review

Retail Banking

SNB Retail Banking is a leading consumer bank in Saudi Arabia with a market share in retail financing of around 28%. It offers a comprehensive suite of Shariah-compliant products and services to millions of customers through its digital and in-person channels. The customer base comprises a wide range of customer segments encompassing mass, affluent, private clients, and micro-businesses.

Retail Banking is increasingly a digital-first offering, with 2025 seeing further material progress toward this ambition. The Bank's products and services are delivered through our market-leading digital platform and banking apps, complemented by more traditional distribution channels including a nationwide branch network, contact centers and relationship managers.

The retail operating environment remained highly competitive during 2025. Despite competition and other challenges, SNB Retail Banking successfully capitalized on its key strengths to expand its business, deepen customer relationships, and push the boundaries of customer service and experience by applying market-leading technology solutions.

Strategic and Operational Results Review

Retail Banking delivered a strong performance in 2025, expanding financing and growing its customer base, while taking a prudent approach toward operating costs and risk management.

Financing and advances grew to ⃁351.0 billion, while further technology-driven efficiencies enabled the cost-to-income ratio to decline by 448 basis points to 34.3%. This strong performance in both lending and cost control helped grow net income before Zakat and tax by 17% to ⃁10.7 billion.

Despite heightened competition for deposits in the market, deposit gathering remained a core strategic priority in 2025. Notwithstanding this backdrop, the Bank's strategic initiatives and strong customer engagement supported the continued strength of its core funding base, with customer deposits reaching ⃁348.2 billion.

Digital channels continued to play an increasingly important role in deposit acquisition and engagement. Simplified onboarding, and improved account functionality in the SNB mobile app, proved key here. The strength of the Retail deposit franchise remains a key competitive advantage, supporting balance sheet resilience and sustainable growth.

The adoption of digitization is enhancing customer journeys: faster and more convenient services strengthened customer satisfaction and drove higher engagement. Retail Banking used targeted data to grow current accounts and to accelerate customer acquisition. In 2025, this included identifying 'hidden' affluent segments and optimizing drop-journey recovery. SNB's approach is to deliver coherent platforms rather than isolated services, ensuring that clients interact with the Bank through connected workflows that support broader ecosystem participation.

Operating Review
continued

Retail Banking

⃁ million	2025	2024	Δ YoY
Total assets	**447,165**	**428,391**	**+4%**
Financing and advances, net	351,032	340,040	+3%
Total liabilities	**356,773**	**354,154**	**+1%**
Customers' deposits	348,223	343,886	+1%
Net special commission income	16,958	16,698	+2%
Fee and other income	210	361	-42%
Total operating income	**17,168**	**17,059**	**+1%**
Operating expenses	(5,890)	(6,617)	-11%
Impairments	(495)	(1,198)	-59%
Other income (expenses)	(68)	(54)	+27%
Net income before zakat and tax	**10,715**	**9,191**	**+17%**
Cost to income ratio	34.3%	38.8%	-448bps
Cost of risk	0.16%	0.36%	-20bps

In 2025, Retail continued to advance its digital-first strategy. Digitally active customer penetration now stands at 93%. Other technology highlights included:

- An increase in digital sales, from 75% at the end of 2024 to 78% in 2025.
- 18% growth in digital transactions to reach 3.2 billion.
- The Bank's app was rated 4.7 on the Apple store, testament to the Bank's focus on customer journey and experience.

We marshaled sophisticated data analysis and AI-driven customer insights to drive cross- selling and customer engagement among specific segments of the retail customer book. Using sophisticated and highly-targeted marketing campaigns to drive new product uptake and enhance relationships, we were able to identify promising leads in segments including professionals, affluents, the elite, and newly onboarded customers. Such a personalized approach to customer relationship management will only become more sophisticated as the Bank further leverages the potential of AI.

Retail continued to invest and to innovate in its in-person channels offering as well. The 'Champion Branches' launched in 2024 continued to be rolled out, with seven new locations opened in 2025: two each in the Central, and Northern regions, and three in the Eastern region.

The rollout incorporates a range of advanced digital and paperless capabilities designed to simplify customer interactions, improve service efficiency and enhance the overall branch experience.

Key features already available in the Champion Branches include virtual ticketing, customer service representative tablets and Interactive Teller Machines. These capabilities enable faster service, improved customer engagement and more efficient use of branch resources, while supporting the Bank's broader digital-first and paperless ambitions.

In parallel with these developments, SNB implemented a series of enhancements to its fraud prevention and risk-management framework across the Retail business, combining regulatory-aligned policy updates, system enhancements and pilot initiatives. These measures strengthened controls while continuing to support growth in card usage and transaction volumes.

Residential Finance

Residential finance was one of Retail Banking's standout areas of performance in 2025. Underpinned by strong demand, disciplined risk management, and continued enhancements to the end-to-end customer journey, the residential financing portfolio grew by approximately ⃁14.0 billion during the year.

SNB maintained a leading role in government-backed housing programs, with participation in REDF and Sakani-supported mortgages accounting for approximately 37% of total residential finance sales during the year. This strong performance reflects the Bank's active role in supporting the Kingdom's Vision 2030 objective of increasing home ownership, while ensuring sustainable portfolio growth.

Significant progress was also made in enhancing the digital residential finance journey. The Bank launched a residential finance tracker in the SNB app, enabling customers to monitor the status and progress of their applications and significantly reducing the need for manual follow-ups. A combination of automation initiatives, process re-engineering and end-to-end journey simplification saw turnaround times for residential finance approvals improve by approximately 35% and, in the process, deliver a faster and more transparent customer experience.

SNB further strengthened its residential finance ecosystem by expanding partnerships with leading developers, licensed brokers and digital housing platforms. These partnerships mean that financing can be embedded at the point of sale, thereby expanding customer reach and improving conversion efficiency. Notably, SNB was the first bank in the Kingdom to integrate with the Real Estate Development Fund's Almustashar platform, reinforcing its position as a key enabler of the national housing agenda. In 2026, the Bank aims to further enhance its leadership position through planned integration with the Sakani platform, supporting continued growth while improving capital and operational efficiency.

Digital Ventures

NEO

NEO, launched in 2024, is a lifestyle digital banking app that operates as a complementary business within SNB. 2025 was NEO's first full year of operations, and performance has exceeded expectations. NEO offers more than 120 digital services, a greater choice than all other Saudi digital banking players and fintech wallets.

NEO Digital Banking has achieved more than 1.5 million onboarded customers, and the app earned a Google Play ranking of 4.8 and iOS app store ranking of 4.6.

Customers are drawn to NEO's comprehensive and relevant range of products, offers and partnerships. These include:

- Accounts and payments with multi-currency accounts, bill payments, money transfer, split payments, donations, QR payments, domestic worker salaries 'Musaned' and remittance with ATM top up and withdraw services.
- A distinctive feature of NEO's lifestyle based digital offer is family banking that allows users to open bank accounts for their children as soon as they are born.
- Card products with Mada card, prepaid card, Neo Sky Travel Card, NEO Gamers Card.
- NEO is one of the first banking apps to offer buy-now-pay-later services within the app through 'NEO Later'.
- Financing products including micro lending, expatriate lending and student loans.
- Lifestyle services include financial literacy of saving and investment, Health services, gaming center, robust loyalty that offers Neons, vouchers and cashback services for travel and tourism, fashion and shopping, automotive, health, restaurants and cafés, mobility services and others daily life services.

Operating Review
continued

Wholesale Banking

SNB Wholesale Banking provides a comprehensive range of banking and financing services to corporate and institutional clients, including medium and large corporates, global companies, government and public sector entities. It is the market leader in Saudi Arabia, with a 19% share of the Kingdom's corporate banking market and, as the largest corporate bank, plays a key role in the nation's strategic Vision 2030 objective of increasing the economic contribution of the non-oil sector.

With more than ⃁693.4 billion in assets, including financing and investments, Wholesale Banking provides the complete suite of financial products and services, from the most straightforward to the most sophisticated.

Wholesale clients are also offered more specialized areas of banking, including trade finance, payments services, transaction banking, cash management solutions, derivatives and foreign exchange services. SNB also offers the full complement of capital markets facilities and solutions, including debt, equity, corporate finance and investment banking advisory.

SNB operates the largest Treasury and Global Markets business in the GCC region. Treasury plays an increasingly important role in bringing world-class sophisticated financial solutions to its clients. These include the full range of hedging and yield enhancement solutions, as well as proprietary investment management and market making. Group Treasury is also responsible for managing the Bank's balance sheet liquidity and rates risk.

Strategic and Operational Results Review

Wholesale Banking delivered a strong performance in 2025. Loans to clients grew by more than ⃁60.7 billion to reach ⃁354.3 billion, giving SNB a 19% share of the wholesale lending market. This achievement helped net income before zakat and tax to reach ⃁15.2 billion. Fee and other income increased by 26% to ⃁6.5 billion.

This lending and fee performance was matched by a notably strong 23% increase in customer deposits, to ⃁262 billion, demonstrating the depth of the Bank's customer relationships and its effective market positioning. Also, in a demonstration of the synergistic strengths of SNB's diversified business model, deposits sourced through the mortgage ecosystem increased healthily, driven by inflows from developers, government-related entities, and ecosystem partners.

The Bank's risk management discipline saw the impairment charge fall by 304%. This was helped by the introduction of an automated Early Warning System, which enhanced risk management and business insights capabilities, in compliance with guidelines set by the Saudi Central Bank (SAMA). Operating expenses, meanwhile, remained under control, with cost growth declining by 20%, reflecting the success of ongoing cost optimization initiatives.

Corporate Banking

Corporate Banking's focus on growth sectors, and expansion of its product offering, saw strong growth in financing, while collaboration between Corporate, SNB Capital, Treasury and Global Markets saw our corporate client base take up new offerings and explore new capital raising and hedging strategies. As a result of these client relationships, and the comprehensive suite of client-centric solutions on offer, net wholesale fee income reached ⃁1.4 billion in 2025, increasing year-on-year by 26%.

Other business areas to benefit from cross-selling included Trade Finance, with income growing by 25%, as well as Cash Management. Other notable growth areas included FX (+29%) and derivative sales.

In terms of the key sectors driving the Kingdom's Vision 2030 strategic plan, SNB played a central role in the real estate sector by supporting major developers. Our efforts included providing a range of banking services and products such as direct financing, E-Corp, corporate credit cards, and real estate financing. Notably, 2025 marked a significant milestone for SNB as we secured escrow accounts relating to off-plan residential projects throughout Saudi Arabia. This has reinforced the Bank's position as a leading institution committed to fostering the growth of the real estate sector.

As the Kingdom progressed its tourism and aviation strategies, SNB also played a pivotal role in supporting the aviation sector, providing solutions to enable the industry's growth. As Global Agent Bank for syndicated credit facilities, SNB continues to strengthen the sector's financial resilience and operational expansion. Additionally, SNB serves as the primary banking partner for key players in the sector, supporting their operational banking activities, including aircraft trading, payroll services, and advisory services through SNB Capital.

Taken together, these achievements demonstrate SNB's standout position as a bank that proactively partners with clients Kingdom-wide to enable and empower their growth and expansion. Uniquely in the Saudi market, SNB can magnify its access to liquidity by complementing its strong domestic deposits franchise with access to global capital pools and keep its funding costs highly competitive.

Our stated strategy of being the most customer-centric bank is also being executed: Corporate's Net Promoter Score increased from 66% to 71%. This was assisted by streamlining credit approvals, empowering relationship managers, and automating non-critical processes.

Wholesale Banking

⃁ million	2025	2024	Δ YoY
Total assets	**693,424**	**620,340**	**+12%**
Financing and advances, net	354,350	293,598	+21%
Total liabilities	**598,377**	**517,053**	**+16%**
Customers' deposits	261,648	211,999	+23%
Net special commission income	10,917	9,840	+11%
Fee and other income	6,524	5,190	+26%
Total operating income	**17,442**	**15,029**	**+16%**
Operating expenses	(1,754)	(2,182)	-20%
Impairments	(393)	193	-304%
Other income (expenses)	(41)	(51)	-20%
Net income before zakat and tax	**15,254**	**12,989**	**+17%**
Cost to income ratio	10.1%	14.5%	-446bps
Cost of risk	0.11%	-0.06%	+17bps

Micro, Small and Medium-Sized Enterprises

As a catalyst for Vision 2030 opportunities, SNB is committed to driving economic development and supporting the growth of Micro, Small, and Medium Enterprises (MSMEs). SNB is ideally positioned as the bank of choice for small businesses.

SNB's MSME strategy reflects this ambition. As one of the largest banks dealing with the Kafalah program, we are playing a central role in supporting MSMEs to foster long-term success. This includes setting up dedicated MSME financing programs, optimizing service delivery and ensuring the seamless provision of financial solutions.

As evidence of SNB's focus on this key business sector, in 2025 total credit to MSMEs grew by ⃁43.7 billion to ⃁110.3 billion. SNB is now at the very heart of the Kingdom's dynamic private sector.

SNB continued to invest in its service offering with the opening of 25 new MSME representative offices, more than doubling the total to 40. In addition, SNB launched an SME RM hiring program to provide this segment with a dedicated and tailored service to support the Bank's growth.

Treasury

Treasury delivered another year of stellar performance, with its investment strategy outperforming benchmarks across all asset classes. Treasury continued to focus on value generation where growth in special commission income outpaced growth in volume.

Highlights of the year included:

- Maintaining our partnership role as a primary dealer for Saudi Government Sukuk, a highly significant business in this year of record government debt issuance.
- Consolidating our market-leading position in Foreign Exchange, with income growing by 29%. Strong cross-selling growth was achieved across all product categories, driven largely by contributions from MSMEs, and the global and public sectors.

Funding Achievements

SNB raised ⃁10.5 billion in regulatory capital, totaling approximately ⃁7.8 billion in Tier 2 and ⃁2.7 billion in Tier 1 across several transactions.

The Bank continued to tap global liquidity pools with senior issuances across multiple currencies (USD, HKD, SGD, CNY, and AUD) including a Formosa issuance, totaling approximately ⃁10.3 billion, underscoring strong international investor demand and a diversified funding strategy.

We also proactively raised AT1 and Tier 2 subordinated debt which complemented organic capital generation with well-executed issuances, in both public and private markets, ensuring that the Bank achieved its overall capital objectives. In this regard, SNB was the first Saudi bank to enter the Tier 2 market in 2025 with a landmark transaction, where the Bank managed to differentiate itself effectively, amidst competing supply in the AT1 market. The full allocation of the Tier 2 public issuance to international investors demonstrated SNB's ability to attract significant levels of demand from a diversified set of global investors.

Operating Review
continued

Capital Markets

SNB Capital

SNB Capital is the market leading capital markets institution in Saudi Arabia. With more than ⃁294 billion in assets under management, SNB Capital is also the largest Shariah compliant asset manager in the world.

SNB Capital operates four business lines: Asset and Wealth Management, Investment Banking, Securities, and Principal Investments and Funding.

Under the 2025-27 strategy cycle, SNB Capital has a clear agenda for growth across all four businesses. Four levers were deployed in 2025 to drive this strategy:

- Maintain market leading position and increase differentiation.
- Enhance the client experience with digital solutions and platforms.
- Strengthen SNB Group collaboration to reinforce value across customer segments.
- Establish partnerships to expand and deepen client offerings.

Strategic and Operational Results Review

SNB Capital's performance came against a backdrop of a subdued equity capital market, human capital constraints, and volatile local and international markets. In this context, SNB Capital delivered a strong performance because of its focus on expanding resilient and recurring revenue streams, and enhancing its efficiency and cost structure. Total assets increased by 44% to ⃁33.6 billion in 2025, against ⃁23.3 billion the year before. Total operating income grew by 6% to ⃁2.4 billion, while net income before Zakat and tax increased by 12% to ⃁1.7 billion in 2025, against ⃁1.5 billion in 2024.

SNB Capital also maintained Moody's A2 credit rating.

Asset Management and Wealth Management

While 2025 was undoubtedly a challenging year, given the tight cash liquidity environment and the subdued performance of the Saudi public equity market, Asset Management was able to navigate the year by successfully executing three strategic levers:

- Diversifying the offering through expansion of alternatives (Real Estate and Private Equity), as well as Money Markets and Fixed Income (MM&FI) and Multi-Assets.
- Launching 18 new products across asset classes to provide wider customer choice and investment options.
- Enhancing the Money Markets and Fixed Income and Multi-Assets funds' value proposition.

These actions complemented the strong management performance of the business, which maintained its leadership position in terms of asset performance across all time horizons, with 96% of Asset Management's assets ranked in the 1st or 2nd quartiles of performance. The business won 16 performance related awards in 2025.

For the last two years, Asset Management has encouraged its individual business areas to fully deploy AI to enhance the efficiency of the business. Notably, buyside research, multi-asset investments and the Analytics department have made material strides in deploying these evolving technologies. Asset Management is a core contributor to the robo-advisory platform which is being added to the portfolio of Wealth Management services.

Investment Banking

During 2025, Investment Banking reached the key milestone of closing 100 transactions since SNB Capital's merger in 2021, with a total value exceeding ⃁750 billion. This achievement reflects the maturing and resilient capital market environment in the Kingdom, and SNB Capital's central role in enabling transformative transactions.

SNB Capital closed more than 25 transactions in 2025, executing some of the region's most significant, complex and first-of-a-kind transactions. Investment Banking led the equity capital markets league table, ranking first in Lead Management and Financial Advisory, and maintained its market leadership position in both equity and debt capital markets, with market shares exceeding 50% and 70% respectively (based on the size of transactions completed during 2025).

On the equity capital market side, Investment Banking led and completed five IPOs on the main market, and two follow-on offering transactions that came through Accelerated Bookbuilding (ABB) and Negotiated Trades. Investment Banking also led the largest equity capital market transaction in 2025: the ⃁7.13 billion rights issue for ACWA Power.

Similarly, SNB Capital led the debt capital market in 2025 with 13 transactions closed in the year, including a US dollar sovereign offering from the Kingdom of Saudi Arabia (US$12 billion), the 2025 round of the early purchase and simultaneous issuance of government Sukuk (under the National Debt Management Center liability management program - ⃁60.3 billion), and several large and high-profile corporate issues.

Finally, SNB Capital continued to expand advisory mandates in Mergers & Acquisitions, including the divestment of 40% of Berain Water Company to Hassana Investment Company, and Maaden's acquisition of 25% of two aluminum companies. In Corporate Finance and Debt Advisory, the Bank steered multiple capital restructuring strategic plans for leading public and private companies.

Capital Markets

⃁ million	2025	2024	Δ YoY
Total assets	**33,634**	**23,348**	**+44%**
Financing and advances, net	3,783	3,450	+10%
Total liabilities	**19,065**	**11,288**	**+69%**
Fiduciary assets	294,272	264,766	+11%
Net special commission income	387	493	-21%
Fee and other income	2,034	1,789	+14%
Total operating income	**2,422**	**2,282**	**+6%**
Operating expenses	(696)	(727)	-4%
Other income (expenses)	(1)	(9)	-89%
Net income before zakat and tax	**1,731**	**1,546**	**+12%**
Fees from asset management	982	891	+10%
Fees from securities	273	458	-40%

Securities

2025 saw an important shift in the dynamics of the Tadawul exchange, with traded value dropping more than 30% year-on-year (from ⃁1.86 trillion in 2024 to ⃁1.22 trillion in 2025) and international institutional investors' share of trading increasing markedly to 40% of all trades, with the retail share of trading volume declining accordingly. Despite such a context, SNB Capital continued to be one of the leading brokers, with more than 15% market share.

In domestic new issuances and IPOs, SNB Capital continued to capture over 25% of retail subscription for IPOs, and maintained its key role as lead manager for the National Debt Management Center's Government Sukuk program "Sah".

On the International Brokerage side, SNB Capital achieved nearly USD 8 billion in yearly traded value, a 44% year-on-year increase, supported by a continued expansion in coverage of international markets, competitive commission structures, and multiple brokerage partners to satisfy diverse client needs.

In Securities Services, SNB Capital recorded strong growth, with Assets under Administration expanding tenfold to ⃁10 billion, driven by continued growth in asset manager relationships, while Assets Under Custody (AUC) reached ⃁156 billion (27% year-on-year growth), positioning SNB Capital as a top-five capital markets institution.

Lastly, SNB Capital's market leading offering and platform for Employee Share Plans saw notable growth, with several new large companies joining the program. Products in Securities Finance also continued to lead the market with an ongoing expansion of the client base and value of securities on loan, as well as the Margin Finance business, which witnessed a nearly 40% year-on-year growth.

Principal Investments and Funding

SNB Capital's Principal Investments and Funding division manages a balanced portfolio, well-diversified across asset classes, with the largest exposure in fixed income. In terms of geographical exposure, Saudi assets represent the largest element, while the remainder is diversified across the USA, Europe and Asia.

In 2025, the Principal Investments and Funding portfolio expanded, thanks to the agile exploitation of domestic and international opportunities, and resulted in nearly 60% year-on-year growth. The division also successfully closed the sixth series of SNB Capital's Short-term Sukuk program.

The solid nature of the book was recognized by achieving an A2 Standalone rating and stable outlook from Moody's along with a AA+ rating from Tassnief.

Operating Review
continued

Shariah-Compliant Banking and Financial Services

SNB's Shariah Committee was one of the first in the banking industry, established in 1996. It is an independent body responsible for the adoption of Shariah-compliant products and services and ensuring the integrity of their implementation. It holds periodic meetings to study concepts, structures, products, contracts, agreements and inquiries, and issues resolutions and recommendations for its approval and implementation at the bank level.

During 2025, the committee held 14 meetings, during which 119 topics were presented. These included eight Shariah oversight reports, 18 Shariah compliance reports, 70 responses issued by the Executive Committee Member and Shariah Advisor, and 152 responses issued by the Internal Shariah Committee. It issued 63 resolutions and 56 directives.

Shariah Division

The Shariah Division supports the Shariah Committee by performing tasks that support the Bank's objectives by preparing research, developing products, supervising compliance, and reviewing SNB products to ensure their compliance with the Shariah Committee's controls. Its sub-departments are as follows:

Shariah Advisory and Research Department

Responsible for answering the Bank's enquiries in light of Shariah Committee resolutions, preparing research, studying internal department requests, coordinating Shariah Committee meetings, providing presentation memorandums, preparing minutes, notifying resolutions, managing scientific and jurisprudential symposiums, and preparing Shariah guidelines for compliant products and services.

Shariah Development and Support Department

Supports various bank departments in developing existing or new Islamic products by providing technical support during the design phase of Shariah-compliant products, and providing alternative solutions to transform traditional products into Shariah-compliant products.

Shariah Governance, Risk and Compliance Department

Responsible for assisting the Shariah Committee and executive management in protecting the Bank from Shariah non-compliance risks. It performs periodic reviews of control systems, identifies and assesses Shariah non-compliance risks, and enhances the effectiveness of internal control in compliance and Shariah governance, in accordance with the Committee's resolutions and guidelines.

Shariah Audit Department

Independently reviews products and services and provides objective assurance designed to add value. It improves compliance of the Bank's activities and Islamic financial transactions with Committee decisions, and answers from the Executive Committee Member and the Shariah Committee to ensure the integrity and effectiveness of internal controls for compliance with Shariah principles.

Islamic Finance Symposium

Since 2008, SNB has convened an annual symposium dedicated to Islamic finance, discussing developments in the Islamic financial industry. The symposium aims to help develop the sector by engaging with distinguished scholars who specialize in the jurisprudence of financial transactions. The event serves as a testament to the Bank's commitment to the growth of Islamic finance.

The Financial Sector Development Program within Saudi Vision 2030 emphasizes the importance of strengthening the Islamic finance sector. Previous symposiums have contributed to discussing emerging issues and providing Shariah and economic insights that support the development of Shariah-compliant financial products.

Program to Qualify Shariah Scholars to Work in Financial Institutions

As an extension of its initiatives to support the Islamic banking industry, SNB concluded its fifth two-year program to qualify Shariah scholars for work in Islamic financial institutions. Nine members specializing in Islamic Shariah enrolled to be qualified for the field of Shariah consultancy in financial institutions.

The new session involves participants attending Shariah Committee meetings, preparing research and studies on various jurisprudence issues, and visiting departments of the Bank. These visits allow them to observe how banking products work in Treasury, Corporate, and Retail departments to build an accurate conception of how these operations function. In 2025, four meetings were held for program participants, and members attended 14 Shariah Committee meetings where they presented 16 research papers.

Since its launch in 2011 as the first initiative of its kind in the Saudi banking sector, the number of graduates has reached 18 Shariah specialists. Several of them have joined the Shariah committees of banks operating in Saudi Arabia.

International

Türkiye Finans Katılım Bankası (TFKB)

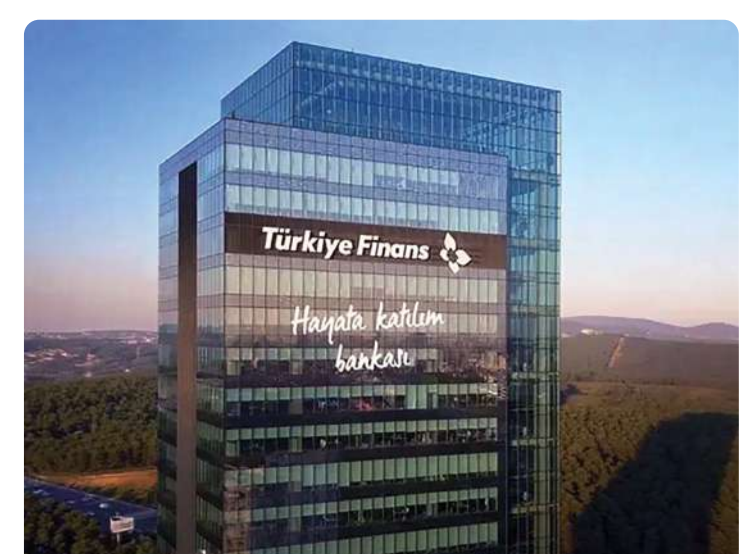
SNB has a 67.03% controlling stake in Sharia-compliant Türkiye Finans Katılım Bankası (TFKB). TFKB is a participation bank that operates by attracting current accounts and profit-sharing accounts, while extending financing to retail and corporate clients through finance, lease, and profit/loss sharing partnerships.

TFKB continued to execute its strategy in 2025, with a focus on creating value through accelerated digitalization, driving an improved customer experience, and growing customer deposits. The successful execution of this strategy saw TFKB record a total operating income of TRY 20,754 million in 2025. When accounting for 31% inflation, total operating income grew by 59%.

During the year, TFKB successfully grew its deposit base and the number of active customers. Increasing customer acquisitions and transaction activity through digital channels, improving the customer experience with simplified touchpoints and accelerated processes, and enhancements to operational efficiency, helped achieve this.

Digital is now the primary channel for customer acquisition and transaction activity. The entire distribution network is built around this model, with the transformation of branches into a sales-focused model, and branches and digital channels now fully integrated. The bank grew the number of digitally acquired individual customers by 89%, and the number of digitally acquired SME customers by 122%, during 2025.

TFKB maintained its focus on risk management, and the results of this rigorous application are apparent in the bank's NPL statistics. Due to highly effective credit policy governance, a robust credit culture, efficient credit infrastructure and monitoring systems, the NPL ratio declined for the seventh consecutive year.



The overall NPL ratio declined from 1.00% in 2024 to 0.93% in 2025. TFKB has a healthier NPL ratio than the Turkish banking sector.

Samba Bank Limited Pakistan (SBL)

SNB has an 84.51% controlling stake in Samba Bank Limited ("Samba Pakistan"), which operates in Pakistan. Samba Pakistan is engaged in commercial banking and related services and is listed on the Pakistan Stock Exchange.

Net interest income declined by 23% compared to 2024, which can be attributed to the decrease in policy rate to 11% in 2025. Non-interest income increased by Rs. 441 million, reaching Rs. 2,128 million, driven by capital gains of Rs. 596 million on investments.

The bank grew its balance sheet by Rs. 23,956 million, a 13% increase. On the liabilities side, deposits grew by Rs. 11,785 million, reflecting an 11% increase whereas interbank borrowings increased by Rs. 9,733 million.

The bank's deposit profile strengthened during the year, with the Current Account mix improving from 21.4% to 24.7% at the year end. The bank's Current and Savings Accounts (CASA) mix improved from 44.0% to 59.8%.

Despite undertaking key strategic initiatives, including the expansion of the branch network to 77 branches, operating costs remained flat, reflecting the bank's emphasis on cost efficiency, productivity and operational discipline.

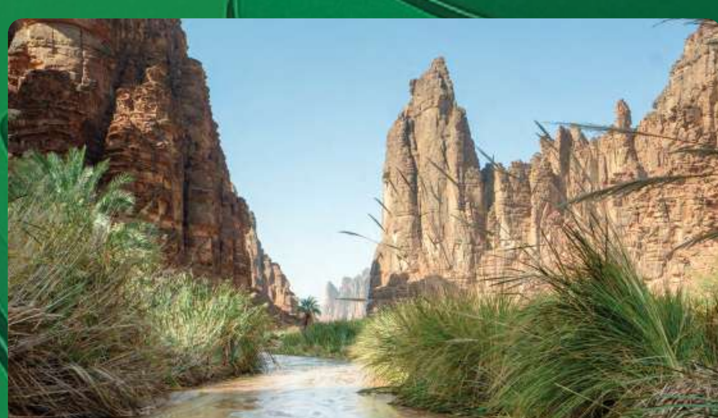
Business highlights of the year included strong growth in retail banking, with assets, liabilities, customer and branch numbers all increasing. Despite this growth, the bank maintains one of the lowest non-performing consumer loan ratios in the industry.

Environment, Social and Governance Review

Environment, Social and Governance

Highlights of 2025

SNB's commitment to ESG excellence was recognized with multiple 2025 awards. Highlights include three Kafalah Awards for Excellence (Outstanding Performance, Medium-sized Enterprises Financing, and Export Sector Support); Global Finance's Best Digital Bank Award (Saudi Arabia and Middle East); and the National Award for Volunteer Work, presented by the Ministry of Human Resources and Social Development.



⃁18.83 bn

In 2025 SNB's Sustainable Finance Framework was updated, covering 17 eligible green and social categories. Our eligible green and social financing portfolio grew to ⃁18.83 billion.

SNB supported ⃁110.3 billion in MSME financing.

⃁110.3 bn

Reflecting the Bank's commitment to diversity and equal opportunity, SNB increased its female employment rate to 18.3% in 2025.

SNB supported 50 start-ups through three business accelerators, including two fintech programs with the Ministry of Communications and Information Technology and a social entrepreneurship accelerator in the municipal and housing sectors with the Ministry of Municipalities and Housing.

In 2025, we empowered female entrepreneurs with 5,126 Qard Hassan loans totaling ⃁26.1 million.

⃁26.1 mn

23,454 kg

The Bank saved 23,454 kg of CO_2 emissions in 2025 by recycling over 156,359 bottles and cans.

99.3 %

Nationals now represent 99.3% of SNB's total workforce.

Environment, Social and Governance Review
continued

Our Approach to Sustainability

Sustainability Management

At SNB, our ambitions are anchored in supporting the Kingdom's transition toward sustainable and inclusive growth. We remain committed to contributing to national aspirations by integrating ESG considerations into our business, thereby strengthening the delivery of the Bank's vision, purpose, and strategic objectives.

In 2025, SNB updated its sustainability governance structure to reflect the Bank's evolving operating model and to clarify the roles involved in managing the ESG agenda. Under the revised structure, the High Management Committee (HMC) provides executive-level oversight of sustainability matters, including monitoring progress on key ESG initiatives and reporting to the Risk Committee.

Sustainability-related matters, and key developments, are reported to the Board through the Risk Committee and relevant regulatory committees, ensuring senior-level oversight and accountability.

A Sustainability Technical Working Group, now established under the HMC, coordinates the development, implementation, and monitoring of sustainability activities across the Bank. The Working Group also supports the alignment of sustainable finance initiatives with ESG objectives and ensures consistency in reporting and performance tracking.

The Sustainability Department continues to integrate ESG considerations into business practices and to lead the execution of strategic sustainability initiatives, including the preparation of SNB's sustainability disclosures.

In 2025, SNB completed a comprehensive Sustainability Strategy refresh to define the Bank's direction for the next five years. The refreshed strategy builds on existing foundations and reflects insights from market dynamics, regulatory developments, and SNB's evolving ambitions. It focuses on strengthening ESG risk management and sustainable finance capabilities, advancing the net-zero transition across financed and operational emissions, boosting financial empowerment and talent development, and enhancing governance and disclosure.

The strategy also reinforces SNB's ambition to be an employer of choice by scaling wellbeing initiatives, embedding sustainability competencies, and supporting the progression of women in leadership. Its multi-year pathways are shaped by the broader national sustainability context, including directions set under Vision 2030 and the Saudi Green Initiative, while maintaining a clear focus on SNB's organizational priorities and long-term sustainability objectives.

Sustainability Framework

In 2025, SNB refreshed its Sustainability Framework to more clearly align the Bank's sustainability ambitions with national priorities and operational objectives. Our sustainability vision – **'Pioneer sustainable finance to propel our nation toward Vision 2030 and beyond'** – articulates SNB's commitment to advancing sustainable finance and supporting the Kingdom's long-term transition. The framework is structured around four strategic focus areas, with each area supported by updated objectives at two levels:

Our KSA: Outlines SNB's contribution to national goals, including leadership in sustainable finance, support for the Kingdom's low-carbon transition, expansion of financial inclusion, and informed regulatory collaboration.

Our operations: Outlines internal priorities to enhance sustainable finance capabilities, strengthen environmental stewardship, support employee wellbeing and development, and maintain robust ESG governance and transparent reporting.

Materiality Assessment

In line with global best practices, SNB refreshed its materiality assessment in 2025, applying a double materiality lens for the first time to ensure our sustainability efforts remain focused on the most significant ESG impacts. This enhanced approach reflects shifts in the regulatory landscape, evolving investor priorities, and broader stakeholder expectations.

The double materiality approach applies a dual lens to understanding ESG relevance. Impact materiality examines how SNB's activities across operations and the value chain may affect people, the environment, and the economy. Financial materiality evaluates how ESG topics may influence SNB's business activities and relationships, including potential impacts on revenues, costs, regulatory exposure, and reputation.

The process followed a structured four-step methodology: reviewing SNB's organizational context, assessing global standards and peer practices, refining the ESG topic list, and evaluating the significance of each topic, using internal stakeholder input supplemented by external benchmarks and proxies.

The refresh resulted in an updated set of 15 material topics, including two newly added topics – Nationalization and Local Talent Development and Risk Management. This updated materiality process ensures that SNB remains focused on the ESG issues that matter most to its stakeholders, while reinforcing the alignment of sustainability priorities with the Bank's long-term strategy.

For more information, please visit the 'Sustainability Management' chapter of SNB's Environment, Social & Governance Report 2025.

SNB Sustainability Framework

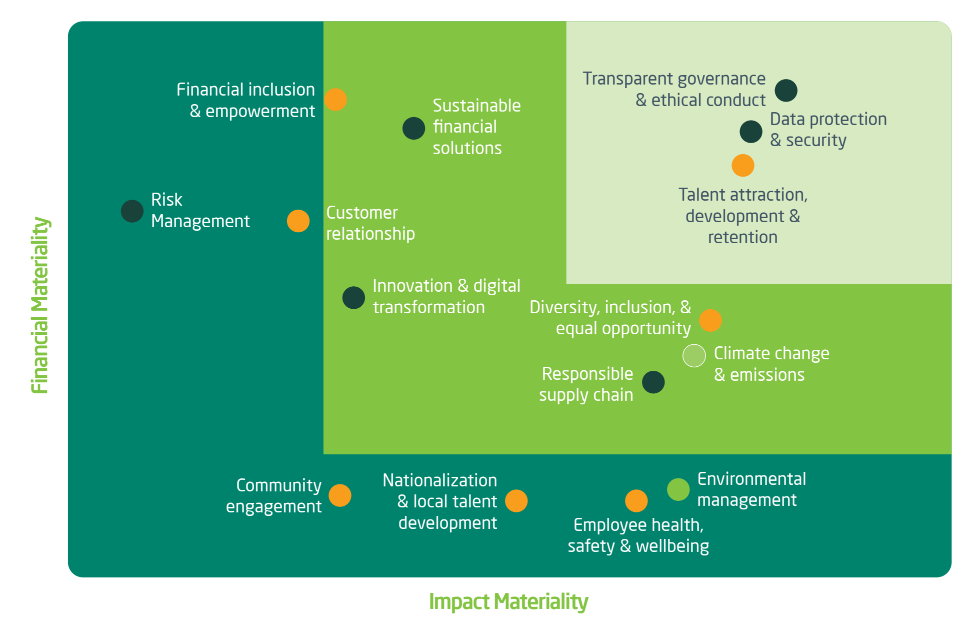
Sustainability Vision

Pioneer sustainable finance to propel our nation towards Vision 2030 and beyond

	Accelerate the use of financial products for sustainable growth	Advance the net zero transition	Advocate financial empowerment and nurture talent	Authentic leadership and transparency
Our KSA	Lead in sustainable finance and capital markets	Accelerate the shift lo a low-carbon and climate-resilient future	Expand financial inclusion to elevate all segments of society	Inform policy, regulation and financial sector collaboration
Our Operations	Exceed our sustainable finance offering and volume	Champion responsible resource use and environmental stewardship across operations	Be the employer of choice committed to nurturing the careers and well-being of our employees	Embed a robust ESG governance and transparent reporting culture

SNB Refreshed Materiality Matrix

Environment Social Governance



Highest Focus Area

Topics with high stakeholder interest and major business impact. Core to strategy and risk; require Board oversight, clear targets and KPIs, strong controls, and dedicated resources.

High Focus Area

Important topics with slightly lower stakeholder interest or impact. Advance via roadmaps, cross functional ownership, and ongoing monitoring with management updates.

Emerging Focus Area

Topics of moderate relevance that are rising. Early pilots, data building, and scenario monitoring position SNB to meet expectations and capture opportunities.

Environment, Social and Governance Review continued

Accelerate the Use of Financial Products for Sustainable Growth

SNB recognizes the critical role of the financial sector in supporting the Kingdom's transition toward sustainable and inclusive growth.

As one of the region's leading financial institutions, the Bank is committed to mobilizing capital toward environmental and social priorities and embedding sustainability considerations into financing decisions, product structures, and market engagement. Through disciplined governance and the integration of ESG principles into its business practices, SNB continues to position sustainable finance as a central component of its long-term strategic ambition.

SNB also continued to advance its sustainable financing agenda through the issuance of nine outstanding sustainable instruments, totaling ⃁6.536 billion. Of this amount, 3% was allocated to green projects, 5% to social projects, and 92% to sustainability projects, demonstrating strong investor demand and supporting the Bank's efforts to mobilize capital toward environmental and social outcomes.

In 2025, SNB advanced its role as a leading enabler of sustainable finance by strengthening its frameworks, enhancing disclosure practices, and expanding sustainable product development capabilities. The Bank updated its Sustainable Finance Framework, increasing the eligible green and social project categories from 3 to 17, enabling a broader and more comprehensive alignment with national sustainability priorities, including Vision 2030 and the Saudi Green Initiative.

We also improved allocation and impact transparency with the publication of our latest Allocation and Impact Report, which details the use of proceeds from outstanding Sustainable Sukuk issuances and demonstrates measurable contributions to national climate and social outcomes.

In parallel, new sustainable product development workstreams were launched across the Corporate and Retail Banking businesses, supporting the continued expansion of sustainability-linked financial solutions and strengthening the Bank's capacity to address emerging client needs and market expectations.

For more information, please visit the 'Accelerate the Use of Financial Products for Sustainable Growth' chapter of SNB's Environment, Social & Governance Report 2025.

Sustainable Development Goals	Saudi Vision 2030 Areas
8, 12	Thriving Economy

Advance the Net Zero Transition

SNB recognizes the importance of supporting the Kingdom's transition toward a low-carbon and climate-resilient economy.

As a leading financial institution, we remain committed to advancing the net zero transition by integrating climate considerations into our operations, governance structures, and financing activities. Our approach focuses on managing and reducing climate-related impacts across our value chain, enhancing environmental performance, and supporting national priorities under Vision 2030.

Environmental Management

SNB has advanced its environmental performance through targeted operational efficiency initiatives. In 2025, we expanded the implementation of our centralized Building Management System (BMS) across an additional 250 branches, enabling wider automation of HVAC, lighting, and water-supply systems. This expansion improved equipment optimization, enhanced energy performance, and supported reductions in operating costs.

We further reduced our environmental footprint by integrating solar energy into new branches and headquarters facilities, and by retrofitting existing sites with energy-efficient technologies. Additional enhancements included automated water-use controls, upgraded fire-fighting system panels to improve monitoring efficiency, and continued digitalization of banking services to minimize reliance on physical branches and paper-based processes.

Complementing waste avoidance efforts, SNB strengthened its waste management practices through internal recycling initiatives implemented in collaboration with the Saudi Investment Recycling Company (SIRC).

In 2025, the Bank deployed Recycling Vending Machines (RVMs) across its headquarters to facilitate the collection and recycling of plastic bottles and aluminum cans. Through this initiative, more than 156,359 bottles and cans were collected, avoiding approximately 23,454 kg of CO_2 emissions.

Climate Change

In 2025, SNB made meaningful progress in measuring, managing, and preparing to mitigate its operational-, value chain-, and portfolio-related climate impacts. We built the foundational capacities required to assess the Bank's Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions. SNB is currently reviewing data availability and compiling the required activity data.

Once the footprint is finalized, we will identify operational emission hotspots, prioritize key emitting sectors, and subsequently define emission-reduction targets aligned with national and global climate ambitions. This work will enable the development of a comprehensive carbon management plan and an emissions-reduction initiatives register, supporting both near-term actions and long-term transition measures.

For more information, please visit the 'Advance the Net Zero Transition' chapter of SNB's Environment, Social & Governance Report 2025.

Sustainable Development Goals	Saudi Vision 2030 Areas
7, 13	Vibrant Society

Environment, Social and Governance Review
continued

Advocate Financial Empowerment and Nurture Talent

Supporting financial empowerment and enabling talent development remains central to SNB's contribution to Saudi Arabia's social and economic advancement. As the Kingdom accelerates toward Vision 2030, SNB is committed to supporting inclusive participation in the financial system while cultivating a strong, diverse, and future-ready workforce.

We continue to build a workplace where people thrive, capabilities are strengthened, and career pathways are accessible to all. Our approach emphasizes merit-based advancement, gender balance, professional development, and alignment with national human capital priorities. Guided by our Human Resources policy and regulatory standards, SNB aims to attract, develop, and retain skilled talent while supporting employee wellbeing and long-term career progression.

Beyond our workforce, we also advance financial inclusion through dedicated programs that enable underserved segments – particularly women – to access financial services, build financial resilience, and participate more fully in economic activity.

Talent Attraction, Development, and Retention

SNB continues to strengthen its talent development approach to ensure employees have the capabilities required to support both organizational priorities and the Kingdom's evolving economic landscape. Learning and development remain central to our people strategy, with structured programs designed to build technical expertise, leadership abilities, and future-ready skills across the workforce.

In 2025, SNB delivered 271,203 hours of training supported by a comprehensive learning ecosystem that includes instructor-led sessions, digital learning modules, professional certifications, and specialized development tracks. Training needs are reviewed annually through a structured assessment process to align development initiatives with business objectives and employee aspirations.

SNB Academy remains a key enabler of our talent agenda, applying a blended learning approach that combines flexible self-paced learning with targeted, high-impact training sessions. Through expanded learning pathways and curated upskilling programs, the Academy continues to enhance employee capabilities, support career progression, and contribute to a resilient and high-performing workforce.

Nationalization and Local Talent Development

Developing national talent remains a core priority for SNB and a critical component of our contribution to the Kingdom's human capital agenda. In 2025, we continued to strengthen career pathways for Saudi nationals by enhancing structured development programs, expanding technical and leadership training opportunities, and supporting progression across key business functions.

Sustainable Development Goals
3, 5, 8, 10

Saudi Vision 2030 Areas
Ambitious Nation
Vibrant Society

22
Average training hours per employee in 2025

174
New female hires in 2025

671
Learning programs delivered through SNB Academy

5,126
Women supported with Qard Hassan loans

During the year, the SNB Rowad Program continued its growth trajectory, offering an improved development framework and onboarding one new cohort. SNB's nationalization rate reached 99.3% in 2025, reflecting our sustained commitment to providing meaningful career opportunities for Saudi talent and aligning with national workforce priorities.

Diversity, Inclusion, and Equal Opportunity

SNB maintains an inclusive workplace where employees of all backgrounds receive fair treatment and equal access to opportunities. Our diversity efforts prioritize gender balance, inclusive leadership, and policies that promote fairness and support career progression at every level of the Bank.

In 2025, women represented 18.3% of the total workforce, and SNB welcomed 174 new female hires, firm proof of our ongoing efforts to expand women's participation throughout the Bank.

Access to Finance

Supporting wider participation in the financial system is an important part of SNB's role in the Kingdom's economic landscape. By offering tailored financial solutions, and improving the availability of banking services, the Bank helps individuals, entrepreneurs, and small businesses access the resources they need to grow and contribute to national development.

In 2025, SNB supported 379,000 Micro, Small and Medium Enterprises (MSMEs) through specialized financing programs and strengthened its collaboration with the Kafalah Program to expand credit access for small and emerging enterprises.

SNB also continued to advance financial inclusion more broadly through programs designed to support underserved and economically disadvantaged groups. In 2025, the Bank provided 5,126 Qard Hassan loans to female beneficiaries, amounting to ⃁26.1 million, helping expand access to essential financial services and economic participation.

There are 56 branches, including nine branches with dedicated sections for women. In addition, the Bank operates 418 ATMs in low-populated and economically disadvantaged areas, enabling access to banking services in these locations and expanding financial inclusion across the Kingdom. Furthermore, six branches are dedicated to providing Qard Hassan loans for women via SNB's corporate responsibility program.*

Health and Safety

SNB maintains a structured approach to health and safety to ensure a secure and well-managed working environment across all locations. Our programs are guided by a comprehensive Health and Safety Policy and supported by a framework aligned with NEBOSH qualifications, as well as national and international safety requirements. The Safety and Security team oversees the development of safety procedures, the monitoring of workplace risks, and the evaluation of incidents to support ongoing compliance and performance.

Employees play an active role in occupational health and safety through established consultation channels, reporting mechanisms, and participation in the joint management-worker committee, which convenes twice a year. In 2025, SNB conducted regular inspections and targeted training sessions to strengthen awareness of safety principles, hazard management, and incident-reporting procedures.

SNB also provides access to essential medical services, including an on-site clinic, first aid resources, and comprehensive medical insurance. In 2025, SNB delivered 12,399 hours of health, safety, and wellbeing training to employees.

Customer Relations

SNB's approach to customer relationships is centered on delivering clear, reliable, and responsive service across all channels. Throughout 2025, the Bank continued to enhance the customer experience by strengthening service processes, improving accessibility, and ensuring that interactions reflect professionalism and fairness. As SNB's customer base grows each year, we will strive to maintain high standards of service quality across digital platforms, contact centers, and physical branches.

To keep customers informed and supported, SNB communicates through a wide range of channels, including mobile and online banking, social media, SMS notifications, and in-branch guidance. These communication touchpoints are supported by dedicated customer service and fulfilment teams who provide assistance on products, transactions, and service requests.

SNB's Customer Care practices follow certified frameworks aligned with ISO 10002:2018 and ISO 10004:2018, ensuring a structured approach to customer satisfaction and complaint management. Customers can raise service requests or raise complaints securely through digital and physical channels, enabling timely resolution and transparent follow-up. In 2025, SNB managed 1.9 million customer requests and enquiries, and more than 850,000 complaints, disputes and financial claims, maintaining strong oversight of service quality.

Community Engagement

SNB supports communities across the Kingdom through structured social responsibility programs that deliver measurable social and economic outcomes. Through the Ahalina Social Responsibility Programs, for example, the Bank worked alongside non-profit organizations, productive families, and local partners to enable initiatives aligned with Vision 2030 and the national social development agenda.

In 2025, economic empowerment remained a key area of focus. SNB supported female entrepreneurs via the Ahalina Microfinance Program, providing 5,126 Qard Hassan loans with a total value of ⃁26.1 million, and enabling beneficiaries to establish or expand small businesses and strengthen household income.

* A 'low populated and economically disadvantaged area' is defined as a city with a single branch or a location hosting an ATM that is 100 km or more from the city.

Environment, Social and Governance Review continued

In parallel, the Bank advanced entrepreneurship by supporting 50 start-ups through accelerators and incubators offered in collaboration with national partners.

Volunteerism continued to contribute meaningfully to SNB's social impact. During the year, 11,345 volunteers contributed 35,888 hours across general volunteering, pro bono advisory activities, and student volunteer programs delivered in partnership with public-sector entities.

During the year, SNB implemented a wide range of Corporate Responsibility (CR) programs covering community development, social support, capacity building, and environmental initiatives across the Kingdom. The total investment across all CR programs amounted to ⃁67,720,624. In addition, a total of ⃁18.35 million was invested in community care initiatives and donations, reflecting the Bank's comprehensive commitment to positive social and environmental impact.

Through our Ahalina corporate responsibility programs, we empower non-profit organizations and communities to implement sustainable projects aligned with Saudi Vision 2030. In 2025, we funded 14 development projects, directly benefiting 600 individuals and advancing our mission of driving positive change.

⃁18.35 mn
Total investment in community sponsorships and donations

35,888
Total number of volunteering hours

50
Start-ups supported through accelerators and incubators

95.73%
Spending on local suppliers in 2025

255
Beneficiaries provided capacity building for 136 NPOs

237
Women provided with marketing opportunities

In partnership with the Ministry of Municipalities and Housing, 233 housing units were provided to the neediest families as part of the third phase of the first batch during the 2025 Developmental Housing Ceremony, which coincided with Arab Housing Day.

As part of its environmental initiatives, SNB planted 200,000 mangrove trees in 2025. Additionally, grey water reuse systems were introduced in 30 mosques to support greening and humanizing efforts, reinforcing the focus on environmental sustainability.

For more information, please visit the 'Advocate Financial Empowerment and Nurture Talent' chapter of SNB's Environment, Social & Governance Report 2025

Authentic Leadership and Transparency

Authentic leadership, integrity, and transparency remain core to SNB's approach to sustainability and governance. In 2025, the Bank further strengthened its oversight structures, compliance systems, and ethical conduct framework to maintain stakeholder trust and ensure alignment with national regulations and leading international standards. With clear governance processes, structured risk-management practices, and consistent stakeholder engagement, SNB reinforces accountability and responsible decision-making throughout the operations.

Compliance

SNB adheres to all relevant rules and regulations and ensures that employees understand and comply with these requirements. Mandatory compliance training remains a core component of this approach, supported by access to an internal library of rules, guidelines, and regulatory updates. This is further strengthened by dedicated advisory services and targeted awareness sessions tailored to specific business needs and regulatory developments.

SNB's Governance Structure includes the General Assembly, Board of Directors, Board Committees, and Executive Management. Board members are appointed by the General Assembly and operate under established policies such as the Board Nomination Policy, Criteria and Procedure, and Conflict of Interest Policy.

SNB also maintains robust internal audit governing documents (i.e. Internal Audit Policy, Internal Audit Charter, Internal Audit Manual, and Internal Audit Communication Protocol) to define the roles, responsibilities, and audit methodology governing the Internal Audit activity. In addition, the Internal Audit Group (IAG) operates in accordance with the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Global Internal Audit Standards and applicable Topical Requirements. The IAG also complies with all relevant regulatory requirements issued by the Capital Market Authority (CMA) and the Saudi Central Bank (SAMA), including SAMA's Principles of Internal Auditing for Local Banks Operating in the Kingdom of Saudi Arabia.

The Bank maintains a Whistleblowing Policy that provides secure and confidential reporting channels, including dedicated phone lines, email, postal address and online forms, for employees to report concerns without fear of retaliation. All reports are logged in a secure system and reviewed in line with the policy. Compliance also generates periodic reports reflecting the Bank's compliance status and any non-compliance violations, shared with relevant business heads, the GCEO, and the Audit Committee.

Anti-Money Laundering and Combating Financial Crime

SNB remains committed to supporting both national and international efforts to combat money laundering and terrorist financing. The Bank's AML/CTF Policy, approved by the Board of Directors, aligns with Saudi Arabian laws and incorporates international best practices, including the recommendations of the Financial Action Task Force and the Basel Committee on Banking Supervision. The policy applies to all SNB operations, including overseas branches and subsidiaries, which must comply with local AML/CTF requirements.

The Bank uses SymphonyAI systems for transaction monitoring and sanctions screening, supported by detailed procedures for investigations, reporting, advisory, and sanctions management. Mandatory annual AML training is provided to all employees, with specialized sessions delivered to high-risk business units, such as payment operations and KYC teams.

Anti-Bribery and Corruption

SNB's Anti-Bribery and Corruption Policy outlines the responsibilities, red flags, and controls required to prevent unethical behavior that could negatively affect SNB's work environment, reputation, and customer trust. All employees receive regular awareness communications and must complete mandatory e-learning modules to ensure their comprehensive understanding of bribery and corruption in all its forms and scenarios.

Fraud Prevention

The Bank's fraud risk management approach integrates governance, people, and technology to proactively mitigate fraud and corruption risks. In 2025, total prevented fraud more than doubled to ⃁83.66 million, demonstrating the effectiveness of SNB's continued investments in fraud prevention technologies, strengthened internal controls, and the ongoing enhancement of the Bank's fraud risk management capabilities.

Data Protection and Innovation

SNB continues to prioritize information security across all operations. The Information Security Management Division oversees security risk management, regulatory compliance, and the protection of information assets, supported by established controls and detailed operational procedures designed to prevent unauthorized access, disclosure, modification, or misuse of sensitive data.

In 2025, SNB obtained the ISO 27001 certification for information security management and continued developing its organization-wide Information Security Program. Relevant employees received mandatory annual training on information security and secure data handling, and awareness sessions were delivered to both staff and customers to strengthen understanding of information security and data protection principles.

Alongside these efforts, SNB expanded digitalization as a core enabler of service quality and operational efficiency. In 2025, the Bank advanced migration to enhanced electronic channels, expanded automation, and increased adoption of digital onboarding and cash-management features. SNB further expanded digital solutions for SMEs and corporate, improving access to accounts, payroll services, and essential financial tools.

Responsible Procurement

SNB applies responsible procurement and supply chain practices to support the local economy and uphold high ethical standards. Guided by the Bank's Procurement Policy, suppliers undergo a structured pre-qualification process to confirm compliance with SNB's business ethics and operational requirements. This process includes screening vendors against relevant databases to identify potential risks – such as illegal activity or sanctions – and ensuring that all approved suppliers review and sign SNB's Supplier Code of Conduct before engagement.

For more information, please visit the 'Authentic Leadership and Transparency' chapter of SNB's Environment, Social & Governance Report 2025.

Sustainable Development Goals

Saudi Vision 2030 Areas
Ambitious Nation
Vibrant Society

Corporate Governance

Corporate Governance

A. Shareholders

Shareholders' Rights

SNB's Bylaws, Corporate Governance Framework, and Shareholders' Rights Policy stipulate shareholders' rights to receive profits, attend assemblies, participate in discussions and voting, and dispose of their shares. Shareholders are also provided with information related to assemblies, profit and loss statements, and the Board of Directors' Annual Report. This information is also published on the Bank's official website.

The following table details all requests for the Bank's Shareholder Register, the dates of such requests, and their reasons for the fiscal year ended 31 December 2025:

Number of requests	Request date	Request reasons
1	02/01/2025	Bank's internal procedures
2	06/01/2025	Bank's internal procedures
3	11/02/2025	Distribution of the profits to shareholders
4	06/04/2025	Bank's internal procedures
5	15/04/2025	General Assembly
6	05/05/2025	Bank's internal procedures
7	03/06/2025	Bank's internal procedures
8	03/07/2025	Bank's internal procedures
9	05/08/2025	Distribution of the profits to shareholders
10	03/09/2025	Bank's internal procedures
11	17/09/2025	Bank's internal procedures
12	02/10/2025	Bank's internal procedures
13	16/11/2025	Bank's internal procedures
14	07/12/2025	Bank's internal procedures

Shareholders' General Assemblies

During the fiscal year ended 31 December 2025, the Bank held an Extraordinary General Assembly for Shareholders, in which a number of topics announced on the Saudi Exchange website were discussed. The following table details the attendance of Board Members at the General Assembly meetings:

	Name	Title	Extraordinary General Assembly (first meeting) 15 April 2025 corresponding to 17/10/1446h
1	Mr. Saeed Mohammed AlGhamdi	Chairman of the Board	Attended
2	Mr. Yazeed Abdulrahman AlHumied	Vice-Chairman of the Board	Attended
3	Mr. Abdullah Abdulrahman AlRowais	Board Member	Attended
4	Mr. Ziad Mohammed AlTunisi	Board Member	Attended
5	Mr. Faisal Omar AlSaggaf	Board Member	Attended
6	Mr. Rashed Ibrahim Sharif	Board Member	Attended
7	Dr. Ibrahim Saad AlMojel	Board Member	Attended
8	Ms. Huda Mohammed Bin Ghoson	Board Member	Attended
9	Dr. Ammr Khaled Kurdi	Board Member	Attended
10	Ms. Deemah Yahya AlYahya	Board Member	Attended
11	Mr. Tareq Abdulrahman Alsadhan	Board Member	Attended

Changes to Major Shareholders' Ownership

The following table provides a detailed description of the ownership percentage of the Bank's major shareholders (owning 5% or more) at the beginning and end of 2025:

Shareholder name	Number of shares at the start of the year (1 January 2025)	Number of shares at the end of the year (31 December 2025)	Net change	Change %	Ownership %
Public Investment Fund (PIF)	2,234,257,917	2,234,257,917	0	0%	37.2%

Waiver of Dividends

The Bank has no information to disclose about any arrangements or agreements related to the waiver of any rights to dividends by any of the Bank's shareholders.

B. Board of Directors

Key Roles and Responsibilities

The Board of Directors is responsible for setting the Bank's overall strategy and overseeing its implementation Therefore, the Board is accountable for developing performance objectives and making decisions that affect major capital expenditures, acquisitions, purchases, sales and liquidations, supervising the implementation of decisions, monitoring the Bank's financial objectives, and ensuring that its performance aligns with the agreed strategic, operational and commercial plans. The Board also aligns and oversees the organizational structure of the Bank's business units, management roles and remuneration system, and management succession planning.

Board Membership

The Board of Directors comprises 11 members appointed by the General Assembly every three years. The Board holds at least one meeting every quarter (i.e. at least four meetings per year or whenever the need arises) by invitation from the Chairman of the Board, or upon the request of one of the members. The Board's decisions and deliberations are documented in minutes signed by the Chairman, attending members of the Board, and the Board General Secretary. The Board General Secretary is responsible for taking minutes of the Board meeting.

The composition of the Board in 2025 was as follows:

Name	Title	Membership class
Mr. Saeed Mohammed AlGhamdi	Chairman of the Board, Executive Committee Chairman	Non-executive
Mr. Yazeed Abdulrahman AlHumied	Vice-Chairman of the Board, Nomination & Remuneration Committee Member	Non-executive
Mr. Abdullah Abdulrahman AlRowais	Board Member, Audit Committee Chairman	Independent
Mr. Ziad Mohammed AlTunisi	Board Member, Nomination & Remuneration Committee Chairman, Executive Committee Member	Independent
Mr. Faisal Omar AlSaggaf	Board Member, Risk Committee Chairman, Executive Committee Member, Nomination & Remuneration Committee Member	Independent
Mr. Rashed Ibrahim Sharif	Board Member, Risk Committee Member	Non-executive
Dr. Ibrahim Saad AlMojel	Board Member, Executive Committee Member	Non-executive
Ms. Huda Mohammed Bin Ghoson	Board Member, Nomination & Remuneration Committee Member	Non-executive
Dr. Ammr Khaled Kurdi	Board Member, Risk Committee Member	Non-executive
Ms. Deemah Yahya AlYahya	Board Member, Risk Committee Member	Independent
Mr. Tareq Abdulrahman Alsadhan	Board Member, Group Chief Executive Officer, Executive Committee Member, Risk Committee Member	Executive

Corporate Governance continued

Board Members, their Qualifications and Experience

Mr. Saeed Mohammed AlGhamdi
Chairman of the Board (non-executive)

Executive Committee Chairman

Mr. AlGhamdi has more than 30 years' experience in banking, finance and corporate management. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1987	Bachelor's Degree	Computer Science and Engineering	King Fahd University of Petroleum and Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Board	Jabal Omar Company	Public joint stock company (inside KSA)	Real estate
Chairman of the Board	Manga Productions	Subsidiary of Misk Foundation (inside KSA)	Arts
Board Member	Mohammed Bin Salman Foundation – Misk	Charity (foundation (inside KSA)	Non-profit
Board Member	Mohammed Bin Salman City – Misk City	Charity foundation (inside KSA)	Non-profit
Committee Member	Ihsan Endowment Committees	Charity foundation (inside KSA)	Non-profit
Board Member	SNK Corporation	Production company (outside KSA)	Private

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Board	NCB Capital	Closed joint stock company (inside KSA)	Financial services
Board Member	Real Estate General Authority (REGA)	Government entity (inside KSA)	Government
Chairman of the Board	Second Health Cluster	Government entity (inside KSA)	Healthcare
Chairman of the Board	Saudi Credit Bureau (SIMAH)	Closed joint stock company (inside KSA)	Financial services
Chairman of the Board	Türkiye Finans Katılım Bankası	Closed joint stock company (outside KSA)	Banking
Chairman of the Board	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Chief Executive Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Board Member	Al Rajhi Takaful	Public joint stock company (inside KSA)	Insurance
Board Member	Al Rajhi Capital	Closed joint stock company (inside KSA)	Financial services
Deputy CEO	Alrajhi Bank	Public joint stock company (inside KSA)	Banking
Board Member	Alrajhi Bank Malaysia	Limited liability company (outside KSA)	Banking
Board Member	Injaz Saudi Arabia	Non-profit organization (inside KSA)	Civil society
Board Member	Advisory Board for MasterCard Middle East & Africa	Public joint stock company (outside KSA)	Financial services
Board Member	Institute of International Finance	Global non-profit organization (outside KSA)	Education

Mr. Yazeed Abdulrahman AlHumied
Vice-Chairman of the Board (non-executive)

Nomination & Remuneration Committee Member

Mr. AlHumied has more than 20 years' experience in accountancy, mergers and acquisition, and business management. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2004	Bachelor's Degree	Business Administration, Accounting	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Deputy Governor, Head of MENA Investments	Public Investment Fund (PIF)	Government fund (inside KSA)	Public
Chairman of the Board, Nomination & Remuneration Committee Member	National Security Services Company (SAFE)	Closed joint stock company (inside KSA)	Security
Vice-Chairman of the Board, Executive Committee Member	Saudi Telecom Company (STC)	Public joint stock company (inside KSA)	Communications
Vice-Chairman of the Board	Saudi Egyptian Investment Company (SEIC)	Closed joint stock company (outside KSA)	Investment
Vice-Chairman of the Board, Investment Committee Member	Saudi Tadawul Group Holding Company	Public joint stock company (inside KSA)	Financial
Vice-Chairman of the Board. Executive Committee Member, Member of the Audit, Risk and Compliance Committee	Saudi Arabian Airlines General Corporation (Saudia)	Government entity (inside KSA)	Aviation
Vice-Chairman of the Board	Desert Resorts Development Company	Closed joint stock company (inside KSA)	Hospitality
Board Member, Chairman of the Audit, Risk and Compliance Committee	Flyadeal	Closed joint stock company (inside KSA)	Aviation
Board Member, Executive Committee Member	Matarat Holding Company	Owned by the General Authority for Civil Aviation (inside KSA)	Aviation
Board Member	Richard Attias & Associates	Joint stock company (outside KSA)	Event management
Board Member, Executive Committee Member	Saudi Information Technology Company (SITE)	Closed joint stock company (inside KSA)	Information technology
Board Member, Executive Committee Member, Investment Committee Member	Saudi Electronic Gaming Holding Company (Savvy)	Closed joint stock company (inside KSA)	Gaming and e-sports
Board Member	Riyadh Investment and Development Company	One-person joint stock company (inside KSA)	Real estate development
Board Member	King Abdulaziz Royal Reserve Development Authority	Government authority (inside KSA)	Government
Board of Trustees Member	Prince Sultan University	Academic institution (inside KSA)	Education
Board Member	Saudi Company for Artificial Intelligence (SCAI)	Closed joint stock company (inside KSA)	Aritificial Intelligence
Executive Board Member	Alat	Closed joint stock company (inside KSA)	Technology

Corporate Governance continued

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Head of Local Holding Investments	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Chief of Staff	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Advisor	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Manager – Merger and Acquisition Department	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Advisor to the Governor	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Senior Specialist, Merger and Acquisition Department	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Advisor	National Consulting House	Limited liability company (inside KSA)	Services
Senior Advisor	Price Waterhouse Coopers	General partnership company (inside KSA)	Services
Board Member	The Water Solutions Est.	Closed joint stock company (inside KSA)	Energy and public utilities
Vice-Chairman of the Board	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Board Member	Red Sea Cruise Company (Cruise Saudi)	Closed joint stock company (inside KSA)	Tourism
Executive Board Member	Ceer Motors	Closed joint stock company (inside KSA)	Automotive

Mr. Abdullah Abdulrahman AlRowais
Board Member (independent)

Audit Committee Chairman

Mr. AlRowais has more than 29 years' experience in corporate governance, internal control, accounting, information technology, enterprise risk management, and internal audit. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1997	Master's Degree	Computer Science and Information Systems	University of Detroit Mercy, USA
1996	Advanced Diploma	Accounting	University of Colorado, USA
1992	Bachelor's Degree	Accounting	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	Bawan Company	Public joint stock company (inside KSA)	Industry
Chairman of the Audit Committee	Noon Company	Closed joint stock company (inside KSA)	E-commerce
Member of the Audit Committee	General Authority for Military Industries	Government authority (inside KSA)	Government
Member of the Audit Committee	Royal Commission for Alula	Government authority (inside KSA)	Government
Member of the Audit Committee	National Development Fund	Government authority (inside KSA)	Government
Chairman of the Audit Committee	General Organization for Social Insurance (GOSI)	Government authority (inside KSA)	Government
Member of the Audit Committee	Economic Cities and Special Zones Authority	Government authority (inside KSA)	Government
Chairman of the Audit Committee	The National Center for Performance Measurement	Government authority (inside KSA)	Government
Member of the Audit Committee	Ceer Motors	Closed joint stock company (inside KSA)	Automotive
Member of the Audit Committee	AlJomaih Holding	Closed joint stock company (inside KSA)	Investment
Committee Member, Head of Working Group	National Framework Committee for Regulating Governance, Risk, Compliance and Internal Audit	Government Committee (Inside KSA)	Government

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	Saudi Tourism Authority	Government authority (inside KSA)	Tourism
Chief Audit Executive	Etihad Etisalat (Mobily)	Public joint stock company (inside KSA)	Communications
Board Member	ACWA Power	Public joint stock company (inside KSA)	Energy
Board Member, Chairman of the Audit Committee	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Board Member, Risk Committee Member	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Audit Committee Member	Jeddah Central Development Company	Closed joint stock company (inside KSA)	Real estate
Chairman of the Audit Committee	Boutique Group	Closed joint stock company (inside KSA)	Hospitality
Audit Committee Member	Saudi Information Technology Company (SITE)	Closed joint stock company (inside KSA)	Technology
Audit Committee Member	ROSHN Group	Closed joint stock company (inside KSA)	Real Estate
Audit Committee Member	Alinma Tokio Marine	Public joint stock company (inside KSA)	Insurance
Audit Committee Member	General Investment Authority (SAGIA)	Government authority (inside KSA)	Investment
Audit Committee Member	Deutsche Gulf Finance	Closed joint stock company (inside KSA)	Financial
Founding Member, Board Member, Chairman of the Executive Committee	Saudi Institute of Internal Auditors	Non-profit independent professional entity, Operating under the supervision of the General Audit Bureau (inside KSA)	Vocational
Audit Committee Member	Saudi Authority for Industrial Cities	Government authority (inside KSA)	Investment
Chairman of the Audit Committee	Endowment of Sheikh Mohammed Abdul Aziz Al Rajhi	Endowment charity (inside KSA)	Non-profit
Board Member, Chairman of the Audit Committee	Manafea Holding	Closed joint stock company (inside KSA)	Investment
Assistant Auditor General	Saudi Aramco	Public joint stock company (inside KSA)	Energy
Manager of IT Audit	Saudi Aramco	Public joint stock company (inside KSA)	Energy
Manager of SAP Software and Applications Department	Saudi Aramco	Public joint stock company (inside KSA)	Energy
Senior Internal Auditor	Saudi Aramco	Public joint stock company (inside KSA)	Energy
Internal Auditor	Saudi Central Bank (SAMA)	Government entity (inside KSA)	Financial

Mr. Ziad Mohammed AlTunisi
Board Member (independent)

Nomination & Remuneration Committee Chairman, Executive Committee Member

Mr. AlTunisi has more than 27 years' experience in business, banking, investment and corporate management. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1996	Master's Degree	Securities and Investment Services	University of Reading, UK
1991	Bachelor's Degree	Business Administration	King Saud University, KSA

Corporate Governance continued

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chief Executive Officer	Al Faisaliah Group	Closed joint stock company (inside KSA)	Multiple Investments
Board Member	Almajdiah Residence	Public joint stock company (inside KSA)	Real estate
Chairman of the Board	Nuwa Capital	Closed joint stock company (outside KSA)	Financial
Chairman of the Board	Axantia Cayman Holding Limited	Closed joint stock company (outside KSA)	Pharmaceuticals
Chairman of the Board	Al Safi Danone Company	Closed joint stock company (inside KSA)	Dairy products
Chairman of the Board	Philips Joint Venture Saudi Arabia	Closed joint stock company (inside KSA)	Healthcare
Chairman of the Board	Tibbiyah Holding	Public joint stock company (inside KSA)	Healthcare
Board Member	AWJ Holding Company	Closed joint stock company (inside KSA)	Asset and investment management
Vice-Chairman of the Board	Tamkeen Human Resources	Closed joint stock company (inside KSA)	Human resources
Board Member	Saudi Angel Investors	Closed joint stock company (outside KSA)	Multiple investments
Board Member	Specialized Medical Treatment Company	Closed joint stock company (inside KSA)	Healthcare
Board Member	Modern Electronics & Systems Holding Company	Limited liability company (inside KSA)	Electronics

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	ALFA Co. for Operations Company	Limited liability company (inside KSA)	Food services
Board Member	Accenture Saudi Arabia Limited	Closed joint stock company (inside KSA)	Information technology
Board Member	Knowledge Economic City	Public joint stock company (inside KSA)	Real estate management and development
Board Member	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Board Member	Solidere International	Closed joint stock company (outside KSA)	Real estate Investment
Board Member	Samba Capital	Closed joint stock company (inside KSA)	Financial
Board Member	Pharma International	Closed joint stock company (inside KSA)	Production of medicines and drugs
Vice Chairman and Operation Manager	Al Faisaliah Holding Group	Closed joint stock company (inside KSA)	Multiple investments
Chief Financial Officer	Al Faisaliah Holding Group	Closed joint stock company (inside KSA)	Multiple investments
Treasury Manager	Al Faisaliah Holding Group	Closed joint stock company (inside KSA)	Multiple investments
Board Member	Lafana Holding	Closed joint stock company (inside KSA)	Asset and investment management
Investment Advisor - Private Banking	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Board Member	Sackville Capital	Joint stock company (inside KSA)	Multiple investments

Mr. Faisal Omar AlSaggaf
Board Member (independent)

Risk Committee Chairman, Executive Committee Member, Nomination & Remuneration Committee Member

Mr. AlSaggaf has more than 37 years' experience in banking, most recently as Chief Executive Officer of National Commercial Bank. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1988	Master's Degree	Business Administration	Harvard University, USA
1982	Bachelor's Degree	Economics	Harvard University, USA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Investment Committee Member, Nomination & Remuneration Committee Member	National Housing Company (NHC)	Closed joint stock company (inside KSA)	Housing
Board Member	Real Estate Development Fund	Government entity (inside KSA)	Government
Board Member	The Saudi Mortgage Guarantees Services Company (Damanat)	Closed joint stock company (inside KSA)	Housing
Board Member	Issam Khairi Kabbani Group	Limited liability company (inside KSA)	Financial services
Board Member	Alamar Foods Company	Public joint stock company (inside KSA)	Consumer services
Board Member	Tamer Group	Limited liability company (inside KSA)	Logistics
Board Member	Mimar	Limited liability company (inside KSA)	Building materials

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	NCB Capital	Closed joint stock company (inside KSA)	Financial
Chief Executive Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Strategy & Business Development Group	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Chief Financial Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Strategy and Performance Management	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Financial Controller	Saudi Business Machines	Limited liability company (inside KSA)	Technology
Head of Corporate Banking	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Head of Corporate Banking	Saudi Hollandi Bank	Public joint stock company (inside KSA)	Banking
Assistant Head of Corporate Banking	Samba Financial Group	Public joint stock company (inside KSA)	Banking

Corporate Governance continued

Mr. Rashed Ibrahim Sharif
Board Member (non-executive)
Risk Committee Member

Mr. Sharif has more than 25 years' experience in banking, finance and corporate management. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2009	Master's Degree	Business Administration	Prince Sultan University, KSA
1998	Bachelor's Degree	Finance Management	King Fahd University of Petroleum and Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member & CEO	SNB Capital	Closed joint stock company (inside KSA)	Financial
Board Member	AviLease	Closed joint stock company (inside KSA)	Aviation
Investment Committee Member	Saudi Telecom Company	Public joint stock company (inside KSA)	Communications
Board Member	NEOM Tech & Digital Company (Tonomus)	Closed joint stock company (inside KSA)	Technology
Chairman of the Capital Market Institutions Committee	Capital Market Authority (CMA)	Government authority (inside KSA)	Financial
Advisory Committee Member	Capital Market Authority (CMA)	Government authority (inside KSA)	Financial
Board Member	Rua Al Madinah Holding Company	Closed joint stock company (inside KSA)	Real estate
Board Advisory Committee Member	Jones Lang LaSalle (JLL)	Limited liability company (inside KSA)	Real estate investment
Board Member	Real Estate General Authority	Government entity (inside KSA)	Government

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Vice-Chairman	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of the General Directorate for Investments in Local Companies	Public Investment Fund (PIF)	Government fund (inside KSA)	Investment
Board Member	Saudi Electricity Company	Public joint stock company (inside KSA)	Energy
Board Member	Saudi Telecom Company	Public joint stock company (inside KSA)	Communications
Board Member	Accor Invest Company	Closed joint stock company (inside KSA)	Investment
Board Member	KAFD Development & Management Company	Government entity (inside KSA)	Real estate development
Board Member	Saudi Basic Industries Corporation (SABIC)	Public joint stock company (inside KSA)	Petrochemicals
Audit Committee Member	Tasne	Public joint stock company (inside KSA)	Petrochemicals
Chief Executive Officer	Riyad Capital	Closed joint stock company (inside KSA)	Financial
Corporate Investment Banking Manager	Riyad Capital	Closed joint stock company (inside KSA)	Financial
Registration and Inclusion Department Manager	Capital Market Authority (CMA)	Government authority (inside KSA)	Financial
Customer Finance Relations Manager	Bank Albilad	Public joint stock company (inside KSA)	Banking
Credit Consultant	Saudi Industrial Development Fund	Government fund (inside KSA)	Industrial development

Dr. Ibrahim Saad AlMojel
Board Member (non-executive)
Executive Committee Member

Dr. AlMojel has more than 22 years' experience in engineering, industry, investment management and corporate strategy, and is a member of several government boards, committees and programs. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2010	PhD	Operations Research	Stanford University, USA
2010	Master's Degree	Engineering and Business Management	Stanford University, USA
2004	Master's Degree	Electrical Engineering	Stanford University, USA
2002	Bachelor's Degree	Mathematics in Electrical Engineering	Vanderbilt University, USA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Board	Special Integrated Logistics Zone Company (SILZ)	Limited liability company (inside KSA)	Logistics
Chairman of the Board, Chairman of the Executive Committee	United International Transportation Co. (Budget Saudi)	Public joint stock company (inside KSA)	Transport
Chairman of the Audit Committee	Royal Commission for Jubail and Yanbu	Royal commission (inside KSA)	Industrial
Vice-Chairman of the Board, Chairman of the Investment Committee	Awqaf Investment Company	Closed joint stock company (inside KSA)	Investment
Vice-Chairman of the Board, Investment Committee Member	Arab Mining Company	Closed joint stock company (outside KSA)	Mining
Board Member	Arab Mining Company - Fujairah	Limited liability company (outside KSA)	Mining
Board Member	Saudi Telecom Company (STC)	Public joint stock company (inside KSA)	Telecommunications
Board Member	Saudi Export-Import Bank	Government institution (inside KSA)	Financial services
Board Member, Investment Committee Member	Hassana Investment Company	Closed joint stock company (inside KSA)	Investment
Board Member	Takamol Holding Company	Closed joint stock company (inside KSA)	Investment
Chairman of the Board	Khwarizmi Financial Company	Closed joint stock company (inside KSA)	Investment
Vice-Chairman of the Board	Riyadh Development Company	Public joint stock company (inside KSA)	Real Estate
Investment Committee Member	King Saud University	Government university (inside KSA)	Education
Chairman of the Board	Khazanah Financial Company	Closed joint stock company (inside KSA)	Financing

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Executive Officer	Saudi Industrial Development Fund	Government fund (inside KSA)	Financial and banking services
Investment Committee Member	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Board Member	Taiba Valley Company	Limited liability company (inside KSA)	Investment
Founding Board Member	National Infrastructure Fund	Government fund (inside KSA)	Financial and banking services
Board Member, Executive Committee Member	Samba Financial Group	Public joint stock company (inside KSA)	Financial
Board Member, Executive Committee Member, Nomination & Remuneration Committee Member	Al Ra'idah Investment Company	Closed joint stock company (inside KSA)	Investment
Chief Executive Officer	Wisayah Investment Company	Limited liability company (inside KSA)	Investment
Board Member	Montreal Group	Global forum (outside KSA)	Financial
Co-President	Long-term Investors Club	International entity (outside KSA)	Investment

Corporate Governance continued

Ms. Huda Mohammed Bin Ghoson
Board Member (non-executive)
Nomination & Remuneration Committee Member

Ms. Bin Ghoson has more than 37 years' experience in human resources, training and development, and corporate management. Her academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1986	Master's Degree	Business Administration	American University of Washington DC, USA
1980	Bachelor's Degree	English Literature	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member, and Chair of the Nomination & Remuneration Committee	Bupa Arabia for Cooperative Insurance Company	Public joint stock company (inside KSA)	Insurance
Member of the Nomination & Remuneration Committee	Hevolution Foundation	Non-profit foundation (inside KSA)	Healthcare
Nomination & Remuneration Committee Member	Office of Initiatives and Activities	Strategic non-profit organization (inside KSA)	Non-profit
Nomination & Remuneration Committee Member	Saudi Telecom Company (STC)	Public joint stock company (inside KSA)	Telecom-munications

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Executive Director	Saudi Aramco	Closed joint stock company (inside KSA)	Energy
Board Member	General Organization for Social Insurance (GOSI)	Government organization (inside KSA)	Government
Board Member	Yanbu Aramco Sinopec Refining Company (YASREF)	Closed joint stock company (inside KSA)	Energy
Board Member	Johns Hopkins Aramco Healthcare Company (JHAH)	Closed joint stock company (inside KSA)	Healthcare
Board Member	Saudi Aramco Asia Company (SAAC)	Closed joint stock company (inside KSA)	Energy
Chairperson of the Board of Trustees	Arabian Society of Human Resources Management (ASHRM)	Non-profit organization (outside KSA)	Human resources
Board Member	Saudi Aramco Development Company (SADCO)	Closed joint stock company (inside KSA)	Energy
Board Member	Saudi Aramco Investment Management Company (SAIMCO)	Closed joint stock company (inside KSA)	Energy
Board Member	Vela International Marine Ltd.	Closed joint stock company (inside KSA)	Transportation
Board Member, Chair of the Nomination & Remuneration Committee	Credit Suisse Saudi Arabia	Public joint stock company (inside KSA)	Banks
Board Member, Member of the Executive and Nomination & Remuneration Committees	Institute of Public Administration	Government institute (inside KSA)	Education

Dr. Ammr Khaled Kurdi
Board Member (non-executive)
Risk Committee Member

Dr. Kurdi has more than 20 years' experience in the auditing, financial and corporate governance sectors. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2018	Fellowship	Management Accounting	Institute of Management Accounting, USA
2010	PhD	Philosophy in Accounting	University of North Texas, USA
2004	Master's Degree	Accounting	University of Arizona, USA
2001	Bachelor's Degree	Accounting	King Fahad University of Petroleum and Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Assistant Governor - Financial Sustainability & Risk Management	GOSI - General Organization for Social Insurance	Government organization (inside KSA)	Government
Audit Committee Member	Mohammed Bin Salman Foundation - Misk	Government organization (inside KSA	Government
Chairman of the Audit Committee	Insurance Authority	Government authority (inside KSA)	Government
Vice Chairman of the Audit Committee	Saudi Telecom Company (STC)	Public joint stock company (inside KSA)	Telecom-munications
Vice Chairman of the Audit Committee	Saudi Electricity Company	Public joint stock company (inside KSA)	Public utility
Audit and Compliance Committee Member	National Development Fund	Government entity (inside KSA)	Government
Audit Committee Member	Saudi Agricultural and Livestock Investment Company (SALIC)	Closed joint stock company (inside KSA)	Investment
Investment Committee Member	Tawuniya Insurance Company	Public joint stock company (inside KSA)	Insurance
Chairman of the Audit Committee	Jabal Al Shifa Development Company	Private company (inside KSA)	Real estate investment

Corporate Governance continued

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Financial Officer	Tawuniya Insurance Company	Public joint stock company (inside KSA)	Insurance
Chief Corporate Services Officer	Dussur – Saudi Arabian Industrial Investments Company	Closed joint stock company (inside KSA)	Industrial investment
Chief Financial Officer	Saudi Arabian Amiantit	Public joint stock company (inside KSA)	Capital goods
Professor of Accounting and Chief Internal Auditor	King Fahd University of Petroleum and Minerals	Academic institution (inside KSA)	Education
Audit Committee Member	General Authority for Military Industries	Government authority (inside KSA)	Government
Audit Committee Member	Nuclear Energy Company	Closed joint stock company (inside KSA)	Facilities development
Audit Committee Member	Saudi British Bank	Public joint stock company (inside KSA)	Banking
Audit Committee Member	Nadec – National Agricultural Development Company	Public joint stock company (inside KSA)	Food production
Member of the Audit Committee and the Governance, Risk and Compliance Committee	ACWA Power	Public joint stock company (inside KSA)	Energy
Audit Committee Member	Savola Group	Public joint stock company (inside KSA)	Agriculture Investment
Audit Committee Member	Derayah Financial	Closed joint stock company (inside KSA)	Financial
Audit Committee Member	Walaa Insurance Company	Public joint stock company (inside KSA)	Insurance
Board Member	Waseel	Closed joint stock company (inside KSA)	Technology
Board Member	Bunyan United Company	Closed joint stock company (inside KSA)	Real estate development
Audit Committee Member	King Fahd University of Petroleum and Minerals	Academic institution (inside KSA)	Education
Audit Committee Member	Saudi Authority for Industrial Cities and Technology Zones	Government authority (inside KSA)	Government
Chairman of the Audit Committee	Rabigh Arabian Water and Electricity Company	Closed joint stock company (inside KSA)	Energy
Board Member	Institute of Management Accountants (IMA)	Educational academy (outside KSA)	Management accounting regulation
Chairman of the Audit Committee	General Electric – Saudi Advanced Turbines	Closed joint stock company (inside KSA)	Energy
Audit Committee Member	Dhahran Techno Valley – DTVC	Closed joint stock company (inside KSA)	Research and Innovation
Board Member and Chairman of the Audit Committee	TAWZEA – International Water Distribution Company	Closed joint stock company (inside KSA)	Water distribution
Advisory Board Member	Saudi Energy Efficiency Center	Government entity (inside KSA)	Government
IFRS Conversion Committee Member	Saudi Authority for Auditors and Accountants	Government entity (inside KSA)	Government

Ms. Deemah Yahya AlYahya
Board Member (independent)
Risk Committee Member

Ms. AlYahya has 22 years' experience in technology and digital transformation. Her academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2004	Bachelor's Degree	Computer Science and Information Systems	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Secretary General	Digital Cooperation Organization	International organization (inside KSA)	Digital economy
Founder	WomenSpark	Non-profit organization (inside KSA)	Entrepre-neurship and Investment
Board Member	Saudi Authority for Intellectual Property (SAIP)	Government authority (inside KSA)	Government
Board Member	Saudi Federation for Cyber Security and Programming (SAFCSP)	National organization (inside KSA)	Cybersecurity
Commissioner	Broadband Commission for Sustainable Development	Non-profit organization (outside KSA)	Communication and information technology
Leader, EDISON Alliance	World Economic Forum	Non-profit international forum (outside KSA)	Economic forum

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	Saudi Company for Artificial Intelligence	Government entity (inside KSA)	AI and technology
Board Member	Riyadh Capital	Closed joint stock company (inside KSA)	Financial
Board Member	King Abdullah Institute for Research and Consulting Studies	Government entity (inside KSA)	Government
Administrative Supervisory Board Member	Global Entrepreneurship Network	Global organization (outside KSA)	Entrepreneurship
Global Future Council for Digital Economy & Society Board Member	World Economic Forum	International forum (outside KSA)	Economic
Executive Committee Member	B20 Saudi Arabia	International forum (outside KSA)	Business
Chief Innovation Officer	Mohammed Bin Salman Foundation – Misk	Charity (inside KSA)	Non-profit
CEO	National Digital Transformation Unit	Government entity (inside KSA)	Technology
Executive Vice President for Developer Experience & Digital Innovation	Microsoft	Multinational company (outside KSA)	Technology
Director of e-Services	Ministry of Foreign Affairs	Government entity (inside KSA)	Government
E-business Development Director	Saudi Exchange – Tadawul	Public joint stock company (inside KSA)	Financial
Software Engineer	Samba Financial Group	Public joint stock company (inside KSA)	Banking

Corporate Governance continued

Mr. Tareq Abdulrahman Alsadhan
Board Member (executive)

Executive Committee Member, Risk Committee Member

Mr. Alsadhan is the Chief Executive Officer of Saudi National Bank and serves as an Executive Member on the Bank's Board of Directors, the Risk Committee, and the Executive Committee. With over 27 years of extensive experience in the banking and financial services sector, Mr. Alsadhan also holds numerous board memberships and committee positions across various organizations. Below are details of Mr. Alsadhan's academic qualifications and professional expertise:

Academic Qualifications

Year	Qualification	Major	University / institution
2023	Diploma	Board of Directors	IMD
2007	Master's Degree	Executive Business Administration	National DuPont University, France
2006	Postgraduate Diploma	International Trade	University of Edinburgh, United Kingdom
2004	Fellowship	Accounting	American Institute of Certified Public Accountants (AICPA), California
2000	Fellowship	Accounting	Saudi Organization for Certified Public Accountants (SOCPA), Saudi Arabia
1997	Bachelor's Degree	Administrative Sciences with a specialization in Accounting	King Saud University, Saudi Arabia

Current Positions and Memberships

Job title	Name	Legal form	Sector
Audit and Compliance Committee Member	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Audit Committee Member	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Board of Trustees Member and Chairman of the Audit Committee	The Financial Academy	Government authority (inside KSA)	Non-profit
Board of Trustees Member, Executive Committee Member, and Investment Committee Member	King Salman Center for Disability Research	Charity organization (inside KSA)	Non-profit
Board Member	Taalum Organization	Charity organization (inside KSA)	Non-profit
Board Member	Osus Real Estate Company	Limited liability company (inside KSA)	Real estate

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Executive Officer	Riyad Bank	Public joint stock company (inside KSA)	Banking
Advisor to the Chairman of the Board of Directors	Saudi Development Fund	Governmental institution (inside KSA)	Government
Acting Director General	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Deputy Governor for Supervision	Saudi Arabian Monetary Authority (SAMA)	Governmental institution (inside KSA)	Government
CEO and Chairman of the Advisory Business Committee	KPMG Saudi Arabia	Private Sector (inside KSA)	Consulting and auditing
Board Member, Nomination & Remuneration Committee Member, Executive Committee Member	National Life & General Insurance Company	Public joint stock company (inside KSA)	Insurance
Member of the Advisory Board of Directors	MasterCard - Middle East	Private sector (inside KSA)	Financial services
Board Member	Riyad Capital	Closed joint stock company (inside KSA)	Banking
Board Member	Hana Company	Closed joint stock company (inside KSA)	Industrial
Vice Chairman of the Board, Chairman of the Nominations & Remuneration Committee, Chairman of the Audit Committee	Zahrat Al Waha for Trading Company	Public joint stock company (inside KSA)	Capital goods
Member of the Supervisory Board	World Economic Forum	Non-profit international forum (outside KSA)	Economic
Board Member	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Member of the Global Executive Committee	KPMG International	Multinational company (outside KSA)	Consulting and auditing
Board Member	Saudi Organization for Certified Public Accountants (SOCPA)	Government authority (inside KSA)	Government
Member of the Advisory Committee	Prince Sultan Fund for Women's Development	Non-profit organization (inside KSA)	Non-profit
Chairman of the Committee	National Committee for Young Entrepreneurs	Non-profit organization (inside KSA)	Non-profit
Board Member	KPMG Saudi Arabia	Private sector (inside KSA)	Consulting and auditing

Board Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	16 Jan	5 May	28 Aug	23 Oct	14 Nov	15 Nov
Mr. Saeed Mohammed AlGhamdi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Yazeed Abdulrahman AlHumied	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Abdullah Abdulrahman AlRowais	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ziad Mohammed AlTunisi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Faisal Omar AlSaggaf	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Rashed Ibrahim Sharif	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ibrahim Saad AlMojel	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Huda Mohammed Bin Ghoson	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ammr Khaled Kurdi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Deemah Yahya AlYahya	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Tareq Abdulrahman Alsadhan	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended

Corporate Governance continued

Board Members' Remuneration in 2025

The Bank's Board of Directors prepared the annual remuneration policy for Board Members and Board Committees and this policy was approved by the General Assembly. The policy aims to set criteria for determining the remuneration of Board Members and its Committees, as well as entitlement conditions.

Remuneration paid to Board members and Board Committees is determined in accordance with instructions issued by the supervisory bodies and is governed by Key Principles of Governance in Financial Institutions under the Control and Supervision of the Saudi Central Bank and Remuneration for Members of Boards of Directors of Financial Institutions issued by the Saudi Central Bank, Corporate Governance Regulations and the Implementing Regulation of the Companies Law for publicly listed joint stock companies issued by the Capital Market Authority (CMA), Companies' Law, and the Bank's bylaws.

The table below shows the remuneration and compensation of Board members for membership in the Board and its committees for the 2025 fiscal year, without any substantial deviation from applicable laws and regulations:

	⃁															
	Fixed Remuneration							Variable Remuneration								
Board Members	Fixed amount for the Board and committee memberships	Board meeting attendance allowance	Total allowance for attendance of committee meetings	In-kind benefits	Compensation of technical, administrative and consultative works	Compensation of Board Chairman, Managing Director or Secretary if they are members	Total	Profit share	Periodic bonus	Short term motivational plans	Long term motivational plans	Bonus shares	Total	End of service benefits	Expense allowance	Aggregate total
I. Independent Members																
Mr. Abdullah Abdulrahman AlRowais	1,350,000	–	–	–	–	–	1,350,000	–	–	–	–	–	–	–	–	1,350,000
Mr. Ziad Mohammed AlTunisi	1,600,000	–	–	–	–	–	1,600,000	–	–	–	–	–	–	–	–	1,600,000
Mr. Faisal Omar AlSaggaf	1,665,754	–	–	–	–	–	1,665,754	–	–	–	–	–	–	–	–	1,665,754
Ms. Deemah Yahya AlYahya	1,200,000	–	–	–	–	–	1,200,000	–	–	–	–	–	–	–	–	1,200,000
Total	**5,815,754**	**–**	**–**	**–**	**–**	**–**	**5,815,754**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,815,754**
II. Non-executive Members																
Mr. Saeed Mohammed AlGhamdi	1,350,000	–	–	–	–	6,000,000	7,350,000	–	–	–	–	–	–	–	–	7,350,000
Mr. Yazeed Abdulrahman AlHumied	1,200,000	–	–	–	–	–	1,200,000	–	–	–	–	–	–	–	–	1,200,000
Mr. Rashed Ibrahim Sharif	1,200,000	–	–	–	–	–	1,200,000	–	–	–	–	–	–	–	–	1,200,000
Dr. Ibrahim Saad AlMojel	1,250,000	–	–	–	–	–	1,250,000	–	–	–	–	–	–	–	–	1,250,000
Ms. Huda Mohammed Bin Ghoson	1,200,000	–	–	–	–	–	1,200,000	–	–	–	–	–	–	–	–	1,200,000
Dr. Ammr Khaled Kurdi	1,200,000	–	–	–	–	–	1,200,000	–	–	–	–	–	–	–	–	1,200,000
Total	**7,400,000**	**–**	**–**	**–**	**–**	**6,000,000**	**13,400,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13,400,000**
III. Executive Members																
Mr. Tareq Abdulrahman Alsadhan	1,550,000	–	–	–	–	–	1,550,000	–	–	–	–	–	–	–	–	1,550,000
Total	**1,550,000**	**–**	**–**	**–**	**–**	**–**	**1,550,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,550,000**

Waiver of Compensation by Board of Directors and Senior Executives in 2025

The Bank has no information about any arrangements or agreements related to the waiver of any remuneration, bonuses or compensation by any of its Board members or senior executives.

Ownership of SNB Shares by Board Members and their Relatives

The following table provides a detailed description of the ownership of SNB shares by Board Members and their relatives:

Name of the person to whom the interest is attributed	Number of shares at the start of the year (1 January 2025)	Number of shares at the end of the year (31 December 2025)	Net change	Net change %
Mr. Saeed Mohammed AlGhamdi	1,596,522	1,596,522	0	0%
Mr. Yazeed Abdulrahman AlHumied	0	0	0	0%
Mr. Abdullah Abdulrahman AlRowais	8,161	8,161	0	0%
Mr. Ziad Mohammed AlTunisi	0	0	0	0%
Mr. Faisal Omar AlSaggaf	75,000	75,000	0	0%
Mr. Rashed Ibrahim Sharif	108,675	108,675	0	0%
Dr. Ibrahim Saad AlMojel	27,709	27,709	0	0%
Ms. Huda Mohammed Bin Ghoson	2,300	2,067	-233	-11.27%
Dr. Ammr Khaled Kurdi	10,418	10,418	0	0%
Ms. Deemah Yahya AlYahya	319,354	327,773	8,419	2.64%
Mr. Tareq Abdulrahman Alsadhan	10,000	123,000	113,000	1,130%

Performance Evaluation of the Board of Directors and Board Committees

Based on best governance practice, the Board evaluates its performance. This year, the Board's Nomination and Remuneration Committee recommended that the evaluation to be conducted by an independent third party, DHR Global, which assessed the performance of the Board and its committees.

Training Programs for the Members of the Board of Directors and the Board Committees

The Bank pays adequate attention to the training and preparation of Board members and continually develops the members' skills and knowledge in the fields related to the activities of the Bank. The Bank will maintain these programs in the future to continuously enhance the Board's expertise and capabilities.

Measures Taken by the Board to Inform its Members of Shareholder Proposals and their Observations Regarding the Bank and its Performance

Saudi National Bank notes any proposals received from shareholders during the General Assembly meeting and records them in the minutes of the meeting. The Chairman of the Board is notified if any other shareholder proposals are received, so that these may be presented during the next Board meeting.

In addition, the Shareholder Affairs Department has an email address (shareholdersaffairs@alahli.com), a direct telephone line (+966 11 811 1222), and a postal address to receive shareholders' comments and suggestions. These channels are directly linked to the Board Secretary so that the Board can review the shareholders' suggestions and comments.

Confirmations by the Board of Directors

The Board of Directors confirms the following:

- The accounting records have been prepared correctly.
- The Internal Control System was developed and implemented effectively.
- There is no doubt about the Bank's ability to continue its operations.
- There is no contract to which the Bank is a party in which any of the Chairman, Board members, senior executives, or any person directly related to them, has a material interest, except as disclosed under Related Party Transactions.

Corporate Governance continued

C. Corporate Governance Overview

In general, Saudi National Bank operates in compliance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority, the main principles of governance in financial institutions issued by the Saudi Central Bank, and the instructions issued by it. The Bank is committed to complying with all governance regulations and updates, and revises relevant policies and procedures as regulatory updates are issued. The Board of Directors has approved the Bank's governance framework, in addition to creating and updating policies complementing the framework. These are approved by the General Assembly and the Board of Directors, each according to its powers, in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority.

The Bank confirms that reviews of the general framework of the Bank's governance are ongoing in accordance with the highest professional standards and best practices to keep abreast of any developments that may arise to ensure that the Bank applies effective governance in all its work.

D. Board Committees

Audit Committee

The Audit Committee consists of at least three, and up to five, members. The Committee shall meet at least four times every year – or whenever required by invitation from the Chairman, or at the request of a member of the Committee, Chairman of the Board of the Bank, senior management, or an internal or external auditor. The Committee quorum shall be complete if a meeting is attended by a majority of its members.

The decisions and discussions of the Committee must be recorded in minutes to be signed by the Chairman and the Members. Recording the proceedings of meetings is the responsibility of the Committee Secretary.

Roles and Responsibilities

The key objective of the Audit Committee is to oversee and supervise the following:

Financial Reports

Analyzing the Bank's interim and annual financial statements before presenting them to the Board, and providing its opinion and recommendations to ensure their integrity, fairness and transparency, and to study any important or unusual issues that may be included in the financial reports, in addition to reviewing the accounting policies.

Internal Audit

- Examining and reviewing the Bank's internal audit systems, regulations, policies, reports, and follow up on the implementation of corrective measures for the observations contained therein.
- Recommending to the Board the appointment of the internal auditor and monitoring and supervising the performance and activities of the internal auditor and the internal audit department at the Bank; and to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.
- Evaluating the effectiveness and efficiency of internal controls, policies and procedures, the reporting mechanism and the extent of compliance with them, and provide recommendations to improve them.

External Auditors

- Recommending to the Board to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
- Reviewing the Bank's external auditor's plan and its work, and studying his report and comments on the financial statements.

Ensuring Compliance

- Reviewing the findings of the supervisory authorities' reports, and verifying that the Bank has taken the necessary measures regarding them.
- Submitting issues to the Board that the Committee deems necessary to take action on, and making its recommendations regarding the measures that must be taken.
- Verifying the Bank's compliance with the relevant laws, regulations, policies and instructions, and taking the necessary measures to improve the level of regulatory compliance at the Bank.

Committee Membership

Name	Title	Membership Class
Mr. Abdullah Abdulrahman AlRowais	Chairman	Independent
Dr. Khalid Mohammed Altaweel	Member	Independent
Dr. Abdurrahman Mohammed Albarrak	Member	Independent
Mr. Abdulaziz Sulaiman Alatiqi	Member	Independent

Non-Board Members of the Audit Committee

Dr. Khalid Mohammed Altaweel
Audit Committee Member

Dr. Altaweel has more than 40 years' experience in investment, corporate/business development, strategy and technology. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2006	Executive Master's Degree	Business Management	The University of Edinburgh, UK
1994	PhD	Computer Science	Texas A&M University, USA
1989	Master's Degree	Computer Science	King Fahd University of Petroleum and Minerals, Dhahran, KSA
1986	Bachelor's Degree	Computer Sciences and Engineering	King Fahd University of Petroleum and Minerals, Dhahran, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	Saudi Credit Bureau (SIMAH)	Closed joint stock company (inside KSA)	Financial
Board Member	Naqel Express	Closed joint stock company (inside KSA)	Logistics
Board Member	Tasheel Finance	Limited liability company (inside KSA)	Financial services
Chairman of the Board	SIMAH Rating Agency (Tasnief)	Limited liability company (inside KSA)	Credit rating

Corporate Governance continued

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Partner and Board Member	Cheeky Monkeys	Closed joint stock company (inside KSA)	Entertainment
Vice-Chairman of the Board, Chairman of the Executive Committee	Elm Company	Closed joint stock company (inside KSA)	Technology
Board Member	Saudi International Chamber of Commerce	Service institution (inside KSA)	Commercial
Vice-Chairman, Audit Committee Member	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Audit Committee Member	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Board Member	VFS Tasheel International	Closed joint stock company (inside KSA)	Investment
Director General, National Information Center	Ministry of Interior	Government ministry (inside KSA)	Government
Dean, College of Computer Science and Engineering	King Fahd University of Petroleum and Minerals	Academic institution (inside KSA)	Education
Chairman, Department of Computer Engineering	King Fahd University of Petroleum and Minerals	Academic institution (inside KSA)	Education
Partner and Board Member	LEORON Professional Development Institute	Closed joint stock company (outside KSA)	Training and Development
Partner and Board Member	Saudi Expert Company	Closed joint stock company (inside KSA)	Training and Development
Board of Trustees Member	Prince Sultan University	Academic institution (inside KSA)	Education

Dr. Abdurrahman Mohammed Albarrak
Audit Committee Member

Dr. Albarrak has more than 25 years' experience in accounting and finance, tertiary education and corporate governance. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2005	PhD	Finance	Newcastle University, UK
2001	Master's Degree	Finance	Colorado University, USA
1997	Bachelor's Degree	Accounting	King Faisal University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member, and Chairman of the Nomination and Remuneration Committee	Health Holding Company (owned by the Ministry of Health)	Closed joint stock company (inside KSA)	Government
Chairman of the Audit Committee	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Board and Audit Committee Member	Local Content & Government Procurement Authority	Government authority (inside KSA)	Government
Member of the Audit, Governance, Compliance, and Risk Committee	National Security Center	Government center (inside KSA)	Government
Board Member, and Chairman of the Audit Committee	BinDawood Holding	Public joint stock company (inside KSA)	Retail
Board Member, and Chairman of the Audit Committee	Saudi Credit Bureau (SIMAH)	Closed joint stock company (inside KSA)	Credit Information
Chairman of the Audit Committee	Elm Company	Closed joint stock company (inside KSA)	Technology
Chairman of the Board	Qarar Consultancy	Closed joint stock company (inside KSA)	Technology
Board Member	Dar Al-Amjad Real Estate Company (Almajdiah)	Closed joint stock company (inside KSA)	Real estate
Chairman of the Board	Simplified Financial Solutions Company (SIFI)	Closed joint stock company (inside KSA)	Technology
Board Member, and Chairman of the Compliance, Governance, and Risk Committees	Social Development Bank	Government bank (inside KSA)	Banking
Nomination & Remuneration Committee Member	Al Ahsa Development Authority	Government authority (inside KSA)	Government
Chairman of the Audit and Risk Committee	Badael Company	Closed joint stock company (inside KSA)	Technology
Audit Committee Member	Hevolution Foundation	Government foundation (inside KSA)	Healthcare
Audit Committee Member	Fund for Martyrs, Injured, Prisoners and Missing Persons	Government fund (inside KSA)	Government
Audit & Compliance Committee Member	The Saudi Export-Import Bank	Government financial institution (inside KSA)	Government
Member of the Compliance, Governance and Risk Committee	Saudi Authority for Data and Artificial Intelligence	Government authority (inside KSA)	Government
Board Member	Saudi Water Authority	Government authority (inside KSA)	Government
Chairman of the Advisory Board	King Faisal Specialist Hospital and Research Center	Government center (inside KSA)	Government
Board Member, Audit Committee Member	General Authority for Military Industries	Government authority (inside KSA)	Government
Member of the Compliance, Governance and Risk Committee	General Authority for Defense Development	Government authority (inside KSA)	Government
Board Member, Nomination & Remuneration Committee Member	Binladin International Holding Group	Closed joint stock company (inside KSA)	Construction
Executive Committee Chairman	National Vision Holding Company (Owned by Binladen company)	Closed joint stock company (inside KSA)	Construction
Executive Committee Member	Vision Development Holding Company, and the Endowment Supervisory Board – owned by Binladen Company	Closed joint stock company (inside KSA)	Construction
Member of the Audit and Risk Committee	Saudi Company for Artificial Intelligence	Closed joint stock company (inside KSA)	Technology
Member of the Compliance, Governance and Risk Committee	Tatweer Education Holding Company	Closed joint stock company (inside KSA)	Education
Advisory Board Member for Compliance, Governance, Risk and Business Continuity	Ministry of Municipalities and Housing	Government Ministry	Government

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Vice-Chairman of the Board	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Board Member	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Board Member	Saudi Organization for Public Accountants (SOCPA)	Government organization (inside KSA)	Financial
Faculty Member, Dean and Deputy Chairman	King Faisal University	Academic institution (inside KSA)	Education

Corporate Governance continued

Mr. Abdulaziz Sulaiman Alatiqi
Audit Committee Member

Mr. Alatiqi has more than 33 years' experience in accounting, auditing and finance. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1997	Fellowship Certificate	Accounting and Auditing	Saudi Organization for Chartered and Professional Accountants (SOCPA)
1990	Bachelor's Degree	Accounting	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
General Manager	Abdulaziz Alatiqi for Accounting & Auditing Services	Individual foundation (inside KSA)	Financial
Chairman of the Audit Committee	Al Watania Agriculture Company	Limited liability company (inside KSA)	Agriculture
Chairman of the Audit Committee	Tadawul Real Estate Company	Limited liability company (inside KSA)	Real estate
Audit Committee Member	Authority for Caring for People with Disabilities	Government authority (inside KSA)	Government
Audit Committee Member	Agriculture Development Fund	Government authority (inside KSA)	Government
Chairman of the Audit Committee	The Saudi Falcons Club	Public benefit entity (inside KSA)	Sport
Audit Committee Member	National Center for the Prevention and Control of Plant Pests and Animal Diseases (WEQAA)	Government center (inside KSA)	Research and studies
Audit Committee Member	Saudi Air Connectivity Program	Government authority (inside KSA)	Government

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Audit Committee Member (Non-Board)	Samba Financial Group	Public joint stock company (inside KSA)	Banking
Audit Committee Member	National Center for Sustainable Agriculture Research and Development (Estidama)	Government center (inside KSA)	Research and studies
Audit Committee Member (Non-Board)	Malath Cooperative Insurance Company	Public joint stock company (inside KSA)	Insurance
Audit Committee Member (Non-Board)	Abdullah Abdulaziz AlRajhi & Sons Holding Company	Closed joint stock company (inside KSA)	Investment
Audit Committee Member (Non-Board)	Astra Industrial Group (AIG)	Public joint stock company (inside KSA)	Industrials
Auditing Standards Committee Member	The Saudi Organization for Certified Public Accountants (SOCPA)	Government organization (inside KSA)	Financial
Audit Committee Member	Filling and Packing Materials Manufacturing Company FIPCO)	Public joint stock company (inside KSA)	Materials
Director, Market Supervision Dept	Capital Market Authority (CMA)	Government authority (inside KSA)	Government
Manager, Shares Dept (Investor Relationships)	Saudi Basic Industries Corporation (SABIC)	Public joint stock company (inside KSA)	Petrochemicals

Committee Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	28 Jan	11 Mar	21 Apr	29 May	2 Jun	20 Jul	19 Oct	24 Dec
Mr. Abdullah Abdulrahman AlRowais	8	8	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Khalid Mohammed Altaweel	8	8	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Abdurrahman Mohammed Albarrak	8	8	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Abdulaziz Sulaiman Alatiqi	8	8	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Committee Members' Remuneration in 2025

The Shareholders' Extraordinary General Assembly has approved the charter for the Audit Committee, members' selection rules, its duties, and remuneration of its members, in accordance with the applicable laws and regulations issued by the relevant regulatory authorities in Saudi Arabia and SNB's bylaws. The table below sets out the remuneration and compensation paid to Audit Committee members for the 2025 fiscal year:

	⃁		
Name	Fixed remuneration excluding attendance allowances	Meeting attendance allowances	Total
Mr. Abdullah Abdulrahman AlRowais	450,000	–	**450,000**
Dr. Khalid Mohammed Altaweel (Non-Board Member)	350,000	–	**350,000**
Dr. Abdurrahman Mohammed Albarrak (Non-Board Member)	350,000	–	**350,000**
Mr. Abdulaziz Sulaiman Alatiqi (Non-Board Member)	350,000	–	**350,000**
Total	1,500,000	–	**1,500,000**

Executive Committee

The Executive Committee consists at least of three, and up to five, members, currently chaired by the Chairman of the Board. The Committee holds six periodic meetings per year or whenever needed. The decisions and discussions of the Committee must be recorded in minutes to be signed by the Chairman and the members. Recording the proceedings of meetings is the responsibility of the Committee Secretary.

Roles and Responsibilities

The main objective of the Executive Committee is to oversee the Bank's operations and make quick decisions on urgent issues in the Bank's course of business. In addition, it shall make decisions on credit and debt settlement, corporate responsibility, purchases, and corrective measures within the authority conferred by the Board.

Committee Membership

Name	Title	Membership Class
Mr. Saeed Mohammed AlGhamdi	Chairman	Non-executive
Mr. Ziad Mohammed AlTunisi	Member	Independent
Mr. Faisal Omar AlSaggaf	Member	Independent
Dr. Ibrahim Saad AlMojel	Member	Non-executive
Mr. Tareq Abdulrahman Alsadhan	Member	Executive

Corporate Governance continued

Committee Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	2 Feb	2 Mar	20 May	17 Aug	12 Oct	24 Dec
Mr. Saeed Mohammed AlGhamdi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ziad Mohammed AlTunisi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Faisal Omar AlSaggaf	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ibrahim Saad AlMojel	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Tareq Abdulrahman Alsadhan	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended

Committee Members' Remuneration in 2025

The table below sets out the compensation paid to Executive Committee members for the 2025 fiscal year:

	⃁		
Name	Fixed remuneration excluding attendance allowances	Meeting attendance allowances	Total
Mr. Saeed Mohammed AlGhamdi	450,000	–	**450,000**
Mr. Ziad Mohammed AlTunisi	350,000	–	**350,000**
Mr. Faisal Omar AlSaggaf	350,000	–	**350,000**
Dr. Ibrahim Saad AlMojel	350,000	–	**350,000**
Mr. Tareq Abdulrahman Alsadhan	350,000	–	**350,000**
Total	**1,850,000**	**–**	**1,850,000**

Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of at least three non-executive Board members, including two independent members. The Chairman of the Board shall not have the right to be the Chairman of the Committee. The Group CEO and Group Chief Human Resources Officer can be invited to attend the meetings without exercising voting rights. The Committee shall convene at least twice a year. The Committee quorum shall be complete if a meeting is attended by a majority of its members.

Committee decisions and recommendations shall be made with the majority of present members' votes. In case of a tie, the Chairman shall have a casting vote. The decisions and discussions of the Committee must be minuted and signed by the Chairman and the members. Recording the proceedings of meetings is the responsibility of the Committee's Secretary.

Roles and Responsibilities

The Nomination & Remuneration Committee has responsibility for providing the recommendations to the Board in matters related nomination, remuneration and human resources, including the following roles and responsibilities:

- Provide recommendations to the Board of Directors on nominating its members and the members of the Board committees, according to the applicable policies and procedures.
- Annually ensure the independence of the independent members and the absence of any conflict of interest in case a Board member also acts as a member of the Board of Directors of another company.
- Periodically review the Compensation Policy and assess its effectiveness in the achievement of set goals.
- Ensure that the Bank's incentive program is regularly reviewed, that it does not encourage the involvement in high-risk transactions to achieve short-term profits, and is in line with the Bank's approved Risk Policy.

Committee Membership

Name	Title	Membership Class
Mr. Ziad Mohammed AlTunisi	Chairman	Independent
Mr. Yazeed Abdulrahman AlHumied	Member	Non-executive
Ms. Huda Mohammed Bin Ghoson	Member	Independent
Mr. Faisal Omar AlSaggaf *	Member	Independent

* Membership started on 13 October 2025

Committee Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	5 Jan	6 Mar	4 May	8 Jul	20 Oct	17 Dec
Mr. Ziad Mohammed AlTunisi	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Yazeed Abdulrahman AlHumied	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Huda Mohammed Bin Ghoson	6	6	0	100%	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Faisal Omar AlSaggaf *	2	2	0	100%	N/A	N/A	N/A	N/A	Attended	Attended

* Membership started on 13 October 2025

Committee Members' Remuneration in 2025

The table below sets out the compensation paid to Executive Committee members for the 2025 fiscal year:

	⃁		
Name	Fixed remuneration excluding attendance allowances	Meeting attendance allowances	Total
Mr. Ziad Mohammed AlTunisi	350,000	–	**350,000**
Mr. Yazeed Abdulrahman AlHumied	300,000	–	**300,000**
Ms. Huda Mohammed Bin Ghoson	300,000	–	**300,000**
Mr. Faisal Omar AlSaggaf *	65,754	–	**65,754**
Total	**1,015,754**	**–**	**1,015,754**

* Membership started on 13 October 2025

Risk Committee

The Risk Committee consists of at least three, and up to five, Board members, with the majority non-executive members. The Committee meets at least four times per year. The Committee quorum shall be complete if a meeting is attended by a majority of its members. The decisions and recommendations of the Committee are passed by the majority of votes of members present. In case of a tie, the Chairman shall have a casting vote.

Roles and Responsibilities

The Risk Committee is in charge of the supervision of risk management in the Bank, ensuring that the Executive Management understands significant risks to which the Bank is exposed and has comprehensive policies and processes in place to manage these risks, within the limits and areas of authority prescribed by the Board. The Committee shall review the measures adopted to ensure a sound and consistent risk profile.

Committee Membership

Name	Title	Membership Class
Mr. Faisal Omar AlSaggaf	Chairman	Independent
Mr. Rashed Ibrahim Sharif	Member	Non-executive
Dr. Ammr Khaled Kurdi	Member	Non-executive
Ms. Deemah Yahya AlYahya	Member	Independent
Mr. Tareq Abdulrahman Alsadhan	Member	Executive

Corporate Governance continued

Committee Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	22 Feb	27 Apr	26 Jun	21 Jul	20 Aug	19 Oct	16 Dec
Mr. Faisal Omar AlSaggaf	7	7	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Rashed Ibrahim Sharif	7	7	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Ammr Khaled Kurdi	7	7	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Deemah Yahya AlYahya	7	7	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Tareq Abdulrahman Alsadhan	7	7	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Committee Members' Remuneration in 2025

The table below sets out the compensation paid to Risk Committee members for the 2025 fiscal year:

	⃁		
Name	Fixed remuneration excluding attendance allowances	Meeting attendance allowances	Total
Mr. Faisal Omar AlSaggaf	350,000	–	350,000
Mr. Rashed Ibrahim Sharif	300,000	–	300,000
Dr. Ammr Khaled Kurdi	300,000	–	300,000
Ms. Deemah Yahya AlYahya	300,000	–	300,000
Mr. Tareq Abdulrahman Alsadhan	300,000	–	300,000
Total	**1,550,000**	**–**	**1,550,000**

Shariah Committee

The Shariah Committee consists of at least three, and up to five, members, with the number of independent members being not less than one-third. The Chairman of the Committee should be an independent member appointed by the Board of Directors. The Committee meets regularly, at least every three months or whenever necessary. The Committee quorum shall be complete if a meeting is attended by a majority of its members. The Committee's decisions and discussions are recorded in minutes signed by the Chairman and members of the Committee. The responsibility for recording the minutes of the Committee meetings lies with the Committee Secretary.

Roles and Responsibilities

The main objectives of the Committee include:

- Supervising the extent of compliance of Islamic banking transactions and Bank policies and procedures with the provisions and principles of Shariah. The Shariah Compliance Reports and internal Shariah audit observations should assist the Committee to identify issues requiring attention and proposing corrective measures.
- Issuing decisions on Shariah related matters to enable the Bank to comply with the provisions and principles of Shariah.
- Evaluating the compliance and internal Shariah audit work to ensure compliance with Shariah aspects. This evaluation is part of the Committee's tasks when submitting its reports related to the assessment of compliance with the provisions and principles of Shariah.
- Preparing an annual report on compliance of the Bank's Islamic banking activities with the provisions and principles of Shariah, and submitting it to the Board.

Committee Membership

Name	Title	Membership Class
Dr. Saad bin Nasser Al-Shithri	Chairman	Independent
Dr. Mohammed bin Ali Al-Qari	Member	Non-executive
Dr. Yousef bin Mohammed Al-Ghufis	Member	Independent
Dr. Nizam bin Mohammed Ya'qoubi	Member	Independent
Dr. Khalid bin Mohammed Al-Sayari	Member	Independent

Non-Board Members of the Shariah Committee

Dr. Saad bin Nasser Al-Shithri
Chairman of the Shariah Committee (independent)

Dr. Al-Shithri holds a PhD from the College of Shariah at Imam Mohammad Ibn Saud Islamic University. He has authored works in jurisprudence (Fiqh) and its principles (Usul al-Fiqh), contributed to several conferences and seminars, and is a member of a number of scientific committees.

Academic Qualifications

Year	Qualification	Major	University
1997	PhD	Usul al-Fiqh	Imam Mohammad Ibn Saud Islamic University, KSA
1993	Master's Degree	Usul al-Fiqh	Imam Mohammad Ibn Saud Islamic University, KSA
1988	Bachelor's Degree	Shariah	Imam Mohammad Ibn Saud Islamic University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Shariah Committee	SNB Capital	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Committee	Saudi Digital Bank	Joint stock company (inside KSA)	Banking
Associate Professor	College of Shariah at Imam Muhammad ibn Saud Islamic University	Government university (inside KSA)	Education
Professor	College of Law and Political Science at King Saud University	Government university (inside KSA)	Education
Advisor	Royal Court	Government entity (inside KSA)	Public sector
Member	Senior Scholars Commission and Permanent Committee for Scholarly Research and Ifta	Government entity (inside KSA)	Public sector

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Associate Professor	College of Shariah at Imam Mohammad Ibn Saud Islamic University	Government university (inside KSA)	Education
Lecturer	College of Shariah at Imam Mohammad Ibn Saud Islamic University	Government university (inside KSA)	Education
Assistant Professor	College of Shariah at Imam Mohammad Ibn Saud Islamic University	Government university (inside KSA)	Education

Dr. Mohammed bin Ali Al-Qari
Member of the Shariah Committee (non-executive)

Dr. Al-Qari holds a PhD in Economics from the University of California in the United States. He was formerly a Professor in the Department of Islamic Economics at the College of Administration and Economics, King Abdulaziz University. He is a member of the Board of Trustees and the Shariah Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), an expert at the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, and a member of several Shariah committees in financial institutions. He has contributed to multiple conferences and seminars, and has conducted research and authored works on contemporary financial transactions.

Academic Qualifications

Year	Qualification	Major	University
1984	PhD	Economics	University of California, USA
1981	Master's Degree	Economics	University of California, USA
1973	Bachelor's Degree	Economics	King AbdulAziz University, KSA

Corporate Governance continued

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Shariah Board	SNB Capital	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Abdul Latif Jameel Finance	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Bidaya Home Finance	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Saudi Finance Company	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Yanal Finance	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Amlak International Finance	Public joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Sahal Finance	Public joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	HSBC	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Alinma Investment	Joint stock company (inside KSA)	Financial services
Chairman of the Shariah Board	Saudi Real Estate Refinance Company	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)	Non-profit organization	Islamic economics
Expert	International Islamic Fiqh Academy	Non-profit organization	Islamic economics
Member of the Board of Trustees	Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)	Non-profit organization	Islamic economics
Chairman of the Shariah Board	Islamic Development Bank Group	Non-profit organization	Banking
Chairman of the Shariah Board	International Islamic Liquidity Management Corporation	Non-profit organization	Islamic economics
Chairman of the Shariah Board	International Islamic Financial Market	Non-profit organization	Islamic economics
Member of the Internal Shariah Supervision Committee	Dubai Islamic Bank	Joint stock company (inside KSA)	Banking
Member of the Internal Shariah Supervision Committee	Emirates NBD	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	Central Bank of Bahrain	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	D360 Bank	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	STC Bank	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	Alinma Tokio Marine Insurance	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Jadwa Investment	Joint stock company (inside KSA)	Financial services
External Consultant	Saudi Awwal Bank (SAB)	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	AlJazira Capital	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	AlJazira Takaful	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Real Estate Refinance Company (SRC)	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	SEDCO Capital	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Tadhamon Capital	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Nayifat Finance Company	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Sahal Finance	Joint stock company (inside KSA)	Financial services

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Shariah Committee	Saudi Investment Bank	Public joint stock company (inside KSA)	Banking
Chairman of the Shariah Committee	National Bank of Dubai	Public joint stock company (inside KSA)	Banking
Member of the Shariah Committee	Riyad Bank	Public joint stock company (inside KSA)	Banking
Member of the Shariah Committee	Bank AlJazira	Public joint stock company (inside KSA)	Banking
Member of the Shariah Committee	Arab National Bank	Public joint stock company (inside KSA)	Banking

Dr. Yousef bin Mohammed Al-Ghufis
Member of the Shariah Committee (independent)

Dr. Al-Ghufis holds a Bachelor's degree, Master's, and PhD from the College of Shariah and Fundamentals of Religion at Imam Mohammad Ibn Saud Islamic University. He was formerly a member of the Permanent Committee for Scholarly Research and Ifta, and a professor at several universities. He has conducted research in jurisprudence and its principles, contributed to various conferences and seminars, and is a member of several advisory, banking, and endowment committees. He also practices arbitration in commercial and legal aspects.

Academic Qualifications

Year	Qualification	Major	University
2003	PhD	Islamic Principles	Imam Mohammad Ibn Saud Islamic University, KSA
1997	Master's Degree	Islamic Principles	Imam Mohammad Ibn Saud Islamic University, KSA
1993	Bachelor's Degree	Shariah	Imam Mohammad Ibn Saud Islamic University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Advisor and Arbitrator	Ministry of Justice	Government entity (inside KSA)	Public sector

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Professor	College of Law, King Saud University	Government university (inside KSA)	Education
Faculty member	The High Judicial Institute	Government institute (inside KSA)	Education
Faculty member	Imam Mohammad Ibn Saud Islamic University	Government university (inside KSA)	Education
Faculty member	King Saud University	Government university (inside KSA)	Education
Member	Senior Scholars Commission and Permanent Committee for Ifta	Government commission (inside KSA)	Public sector
Member and Vice Chairman of the Shariah Committee	Al Rajhi Bank	Public joint stock company (inside KSA)	Banking
Chairman of the Shariah Committee	Sulaiman Al-Rajhi Endowment Holding Company	Holding company (inside KSA)	Endowments

Dr. Nizam bin Mohammed Ya'qoubi
Member of the Shariah Committee (independent)

Dr. Ya'qoubi holds a PhD in Islamic Studies and a Bachelor's degree in Economics and Comparative Religion from McGill University in Canada, in addition to traditional Islamic studies under scholars and sheikhs from Saudi Arabia, Bahrain, Egypt, Morocco, and India. He was a preacher in several mosques in the Kingdom of Bahrain during the 1990s and has been teaching Shariah sciences since 1976. He is a member of the Shariah supervisory board at several banks and Islamic financial institutions in the Kingdom of Bahrain, a member of AAOIFI, a member of the Islamic Rating Agency, a member of the Shariah Board of the Central Bank of Bahrain, and the Dow Jones Islamic Market Index. He has a prominent presence in many Islamic conferences and forums and has received several international awards in the field of Islamic banking. He is fluent in four languages.

Academic Qualifications

Year	Qualification	Major	University
1984	PhD	Shariah and Islamic Studies	University of Wales, UK
1983	Master's Degree	Economics and Comparative Religion	McGill University, Canada
1981	Bachelor's Degree	Arts	McGill University, Canada

Corporate Governance continued

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Shariah Committee	Central Bank of Bahrain	Government entity (outside KSA)	Public sector
Member of the Shariah Council	Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)	Non-profit organization (outside KSA)	Islamic economics
Member of the Shariah Council	International Islamic Financial Market (IIFM)	Non-profit organization (outside KSA)	Islamic economics
Member of the Shariah Committee	Bahrain Islamic Bank	Public Joint Stock Company (outside KSA)	Banking
Member of the Shariah Committee	Citi Bank (USA)	Public Joint Stock Company (outside KSA)	Banking
Member of the International Shariah Committee	HSBC	Public Joint Stock Company (outside KSA)	Banking
Member of the International Shariah Committee	Standard Chartered Bank	Public Joint Stock Company (outside KSA)	Banking
Member of the Shariah Supervisory Committee	GFH Saudi Financial Company	Public Joint Stock Company (inside KSA)	Financial services

Professional Experience

Job title	Name	Legal form	Sector
Member of the Shariah Supervisory Board	Bahrain Islamic Bank	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Abu Dhabi Islamic Bank	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Sharjah Islamic National Bank	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Al Shamil Islamic Bank	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Gulf Finance House	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Arab Banking Corporation Islamic Bank	Public joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Arab Banking Corporation Islamic Bank (London)	Closed joint stock company (outside KSA)	Banking
Member of the Shariah Supervisory Board	Investcorp – Bahrain	Closed joint stock company (outside KSA)	Investment
Member of the Shariah Supervisory Board	Takaful Company – Bahrain	Public joint stock company (outside KSA)	Insurance
Member of the Shariah Supervisory Board	Dow Jones Islamic Index	Public joint stock company (outside KSA)	Investment
Member of the Shariah Supervisory Board	Wafra Fund – New York	Public joint stock company (outside KSA)	Investment

Dr. Khalid bin Mohammed Al-Sayari
Member of the Shariah Committee (independent)

Dr. Al-Sayari is an Associate Professor of Comparative Jurisprudence at the Saudi Electronic University, a member of the Shariah Standards Committee at AAOIFI, and a member of several Shariah committees in financial institutions. He has contributed to multiple conferences and seminars, and has conducted research and authored works on contemporary financial transactions.

Academic Qualifications

Year	Qualification	Major	University
2012	PhD	Comparative Jurisprudence	Imam Mohammad Ibn Saud Islamic University, KSA
2007	Master's Degree	Comparative Jurisprudence	Imam Mohammad Ibn Saud Islamic University, KSA
2004	Bachelor's Degree	Shariah	Imam Mohammad Ibn Saud Islamic University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Associate Professor	Saudi Electronic University	Government university	Education
Member of the Shariah Board	Saudi National Bank, UAE Branch	Joint stock company (outside KSA)	Banking
Member of the Shariah Board	Ruya Local Islamic Bank	Joint stock company (outside KSA)	Banking
Member of the Shariah Board	First Abu Dhabi Bank (FAB)	Joint stock company (outside KSA)	Banking
Member of the Shariah Board	Vision Digital Bank	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	HSBC Saudi Arabia	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Tamara Finance	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Dinar Investment	Joint stock company (inside KSA)	Fintech
Member of the Shariah Board	Aseel Financial	Joint stock company (inside KSA)	Fintech
Member of the Shariah Board	D360 Bank	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	Vision Digital Bank	Joint stock company (inside KSA)	Banking
Member of the Board of Directors	Social Economics Association	Non-profit organization (inside KSA)	Non-profit sector
Member of the Board of Directors	Shariah Research Center	Academic organization (inside KSA)	Education
Member of the Shariah Board	Saudi Digital Bank	Joint stock company (inside KSA)	Banking
Member of the Shariah Board	Bidaya Home Finance	Joint stock company (inside KSA)	Financial services
Member of the Shariah Board	Kafa'a Financial Company	Joint stock company (inside KSA)	Financial services

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Senior Advisor	Bank AlBilad	Public joint stock company (inside KSA)	Banking
Advisor	Alinma Bank	Public joint stock company (inside KSA)	Banking
Secretary of Comparative Jurisprudence Department	Imam Mohammad Ibn Saud Islamic University	Government university (inside KSA)	Education

Committee Meetings in 2025

Name	Number of meetings	Attendance	Apologies	Attendance percentage	23 Jan	19 Feb	1 May	2 July	3 July	16 July	24 July	4 Sep	18 Sep	18 Sep	23 Oct	4 Dec	17 Dec 22 Dec	31 Dec
Prof. Dr. Saad bin Nasser Al-Shithri	14	14	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Mohammed bin Ali Al-Qari	14	14	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Yousef bin Mohammed Al-Ghufis	14	13	1	92%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Not attended	Attended	Attended	Attended
Dr. Nizam bin Mohammed Ya'qoubi	14	11	3	79%	Attended	Attended	Attended	Not attended	Not attended	Attended	Attended	Not attended	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Khalid bin Mohammed Al-Sayari	14	14	0	100%	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Corporate Governance continued

Committee Members' Remuneration in 2025

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Name	Fixed remuneration excluding attendance allowances	Meeting attendance allowances	Total
Prof. Dr. Saad bin Nasser Al-Shithri	800,000	–	800,000
Dr. Mohammed bin Ali Al-Qari	500,000	–	500,000
Dr. Yousef bin Mohammed Al-Ghufis	500,000	–	500,000
Dr. Nizam bin Mohammed Ya'qoubi	500,000	–	500,000
Dr. Khalid bin Mohammed Al-Sayari	500,000	–	500,000
Total	**2,800,000**	**–**	**2,800,000**

E. Executive Management

Executive Management Membership

Mr. Tareq Abdulrahman Alsadhan
Group Chief Executive Officer

Mr. Alsadhan is the Chief Executive Officer of Saudi National Bank and serves as an Executive Member on the Bank's Board of Directors, the Risk Committee, and the Executive Committee. With over 27 years of extensive experience in the banking and financial services sector, Mr. Alsadhan also holds numerous board memberships and committee positions across various organizations. Below are details of Mr. Alsadhan's academic qualifications and professional expertise:

Academic Qualifications

Year	Qualification	Major	University / institution
2023	Diploma	Board of Directors	IMD
2007	Master's Degree	Executive Business Administration	National DuPont University, France
2006	Postgraduate Diploma	International Trade	University of Edinburgh, United Kingdom
2004	Fellowship	Accounting	American Institute of Certified Public Accountants (AICPA), California
2000	Fellowship	Accounting	Saudi Organization for Certified Public Accountants (SOCPA), Saudi Arabia
1997	Bachelor's Degree	Administrative Sciences with a specialization in Accounting	King Saud University, Saudi Arabia

Current Positions and Memberships

Job title	Name	Legal form	Sector
Audit and Compliance Committee Member	Public Investment Fund (PIF)	Government fund (inside KSA)	Government
Audit Committee Member	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Board of Trustees Member and Chairman of the Audit Committee	The Financial Academy	Government authority (inside KSA)	Non-profit
Board of Trustees Member, Executive Committee Member, and Investment Committee Member	King Salman Center for Disability Research	Charity organization (inside KSA)	Non-profit
Board Member	Taalum Organization	Charity organization (inside KSA)	Non-profit
Board Member	Osus Real Estate Company	Limited liability company (inside KSA)	Real estate

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Executive Officer	Riyad Bank	Public joint stock company (inside KSA)	Banking
Advisor to the Chairman of the Board of Directors	Saudi Development Fund	Governmental institution (inside KSA)	Government
Acting Director General	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Deputy Governor for Supervision	Saudi Arabian Monetary Authority (SAMA)	Governmental institution (inside KSA)	Government
CEO and Chairman of the Advisory Business Committee	KPMG Saudi Arabia	Private Sector (inside KSA)	Consulting and auditing
Board Member, Nomination & Remuneration Committee Member, Executive Committee Member	National Life & General Insurance Company	Public joint stock company (inside KSA)	Insurance
Member of the Advisory Board of Directors	MasterCard - Middle East	Private sector (inside KSA)	Financial services
Board Member	Riyad Capital	Closed joint stock company (inside KSA)	Banking
Board Member	Hana Company	Closed joint stock company (inside KSA)	Industrial
Vice Chairman of the Board, Chairman of the Nominations & Remuneration Committee, Chairman of the Audit Committee	Zahrat Al Waha for Trading Company	Public joint stock company (inside KSA)	Capital goods
Member of the Supervisory Board	World Economic Forum	Non-profit international forum (outside KSA)	Economic
Board Member	Zakat, Tax and Customs Authority	Government authority (inside KSA)	Government
Member of the Global Executive Committee	KPMG International	Multinational company (outside KSA)	Consulting and auditing
Board Member	Saudi Organization for Certified Public Accountants (SOCPA)	Government authority (inside KSA)	Government
Member of the Advisory Committee	Prince Sultan Fund for Women's Development	Non-profit organization (inside KSA)	Non-profit
Chairman of the Committee	National Committee for Young Entrepreneurs	Non-profit organization (inside KSA)	Non-profit
Board Member	KPMG Saudi Arabia	Private sector (inside KSA)	Consulting and auditing

Corporate Governance continued

Mr. Saud Abdulaziz Bajbair
Head, Retail Business Group

Mr. Bajbair was appointed Head, Retail Business Group in 2022. He has more than 24 years of banking experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2000	Bachelor's Degree	Systems Engineering	King Fahd University of Petroleum & Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Asset and Liability Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Credit and Remedial Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Information Technology Committee	Information Security Committee	Counter Fraud Governance Committee	Customer Focus Committee
Member of the Micro, Small & Medium Enterprises Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Board Member	Arabian Shield Insurance	Closed joint stock company (inside KSA)	Insurance
Chairman of the Risk Management Committee	Arabian Shield Insurance	Closed joint stock company (inside KSA)	Insurance
Member of the Executive Committee	Arabian Shield Insurance	Closed joint stock company (inside KSA)	Insurance
Board Member	Saudi Credit Bureau (SIMAH)	Closed joint stock company (inside KSA)	Credit reporting
Member of the Executive Committee	Saudi Credit Bureau (SIMAH)	Closed joint stock company (inside KSA)	Credit reporting
Board Member	Itqan Quality for Business Solutions Company	One-person joint stock company (inside KSA)	Business solutions
Board Member	SNB Capital	Closed joint stock company (inside KSA)	Investments

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Head, Retail Network Group	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Head, Retail Strategy & Analytics, Retail Banking Dept	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Head, Branch Banking Division	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head, Consumer Finance Division	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head, Real Estate & Personal Finance Division	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head, Quality and Customer Care Dept	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head, Performance Development Unit	National Commercial Bank	Public joint stock company (inside KSA)	Banking

Mr. Nasser Sulaiman Al Fraih
Head, Corporate Business Group

Mr. Al Fraih was appointed Head, Corporate Business Group in 2024. He has more than 19 years of banking and financial experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2016	Certificate	Advanced Management Program	Harvard Business School, USA
2005	Master's Degree	Engineering Management	The George Washington University, USA
2003	Bachelor's Degree	Business Information Technology	Virginia Tech, USA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Credit and Remedial Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Asset and Liability Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the MSME Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Board Risk Committee	SNB Capital	Closed joint stock company (inside KSA)	Financial services

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Head, Institutional and International	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Board Member (non-executive)	Samba Bank Limited	Public joint stock company (outside KSA)	Banking
Head of Treasury Sales	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head, Treasury Corporate Sales	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Treasury Sales, Central and Eastern Region	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Manager, Treasury Sales	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Officer, Derivatives and Structured Products Sales	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Project Manager / Sr. Specialist Global Corporate Comms.	Saudi Basic Industries Corporation (SABIC)	Public joint stock company (inside KSA)	Petrochemicals
Business Development, SADAD	Under Saudi Central Bank (SAMA)	Government entity (inside KSA)	Government

Corporate Governance continued

Mr. Fawaz Abdullah Al Thumairi
Head, Treasury Business Group

Mr. Al Thumairi was appointed Head, Treasury Business Group in 2022. He has more than 19 years of banking experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2008	Bachelor's Degree	Management Information Systems	King Fahd University of Petroleum & Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Asset and Liability Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Chairman of the Board	Türkiye Finans Katılım Bankası	Closed joint stock company (outside KSA)	Banking
Chairman of the Compensation and Corporate Governance Committee	Türkiye Finans Katılım Bankası	Closed joint stock company (outside KSA)	Banking

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Head, Global Transaction Banking	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Head of Principal Strategies	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Trading	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Derivatives Trading	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Derivatives and FX Trader	SAMBA Financial Group	Public joint stock company (inside KSA)	Banking

Mr. Hussein Hassan Eid
Group Chief Financial Officer

Mr. Eid was appointed Group Chief Financial Officer in 2025. He has more than 17 years' experience in finance and accounting. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2012	Fellowship	Financial Accounting	American Institute of Certified Public Accountants (AICPA), USA
2010	Diploma IFRS	Accounting	Association of Chartered Certified Accountants (ACCA), UK
2008	Fellowship	Management Accounting	Institute of Certified Management Accountants (IMA), USA
2008	Master's Degree	Accounting	King Abdulaziz University, KSA
2005	Bachelor's Degree	Accounting	King Fahd University Of Petroleum & Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Audit Committee	SNB Capital	Closed joint stock company (inside KSA)	Financial services
Board Member	Sela International	Closed joint stock company (outside KSA)	Sports marketing and events
Audit Committee Member	Alahli FC Company	Closed joint stock company (PIF subsidiary)	Sports
Audit Committee Member	SISCO Holding	Public joint stock company (inside KSA)	Diversified investments

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Financial Officer	Sela Company Limited	Closed joint stock company (inside KSA)	Sports marketing and events
Deputy Group CFO, and CFO, Wholesale	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Financial Accounting & Control	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Treasury Financial Control & Middle Office	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Financial Controller - Consumer Finance, Mortgage & Auto Lease	National Commercial Bank	Public joint stock company (inside KSA)	Banking

Mr. Waleed Hassan Abdulshakoor
Group Chief Legal Officer

Mr. Abdulshakoor was appointed Group Chief Legal Counsel in 2009. He has more than 35 years' experience in the field of advocacy and legal consultation. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2013	Certified Arbitrator	Law / Arbitration	Commercial Arbitration Center of the Gulf Cooperation Council countries
2007	Member of the Arab Lawyers Union	Law	Arab Lawyers Union
2006	Certified Lawyer	Law	Ministry of Justice, KSA
1989	Bachelor's Degree	Law	King Abdulaziz University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of The International Parliament	International Parliament	International Parliament (outside KSA)	International
Member of the Shura Council	The Shura Council	Government (inside KSA)	Government
Member of The Parliamentary Friendship Committee (United Arab Emirates, Bahrain, Kuwait, Oman, Qatar, Yemen, China, South Korea, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan)	The Shura Council	Government (inside KSA)	Government
Member of the Hajj and Housing Committee	The Shura Council	Government (inside KSA)	Government
Chairman of the Purchasing Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Chairman of the Employee Grievances Study and Dismissal Support Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Compliance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
General Manager	Real Estate Development Company for Management and Ownership	Limited liability company (inside KSA)	Real estate

Corporate Governance continued

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Member of The Executive Social Responsibility Committee	Ministry of Human Resources and Social Development	Government department (inside KSA)	Government
Member of The National Social Responsibility Committee	Ministry of Human Resources and Social Development	Government department (inside KSA)	Government
Head, Litigation Department	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Legal Advisor	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Legal Researcher	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Board Member	Arab Financial Services Company	Closed joint stock company (Kingdom of Bahrain)	Financial services
Member of the Audit Committee	Arab Financial Services Company	Closed joint stock company (Kingdom of Bahrain)	Financial services
Board Member	Al-Behar Real Estate Investment Company	Limited liability company (inside KSA)	Property
Board Member	The Commercial Real Estate Markets Company Ltd.	Limited liability company (inside KSA)	Property

Mr. Saleh Mohammed Saleh
Head, Group Shared Services (GCOO)

Mr. Saleh was appointed Head, Group Shared Services (GCOO) in 2023. He has more than 28 years of IT and engineering experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2024	Building Digital Ecosystem Program	Business Digital Management	IMD, Switzerland
2016	Advanced Management Program	Business Management	Harvard Business School, USA
2015	Finance for Non-Financial Executives	Finance	Stanford Business School, USA
2014	Strategies and Leadership for Executives Program	Project Management	Harvard Business School, USA
2007	Project Manager Professional	Project Management	Project Management Institute, USA
2006	Master's Degree	Business Administration	University of Phoenix, USA
1996	Bachelor's Degree	Computer Engineering	King Fahd University of Petroleum & Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Board Member	Saudi Finance Leasing Contracts Registry Co.	Closed joint stock company (inside KSA)	Financial
Board Member	Itqan Quality for Business Solutions Company	Limited liability company (inside KSA)	Recruitment services
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Compliance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Business Continuity Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Operational Risk Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Technology Officer	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Chief Technology Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Chief Information Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of IT Projects Program Management Office	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Quality Improvement Manager	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Information Technology	ELAF Group	Closed joint stock company (inside KSA)	Travel and hospitality
Member	Project Management E-Business Group	-	E-business
Member	Project Management Arabian Gulf Chapter	Non-profit organization (inside KSA)	Project management
Member	The Saudi Council of Engineers	Saudi Arabian entity (inside KSA)	Engineering

Mr. Fuad Abdullah Alharbi
Group Chief Compliance Officer

Mr. Alharbi was appointed Group Chief Compliance Officer in 2021. He has more than 30 years' experience in accounting, control, compliance, anti-money laundering and counter terrorist financing. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2012	Certified Compliance Officer	Compliance	Saudi Central Bank Financial Academy, KSA
2012	Compliance and Anti-Money Laundering Certification	Compliance and Anti-Money Laundering	Henley Business School, UK
2007	Certified Compliance Officer	Compliance	American Academy of Financial Management, USA
2006	Fellow Rank	Banking	The Arab Academy for Banking and Financial Services
1993	Bachelor's Degree	Accounting	King Saud University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Compliance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Data Management & Governance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Information Security Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Anti-Fraud Governance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Business Continuity Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Information Technology Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking

Corporate Governance continued

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Compliance Officer	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Vice President, Head Sector Compliance, Retail and Corporate	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Manager, SAMA Relations	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Compliance Officer, Western Region	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Manager, Compliance	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Manager, Accounting Policy and Procedures	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Financial Analyst	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Head of Accounting	Taiba Real Estate Investment and Development Company	Public joint stock company (inside KSA)	Investment

Mr. Abdulaziz Fahed Al Fayez
Group Chief Risk Officer

Mr. Al Fayez was appointed Group Chief Risk Officer in 2023. He has more than 30 years' experience in risk management, financial services and engineering. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
1999	Master's Degree	Finance	Imperial College Business School, UK
1994	Bachelor's Degree	Civil Engineering	Imperial College London, UK

Current Positions and Memberships

Job title	Name	Legal form	Sector
Chairman of the Operational Risk Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Chairman of the Counter Fraud Governance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Asset and Liability Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Credit and Remedial Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Information Technology Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Information Security Committee	Saudi National Bank	Public joint stock company (KSA)	Banking
Member of the Micro, Small & Medium Enterprises Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Business Continuity Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Data Management & Governance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Compliance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Chief Risk Officers Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Senior Executive, Risk Group	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Head of Global Corporates, Wholesale Banking	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Country Head, Corporate Banking	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Country Head, Financial Restructuring & Remedial	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Regional Head, Western Region, Institutional Banking	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Corporate Banker, Western Region, Corporate Banking	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Corporate Banker, Western Region, SME	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Economist, Economics & Research Dept	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Financial Analyst, Economics & Research Dept	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Civil Engineer, Northern Area Projects Design & Construction	Saudi Aramco	Public joint stock company (inside KSA)	Energy

Mr. Hasan Faisal Hammad
Group Chief Human Resources Officer

Mr. Hammad was appointed Group Chief Human Resources Officer in 2023. He has more than 21 years of banking experience in Corporate Banking and Human Resources. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2012	Master's Degree	Business Administration - Executive MBA	King Fahd University of Petroleum & Minerals, KSA
2003	Bachelor's Degree	Management	King Fahd University of Petroleum & Minerals, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Nomination & Remuneration Committee	SNB Capital	Closed joint stock company (inside KSA)	Financial services
Member of the Higher Management Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Business Continuity Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Staff Grievances Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking

Previous Positions and Memberships

Job title	Name	Legal form	Sector
EVP – Head, Performance and Reward	Saudi National Bank	Public joint stock company (inside KSA)	Banking
SVP – Head, Human Resources Business Partnership	National Commercial Bank	Public joint stock company (inside KSA)	Banking
SVP – Head, Business Banking	National Commercial Bank	Public joint stock company (inside KSA)	Banking
VP – Senior Corporate Banker	National Commercial Bank	Public joint stock company (inside KSA)	Banking
AVP – Corporate Banker	National Commercial Bank	Public joint stock company (inside KSA)	Banking

Corporate Governance continued

Mr. Ali Mushabbab Alqahtani
Group Chief Audit Officer

Mr. Alqahtani was appointed Group Chief Audit Officer in 2024. He has more than 20 years of banking experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2023	Certificate	Executive Leadership	Wharton Business School, Pennsylvania, USA
2019	Certificate	Certified Internal Auditor	Institute of Internal Auditors
2018	Certificate	Certified Fraud Examiner	Association of Certified Fraud Examiners
2018	Certificate	Certified Information System Auditor	ISACA, USA
2016	Master's Degree	Business Administration and Management	Al Yamama University, KSA
2013	Bachelor's Degree	Business Administration	King Abdulaziz University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Management Compliance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Member of the Counter-Fraud Governance Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Secretary of the Audit Committee	Saudi National Bank	Public joint stock company (inside KSA)	Banking

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Head, Wholesale Audit	Saudi National Bank	Public joint stock company (inside KSA)	Banking
Head, Corporate Banking Audit	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Audit Manager, Internal Audit Dept	Saudi Hollandi Bank	Public joint stock company (inside KSA)	Banking
Corporate Banking Assistant	Emirates NBD	Public joint stock company (outside KSA)	Banking

Mr. Mazen Mohammed Khalefah
Acting Head, Group Strategy and Innovation

Mr. Khalefah was appointed Head, Group Strategy and Innovation in 2025. He has more than 21 years of banking experience. His academic qualifications, current and past positions are as follows:

Academic Qualifications

Year	Qualification	Major	University / institution
2024	Diploma	Board of Directors	IMD
2023	Certifcate	Leading Digital Business Transformation	IMD
2019	Certifcate	Executive Leadership	INEASD
2018	Certificate	Management of Central Banks	Federal Reserve Bank of New York
2004	Bachelor's Degree	Engineering	King Abdulaziz University, KSA

Current Positions and Memberships

Job title	Name	Legal form	Sector
Member of the Nomination & Remuneration Committee	General Authority for Competition	Government authority (inside KSA)	Government

Previous Positions and Memberships

Job title	Name	Legal form	Sector
Chief Human Capital Officer	Riyad Bank	Public joint stock company (inside KSA)	Banking
Human Resources General Manager	SAMA	Governmental institution (inside KSA)	Public
Head of Learning & Talent	SABB	Public joint stock company (inside KSA)	Banking
Senior Manager, Talent & Resourcing	SABB	Public joint stock company (inside KSA)	Banking
Head, Talent Acquisition & People Development	Bank Albilad	Public joint stock company (inside KSA)	Banking
Regional HR Manager	Bank Albilad	Public joint stock company (inside KSA)	Banking
Head, Training Relationship Management	National Commercial Bank	Public joint stock company (inside KSA)	Banking
Senior Advisor to the Governor	SAMA	Public joint stock company (inside KSA)	Government
Chairman of the Board	Esnad AlRiyadh Company	Limited liability company (inside KSA)	Human Resources Services
Board Member	Jeel Digital Company	Closed joint stock company (inside KSA)	Banking
Member of the Nomination & Remuneration Committee	Riyad Capital	Closed joint stock company (inside KSA)	Banking
Chairman and Founding Member	Saudi Banking HR Committee	(inside KSA)	Banking

Corporate Governance continued

Senior Executives' Remuneration in 2025

The Board of Directors, based on the proposal of the Nomination & Remuneration Committee, determines the remuneration of senior executives, in line with the Bank's strategic objectives and is effective in motivating senior management to achieve those objectives. The following table details the remuneration in 2025 of the top five senior executives, including the Group Chief Executive Officer and the position of Group Chief Financial Officer:

⃁ '000												
Fixed remuneration				Variable remuneration								
Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Shares granted	Total	End-of-service award	Total Senior Executive Remuneration for the Board and Committees Membership (Committees)	Aggregate amount
11,792	6,151	193	**18,136**	-	954	18,562	-	7,251	**26,768**	1,077	1,550	**47,530**

* Amounts for the Chief Financial Officer role are based on the previous, acting and current CFOs.

Ownership of SNB Shares by Senior Executives and their Relatives

The following table provides a detailed description of the ownership of SNB shares by Senior Executives and their relatives:

Name of the person to whom the interest is attributed	Title	Number of shares at the start of the year (1 January 2025)	Number of shares at the end of the year (31 December 2025)	Net change	Change %
Mr. Tareq Abdulrahman Alsadhan	Group Chief Executive Officer	10,000	123,000	113,000	1,130.00%
Mr. Nasser Sulaiman Al Fraih	Head, Corporate Business Group	319,761	377,161	57,400	17.95%
Mr. Saud Abdulaziz Bajbair	Head, Retail Business Group	275,782	327,318	51,536	18.69%
Mr. Fawaz Abdullah Al Thumairi	Head, Treasury Business Group	504,874	583,416	78,542	15.56%
Mr. Hussein Hassan Eid *	Group Chief Financial Officer	N/A	25,804	N/A	N/A
Mr. Mazen Mohammed Khalefah **	Acting Head, Group Strategy and Innovation	N/A	4,391	N/A	N/A
Mr. Saleh Mohammed Saleh	Head, Group Shared Services	208,086	267,670	59,584	28.63%
Mr. Hasan Faisal Hammad	Group Chief Human Resources Officer	25,355	44,645	19,290	76.08%
Mr. Waleed Hassan Abdulshakoor	Group Chief Legal Officer	370,607	448,519	77,912	21.02%
Mr. Abdulaziz Fahed Al Fayez	Group Chief Risk Officer	298,809	352,976	54,167	18.13%
Mr. Fuad Abdullah Alharbi	Group Chief Compliance Officer	60,986	84,126	23,140	37.94%
Mr. Ali Mushabbab Alqahtani	Group Chief Audit Officer	13,682	20,328	6,646	48.57%

* Appointed May 2025 ** Appointed April 2025

F. Related Party Transactions

In 2025, the Board of Directors issued a number of decisions approving business and contracts with related parties. The Board also recommended that the General Assembly authorize business and contracts with related parties in which Board members have an interest. These transactions followed the Bank's internal policies related to conflicts of interest, which align with regulatory instructions, and were conducted within the Bank's normal course of activity.

The following table details the transactions approved by the Board of Directors during 2025:

Sl. #	Name of the company providing service	Related party	Service provided	Period	Contract value (⃁)
1	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	After-sales services for leasing finance product for 2025	12 months	7,700,000
2	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Administrative business services and document extraction	12 months	425,712
3	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Operations service for non-SAMA requirements for 2025	12 months	10,011,381
4	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Call center service for 2025	12 months	64,108,560
5	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Collection services for Retail Banking	16 months	55,573,263
6	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Re-evaluation service for real estate finance properties	15 months	22,992,000
7	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Outsourcing service for all operations functions	16 months	285,512,340
8	Itqan Quality for Business Solutions Company	Subsidiary of the Bank	Manpower outsourcing service for 2025	12 months	396,321,141.40
9	Elm Company	Public Investment Fund (PIF)	Digital identity verification service via Absher platform	12 months	35,000
10	Elm Company	Public Investment Fund (PIF)	Subscription to Najiz Center for Judicial Services	12 months	12,173,913
11	Elm Company	Public Investment Fund (PIF)	Customer passport inquiry service	12 months	200,000
12	Elm Company	Public Investment Fund (PIF)	Providing services for 2025 and paying outstanding invoices for 2023-2024	12 months	161,717,610
13	Elm Company	Public Investment Fund (PIF)	Yakeen service subscription for real estate finance portfolio	12 months	356,178.00
14	King Abdullah Financial District (KAFD)	Public Investment Fund (PIF)	Electricity service invoices for SNB Tower in Riyadh (Sept 2023 - March 2024)	7 months	2,448,180
15	King Abdullah Financial District (KAFD)	Public Investment Fund (PIF)	Electricity and water service for SNB Tower in Riyadh (April 2024 - Dec 2025)	21 months	9,259,621
16	King Abdullah Financial District (KAFD)	Public Investment Fund (PIF)	Leasing parking spaces in King Abdullah Financial District	99 years	400,000,000
17	Al-Ghad Financial Company	Subsidiary of the Bank	Purchase of new Point of Sale (POS) terminals	N/A	22,275,000
18	Al-Ghad Financial Company	Subsidiary of the Bank	Purchase of new Point of Sale (POS) terminals	N/A	38,640,000
19	Al-Ghad Financial Company	Subsidiary of the Bank	Purchase of new Point of Sale (POS) terminals	N/A	71,000,000
20	Saudi Exchange	Public Investment Fund (PIF)	Listing services fees for SNB on the Main Market and issuer information for 2025	12 months	2,000,000
21	Securities Depository Center Company (Edaa)	Public Investment Fund (PIF)	Registration service for SNB private Sukuk issuances	12 months	150,000

Corporate Governance continued

Sl. #	Name of the company providing service	Related party	Service provided	Period	Contract value (⃁)
22	Securities Depository Center Company (Edaa)	Public Investment Fund (PIF)	Custody, registration, and depository services for securities for 2025	12 months	4,500,000
23	Arabian Internet and Communications Services Company (Solutions by STC)	Public Investment Fund (PIF)	Data automation service using AI tools	36 months	7,900,000
24	Arabian Internet and Communications Services Company (Solutions by STC)	Public Investment Fund (PIF)	Short Message Service (SMS)	24 months	171,600,000
25	ROSHN Group	Public Investment Fund (PIF)	Establishing SNB sales centers in Al-Dana and Al-Manar residential complexes	12 months	600,000
26	Saudi Financial Support Services Company (Sanid)	The Bank owns 30% of the Company's shares.	Support operations for cash collection from SNB branches for 2025	12 months	6,036,900
27	Al-Hilal Club Company	Mr. Abdullah Fahad AlAbduljabbar (Chairman of SNB Capital) Public Investment Fund (PIF)	Reservation of two VIP boxes at Kingdom Arena Stadium	36 months	13,636,364
28	Saudi Investment Recycling Company (SIRC)	Public Investment Fund (PIF)	Deployment of recycling machines at high-traffic Bank sites	12 months	738,391.31
29	Thiqah Business Services	Public Investment Fund (PIF)	Wathiq service	12 months	12,522,968.00
30	Lucid Company	Public Investment Fund (PIF)	Prizes for credit card sales campaign	N/A	755,198.00
31	Main Event Company	Public Investment Fund (PIF)	Riyadh Season for 2025/2026	6 months	8,000,000.00

The following table details contracts with related parties issued by the Board of Directors in 2025, in which Board Members or Senior Executives had a direct or indirect interest:

Sl. #	Name of the company providing service	Related party	Service provided	Period	Contract value (⃁)
1	Saudi Credit Bureau (SIMAH)	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking) Mr. Mohammed Al-Sheikh (SNB Capital Board Member)	Two-year renewal of "P360" agreement with SNB	24 Months	16,002,000
2	Saudi Credit Bureau (SIMAH)	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking) Mr. Mohammed Al-Sheikh (SNB Capital Board Member)	Manual update service for retail banking customers for 2025	12 Months	1,554,400
3	Saudi Credit Bureau (SIMAH)	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking) Mr. Mohammed Al-Sheikh (SNB Capital Board Member)	Inquiry service	2 Weeks	3,482,500
4	Saudi Credit Bureau (SIMAH)	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking) Mr. Mohammed Al-Sheikh (SNB Capital Board Member)	Subscription to wage certificate service	12 Months	13,354,420
5	Saudi Telecom Company (STC)	Mr. Yazeed Abdulrahman AlHumied Dr. Ibrahim Saad Almojel	Upgrade of ISP links - Phase 1 (22 branches)	12 Months	41,160
6	Saudi Telecom Company (STC)	Mr. Yazeed Abdulrahman AlHumied Dr. Ibrahim Saad Almojel	ATM site renewal agreement	60 Months	850,000
7	Bupa Arabia for Cooperate Insurance Company	Ms. Huda Mohammed Bin Ghoson	Medical insurance renewal for parents of SNB Group for 2025	12 Months	8,828,010

Sl. #	Name of the company providing service	Related party	Service provided	Period	Contract value (⃁)
8	Bupa Arabia for Cooperate Insurance Company	Ms. Huda Mohammed Bin Ghoson	Medical insurance services for SNB employees for 2026	12 Months	262,854,247
9	Arabian Shield Cooperative Insurance	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking)	Insurance policy renewal for vehicle leasing finance fleet for 2026	12 Months	1,500,000
10	Arabian Shield Cooperative Insurance	Mr. Saud Abdulaziz Bajbair (Head of Retail Banking)	Property insurance for real estate insurance portfolio for 2025	12 Months	5,000,000
11	National Security Services Company (SAFE)	Mr. Yazeed Abdulrahman AlHumied	Support operations for cash collection from Bank branches	12 Months	8,151,900
12	National Security Services Company (SAFE)	Mr. Yazeed Abdulrahman AlHumied	Supply and installation of magnetic doors	12 Months	49,875
13	Misk Foundation	Mr. Saeed Mohammed AlGhamdi	Sponsorship of Misk Global Forum 2025	2 Weeks	3,000,000
14	Misk Foundation	Mr. Saeed Mohammed AlGhamdi	Sponsorship of Misk Art Week	6 Days	3,000,000
15	Esports World Cup Foundation	Mr. Yazeed Abdulrahman AlHumied	Sponsorship of Esports World Cup 2025	8 Months	37,500,000
16	Saudi Arabian Airlines (Saudia)	Mr. Yazeed Abdulrahman AlHumied	Loyalty program - SNB AlFursan Credit Card	12 Months	150,000,000

The following table details the competitive business with the Bank or any of its branches of activity, which are or were practiced by any member of the Board of Directors or affiliated committees:

Member's name	Name of competing business	Nature of the competing activity	Member's relationship with the competing business
Dr. Ibrahim Saad Almojel	Khwarizmi Financial Company	Investment management in securities (competes with SNB Capital)	Owner and Chairman
Dr. Ibrahim Saad Almojel	Khazanah Financial Company	Micro-consumer finance (competes with NEO, a SNB subsidiary)	Chairman

G. Employees

Employee Benefits

In 2025, Saudi National Bank continued to search for, attract and retain the best Saudi talents. Through recruitment programs designed specifically to select talent, the Bank was able to achieve a Saudization rate of 99.3% by the end of 2025.

In striving to achieve one of its key strategic aspirations – to be the Employer of Choice – SNB offers a Shariah-compliant savings scheme to employees. The savings scheme gives employees an opportunity to build personal savings and is an attractive benefit that helps to retain qualified talents. A fixed 5% is deducted from the employee's basic salary to be invested by SNB's Treasury Group, with a bonus contribution from SNB linked to the number of years of subscription. The bonus ranges from 10% to 200% of the saved balance, depending on the number of years of continuous subscription. The cumulative balance in the staff savings scheme amounted to ⃁190 million by the end of 2025.

The Bank pays remuneration and benefits to employees according to Saudi Labor Laws and regulations, and the statutory requirements applicable to foreign branches and subsidiaries. The total reserve for end-of-service compensation for the Bank's employees as of 31 December 2025 amounted to ⃁1,890 million.

Staff Code of Conduct

Saudi National Bank is fully committed to developing policies and procedures that ensure employees' adherence to the Bank's official Code of Conduct that applies to dealing with customers, colleagues, and suppliers – and as representatives of the Bank as a whole. All employees must strictly adhere to the implementation of the Code of Conduct as well as the Work Ethics.

Corporate Governance continued

H. Risk Management

SNB is exposed to various risks in the normal course of business resulting from its banking activities. The Risk Group supports the Bank's different businesses by measuring, monitoring, and minimizing risks, if any, to achieve a performance/risk balance. The Risk Group ensures that all business-related risks fall within the tolerance levels of the Bank as a whole, while balancing the risk/reward targets. The main objective of the Risk Group is to maintain acceptable level of risk in line with the Bank's strategy and risk appetite. To achieve this, the Risk Group applies a number of tools to identify, assess, measure, control, and mitigate risks.

The Bank's risk management policies and frameworks also define risks, determine their target and tolerance levels, and determine the process of measuring and managing them. This includes defining the roles and responsibilities of the various stakeholders, while promoting a culture of tackling and managing risks in all the Bank's businesses.

Pursuant to the guidelines of the Saudi Central Bank and the Basel Committee, the governance framework for SNB risk management ensures the independence of the Risk Group mandates and the implementation of three main lines of defense across all businesses. The business units collaborate with the Risk Group and Internal Audit Division to effectively identify, monitor, and manage the risks that are acceptable and ways to minimize them.

The Risk Group's organizational structure handles the levels of management, functions, and delegation in managing different types of risks including credit, market, liquidity, operational, and information security. The Risk Group has developed specific policies to manage all risk types in a holistic manner at the Bank level.

Credit Risks

Credit risks refer to the risks of financial losses resulting from a borrower's or counterparty's failure to meet their contractual financial obligations. These risks represent the highest percentage of the total risks to which the Bank is exposed. These risks arise from credit originations of investments, financing, and advances. Consequently, the Bank has developed policies to manage credit risks and thus ensure all its financing and investment programs are covered. This enables the Bank to protect the quality of its credit and investment portfolios, while minimizing losses generated by financing activities.

Credit Risk Assessment

To assess and manage credit risks to different portfolios of the Bank, the Risk Group has developed a set of instruments to suit different types of customers and beneficiaries, allowing it to measure the feasibility of each transaction. The Credit Risk Assessment function assesses risks related to losses that might arise from failure to repay outstanding obligations. Credit Risk also continually carries out assessments of provision adequacy and ECL coverage for the risk portfolio. Retail credit decision-making is data driven on a portfolio level and supported by scorecards that filters individual customer profile and eligibility.

For its investment portfolio, the Bank has established portfolio limits and relies on assessments undertaken by the main external credit rating agencies and its own assessment of related risks. At the portfolio level, transaction assessments are combined so that a comprehensive assessment for the credit or investment portfolio can be established and checked against the targeted quality level.

Credit Risk Controls, Credit Limits, and Guarantees

The Credit Risk Group monitors and identifies credit risks based on the creditworthiness assessment of each relationship resulting in granting or renewing a credit limit to any customer. Credit risk management policies are designed to set credit limits appropriate to the level of risk, to monitor risks, and to determine how limits are adhered to. Actual credit limits and corresponding exposures are monitored on an ongoing basis.

Credit risk policies also require diversity in financing activities to avoid a concentration of risks with individuals or groups of customers in specific geographic locations or business sectors. To mitigate risks, the Bank usually obtains collateral for credit facilities. This may include securities, cash deposits, financial guarantees provided by other banks and financial institutions, in addition to shares, real estate and other fixed assets.

Market Risks

Market risks are the potential risks of losses due to adverse changes and fluctuations in market prices, special commission rates, creditworthiness levels, share prices, exchange rates, commodity prices, and any other changes in the fair value of financial instruments and securities held by the Bank.

To manage such risks, the Risk Group classifies market risks of trading and non-trading portfolios. The Treasury Group manages the trading portfolio, which includes positions resulting from market-making and other trading activities. It also includes managing assets and liabilities recorded at a fair value that impact the income statement of the bank. Market risk management uses the value at risk (VaR) measure to oversee all transactions included in the trading portfolios. VaR is estimated based on historical market data for a specific period at a defined confidence level. Calculating VaR depends on market price volatility inputs and the correlation between different portfolio components using related historical market data. Non-trading portfolios are managed by the Treasury Group within the DV01, duration and portfolio limits approved by the Board.

Risk policies require the Assets and Liabilities Management Committee to oversee the risks associated with volatile special commission rates arising from changes in future cash flows and fair value. The Assets and Liabilities Management Committee also works to balance assets, liabilities and special commission rate gaps and deal with hedging strategies to keep its risks within appropriate tolerance levels. In addition, the Assets and Liabilities Management Charter aims to improve the structure of the financial position to ensure that banking operations are conducted within the scope of the Bank's overall risk appetite.

Risk Group policies mandate, control, supervise and manage treasury operations in the money markets, foreign exchange, interest rates, equities and commodity products. Investment policies and procedures are intended to ensure that all activities of the Bank's Treasury Group adhere to regulations and that supervisory controls are in place to manage the associated risks.

Liquidity Risks

Liquidity risks are the risks associated with the failure to meet all payment obligations when they fall contractually due at their maturity dates or having to settle obligations at excessive costs.

Accordingly, the main function of the Bank's liquidity risk management is to maintain a balance between liquidity adequacy and profitability, while maintaining strong liquidity levels that will ultimately increase customer confidence, credit rating and optimize the cost of financing, among others. To ensure effective liquidity management, the Risk Group is tasked with monitoring all facilities, obligations, and sources of financing along with maturity gaps at various tenors. The Bank uses risk tolerance measurement programs to ensure that it can meet its contractual obligations under adverse market conditions, including long periods of asset liquidation at disadvantageous price levels.

Operational Risks

SNB defines operational risks as the risks arising from inadequacy or failure of internal procedures, individuals, or systems, or as a result of external circumstances. These risks are inherent in all commercial and non-commercial operations of the Bank and are associated with all activities of institutions operating in banking and finance. Since each business unit is responsible for its own operational risks, the main operational risk management function within the Risk Group is mandated to develop, implement, and comply with a comprehensive and integrated framework to reduce risk in all businesses across the Bank.

The operational risk management strategy includes:

- Adopting a proactive approach to reduce operational risks through self-assessment of risks and controls
- Defining and analyzing operational risk events and any losses arising from them
- Implementing programs to raise awareness of operational risks and promoting a culture of mitigating risks
- Preparing comprehensive periodic reports on operational risk controls and their effectiveness
- Developing operational risk management practices to maintain a stable work environment and contribute to achieving the Bank's strategic aspirations.

SNB continues to strengthen its counter-fraud framework and prevention measures to deliver an elevated level of protection to its customers, ensuring reduction of fraudulent activities and maintain comprehensive regulatory compliance. This underscores the importance of the bank's ongoing efforts to implement advanced fraud detection technologies and educate customers on secure transaction practices. Through these integrated efforts, the bank aims to further reduce financial losses, protect customers, and uphold trust in its digital banking ecosystem.

Corporate Governance continued

Real Estate Finance Risk

The Bank's total outstanding residential real estate finance portfolio as of 31 December 2025 was ⃁195,065 Million. The Bank has developed effective policies and procedures to ensure appropriate insurance coverage is in place to hedge against potential financial losses associated with the residential real estate portfolio for individuals. Nevertheless, risk elements that are not covered by insurance are managed in accordance with the Bank's internal risk management framework.

Below are the different types of insurance coverage the Bank uses to hedge against various risks related to residential real estate finance portfolio.:

Life Insurance:

Life insurance provides financial protection in the event of death resulting from natural or accidental causes, or from a specified cause as outlined in the insurance policy, in order to recover the outstanding financing amount from the insurance company.

Disability Insurance:

Disability insurance provides financial protection to recover the outstanding financing amount in the event the policyholder suffers total disability or becomes unable to work or engage in any income-generating activity.

Property Insurance:

Property insurance provides coverage for physical damage or loss to insured properties resulting from events such as fire, flooding, or natural disasters. In the case of Ijara, this coverage also extends to construction defects. The purpose of property insurance is to mitigate the financial impact of unforeseen or unexpected damage, ensuring the Bank can recover costs associated with such events Property insurance aims to reduce the financial impact of unexpected or sudden damages, ensuring the Bank's ability to recover costs associated with such events.

Information Security Management

The Information Security Division provides a comprehensive framework through which security operational controls are enforced. Regulatory requirements and approved procedures are implemented across the bank to protect against unauthorized access, loss, or misuse.

The Bank's Information Security Division responsibilities include leading and coordinating the following key functions: Information Security Strategy & Demand Management, Information Security governance and compliance, Information Security risk and Assurance management, data security and access management, Information Security Architecture, and the Cyber Defense Center.

These responsibilities extend to policy development, risk identification, data protection, third-party monitoring, and incident response, ensuring cybersecurity is effectively embedded across various banking operations and systems.

The Division also conducts periodic assessments to identify internal gaps and ensure readiness for regulatory requirements, while maintaining ongoing compliance with regulatory frameworks such as the Cybersecurity Framework issued by the Saudi Central Bank and the National Cybersecurity Authority, the Payment Cards Industry – Data security standards, and the SWIFT security controls.

The Division also ensures direct monitoring of digital and electronic activities and takes the necessary preventive and corrective measures to mitigate cyber risks and incidents. Controls and standards are continuously reviewed and updated to ensure the highest levels of protection for information within the bank.

The Division contributes to enhancing cooperation by supporting cybersecurity awareness, developing policies, reviewing IT designs, managing authorizations, and real-time monitoring, all within an organized and service-aligned operational model.

Notes on the Basel III Framework

The third pillar of the Basel III framework requires publication of a number of quantitative and qualitative disclosures. Such disclosures are published on the Bank's website (www.alahli.com) in accordance with the Saudi Central Bank regulations.

(a) Basel III Framework

The Basel Committee has enhanced capital measurement standards and capital standards by issuing the Basel III framework, in response to the 2007 global financial crisis, which has since been evolved. The latest Basel III reforms were introduced and implemented starting from 1 January 2023. The framework focuses on enhancing the quality and requirements of capital, enhancing risk coverage and reducing the impact of economic cyclical fluctuations on capital requirements.

The Basel III framework requires Saudi banks to back their facilities with a high-quality capital base. Tier 1 capital should consist largely of shareholders' equity, which is the most "loss-absorbing" capital. To achieve this, the framework requires adherence to the following criteria:

- Maintaining minimum levels of capital.
- Ensuring any regulatory deductions from shareholders' equity.
- Submitting a comprehensive capital adequacy plan to the Saudi Central Bank on an annual basis, at a minimum.
- Maintaining transparency about the components of regulatory capital through various bilateral and public disclosures.

I. Effectiveness of Internal Control Process

Internal Controls

Executive management has the ultimate responsibility for establishing and maintaining an adequate and effective internal control system, which necessitates abiding by policies, procedures, and processes that the executive management, under Board supervision, has put in place to ensure the achievement of its strategic objectives and to protect its assets.

SNB management has adopted an integrated internal control framework in accordance with the Saudi Central Bank guidelines. The internal controls system begins with corporate governance that defines the roles and responsibilities of the Board of Directors and its sub-committees: The Executive Committee, the Audit Committee, the Risk Committee, and the Nomination and Remuneration Committee. The management committees support the Board of Directors in monitoring and addressing key risks associated with strategy, financial performance, technology, asset and liability management, credit, operations, legal and regulatory, and information security. Rigorous and integrated efforts are made by all the Bank's businesses to enhance the efficiency and effectiveness of the control environment at process levels, through continuous reviews, consistent and integrated procedures to prevent and rectify control deficiencies within the control environment.

Each business in the Bank, under the supervision of senior executive management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by its own risk and control self-assessment process and by internal and external auditors.

The scope of the Internal Audit Group (IAG) includes the assessment of the adequacy and effectiveness of the internal control system, as well as the compliance and implementation of all applicable policies and procedures.

The Compliance Group ensures adherence to the regulatory requirements through compliance control programs. All significant and material findings from IAG reviews and corrective actions are reported to senior executive management and the Audit Committee. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated. The Board of Directors has full access to all reports of its committees, which include the annual internal audit report, in addition to all risk management reports and other relevant reports. These are reviewed regularly to provide an ongoing assessment of the effectiveness of the internal control system facilitating identification of any potential deficiency in its practical application and treating any deficiency that may arise as a result of changed circumstances.

Corporate Governance continued

Annual Review of the Effectiveness of Internal Control Procedures

The reviews conducted during the year – to ensure the effectiveness of the internal controls guidelines, and the existence of systems and procedures for the identification, evaluation, and management of the risks that may be faced by the Bank and its applications throughout the year – did not demonstrate material or significant deficiencies in the control environment. Based on this, the Bank's management considers that the existing internal control system is operating effectively, and monitored consistently. Management continuously strives to enhance and further strengthen the internal control system.

Opinion of the Audit Committee

The Bank's Executive Management is responsible for ensuring that an effective internal control system is in place, which entails compliance with all policies, procedures and processes set by the Executive management – under the supervision of the Bank's Board of Directors – to ensure the realization of its strategic objectives and protection of its assets. Based on the periodic reports presented to the Audit Committee during the fiscal year ending on 31 December 2025 by the Internal Audit Group, the Compliance Group, the Bank's external auditors, and the Compliance Committee and other stakeholders to the Audit Committee, the Audit Committee did not observe significant gaps in the control system of the Bank, taking into account that any internal control system, regardless of its effective and sound design and implementation, cannot give absolute confirmations.

J. Auditors

Auditors' Appointment and Compensation

In its meeting on 15 April 2025 the Extraordinary General Assembly of the Bank's shareholders approved the appointment of Deloitte and Touche & Co. Chartered Accountants and PricewaterhouseCoopers Public Accountants as the Bank's external auditors for the year ending 31 December 2025, following the recommendation of the Bank's Audit Committee, to examine, review and audit the financial statements for the second and third quarters and the annual financial statements for the fiscal year 2025, in addition to the first quarter of 2026, along with the determined fees.

Audit fees	2025	2024
Total	⃁27,190,239	⃁20,947,404

The above amounts include the audit fees for subsidiaries and foreign branches.

Board of Directors' Recommendations on Changing the Auditors

The Board of Directors did not recommend a change of auditors before the end of their term of appointment. There was no conflict between the Audit Committee recommendations and the Board's decisions.

External Auditors' Reservations on the Financial Statements

The Independent Auditors' Report included no reservations on the annual financial statements for the year 2025.

K. Approved International Accounting Standards

The consolidated financial statements of the Group have been prepared:

- In accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to "IFRSs that are endorsed in the Kingdom of Saudi Arabia").
- 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.

Subsidiary	Capital (⃁)	Number of issued shares	Ownership (%)	Main activity	Country of incorporation	Functional currency	Country of main activity
SNB Capital Company (SNBC)	1,500,000,000	150,000,000	100%	A Saudi closed joint stock company registered in the Kingdom of Saudi Arabia to manage the Bank's investment services and asset management activities.	KSA	Saudi Riyals	KSA
SNB Capital Dubai Inc.	9,375,000	2,500,000	100%	An exempt company with limited liability incorporated in the Cayman Islands to source, structure and invest in private equity and real estate development opportunities across emerging markets.	Cayman Islands	US Dollars	Emerging markets with focus on the Middle East and North Africa
SNB Capital Real Estate Investment Company (REIC)	10,000	1,000	100%	The Company is a special purpose entity registered in the Kingdom of Saudi Arabia. The primary objective of REIC is to hold and register the real estate assets on behalf of real estate funds managed by SNB Capital Company.	KSA	Saudi Riyals	KSA
Türkiye Finans Katılım Bankası A.Ş. (TFKB)	1,310,920,000	2,600,000,000	67.03%	A participation bank registered in Turkey that collects funds through current accounts, profit sharing accounts and lends funds to consumer and corporate customers, through finance leases and profit/loss sharing partnerships. TF Varlık Kiralama AŞ, (TFVK) and TFKB Varlik Kiralama A.Ş. which are special purpose entities (SPEs), fully owns the issued share capital by TFKB.TF Varlık Kiralama AŞ, (TFVK) established in connection with issuance of sukuks by TFKB and TFKB Varlik Kiralama A.Ş., established in connection with issuance of sukuks by TFKB's clients.	Turkey	Turkish Lira	Turkey

Corporate Governance continued

Subsidiary	Capital (⃁)	Number of issued shares	Ownership (%)	Main activity	Country of incorporation	Functional currency	Country of main activity
Real Estate Development Company For Management and Ownership Limited (REDCO)	1,000,000	1,000	100%	A Limited Liability Company registered in the Kingdom of Saudi Arabia. REDCO is engaged in keeping and managing title deeds and collateralized real estate properties for the employees of SNB. Pursuant to management resolution Samba Real Estate has been merged with REDCO effective on 18 May 2024.	KSA	Saudi Riyals	KSA
SNB Market Limited	187,500	1	100%	A Limited Liability Company registered in the Cayman Islands, engaged in trading derivatives and Repos/Reverse Repos on behalf of the Bank in conducting transaction based on netting jurisdiction	Cayman Islands	US Dollars	Cayman Islands
Eastgate MENA Direct Equity L.P.	688,674,270	–	100%	A private equity fund domiciled in Cayman Islands. The Fund's investment objective is to generate returns via investments in direct private equity opportunities in high growth businesses in countries within the Middle East and North Africa (MENA).	Cayman Islands	US Dollars	Middle East and North Africa
Itqan Quality for Business Solutions Company	10,000,000	1,000	100%	A Limited Liability Company registered in the Kingdom of Saudi Arabia, engaged in recruitment services within the Kingdom. Formerly known as AlAhli Outsourcing Company "AlAhli Esnad".	KSA	Saudi Riyals	KSA
Samba Bank Limited (SBL)	211,730,116	1,008,238,648	84.51%	A subsidiary incorporated as a banking company in Pakistan and is engaged in commercial banking and related services, and is listed on the Pakistan Stock Exchange.	Pakistan	Pakistan Rupees	Pakistan
SNB Global Limited	187,500	1	100%	A Limited Liability Company registered in the Cayman Islands, engaged in trading derivatives and Repos/Reverse Repos on behalf of the Bank in conducting transaction based on netting jurisdiction.	Cayman Islands	US Dollars	Cayman Islands
SNB Funding Limited	187,500	1	100%	A Limited Liability Company registered in the Cayman Islands established with the main objective of generating liquidity for the Bank through issuance of bonds.	Cayman Islands	US Dollars	Cayman Islands
Al-Ghad Financial Company (Digital Ventures)	5,000,000	500,000	100%	A Limited Liability Company registered in the Kingdom of Saudi Arabia, engaged in selling of point of sale (POS) equipment and devices.	KSA	Saudi Riyals	KSA
NEO Company	200,000,000	200,000,000	100%	A Joint Stock Company registered in the Kingdom of Saudi Arabia, engaged in consumer microfinancing.	KSA	Saudi Riyals	KSA

Group Subsidiaries' Details

SNB Capital Company

A Saudi closed joint stock company, registered in Saudi Arabia to manage investment services and asset management activities for the Bank.

SNB Capital is the largest capital market institution in the Kingdom of Saudi Arabia and a regional champion in asset management, investment banking and securities services. It provides a range of innovative Shariah-compliant financial products and services and provides financial and advisory solutions for institutional and individual investors. Its main businesses include wealth management, asset management, investment banking, securities, and principal investments and funding.

SNB Capital is the largest Shariah compliant asset manager globally and one of the largest providers of corporate savings programs in the region.

The company manages ⃁294.3 billion of assets for local and international clients as of December 2025. SNB Capital has obtained several Moody's ratings such as the CIS-2 ESG rating, the A2 long term issuer rating, and the recently upgraded P-1 commercial paper rating. SNB Capital is ranked top asset manager in the region by Forbes Middle East.

In recognition of these achievements, SNB Capital has won more than 10 local, regional and international awards, including the Saudi Stock Exchange Awards presented by Saudi Tadawul Group, the LSEG Lipper Fund Awards, presented by the London Stock Exchange, and several other awards from prestigious international bodies such as Euromoney and Global Finance.

SNB Capital Dubai Inc.

An exempt company with limited liability incorporated in Cayman Islands to source, structure and invest in private equity and real estate development opportunities across emerging markets.

SNB Capital Real Estate Investment Company (REIC)

The company is a special purpose entity registered in Saudi Arabia under commercial registration No. 1010387593. The company's primary objective is to hold and register real estate assets on behalf of real estate funds managed by SNB Capital Company.

Türkiye Finans Katılım Bankası A.Ş. (TFKB)

SNB owns a 67.03% stake (2024: 67.03%) in Türkiye Finans Katılım Bankası. The bank operates as a participation bank registered in Turkey that collects funds through current accounts, profit sharing accounts and lends funds to consumer and corporate customers, through finance leases and profit/loss sharing partnerships.

TF Varlık Kiralama AŞ, (TFVK) and TFKB Varlik Kiralama A.Ş., which are special purpose entities (SPEs), fully owns the issued share capital by TFKB. TF Varlık Kiralama AŞ, (TFVK) established in connection with issuance of sukuks by TFKB and TFKB Varlik Kiralama A.Ş., established in connection with issuance of sukuks by TFKB's clients.

Real Estate Development Company (REDCO)

SNB directly owns 100% of Real Estate Development Company, a limited liability company registered in Saudi Arabia under commercial registration No. 4030146558, dated 13 January 2004, with capital of ⃁1 million. REDCO is engaged in keeping and managing title deeds and collateralized real estate properties for the employees of SNB. Pursuant to management resolution Samba Real Estate has been merged with REDCO effective on 18 May 2024.

SNB Market Limited

The Bank has 100% direct ownership of SNB Market Limited, established in 2016 as a limited liability company and registered in the Cayman Islands, with capital of $50,000 (⃁187.5 thousand). The company engages in trading derivatives and repos/reverse repos on behalf of the Bank in conducting transactions based on netting jurisdiction.

Eastgate MENA Direct Equity L.P

A private equity fund domiciled in the Cayman Islands and managed by SNB Capital Dubai Inc. The fund's investment objective is to generate returns via investments in direct private equity opportunities in high growth businesses in countries within the Middle East and North Africa (MENA).

Corporate Governance continued

Itqan Quality for Business Solutions Company
The Bank has 100% direct ownership of Itqan Quality for Business Solutions Company, a limited liability company registered in Saudi Arabia and engaged in recruitment services within Saudi Arabia. Formerly known previously as Al-Ahli Outsourcing Company "AlAhli Esnad" as per commercial register No. 4030292599.

Samba Bank Limited (SBL)
A subsidiary incorporated as a banking company in Pakistan engaged in commercial banking and related services, and is listed on the Pakistan Stock Exchange.

SNB Global Limited
The Bank has 100% direct ownership of SNB Global Limited, a limited liability company established under the laws of the Cayman Islands on February 1 2016, engaged in trading derivatives and repos/reverse repos on behalf of the Bank in conducting transaction based on netting jurisdiction. The company began commercial operations during the fourth quarter of 2016.

SNB Funding Limited
The Bank has 100% direct ownership of SNB Funding Limited, a limited liability company established under the laws of the Cayman Islands on June 19 2019, with the main objective of generating liquidity for the Bank through issuance of bonds. The company began commercial operations during the third quarter of 2019.

Al-Ghad Financial Company (Digital Ventures)
A limited liability company registered in Saudi Arabia engaged in the selling of point of sale (POS) equipment and devices.

NEO Company
A Joint Stock Company registered in the Kingdom of Saudi Arabia, engaged in consumer microfinancing.

Affiliated Companies

The company	Capital (⃁)	Number of issued shares	Ownership (%)	Main activity	Country of incorporation	Country of activity
Commercial Real Estate Markets Company (under liquidation)	1,600,000,000	16,000,000	60%	Owning, managing, maintaining, and cleaning Jamjoom Commercial Center	KSA	KSA

Commercial Real Estate Markets Company
SNB has 60% direct ownership interest in the Commercial Real Estate Markets Company, a limited liability company under commercial registration 4030073863 on 24 October 1990 with capital of ⃁1,600 million.

The Bank adheres to the International Financial Reporting Standards in preparation of its financial statements. Under those standards, the term 'control' entails three requirements: The Group has power of control over the company; the Group has exposure or rights to the variable returns of the company; and the Group has the ability to use power to affect returns of the company. Since these requirements are not fully applicable to Commercial Real Estate Markets Company, the Bank includes it under investments as an affiliate, so that its financial statements are not consolidated with those of the Group but treated as separate from the Bank. Work is still ongoing to complete liquidation process.

L. Other Disclosures

Disclosure of Statements of Micro, Small and Medium Enterprises

Qualitative Disclosure

(a) Approved definition of micro, small, and medium enterprises
Micro, small and medium enterprises (MSMEs) are businesses with annual sales of less than ⃁200 million. They are divided into three categories:

Micro enterprises – revenue of zero to ⃁3 million, with 1-5 employees.

Small enterprises – revenue of ⃁3-40 million, with 9-49 employees.

Medium enterprises – revenue of ⃁40-200 million, with 50-249 employees.

(b) SNB initiatives to support micro, small, and medium enterprises
SNB provides support to the micro, small, and medium enterprises (MSME) sector through a number of initiatives and financing programs. The Bank has acquired a large share of the financing facilities provided to this segment, amounting to approximately ⃁110.3 billion through several programs including the Government's Kafalah program. SNB is one of the largest in the market in the value of Kafalah guarantees provided to MSME customers.

The combined volume of funds granted by Saudi banks through Kafalah guarantees rose to more than ⃁131 billion by the end of 2025. SNB's share exceeded ⃁31.0 billion.

The most significant initiatives undertaken with our partners in 2025 are:

General Authority for Micro, Small and Medium Enterprises (Monsha'at)
Through the Financing Programs Initiative, SNB contributes to studying and designing financing programs for MSMEs to contribute to their development and enhance their capabilities. The initiative includes several programs including: an initiative to educate, train and develop MSMEs where the Bank develops specialized programs for the sector. The Bank also launched a financing portfolio worth ⃁5 billion during the Biban 25 conference, in addition to creating programs that align with market requirements.

Kafalah Program
An extended strategic partnership has connected SNB with the Kafalah program over the years, forming a professional framework based on a shared vision. This cooperation has contributed to supporting MSMEs through joint financing programs between SNB and Kafalah, which has contributed to increasing the value of financing granted to MSMEs. SNB was honored during the Arab and Regional Guarantee Program Forum with the Kafalah Outstanding Performance Award.

POS Merchant Financing Program
SNB developed a program for POS merchant financing that facilitates small ticket financing to merchants against pledging the POS proceeds. This is designed specifically for MSMEs as a feasible and speedy financing option that may not be available through traditional financing programs.

Fleet Finance Program
SNB developed a program for fleet finance to support merchant capital expansion through the leasing of cars and trucks.

Digital Services
Given SNB's focus on supporting this segment, the Bank launched electronic campaigns to support MSMEs aimed at increasing the segment's awareness of the various support aspects and products offered by the Bank. Enterprises can also obtain banking services and facilities through an electronic platform that allows customers to open bank accounts, obtain cash management products, and request credit facilities.

SNB published educational messages through the Bank's social media channels directed at MSMEs to raise awareness of the financial procedures that must be taken to support business activities.

Corporate Governance continued

Sponsorships and Participation

SNB has sponsored a number of events and conferences, such as the Biban World Forum 2025 and the World Cup for Entrepreneurship, where SNB was honored as the highest financing bank for MSMEs for 2024 by Monsha'at.

In addition, SNB's participation at the Arab and Regional Guarantee Program Forum resulted in the Bank being honored with the Kafalah Outstanding Performance Award, the Medium-sized Enterprises Financing Award, and the Export Sector Support Award.

SNB also participated in a number of other events during the year in cooperation with Monsha'at, such as: Education Week, the Franchise Tour, and the Financing Track in a number of cities across the Kingdom, in addition to participating in dialogue sessions with Monsha'at.

SNB also opened new MSME representative offices, bringing the total number to 41, providing specialized services to support the MSME sector.

'Largest Enabler' SME Campaign

In 2025, SNB launched the 'Largest Enabler' campaign, confirming its role as one of the most prominent supporters of SMEs in the Kingdom and its contribution to achieving the goals of Saudi Vision 2030. The campaign was designed to enhance the Bank's interaction with the SME sector by highlighting financing solutions, digital capabilities, and other forms of support provided to boost the growth and resilience of these enterprises.

The campaign focused on attracting new SME customers and deepening the Bank's relationship with existing customers through targeted communication and outreach activities. Marketing activities were executed through the Bank's digital channels, electronic billboards, and specialized events for the SME sector, raising awareness of SNB's financing solutions and digital services.

Through this initiative, SNB has strengthened its position as a key enabler of entrepreneurship and economic diversification, and a supporter of SME development as a fundamental pillar of sustainable economic growth in the Kingdom.

Quantitative Disclosure

Quantitative Disclosure for 2025 (in ⃁'000)

Particulars	Micro	Small	Medium	Total
Financing of micro, small, and medium enterprises – on-balance items*	33,862,371	26,762,789	22,719,462	**83,344,622**
Financing of micro, small, and medium enterprises – off-balance items	10,657,632	6,393,608	9,890,544	**26,941,784**
On-balance financing of micro, small and medium enterprises as a percentage of total on-balance financing	4.10%	3.24%	2.75%	**10.10%**
Off-balance financing of small, medium, and micro enterprises as a percentage of total off-balance financing**	5.98%	3.59%	5.55%	**15.13%**
Number of financings (on-balance and off-balance)	37,936	18,185	10,084	**66,205**
Number of financed customers (on-balance and off-balance)	34,296	14,079	5,502	**53,877**
Number of financings guaranteed by Kafalah Program (on-balance and off-balance)	241	325	330	**896**
Total financings guaranteed by Kafalah Program (on-balance and off-balance)*	170,071	594,780	2,539,369	**3,304,220**

Quantitative Disclosure for 2024 (in ⃁'000)

Particulars	Micro	Small	Medium	Total
Financing of micro, small, and medium enterprises – on-balance items*	11,821,912	24,839,150	20,586,374	**57,247,436**
Financing of micro, small, and medium enterprises – off-balance items	1,058,019	2,229,499	6,089,012	**9,376,530**
On-balance financing of micro, small, and medium enterprises as a percentage of total on-balance financing	1.57%	3.29%	2.73%	**7.59%**
Off-balance financing of micro, small, and medium enterprises as a percentage of total off-balance financing**	0.66%	1.40%	3.81%	**5.87%**
Number of financings (on-balance and off-balance)	23,177	13,267	8,745	**45,189**
Number of financed customers (on-balance and off-balance)	21,950	10,242	4,045	**36,237**
Number of financings guaranteed by Kafalah Program (on-balance and off-balance)	236	499	335	**1,070**
Total financings guaranteed by Kafalah Program (on-balance and off-balance)*	150,369	848,607	2,361,770	**3,360,746**

* Includes unearned revenue
** Off-balance sheet comprises of letters of credit, guarantees, acceptances, and irrevocable commitments to extend credit

Employees Quantitative Disclosure for 2025

Data provided is on the Bank level only.

	Q1, 2025	Q2, 2025	Q3, 2025	Q4, 2025	Annual Total
Number of employees for MSMEs	180	193	215	221	**221**
Number of MSME employees sent for training	19	25	32	11	**87**
Total training days provided to MSME employees	41	49	119	78	**287**

In 2025, SNB held four educational workshops for MSME customers.

SAMA and Other Statutory Penalties

	2025		2024	
Subject of the violation	Number of penalties	Total amount of penalties in ⃁	Number of penalties	Total amount of penalties in ⃁
Saudi Central Bank (SAMA) statutory penalties				
Violation of SAMA supervisory instructions	**32**	**66,508,010**	41	16,315,400
Violation of SAMA instructions on customer protection	**7**	**16,942,116**	2	340,000
Violation of SAMA instructions on due diligence	**0**	**0**	0	0
Violation of SAMA instructions on the performance of ATMs and POS machines	**0**	**0**	0	0
Violation of SAMA instructions on due diligence in combating money laundering and terrorism financing	**2**	**1,200,000**	0	0
Total	**41**	**84,650,126**	43	16,655,400
Ministry of Municipalities and Housing Statutory Penalties				
Violation of SNB sites	**655**	**4,126,000**	459	2,621,880

Regulatory Payables Due

Zakat payable in 2025 amounted to ⃁2,757 million and contributions to the General Organization for Social Insurance (GOSI) amounted to ⃁320 million.

Financial Statements

Independent Auditors' Report

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Independent Auditors' Report
To the Shareholders of The Saudi National Bank
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Saudi National Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which include material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Details of key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance against financing and advances	As at 31 December 2025, the Group's gross financing and advances amounted to SAR 736.7 billion (2024: SAR 664.7 billion) [including purchased or originated credit impaired loans ('POCI') amounting to SAR 1.7 billion (2024: SAR 2.4 billion)], against which an Expected Credit Loss ("ECL") allowance of SAR 7.4 billion (2024: SAR 10.4 billion) was recognized. We considered the determination of ECL allowance as a key audit matter, as this determination requires management to apply significant judgments and make significant estimates. In addition, the carrying amount of financing and advances is quantitatively significant to the consolidated financial statements and requires significant audit effort. The key areas of judgments and estimates include: 1. Categorization of financing and advances into Stages 1, 2 and 3 based on the identification of: (a) customers with a significant increase in credit risk ("SICR") since the date that credit was initially granted; and (b) individually impaired and/or overdue amounts. 2. Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") including but not limited to the assessment of the financial condition of the counterparty, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages. 3. The need to apply management overlays using expert credit judgement to reflect all relevant risk factors, that might not have been captured by the ECL models.	• We obtained and updated our understanding of the process adopted by management to determine the ECL allowance relating to financing and advances, which includes the Group's internal rating model, accounting policy, model methodology and the key controls in this process including any key changes made during the year, if any. • We evaluated the key controls over the following areas (including relevant 'IT' general and application controls) to determine if they had been appropriately designed and implemented and were operating effectively: - the ECL model, including governance over the model, its validation during the year, and any model updates performed during the year, including the approval by the Credit and Remedial Management Committee of key inputs, assumptions and management overlays, where applicable; - the classification of financing 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 underpinning the ECL model, where applicable; and - the integrity of data inputs into the ECL model. • We compared the Group's accounting policy and methodology for determining the ECL allowance against the requirements of IFRS 9 'Financial Instruments' (IFRS 9). • For a sample of financing and advances, 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. We also assessed that these were consistent with the ratings used as inputs in the ECL model; - the staging used to determine the ECL allowance; - the inputs and judgment used to determine the ECL allowance, for example PD and LGD percentages; and - the recoverable cash flows, including the impact of collateral, and other sources of repayment, if any. • We assessed the appropriateness of the Group's criteria for the determination of SICR and identification of default or individually impaired exposures, and their classification into stages. Furthermore, for a sample of financing and advances, we assessed the appropriateness of the staging classification based on the Group's staging classification policy, knowledge of corresponding customers and analysis of related financial information.

Independent Auditors' Report continued

Key audit matter	Details of key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance against financing and advances continued	Refer to the material accounting policies note 3.24, 3.25 and 3.27 for the impairment of financial assets; note 2.6(h) which contains the disclosure of critical accounting judgments, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Group, note 7.3 which contains the disclosure of impairment against financing and advances; and note 30 for details of credit quality analysis and key assumptions and factors considered in the determination of ECL.	• We assessed the governance process implemented and the reasonableness and appropriateness of the qualitative factors considered (in the light of prevailing facts and circumstances of the corresponding financing and advances) by management when making management overlays to the output of the model due to data or model limitations or otherwise. • We assessed the reasonableness of underlying estimates and assumptions used by the Group in the ECL model including forward looking assumptions keeping in view the uncertainty and volatility in economic scenarios. • We tested the inputs used to determine the ECL allowance by agreeing them to supporting documentation to ensure completeness and accuracy. • Where required, we involved our specialists to assist us in reviewing model calculations, evaluating outputs and assessing reasonableness of assumptions used in the ECL model applicable. • We assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs that are endorsed in Kingdom of Saudi Arabia.

Other Information included in the Group's 2025 Annual Report

Management is responsible for the other information in the Group's annual report. Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and, the applicable requirements of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e., the Board of Directors, is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report continued

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank is not in compliance, in all material respects, with the applicable requirements of the Regulation for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's By- laws in so far as they affect the preparation and presentation of the consolidated financial statements.

PricewaterhouseCoopers

Ali A. Alotaibi
Certified Public Accountant
License No. 379

4 February 2026
(16 Shabaan 1447 H)

Deloitte and Touche & Co.
Chartered Accountants

Waleed bin Moh'd Sobahi
Certified Public Accountant
License No. 378

Consolidated Statement of Financial Position

As at 31 December (Amounts in ⃁'000)

	Note	2025	2024
ASSETS			
Cash and balances with central banks	4	**44,923,237**	42,119,698
Due from banks and other financial institutions, net	5	**22,970,831**	21,088,423
Investments, net	6	**320,004,190**	292,486,807
Financing and advances, net	7	**729,310,906**	654,252,346
Positive fair value of derivatives	11	**26,890,803**	27,375,451
Property, equipment and software, net	8	**13,065,976**	11,887,664
Goodwill	39	**34,006,782**	34,006,782
Intangible assets, net	39	**4,921,688**	5,741,968
Right of use assets, net	9	**967,447**	1,005,658
Other assets	10	**12,969,693**	14,189,843
Total assets		**1,210,031,553**	1,104,154,640
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks, central banks and other financial institutions	12	**190,189,039**	185,119,790
Customers' deposits	13	**636,094,377**	579,762,107
Debt securities issued and term loans	14	**132,642,363**	95,305,371
Negative fair value of derivatives	11	**25,373,376**	25,903,307
Other liabilities	15	**21,905,150**	24,788,804
Total liabilities		**1,006,204,305**	910,879,379
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK			
Share capital	16	**60,000,000**	60,000,000
Share premium		**63,701,800**	63,701,800
Treasury shares	22	**(2,586,243)**	(2,099,227)
Statutory reserve	17	**52,814,275**	46,481,447
Other reserves (cumulative changes in fair values)	18	**(1,646,213)**	(3,404,926)
Employees' share-based payments reserve	22	**475,359**	460,764
Retained earnings		**21,630,047**	14,351,188
Foreign currency translation reserve		**(8,763,198)**	(8,113,107)
Equity attributable to shareholders of the Bank		**185,625,827**	171,377,939
Tier 1 Sukuk	25	**17,652,684**	21,187,500
Equity attributable to equity holders of the Bank		**203,278,511**	192,565,439
Non-controlling interests	38	**548,737**	709,822
Total equity		**203,827,248**	193,275,261
Total liabilities and equity		**1,210,031,553**	1,104,154,640

Hussein H. Eid
Group Chief Financial Officer

Tareq A. Alsadhan
Group Chief Executive Officer

Saeed M. Al-Ghamdi
Chairman

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

Consolidated Statement of Income

For the Years Ended 31 December (Amounts in ⃁'000)

	Note	2025	2024
Special commission income	20	**60,961,683**	57,835,422
Special commission expense	20	**(31,806,491)**	(30,112,179)
Net special commission income		**29,155,192**	27,723,243
Fee income from banking services	21	**7,358,225**	6,822,011
Fee expense from banking services	21	**(2,426,874)**	(2,444,870)
Fee income from banking services, net		**4,931,351**	4,377,141
Exchange income, net		**2,302,321**	1,923,197
Gains from fair value through income statement (FVIS) financial instruments, net		**2,819,579**	2,251,820
Trading income, net		**614,130**	636,570
Dividend income		**462,619**	413,264
Gains on non-FVIS financial instruments, net		**558,687**	76,584
Other operating expenses, net		**(1,649,309)**	(1,368,710)
Total operating income		**39,194,570**	36,033,109
Salaries and employee-related expenses		**4,911,036**	4,703,042
Rent and premises-related expenses		**485,853**	507,619
Depreciation/amortisation of property, equipment, software and right of use assets	8 & 9	**1,484,087**	1,787,774
Amortisation of intangible assets	39	**820,280**	820,280
Other general and administrative expenses		**2,171,131**	3,203,132
Total operating expenses before expected credit losses		**9,872,387**	11,021,847
Impairment charge/(reversal) for expected credit losses, net	6 & 7	**1,034,143**	1,018,805
Total operating expenses		**10,906,530**	12,040,652
Income from operations, net		**28,288,040**	23,992,457
Other non-operating income/(expense), net		**(391,307)**	(377,686)
Income for the year before zakat and income tax		**27,896,733**	23,614,771
Zakat and income tax expense	15	**(2,905,172)**	(2,521,125)
Net income for the year		**24,991,561**	21,093,646
Net income for the year attributable to:			
Equity holders of the Bank		**25,013,279**	21,192,995
Non-controlling interests	38	**(21,718)**	(99,349)
Net income for the year		**24,991,561**	21,093,646
Basic earnings per share (expressed in ⃁ per share)	24	**4.04**	3.44
Diluted earnings per share (expressed in ⃁ per share)	24	**4.03**	3.43

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Chairman

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Consolidated Statement of Comprehensive Income

For the Years Ended 31 December (Amounts in ⃁'000)

	2025	2024
Net income for the year	**24,991,561**	21,093,646
Other comprehensive income/(loss)		
Items that will not be reclassified to the consolidated statement of income in subsequent years:		
– Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	**245,854**	(799,466)
– Re-measurement on defined benefit plans	**(17,127)**	(206,900)
Items that are or may be reclassified to the consolidated statement of income in subsequent years:		
– Net movement in foreign currency translation reserve losses	**(969,553)**	(540,911)
Fair value through other comprehensive income - debt instruments:		
– Net changes in fair values	**2,601,149**	1,130,176
– Net amounts transferred to the consolidated statement of income	**(282,482)**	(10,432)
Cash flow hedges:		
– Effective portion of changes in fair values	**(292,198)**	(113,805)
– Net amounts transferred to the consolidated statement of income	**200,142**	528,381
Total other comprehensive income/(loss)	**1,485,785**	(12,957)
Total comprehensive income for the year	**26,477,346**	21,080,689
Attributable to:		
Equity holders of the Bank	**26,818,991**	21,485,198
Non-controlling interests	**(341,645)**	(404,509)
Total comprehensive income for the year	**26,477,346**	21,080,689

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Consolidated Statement of Changes in Equity

For the Years Ended 31 December (Amounts in ⃁'000)

		Attributable to equity holders of the Bank				Attributable to equity holders of the Bank									
						Other reserves									
2025	Note	Share capital	Share premium	Treasury shares	Statutory reserve	Cash flow hedge reserves	FVOCI Financial instrument reserve	Employees' share based payments reserve	Retained earnings	Foreign currency translation reserve	Total equity attributable to shareholders of the Bank	Tier 1 Sukuk	Total equity attributable to equity holders of the Bank	Non- controlling interests	Total equity
Balance as at 1 January 2025		**60,000,000**	**63,701,800**	**(2,099,227)**	**46,481,447**	**(32,755)**	**(3,372,171)**	**460,764**	**14,351,188**	**(8,113,107)**	**171,377,939**	**21,187,500**	**192,565,439**	**709,822**	**193,275,261**
Net income for the year		-	-	-	-	-	-	-	25,013,279	-	25,013,279	-	25,013,279	(21,718)	24,991,561
Other comprehensive income/(loss) for the year		-	-	-	-	(92,056)	2,547,859	-	-	(650,091)	1,805,712	-	1,805,712	(319,927)	1,485,785
Total comprehensive income/(loss) for the year		-	-	-	-	(92,056)	2,547,859	-	25,013,279	(650,091)	26,818,991	-	26,818,991	(341,645)	26,477,346
Other consolidation adjustments		-	-	-	-	-	-	-	(228)	-	(228)	-	(228)	(32,970)	(33,198)
Impact arising from the application of IAS 29 at a foreign subsidiary		-	-	-	82,097	-	(44,685)	-	863,710	-	901,122	-	901,122	213,530	1,114,652
Transfer to statutory reserve		-	-	-	6,250,731	-	-	-	(6,250,731)	-	-	-	-	-	-
Tier 1 Sukuk issued	25	-	-	-	-	-	-	-	-	-	-	2,665,184	2,665,184	-	2,665,184
Tier 1 Sukuk called	25	-	-	-	-	-	-	-	-	-	-	(6,200,000)	(6,200,000)	-	(6,200,000)
Tier 1 Sukuk related costs	25	-	-	-	-	-	-	-	(1,037,305)	-	(1,037,305)	-	(1,037,305)	-	(1,037,305)
Purchase of treasury shares for employees' based payment plan	22	-	-	(581,834)	-	-	-	-	(467)	-	(582,301)	-	(582,301)	-	(582,301)
Settlement of vested share based payment plan via treasury shares	22	-	-	94,818	-	-	-	(133,014)	38,196	-	-	-	-	-	-
Employees' share based payments plan reserve - charged to the consolidated statement of income	22	-	-	-	-	-	-	147,609	-	-	147,609	-	147,609	-	147,609
Transfer of realized fair value gain/(loss) for FVOCI equity instruments to retained earnings		-	-	-	-	-	(652,405)	-	652,405	-	-	-	-	-	-
Final dividend paid for 2024	26	-	-	-	-	-	-	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)
Interim dividend paid for 2025	26	-	-	-	-	-	-	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)
Balance as at 31 December 2025		**60,000,000**	**63,701,800**	**(2,586,243)**	**52,814,275**	**(124,811)**	**(1,521,402)**	**475,359**	**21,630,047**	**(8,763,198)**	**185,625,827**	**17,652,684**	**203,278,511**	**548,737**	**203,827,248**

		Attributable to equity holders of the Bank				Attributable to equity holders of the Bank									
						Other reserves									
2024	Note	Share capital	Share premium	Treasury shares	Statutory reserve	Cash flow hedge reserves	FVOCI Financial instrument reserve	Employees' share based payments reserve	Retained earnings	Foreign currency translation reserve	Total equity attributable to shareholders of the Bank	Tier 1 Sukuk	Total equity attributable to equity holders of the Bank	Non- controlling interests	Total equity
Balance as at 1 January 2024		60,000,000	63,701,800	(2,202,680)	41,115,165	(447,331)	(3,270,946)	414,543	9,157,165	(7,750,343)	160,717,373	15,187,500	175,904,873	723,840	176,628,713
Net income for the year		-	-	-	-	-	-	-	21,192,995	-	21,192,995	-	21,192,995	(99,349)	21,093,646
Other comprehensive income/(loss) for the year		-	-	-	-	414,576	240,391	-	-	(362,764)	292,203	-	292,203	(305,160)	(12,957)
Total comprehensive income/(loss) for the year		-	-	-	-	414,576	240,391	-	21,192,995	(362,764)	21,485,198	-	21,485,198	(404,509)	21,080,689
Other consolidation adjustments		-	-	-	-	-	-	(20,387)	-	-	(20,387)	-	(20,387)	-	(20,387)
Impact arising from the application of IAS 29 at a foreign subsidiary		-	-	-	-	-	(372,589)	-	955,371	-	582,782	-	582,782	390,491	973,273
Transfer to statutory reserve		-	-	-	5,366,282	-	-	-	(5,366,282)	-	-	-	-	-	-
Tier 1 Sukuk issued	25	-	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000	-	6,000,000
Tier 1 Sukuk called	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 1 Sukuk related costs	25	-	-	-	-	-	-	-	(764,076)	-	(764,076)	-	(764,076)	-	(764,076)
Purchase of treasury shares for employees' based payment plan	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settlement of vested share based payment plan via treasury shares	22	-	-	103,453	-	-	-	(110,441)	6,988	-	-	-	-	-	-
Employees' share based payments plan reserve - charged to the consolidated statement of income	22	-	-	-	-	-	-	177,049	-	-	177,049	-	177,049	-	177,049
Transfer of realized fair value gain/(loss) for FVOCI equity instruments to retained earnings		-	-	-	-	-	30,973	-	(30,973)	-	-	-	-	-	-
Final dividend paid for 2023	26	-	-	-	-	-	-	-	(5,400,000)	-	(5,400,000)	-	(5,400,000)	-	(5,400,000)
Interim dividend paid for 2024	26	-	-	-	-	-	-	-	(5,400,000)	-	(5,400,000)	-	(5,400,000)	-	(5,400,000)
Balance as at 31 December 2024		60,000,000	63,701,800	(2,099,227)	46,481,447	(32,755)	(3,372,171)	460,764	14,351,188	(8,113,107)	171,377,939	21,187,500	192,565,439	709,822	193,275,261

Hussein H. Eid
Group Chief Financial Officer

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Group Chief Executive Officer

Saeed M. Al-Ghamdi
Chairman

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

Consolidated Statement of Cash Flows

For The Years Ended 31 December (Amounts in ⃁'000)

	Note	2025	2024
OPERATING ACTIVITIES			
Income for the year before zakat and income tax		**27,896,733**	23,614,771
Adjustments to reconcile income for the year before zakat and income tax to net cash from/(used in) operating activities:			
Amortisation of (discount)/premium on non-FVIS financial instruments, net		**(241,434)**	(273,711)
(Gains)/losses on non-FVIS financial instruments, net		**(558,687)**	(76,584)
(Gains)/losses on disposal of property, equipment and software, net		**(5,849)**	7,020
Loss on disposal of other repossessed assets		**31,113**	74,778
Depreciation/amortisation of property, equipment, software, and right of use assets	8 & 9	**1,484,087**	1,787,774
Impairment charge/(reversal) for expected credit losses, net	6 & 7	**1,034,143**	1,018,805
Amortisation of intangible assets	39	**820,280**	820,280
Share based payments plan expense	22	**189,963**	216,123
Net monetary loss/(gain) from the application of IAS 29-Hyperinflationary economies		**293,267**	266,065
		30,943,616	27,455,321
Net (increase)/decrease in operating assets:			
Statutory deposits with SAMA		**(1,528,463)**	224,964
Due from banks and other financial institutions with original maturity of more than three months, net		**1,193,639**	(1,301,296)
Held at fair value through income statement (FVIS) investments		**(5,735,977)**	(3,514,354)
Financing and advances, net		**(80,964,521)**	(59,190,358)
Positive fair value of derivatives		**184,994**	(6,192,818)
Other assets		**2,523,908**	(2,729,821)
Net increase/(decrease) in operating liabilities:			
Due to banks, central banks and other financial institutions		**5,294,738**	4,195,542
Customers' deposits		**60,482,656**	(6,166,471)
Negative fair value of derivatives		**(519,320)**	5,768,182
Zakat and income tax paid		**(2,640,537)**	(2,313,312)
Other liabilities		**(1,352,321)**	1,635,491
Net cash generated from/(used in) operating activities		**7,882,412**	(42,128,930)

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

	Note	2025	2024
INVESTING ACTIVITIES			
Proceeds from sale and maturity of non-FVIS investments		**57,725,518**	53,135,318
Purchase of non-FVIS investments		**(77,222,071)**	(74,881,251)
Purchase of property, equipment and software	8	**(2,146,606)**	(1,911,526)
Proceeds from disposal of property and equipment		**48,987**	71,583
Net cash generated from/(used in) investing activities		**(21,594,172)**	(23,585,876)
FINANCING ACTIVITIES			
Debt securities and term-loans issued	14	**176,446,942**	117,958,964
Debt securities and term-loans payment	14	**(139,270,601)**	(65,261,920)
Tier 1 Sukuk issuance	25	**2,665,184**	6,000,000
Tier 1 Sukuk called	25	**(6,200,000)**	-
Tier 1 Sukuk related costs	25	**(1,037,305)**	(764,076)
Lease liabilities paid		**(796,955)**	(354,300)
Purchase of treasury shares	22	**(581,834)**	-
Final dividend paid for 2024 and 2023	26	**(6,000,000)**	(5,400,000)
Interim dividend paid for first half of 2025 and 2024	26	**(6,000,000)**	(5,400,000)
Net cash generated from/(used in) financing activities		**19,225,431**	46,778,668
Net increase/(decrease) in cash and cash equivalents		**5,513,671**	(18,936,138)
Foreign currency translation reserve - net movement in cash and cash equivalents at the beginning of the year		**(433,513)**	(542,423)
Cash and cash equivalents at the beginning of the year		**21,001,893**	40,480,454
Cash and cash equivalents at the end of the year	27	**26,082,051**	21,001,893
Special commission income received during the year		**60,409,076**	56,629,719
Special commission expense paid during the year		**29,925,811**	29,613,491
Supplemental non-cash information			
Movement in other reserves and transfers to the consolidated statement of income		**2,226,611**	1,534,320

Hussein H. Eid
Group Chief Financial Officer

Tareq A. Alsadhan
Group Chief Executive Officer

Saeed M. Al-Ghamdi
Chairman

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

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

1. GENERAL

(1.1) Introduction

The Saudi National Bank (the "Bank") is a Saudi Joint Stock Company that was formed and licensed under registration certificate authenticated by a Royal Decree on 28 Rajab 1369H (corresponding to 15 May 1950) and registered under commercial registration number 4030001588 dated 19 Safar 1418H (corresponding to 26 June 1997). The Bank is regulated by the Saudi Central Bank (SAMA).

The objective of the Group is to provide a full range of banking and investment management services. The Group also provides non-special commission based banking products in compliance with Shariah rules, which are approved and supervised by an independent Shariah Board established by the Bank.

The Bank operates through its 481 branches (31 December 2024: 481 branches), 23 retail service centers (31 December 2024: 21 centers) and 93 QuickPay remittance centers (31 December 2024: 93 centers) in the Kingdom of Saudi Arabia and four overseas branches in the Kingdom of Bahrain, the United Arab Emirates, Qatar and the Republic of Singapore. The Board of Directors in their meeting dated 23 November 2015 resolved to close the Bank's branch operations domiciled in Beirut, Lebanon. The required regulatory approvals have been received and the legal formalities in respect of the closure of the branch are in progress.

The Bank's Head Office is located at the following address:

The Saudi National Bank Tower
King Abdullah Financial District
King Fahd Road,
3208 Al Aqeeq District,
Riyadh 13519 - 6676,
Kingdom of Saudi Arabia

These financial statements comprise the consolidated financial statements of The Saudi National Bank and its subsidiaries (collectively referred to as the "Group").

(1.2) Group's subsidiaries

The details of the Group's significant subsidiaries are as follows:

Name of subsidiary	Ownership % 2025	Ownership % 2024	Functional currency	Description
SNB Capital Company (SNBC)	**100.00%**	100.00%	Saudi Arabian Riyal	A Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia to manage the Bank's investment services and asset management activities.
SNB Capital Dubai Inc.	**100.00%**	100.00%	US Dollar	An exempt company with limited liability incorporated in the Cayman Islands to source, structure and invest in private equity and real estate development opportunities across emerging markets.
SNB Capital Real Estate Investment Company (REIC)	**100.00%**	100.00%	Saudi Arabian Riyal	The Company is a special purpose entity registered in the Kingdom of Saudi Arabia. The primary objective of REIC is to hold and register the real estate assets on behalf of real estate funds managed by SNB Capital Company.
Türkiye Finans Katılım Bankası A.Ş.(TFKB)	**67.03%**	67.03%	Turkish Lira	A participation bank registered in Turkey that collects funds through current accounts, profit sharing accounts and lends funds to consumer and corporate customers, through finance leases and profit/loss sharing partnerships. TF Varlık Kiralama AŞ, (TFVK) and TFKB Varlik Kiralama A.Ş. which are special purpose entities (SPEs), fully owns the issued share capital by TFKB.TF Varlık Kiralama AŞ, (TFVK) established in connection with issuance of sukuks by TFKB and TFKB Varlik Kiralama A.Ş., established in connection with issuance of sukuks by TFKB's clients.
Real Estate Development Company For Management and Ownership Limited (REDCO)	**100.00%**	100.00%	Saudi Arabian Riyal	A Limited Liability Company registered in the Kingdom of Saudi Arabia. REDCO is engaged in keeping and managing title deeds and collateralized real estate properties for the employees of SNB. Pursuant to management resolution Samba Real Estate has been merged with REDCO effective on 18 May 2024.
SNB Market Limited	**100.00%**	100.00%	US Dollar	A Limited Liability Company registered in the Cayman Islands, engaged in trading derivatives and Repos/Reverse Repos on behalf of the Bank in conducting transaction based on netting jurisdiction.
Eastgate MENA Direct Equity L.P.	**100.00%**	100.00%	US Dollar	A private equity fund domiciled in the Cayman Islands. The Fund's investment objective is to generate returns via investments in direct private equity opportunities in high growth businesses in countries within the Middle East and North Africa (MENA).
Itqan Quality for Business Solutions Company	**100.00%**	100.00%	Saudi Arabian Riyal	A Limited Liability Company registered in the Kingdom of Saudi Arabia, engaged in recruitment services within the Kingdom. Formerly known as AlAhli Outsourcing Company "AlAhli Esnad".
Samba Bank Limited (SBL)	**84.51%**	84.51%	Pakistani Rupee	A subsidiary incorporated as a banking company in Pakistan and is engaged in commercial banking and related services, and is listed on the Pakistan Stock Exchange.
SNB Global Limited	**100.00%**	100.00%	US Dollar	A Limited Liability Company registered in the Cayman Islands, engaged in trading derivatives and Repos/Reverse Repos on behalf of the Bank in conducting transaction based on netting jurisdiction.
SNB Funding Limited	**100.00%**	100.00%	US Dollar	A Limited Liability Company registered in the Cayman Islands established with the main objective of generating liquidity for the Bank through issuance of bonds.
Al-Ghad Financial Company (Digital Ventures)	**100.00%**	100.00%	Saudi Arabian Riyal	A Limited Liability Company registered in the Kingdom of Saudi Arabia, engaged in selling of point of sale (POS) equipment and devices.
NEO Company	**100.00%**	-	Saudi Arabian Riyal	A Joint Stock Company registered in the Kingdom of Saudi Arabia, engaged in consumer microfinancing.

2. BASIS OF PREPARATION

(2.1) Statement of compliance

The consolidated financial statements of the Group have been prepared:

- In accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as endorsed in the Kingdom of Saudi Arabia and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA); as collectively referred to IFRSs that are endorsed in KSA; and
- In compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank.

(2.2) Basis of measurement

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held at FVIS and FVOCI and defined benefit obligations. 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 consolidated statement of financial position is stated in order of liquidity.

(2.3) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals (⃁) which is also the Bank's functional currency and have been rounded off to the nearest thousand Saudi Arabian Riyals, except as otherwise indicated.

(2.4) Basis of consolidation

The consolidated financial statements comprise the financial statements of The Saudi National Bank and its subsidiaries (see note 1.2). The financial statements of the subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies.

Intra-group balances, and income and expenses (except for foreign currency transactions gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

2. BASIS OF PREPARATION (continued)

(2.5) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue doing business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

(2.6) Critical accounting judgements, estimates and assumptions

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

(a) Fair value of financial instruments that are not quoted in an active market

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial instruments for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy (see note 34).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of their nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(b) Judgement of equity vs liability for Tier 1 Sukuk

The determination of equity classification of Tier 1 Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Group classifies as part of equity the Tier 1 Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit upon the occurrence of a non-payment event or non-payment election by the Group subject to certain terms and conditions and essentially mean that the remedies available to sukukholders are limited in number and scope and very difficult to exercise.

(c) Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGUs. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU, or groups of CGU, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The subsidiaries are regarded as a CGU for the purpose of impairment testing of their respective goodwill. Impairment losses are recognised in the consolidated statement of income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets including the intangible assets in the unit (or group of units) on a pro rata basis on condition that the carrying amount of other assets should not be reduced below their fair values.

Where goodwill forms part of a CGU (or group of CGU) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained. Please refer note 39 for more details.

When subsidiaries are sold, the difference between the selling price and the net assets plus any cumulative foreign currency translation reserve and unimpaired goodwill is recognised in the consolidated statement of income.

The previously recognised impairment loss in respect of goodwill cannot be reversed through the consolidated statement of income.

Non-financial assets held under Murabaha arrangements are measured at their lower of cost and net realizable value. Net realizable value is the estimated selling price, less selling expenses. Any impairment loss arising as a result of carrying these assets at their net realizable values is recognised in the consolidated statement of income under other operating income/(expense), net.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Determination of control over investment funds

The Group acts as a Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried interests and expected management fees) and the investors rights to remove the Fund Manager.

(e) Provisions for liabilities and charges

The Group receives legal claims in the ordinary course of business. Management makes judgments in assessing the risk that might exists in such claims. It also sets appropriate provisions against probable losses. The claims are recorded or disclosed, as appropriate, in the consolidated financial statements based on the best estimates of the amounts required to settle these claims.

(f) Measurement of defined benefit obligations

The Group maintains an end of service benefit plan for its employees and to arrive at the estimated obligation as at the reporting date, the Group uses assumptions such as the discount rate, expected rate of salary increase, attrition and normal retirement age.

(g) Useful lives of property, equipment and other software, and right of use assets

Management determines the estimated useful lives of its property, equipment and software for calculating depreciation/amortisation. This estimate is determined after considering the expected usage of the asset or its physical wear and tear. The residual value, useful lives and future depreciation/amortisation charges are revised by the management where they believe the useful lives differ from previous estimates.

(h) Impairment charge for expected credit losses

The Group exercises judgement and applies the use of various assumptions in the determination of expected credit losses (refer note 3).

(i) Classification of financial instruments

The Group exercises judgement for the classification of financial instruments (refer note 3).

(j) Hyperinflationary economy

Turkey has been considered as a hyperinflationary economy since the second quarter of 2022. TFKB uses the index published by the Turkish Statistical Institute to arrive at the below conversion factors that represents the ratio of hyperinflated balances to historical cost:

Item	31 December 2025	31 December 2024
Index	**3,513.87**	2684.55
Conversion factor	**1.3089**	1.4438

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements, and changes therein, are set out below:

(3.1) Changes in accounting policies, estimates and assumptions

(a) Material accounting policies, estimates and assumptions

The accounting policies, estimates and assumptions 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 31 December 2024, except for the adoption of new standards effective as of 1 January 2025, which is explained in (c) below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) New standards, interpretations and amendments adopted by the Group

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after 1 January 2025. Management has assessed that the amendments have no significant impact on the Group's consolidated financial statements.

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

(c) Accounting standards issued but not yet effective

The International Accounting Standards Board (IASB) has issued the following standards and amendments which will become effective on or after 1 January 2026. The Group is evaluating the impact on future financial statements, if any, of adopting these pronouncements.

Standards, amendments, interpretations	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply International Financial Reporting Standards (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 International Financial Reporting Standards (IFRS® Accounting Standards).	1 January 2027

(3.2) Classification of financial assets

On initial recognition, a financial asset is classified as held at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through income statement ("FVIS").

Financial asset held at amortised cost

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows (HTC); 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.

Financial asset held at Fair Value through other Comprehensive Income ('FVOCI')

Debt instruments

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

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (HTCS); 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 consolidated statement of comprehensive income. Special commission income and foreign exchange gains and losses are recognised in the consolidated statement of income.

Equity instruments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in the statement of other comprehensive income. This election is made on an investment-by-investment basis.

Financial asset held at Fair Value through Income Statement ('FVIS')

All financial assets, not classified as held at amortised cost or FVOCI are classified as FVIS.

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 as at FVIS if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(3.3) Business model assessment

The Group makes an assessment of the objective of a business model under 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 realized.

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

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

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.4) Assessments whether contractual cash flows are Solely Payments of Principal and Interest ("SPPI" criteria)

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).

(3.5) Classification of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

(3.6) Settlement date accounting

All regular-way purchases and sales of financial assets are recognised and derecognised on the settlement date, i.e. the date on which the asset is delivered to the counterparty. When settlement date accounting is applied, the Group accounts for any change in fair value between the trade date and the settlement date in the same way as it accounts for the acquired asset. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(3.7) Derivative financial instruments and hedge accounting

Derivative financial instruments including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, swaptions, currency and interest rate options (both written and purchased) are measured at fair value. Fair values are obtained by reference to quoted market prices and/or valuation models as appropriate.

(3.7.1) Derivatives held for trading

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to the consolidated statement of income for the year and are disclosed in trading income. Derivatives held for trading also include those derivatives, which do not qualify for hedge accounting as described below.

(3.7.2) Hedge accounting

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 risk, the Group applies hedge accounting for transactions that meet specific criteria. As permitted by IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39.

For the purpose of hedge accounting, hedges are classified into two categories:

(a) Fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, or an unrecognised firm commitment or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss; and

(b) Cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

In order to qualify for hedge accounting, the hedge should be expected to be "highly effective", i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item, and should be reliably measurable. At inception of the hedge, the risk management objective and strategy is 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.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis.

A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognised in the consolidated statement of income in 'Trading income, net'. For situations where the hedged item is a forecast transaction, the Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the consolidated statement of income.

(3.7.3) Fair value hedges

In relation to fair value hedges, which meet the criteria for hedge accounting, any gain or loss from remeasuring the hedging instruments to fair value is recognised immediately in the consolidated statement of income. Any gain or loss on the hedged item attributable to fair value changes relating to the risks being hedged is adjusted against the carrying amount of the hedged item and recognised in the consolidated statement of income (in the same line item as the hedging instrument). Where the fair value hedge of a special commission bearing financial instrument ceases to meet the criteria for hedge accounting, the adjustment in the carrying value is amortised to the consolidated statement of income over the remaining life of the instrument.

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.

(3.7.4) Cash flow hedges

In relation to cash flow hedges which meet the criteria for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised initially in other reserves under equity 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 transaction affects the consolidated statement of income. However, if the Group expects that all or a portion of a loss recognised in consolidated statement of other comprehensive income will not be recovered in one or more future periods, it shall reclassify into the consolidated statement of income as a reclassification adjustment the amount that is not to be recognised.

Hedge accounting is discontinued 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 reserves from the period when the hedge was effective is transferred from equity to the consolidated statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affect the consolidated statement of income, the net cumulative gain or loss recognised in other reserves is transferred immediately to the consolidated statement of income.

(3.7.5) 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 recognized in the statement of income unless they form part of a qualifying cash flow or net investment hedging relationship.

(3.7.6) Credit valuation adjustment (CVA)/debit valuation adjustment (DVA) methodology

Fair values of over the counter (OTC) derivatives take into account both credit valuation adjustment (CVA) and debit valuation adjustment (DVA) to reflect the potential counterparties and/or Group default, that is calculated based on their respective annual probability of default (PD) and loss given default (LGD), wherein the Group or counterparties may not receive or pay the fair values in its entirety. Model inputs and values are calibrated against historical data and published forecasts as appropriate, while the calibration process is inherently subjective as it yields ranges of possible inputs and estimates of fair values, yet management uses the best judgement to select the most appropriate value for use in the fair value adjustment.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.7) Derivative financial instruments and hedge accounting (continued)

(3.7.7) Sources of ineffectiveness

Possible sources of ineffectiveness are as follows:

- Difference between the expected and actual volume of prepayments, as the Group hedges to the expected repayment date taking into account expected prepayments based on past experience;
- Difference in the discounting between the hedge item and hedge instrument, as cash collateralized interest rate swaps are discounted using Overnight Indexed Swaps discount curves, which are not applied to the fixed rate mortgages;
- Hedging derivative with a non-zero fair value at the date of initial designation as a hedging instrument;
- Counter party credit risk which impacts the fair value of uncollateralized interest rate swaps but not the hedge items; and
- The effects of the forthcoming reforms to USD LIBOR, because these might take effect at a different time and have a different impact on the hedged item (the fixed-rate mortgages) and the hedging instrument (the derivatives used to hedge those mortgages).

(3.8) Derecognition

Financial assets

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

On derecognition of a financial asset, 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.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the consolidated statement of income on derecognition of such securities, rather, it is transferred to retained earning.

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

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

(3.9) Modifications of financial assets and financial liabilities

(a) Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised 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 recognizes 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 impairment losses. In other cases, it is presented together with the account that most closely relates to the underlying reason for the modification.

(b) Financial liabilities

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

(3.10) Foreign currencies

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the bank is Saudi Arabian Riyals. For the functional currencies of the Group's subsidiaries please refer to note 1.2.

(a) Transactions and balances of the bank

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates prevailing at transaction dates. Monetary assets and liabilities at the year-end (other than monetary items that form part of the net investment in a foreign operation), denominated in foreign currencies, are retranslated into the functional currency at the exchange rates prevailing at the reporting date. Foreign exchange gains or losses on translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Non-monetary assets measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value was determined.

(b) Foreign operations

As at the reporting date, the assets and liabilities of the foreign operations are translated into the Group's presentation currency at the rate of exchange ruling at the consolidated statement of financial position date. Equity (pre-acquisition) is translated at historical exchange rates at the date of acquisition and income and expenses of the statement of income are translated at the spot exchange rates prevailing at transaction dates on a daily basis. Exchange differences arising on translation are taken directly to a separate component of equity (foreign currency translation reserve) and are recognised in consolidated statement of comprehensive income. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the foreign exchange translation reserve is allocated to the non-controlling interest. The deferred cumulative amount of exchange differences recognised in equity will be reclassified in the consolidated statement of income at the time of any future disposal or partial disposal with loss of control or with loss of control without disposal.

Goodwill and intangible assets arising on the acquisition of the foreign operations and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

Foreign currency differences arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI, are recognised in the consolidated statement of OCI.

(3.11) Offsetting financial instruments

Financial assets and financial liabilities are offset and reported net in the consolidated statement of financial position when there is a current legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

(3.12) Revenue / expenses recognition

(3.12.1) Special commission income and expenses

Special commission income and expense are recognised in the consolidated statement of income using the effective special commission method. Fee income received in connection with financing and advances that are integral component of the effective interest rate are adjusted from the amortized cost of the related financing and advances and recognized in the consolidated statement of income over the life of the respective financial asset. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument to the gross carrying amount of a financial asset or the amortised cost of a financial liability.

When calculating the interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the interest rate includes transaction costs and fees paid or received that are an integral part of the interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

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 special commission 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 special commission income and expense, the 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.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.12) Revenue / expenses recognition (continued)

(3.12.1) Special commission income and expenses (continued)

However, for financial assets that have become credit-impaired subsequent to initial recognition, special commission income is calculated by applying the interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of special commission income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, special commission income is calculated by applying the credit-adjusted interest rate to the amortised cost of the asset. The calculation of special commission income does not revert to a gross basis, even if the credit risk of the asset improves.

(3.12.2) Fee and other income / expenses

Income from FVIS includes all realised and unrealised gains and losses from changes in fair value and related special commission income or expense, dividends for financial assets held for trading and foreign exchange differences on open positions.

Exchange income from banking services is recognised at a point in time. The performance obligation is satisfied when the transaction is carried out which triggers immediate recognition of the income.

Dividend income is recognised when the right to receive dividend income is established.

Fees income and expenses are recognised over a period of time as the service is provided.

Financing commitment fees for financing arrangement that are likely to be drawn down are deferred and recognised as an adjustment to the effective yield on the financing arrangement. Portfolio and other management advisory and service fee income are recognised when services are determined as complete in accordance with the underlying agreement based on performance obligations being met and agreed with customer. Fee income received on other services that are provided over an extended period of time, is recognised over the period of time on proportionate basis when the service is being provided, if material.

Fee received in connection with syndication financing where the Group acts as the lead arranger and retains no part of the financing for itself (or retains a part at the same effective interest rate "EIR" for comparable risk as other syndicate participants) is recognized upon the execution of the syndicate financing arrangement. Moreover, commitment fee received by the Group where it is unlikely that a specific lending arrangement will be entered into by the counterparty is recognized with reference to nature and execution of related performance obligation.

Success fee is recognized upon satisfaction of the promised performance obligation which generally corresponds to the execution of a specified task or completion of a milestone as agreed with the respective counterparty.

Other fee expenses mainly relate to transaction and services fee, which are expensed as related services are provided.

(3.13) Sale and repurchase agreements (including securities lending and borrowings)

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated statement of financial position as the Group retains substantially all the risks and rewards of ownership. These assets continue to be measured in accordance with the related accounting policies for investments held at FVIS, FVOCI and amortized cost. The transactions are treated as collateralised borrowing and counter-party liability for amounts received under these agreements is included in "Due to banks, Saudi Central Bank and other financial institutions". The difference between 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, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in "Cash and balances with central banks", "due from banks and other financial institutions" or "Financing and advances", as appropriate. The difference between purchase and resale price is treated as special commission income which is accrued over the life of the reverse repo agreement using the effective yield basis.

Securities borrowing and lending transactions are typically secured. Collateral takes the form of securities or cash advanced or received. Securities lent to counterparties are retained on the consolidated statement of financial position. Securities borrowed are not recognised on the consolidated statement of financial position, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability. Cash collateral given or received is treated as a loan and receivable or customers' deposits.

(3.14) Business combinations

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition, being total consideration of the acquisition, is measured as the fair value of the assets given and liabilities incurred or assumed at the date of acquisition. For any subsequent acquisitions, the cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and are included in other general and administrative expenses.

Identifiable assets acquired (including previously unrecognised intangible assets) and liabilities (including contingent liabilities) in an acquisition are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling interest. Any excess of the cost of acquisition over the fair values of the identifiable 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.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the consolidated statement of income. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investment or other categories of investment in accordance with the Group's relevant accounting policy.

(a) Subsidiaries

Subsidiaries are entities which are controlled by the Group. To meet the definition of control, all three criteria must be met:

(i) The Group has power over the entity;

(ii) The Group has exposure, or rights, to variable returns from its involvement with the entity; and

(iii) The Group has the ability to use its power over the entity to affect the amount of the entity's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred from the Group. The results of subsidiaries acquired or disposed of during the year, if any, are included in the consolidated statement of income from the date of the acquisition or up to the date of disposal, as appropriate.

The Group invests in structured entities forming part of larger structure with the objective to resell the investment in a short period after acquisition. For all such investment, the Group analyses whether and to what extent it controls the investee and any underlying entities. Moreover, whenever any such investee, controlled by the Group meets the criteria of held for sale, it is accounted as such and the total assets and total liabilities are included under other assets and other liabilities.

(b) Non-controlling interests

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the bank in its subsidiaries and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the bank's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(c) Associates

Associates are enterprises over which the Group exercises significant influence. Investments in associates are initially recognised at cost and subsequently accounted for under the equity method of accounting and are carried in the consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

Equity-accounted value represents the cost plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains/losses based on latest available financial statements) less impairment, if any.

The previously recognised impairment loss in respect of investment in associate can be reversed through the consolidated statement of income, such that the carrying amount of investment in the consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.15) Financing and advances

Financing and advances are non-derivative financial assets originated or acquired by the Group with fixed or determinable payments.

Financing and advances are recognised when cash is advanced to borrowers. They are derecognised when either the borrower repays their obligations, or the financing and advances are sold or written off, or substantially all the risks and rewards of ownership are transferred.

Financing and advances are initially measured at fair value of the consideration given.

Following initial recognition, financing and advances for which fair value has not been hedged are stated at amortised cost less any amount written off and ECL allowances for impairment.

For presentation purposes, allowance for expected credit losses is deducted from financing and advances.

(3.16) Due from banks and other financial institutions

Due from banks and other financial institutions are financial assets which are mainly money market placements with fixed or determinable payments and fixed maturities that are not quoted in an active market. Money market placements are not entered into with the intention of immediate or short-term resale. Due from banks and other financial institutions are initially measured at the fair value of the consideration given.

Following initial recognition, due from banks and other financial institutions are stated at amortized cost less any ECL allowance.

(3.17) Other real estate and repossessed assets

The Group, in the ordinary course of business, acquires certain real estate against settlement of due financing. Such real estate are considered assets held for sale and are initially stated at the lower of net realisable value of due financing and the current fair value of the related properties, less any costs to sell (if material). No depreciation is charged on such assets. Rental income from other real estate is recognised in the consolidated statement of income.

Subsequent to initial recognition, any subsequent write down to fair value, less costs to sell, are charged to the consolidated statement of income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognised in the statement of income. Unrealised losses or gains on revaluation, realized gains or losses on disposal are recognized in the consolidated statement of income.

Other real estate assets are presented under other assets in the consolidated statement of financial position.

(3.18) Property, equipment and software

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land is not depreciated. Changes in the expected useful lives are accounted for by changing the period or method, as appropriate, and treated as changes 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. Ongoing repairs and maintenance are expensed as incurred.

The depreciable amount of other property, equipment and software is depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Leasehold improvements	Over the lease period or useful economic life whichever is shorter
Furniture, equipment, and vehicles	4-10 years
Software	10-25 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the date of each consolidated statement of financial position.

Software are recognised only when their cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to them will flow to the Group. Software are amortised over the useful economic life and assessed for impairment whenever there is an indication that the software may be impaired. The amortisation period and method for software assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on software is recognised 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. The carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(3.19) Goodwill and Intangible assets

(3.19.1) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses; impairment loss of goodwill is charged to the consolidated statement of income. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired. Please refer to (note 39) for further details.

(3.19.2) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. All acquired intangible assets carried on the reporting date have a finite useful life. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Core Deposit Intangible ("CDI") is amortized over a period of 11 years and the Purchased Credit Card Relationships ("PCCR") and Customer Relationships is amortized over a period of 10 years.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income.

(3.20) Leases

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.

(3.20.1) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

(3.20.2) Lease liabilities

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.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.20) Leases (continued)

(3.20.2) Lease liabilities (continued)

After the commencement date, Bank 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 statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

(3.20.3) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(3.20.4) Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to renew the lease of the assets. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

(3.21) Financial liabilities

All money market deposits, customers' deposits and debt securities issued are initially recognised at fair value. Subsequently, all commission bearing financial liabilities, are measured at amortised cost by taking into account any discount or premium. Premiums are amortised and discounts are accreted on an effective yield basis to maturity and taken to special commission expense.

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 profit or loss.

(3.22) Financial guarantees and financing commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financing commitments are commitments to provide credit under pre-specified terms and conditions.

In the ordinary course of business, the Group issues letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given; typically the premium received. Subsequent to the initial recognition, the Group's liability under such guarantees are measured at the higher of their amortised amount and the best estimate of the expenditure required to settle any financial obligation arising at the statement of financial position date. These estimates are determined based on experience of similar transactions and history of past losses net of any cash margin. Any increase in the liability relating to the financial guarantee is taken to the consolidated statement of income as impairment charge for financing and advances losses, net. The premium received is recognised in the consolidated statement of income as fee income from banking services on a straight line basis over the life of the guarantee, if material.

Financial guarantees issued or 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 the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Group has issued no loan commitments that are measured at FVIS. For other loan commitments, the Group recognises loss allowance for expected credit losses.

(3.23) Provisions

Provisions are recognised when a reliable estimate can be made by the Group for a present legal or constructive obligation as a result of past events where it is more likely that an outflow of resources will be required to settle the obligation. Provisions are presented under other liabilities. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance charges.

The bank receives legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process being followed as per law.

(3.24) Expected credit loss (ECL)

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

- Financial assets that are debt instruments;
- Lease receivables;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

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

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which 12-month ECL are recognized are referred to as 'Stage1' financial instruments. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are nor credit- impaired. Financial instruments for which the lifetime ECL are recognized and that are credit-impaired are referred to as 'Stage 3 financial instruments'. The group's financial assets that are measured at amortised cost and debt instrument held at FVOCI fall within these categories.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

The Group considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs. The forward- looking information will include the elements such as macroeconomic factors (e.g., unemployment, GDP growth, inflation, interest rates and house prices) and economic forecasts obtained through internal and external sources.

(3.25) Measurement of ECL

ECL represent probability-weighted estimates of credit losses. These are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn 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 cash flows that the Group expects to receive.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.25) Measurement of ECL (continued)

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: 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.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

(3.26) 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 is 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; or
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

(3.27) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a financing or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

The Financing and advances that have been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the investment yields;
- The rating agencies' assessments of creditworthiness;
- The country's ability to access 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.

Non-performing financing and advances presented in these consolidated financial statements represent credit impaired financing and advances excluding POCI financial assets which are separately disclosed.

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL is incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry impairment allowance on initial recognition. The amount recognized as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

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; in other liabilities.

Financial instrument includes both a drawn and an undrawn component

- Where the Group cannot identify the ECL on the financing and advances 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.

Debt instruments measured at FVOCI

- The Group recognizes a loss allowance for financial assets that are measured at fair value through other comprehensive income on the statement of other comprehensive income which will not reduce the carrying amount of the financial asset in the statement of financial position.

(3.28) Write-off

Financing and advances 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.

(3.29) 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, 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.

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 accredited valuers, mortgage brokers, or based on housing price indices.

(3.30) 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 tobe useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group's policy.

(3.31) 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 and balances with "SAMA", excluding statutory deposits, and due from banks and other financial institutions with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

(3.32) Investment management services

The financial statements of investment management funds are not included in the consolidated financial statements of the Group. 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.

(3.33) Fiduciary income

In the normal course of business, the Group agrees with the clients to invest the fiduciary assets and commission earned on these investments is recognised in the consolidated statement of income.

(3.34) Banking products that comply with Shariah rules

Beside conventional banking products, the Group offers certain banking products that comply with Shariah rules. These products are approved and overseen by an independent Shariah board and Shariah advisors at the bank and its subsidiaries. Shariah compliant products are treated under International Financial Reporting Standards (IFRS® Accounting Standards) and in accordance with the accounting policies used in the preparation of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.34) Banking products that comply with Shariah rules (continued)

Banking products that comply with Shariah rules are based on several Islamic types, including but not limited to:

(3.34.1) Murabaha

Murabaha is a financing agreement whereby the bank purchases and owns commodities based on client's request and sells them to the client with a specified agreed price (cost plus a profit margin) and paid as agreed.

Examples of products in which the bank uses Murabaha are residential finance, commercial real estate, trade finance, commercial finance, deposit products for customers and inter-bank Murabaha.

(3.34.2) Tawarruq

Tawarruq is financing instrument for customers in need of cash financing. It involves the bank buying commodities from international or local markets and selling them to customers at agreed-upon deferred installment terms. Customers, on their own, or by appointing an agent, resell the commodities to third parties for cash.

Examples of products in which the bank uses Tawarruq are in residential finance for individuals (self-construction/sale on the map), personal finance, credit cards, corporate finance, structured finance, syndications, as well as interbank transactions.

(3.34.3) Ijara

The bank has two types of Ijara. First, where the bank purchases assets, upon the request of customers (lessee), on cash basis and leases them to customers for an agreed-upon rent to be settled in agreed-upon installments. Second is forward Ijara, which is a contract to manufacture goods, assemble or process them, or to build a house or other structure according to exact specifications and a fixed timeline.

In the Ijara contract, the bank promises to transfer ownership of the assets to its customers at the end of the lease period, either by sale at nominal prices or in the form of grants.

Examples of products in which the bank uses Ijara are auto lease with promises to transfer ownership, residential finance, commercial real estate finance, and structured finance. The main uses of forward Ijara are in structured finance.

(3.34.4) Mudarabah

Mudaraba is a form of participation in profit where the client provides the capital to the bank or vice versa depending on the product type. The capital owner is called the "Rab Almaal" and the worker is "Mudharib". The worker's duty is to invest the capital in activities that comply with Shariah rules. The income is divided according to the agreement. In the case of loss, "Rab Almaal" has to bear all the losses from his capital and the "Mudharib" loses his efforts.

Examples of the products in which the bank uses the Mudaraba are Islamic Mudaraba Certificates, Mudaraba Call Accounts, and Tier 1 Sukuks.

(3.34.5) Promise

Promise is a mandatory commitment by the bank to its client or vice versa to enter into a sale or purchase transaction for the purpose of hedge against fluctuations in index prices, commodity prices and currency prices.

Examples of products in which the bank uses the promise are structured hedging products and structured investment products.

All the above Shariah-compliant financing products are accounted for in conformity with the accounting policies described in these consolidated financial statements. They are included in financing and advances.

(3.35) Shariah-compliant deposit products

The group offers its customers certain deposit products that comply with Shariah rules. These are approved and overseen by an independent Shariah boards at the bank and its subsidiaries.

(3.35.1) AlKhairaat

AlKhairaat is a Shariah-compliant product based on commodity Murabaha. The Group acts as an agent for its customers in purchasing commodities on their behalf with their funds and then purchases these commodities for its own account from customers at agreed-upon price and deferred maturities (3, 6, 9 or 12 months). Being a retail product, customers are allowed to choose the investment amount, tenure, and currency. Since the Group purchases commodities from its customers, it is liable to them for the capital they invested plus a profit.

(3.35.2) Structured AlKhairaat

This product is an enhanced deposit product which provides a Shariah compliant alternative to structured deposits. It combines AlKhairaat placement with a promise to enter into a secondary Murabaha transaction for the benefit of the customer where the profit will be linked to a predetermined index. These are capital protected up to a specified percentage (typically 95-100%).

These Shariah-compliant deposit products are accounted for in conformity with the accounting policies described in these consolidated financial statements. They are included in customers' deposit.

(3.36) Shariah-compliant treasury products

The group offers its customers certain treasury products that comply with Shariah rules. These products are approved and overseen by an independent Shariah boards and Shariah advisor at the bank and its subsidiaries.

(3.36.1) Structured Hedging Products

These products are offered to clients to hedge their existing exposure to foreign currencies. It is based on the concept of Waad (binding promise) where the Group promises to buy/sell a particular amount of foreign currency at an agreed upon price. It may include only one Waad or a combination of Waads.

(3.36.2) Structured Investment Products

These products are offered to clients to offer them a return that is typically higher than a standard AlKhairaat. There are based on the structured AlKhairaat product and are designed to give the customers exposure to a number of indices including foreign currencies, precious metals and Shariah compliant equity indices.

(3.36.3) Rates Products

These products are offered to clients who have exposure to fixed/floating rates and need hedging solutions. The products are designed around the concept of Waad to enter into Murabaha where the profit is based on a rates index or formula. It may include only one Waad or a combination of Waads.

(3.36.4) Commodity Products

These products are offered to clients who have exposure to commodity prices and need hedging solutions. These products are designed around the concept of Waad to enter into Murabaha where the profit is based on a commodity price index. It may include only one Waad or a combination of Waads.

(3.37) Treasury shares

Treasury shares are recorded at acquisition cost and presented as a deduction from equity. Any gains or losses on disposal of such shares are reflected under equity and are not recognised in the consolidated statement of income.

(3.38) End of service benefits

The provision for end of service benefits is made based on actuarial valuation in accordance with Saudi Arabian Labour Laws and local regulatory requirements. Net obligation, with respect to end of service benefits, to the Bank is reviewed by using a projected unit credit method. Actuarial gains and losses (re-measurements) are recognized in full in the period in which they occur in other comprehensive income. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Bank recognizes the following changes in the net defined benefit obligation under 'salaries and employee related expenses' in the consolidated statement of income:

- Service costs comprise current service costs, past service costs (resulting from plan amendments or curtailments) and any gains or losses on settlement.
- 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.

Benefits payable to the employees of the Group at the end of their services are accrued based on actuarial valuation and are included in other liabilities in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.39) Staff remuneration

The bank's Board of Directors and its Nomination and Remuneration Committee oversee the design and implementation of the bank's Remuneration system in accordance with updated SAMA banks Remuneration rules, local statutory requirements of the foreign branches and subsidiaries.

The Nomination and Remuneration Committee was established by the Board of Directors and is composed of four independent and non-executive members including the Chairman of the Committee. The Committee's Rules and responsibilities are in line with SAMA Banking Remuneration Rules.

The Committee is responsible for the development and implementation of the remuneration system and oversight of its execution, with the objective of preventing excessive risk-taking and promoting corporate financial soundness. The Committee submits its recommendations, resolutions and reports to the Board of Directors for approval.

Key elements of remuneration in the bank:

(3.39.1) Fixed remuneration

The fixed compensation includes salaries, allowances and benefits. Salaries are set in relation to market rates to attract, retain and motivate talented individuals. Salary administration is based on key processes such as job evaluation, performance appraisal and pay scales structure. The competitiveness of pay scales is monitored and maintained through participation in regular market pay surveys.

(3.39.2) Variable remuneration

Variable remuneration aims at driving performance and limiting excessive risk taking. The Group operates three plans under variable compensation:

(a) Short term incentive plan (annual performance bonus)

The annual performance bonus aims at supporting the achievement of a set of annual financial and non-financial objectives. The financial objectives relate to the economic performance of the Group's business, while the non-financial objectives relate to some other critical objectives relating, for example, to complying with risk and control measures, employees development, teamwork, staff morale etc.

The Group has established a regular performance appraisal process aimed at assessing employees' performance and contribution. Annual performance bonus payments are based on employee contributions, business performance and the group's overall results. The overall annual performance bonus pool is set as a percentage of the group's net income, adjusted to reflect the core performance of the employees. The group does not operate a guaranteed bonus plan.

The cost of this plan is recognised in the consolidated statement of income of the year to which it relates.

(b) Short term incentive plan (annual performance incentive))

The bank runs several incentive plans to motivate employees based in revenue generating organizational areas, and improve their efficiency and performance. Frequency of incentive payments during the year is determined by the concerned Business groups/divisions and applied to the sales, collection, and other eligible employees as per the approved incentive scheme. The incentive pool is treated as cost of business, depending on the relevant business area.

(c) Share based payment plan

The bank maintains an equity-settled share based payment plan for its key management. The grant-date fair value of such share-based payment arrangement granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The share-based awards vest at 100% (cliff vesting) in the form of shares by the end of the third year, subject to the vesting eligibility based on employment status as per the banks approved policy.

If the employees are not entitled to dividends declared during the vesting period, then the fair value of these equity instruments is reduced by the present value of dividends expected to be paid compared with the fair value of equity instruments that are entitled to dividends. If the employees are entitled to dividends declared during the vesting period, then the accounting treatment depends on whether the dividends are forfeitable. Forfeitable dividends are treated as dividend entitlements during the vesting period. If the vesting conditions are not met, then any true-up of the share-based payment would recognise the profit or loss effect of the forfeiture of the dividend automatically because the dividend entitlements are reflected in the grant- date fair value of the award.

In cases, where an award is forfeited (i.e. when the vesting conditions relating to award are not satisfied), the bank reverses the expense relating to such awards previously recognised in the consolidated statement of income. Where an equity-settled award is cancelled (other than forfeiture), it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The bank acquires its own shares in connection with the anticipated grant of shares to the key management in future. Until such time as the beneficial ownership of such shares in the group passes to the employees, the unallocated/non-vested shares are treated as treasury shares.

(3.39.3) Deferral on Variable Remuneration

In line with SAMA's requirements, the Bank aligns variable remuneration with long-term risk outcomes, ensuring it does not encourage excessive risk-taking behaviors that may lead to material losses.

The deferral Plan is designed to align employee remuneration with the Bank's long-term strategic objectives, risk management framework, and sustainability goals. By fostering accountability, encouraging sound decision-making, and integrating risk considerations, the plan ensures that performance incentives promote sustainable business outcomes while cultivating a culture of integrity, prudence, and responsibility.

Deferral on variable remuneration applies to key individuals whose decisions significantly influence the Bank's risk profile and overall performance. These individuals include senior management, material risk-takers, material risk controllers, and other roles with oversight responsibilities. They are held accountable for aligning their performance with the Bank's strategic priorities and long-term sustainability objectives.

The deferral structure includes a predetermined portion of variable remuneration being deferred over a multi-year period, typically between three and four years. Deferred amounts are distributed in cash on a prorated basis during the vesting period. This structure ensures participants remain aligned with long-term organizational goals and financial sustainability.

Performance metrics are directly tied to measurable outcomes at individual, team, and organizational levels. Key performance indicators (KPIs) include financial performance, adherence to risk management protocols, and compliance with ethical and behavioral standards. This approach rewards consistent performance while mitigating short-term risk-taking behaviors.

Risk adjustments include an ex-ante risk assessment framework, where adjustments are applied before awarding variable remuneration. Variable pay is adjusted if performance outcomes fall outside acceptable bounds of the risk appetite set by the Bank's management. Additionally, an ex-post risk assessment framework evaluates actual performance against risk assumptions. This allows for reductions in the value of deferred remuneration, if necessary, before vesting.

The deferral of variable remuneration underscores the Bank's commitment to responsible and sustainable practices. This approach reinforces a culture of long-term value creation rather than focusing on short-term gains. It aligns remuneration practices with the Bank's strategic priorities, including financial stability and risk mitigation. Additionally, it promotes responsible decision-making by ensuring that rewards are tied to behaviors and outcomes that enhance the Bank's reputation and foster stakeholder trust.

By adopting this approach, the bank ensures that its variable remuneration practices support long-term success while maintaining ethical standards and mitigating risk exposure.

(3.39.4) Clawback Provisions

Clawback refers to the recovery of performance-based variable remuneration by the bank, which has already been paid to employees, including both current and former employees. This recovery applies to all types of variable remuneration, including short-term incentives, annual bonuses, and long-term incentives.

The bank enforces clawback provisions when an employee causes or contributes to losses for the Bank, its customers, or any other party through intentional actions. Such actions may include, but are not limited to, misconduct, fraud, embezzlement, gross negligence, or a material failure in risk management controls. This also covers violations of internal policies, breaches of related rules or regulations, unauthorized disclosure of confidential information, and breaches of non-disclosure agreements.

(3.39.5) Performance Management

The bank aims to foster a high-performance culture by ensuring that employees are provided with clear performance objectives, ongoing coaching and feedback, professional development, and recognition for superior work. The performance of all employees is assessed periodically against agreed performance goals. As part of the performance measurement framework, employee goals and targets are designed to drive good behavior and act in the best interest of the Bank. Additionally, as part of the Bank's behavioral competencies framework, values and conduct standards are assessed during employee performance appraisals.

The performance management system requires line managers to evaluate each employee's contribution alongside their compliance with risk management processes and controls, teamwork, behaviors, and communication. In cases of misconduct, employees will be subject to penalization, which may impact various remuneration elements. This includes, but is not limited to, all types of variable payouts, salary increments, and promotions.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(3.40) Tier 1 Sukuk

The Group classifies Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and do not oblige the Group for payment of profit as part of equity. The related initial costs and distributions thereon are recognised directly in the consolidated statement of changes in equity under retained earnings.

(3.41) 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 loan at a below-market rate of interest is treated as a government grant related to income. The below-market rate loan is recognised and measured in accordance with IFRS 9. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20 "Accounting for government grants and disclosure of government assistance". Government grant is recognised in the consolidated statement of income on a systematic basis over the periods in which the bank recognises 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.

(3.42) General and administrative expenses

These represent operating expenses, other than salaries and employee-related cost, rent and premises-related expenses, depreciation, amortization and other operating expenses – net, and includes items such as cost of outsourced personnel, professional and consultancy expenses, IT related costs, operations, administration expenses and provision for OREO assets.

Moreover, it includes auditors fees for the year ended 31 December 2025 amounting to ⃁27 million (31 December 2024: ⃁21 million).

(3.43) Zakat and Income taxes

(a) Current zakat and income taxes

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat expense is charged to the statement of income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to zakat. 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.

Zakat and income taxes are charged to the bank's Statements of consolidated income. The Group applies significant judgement in identifying uncertainties over income tax treatments. The nature and the basis for calculation of Zakat is different from that of the income taxes and therefore provision for deferred tax is not applicable for Zakat calculations.

(b) Deferred tax

Deferred tax is recognized using the liability method on all major temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using the rates that are expected to apply on the shareholders subject to tax, to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amount of the deferred tax asset is reviewed at each statement of consolidated financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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 Group 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.

(c) Value added tax ("VAT")

The Group collects VAT from its customers for qualifying services provided and makes VAT payments to its vendors for qualifying payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is borne by the Group and is either expensed or in the case of property, equipment, and intangibles payments, is capitalized and then depreciated or amortized over the relevant fixed assets/intangibles useful life.

4. CASH AND BALANCES WITH CENTRAL BANKS

	2025	2024
Cash in hand	8,449,248	7,512,949
Balances with SAMA:		
Statutory deposit	36,130,995	34,602,533
Money market placements and current accounts	342,994	4,216
Cash and balances with central banks	44,923,237	42,119,698

In accordance with article (7) of the Banking Control Law and regulations issued by SAMA, the Bank is required to maintain a statutory deposits with SAMA at stipulated percentages of its deposits liabilities calculated at the end of each Gregorian month. The statutory deposits with SAMA is not available to finance the Bank's day-to-day operations and therefore is not part of cash and cash equivalents.

5. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS, NET

	2025	2024
Current accounts	12,504,429	9,726,371
Money market placements	9,346,209	10,499,849
Reverse repos	1,121,531	864,200
Expected credit loss allowance	(1,338)	(1,997)
Due from banks and other financial institutions, net	22,970,831	21,088,423

6. INVESTMENTS, NET

(6.1) Investments are classified as follows:

2025	Domestic	International	Total
Fixed rate securities	1,548,350	1,120,609	2,668,959
Floating rate securities	-	2,117	2,117
Equities	1,578,791	508,062	2,086,853
Mutual funds, hedge funds and others	2,166,055	24,375,616	26,541,671
Held at FVIS	5,293,196	26,006,404	31,299,600
Fixed rate securities	14,394,450	61,226,519	75,620,969
Floating rate securities	5,729,771	10,097,111	15,826,882
Equities	759,782	947,774	1,707,556
Mutual funds, hedge funds and others	110,194	365,835	476,029
Held at FVOCI	20,994,197	72,637,239	93,631,436
Fixed rate securities	143,921,986	25,041,190	168,963,176
Floating rate securities	25,109,285	1,016,873	26,126,158
Expected credit loss allowance	(11,488)	(4,692)	(16,180)
Held at amortised cost, net	169,019,783	26,053,371	195,073,154
Investments, net	195,307,176	124,697,014	320,004,190

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

6. INVESTMENTS, NET (continued)

(6.1) Investments (continued)

2024	Domestic	International	Total
Fixed rate securities	1,515,919	1,049,500	2,565,419
Floating rate securities	172,776	241	173,017
Equities	1,069,563	631,377	1,700,940
Mutual funds, hedge funds and others	1,584,363	19,539,885	21,124,248
Held at FVIS	4,342,621	21,221,003	25,563,624
Fixed rate securities	12,332,220	53,392,008	65,724,228
Floating rate securities	5,844,677	9,861,493	15,706,170
Equities	1,657,713	3,208,204	4,865,917
Mutual funds, hedge funds and others	121,018	139,310	260,328
Held at FVOCI	19,955,628	66,601,015	86,556,643
Fixed rate securities	133,738,097	19,691,273	153,429,370
Floating rate securities	24,890,736	2,070,873	26,961,609
Expected credit loss allowance	(16,855)	(7,584)	(24,439)
Held at amortised cost, net	158,611,978	21,754,562	180,366,540
Investments, net	182,910,227	109,576,580	292,486,807

(6.2) The product-wise breakdown of investments, net is as follows:

	2025	2024
Equities and investment funds	**30,812,109**	27,951,433
Sukuk issued by Government - Saudi Ministry of Finance (MOF)	**160,286,666**	136,386,242
Sukuk issued by Government - Other	**4,151,244**	6,072,406
Sukuk issued by banks and financial institutions	**3,505,501**	3,828,149
Sukuk issued by others	**11,352,771**	11,546,711
Bonds issued by Government - Saudi Ministry of Finance (MOF)	**18,685,574**	26,840,963
Bonds issued by Government - Other	**40,239,417**	35,146,392
Bonds issued by banks and financial institutions	**21,279,378**	20,790,082
Bonds issued by others	**29,691,530**	23,924,429
Investments, net	**320,004,190**	292,486,807

(6.3) The currency analysis of investments, net is as follows:

	2025	2024
SAR	**176,723,878**	163,185,918
USD	**134,459,579**	119,125,807
GBP	**483,047**	493,678
EUR	**1,553,812**	501,827
Other currencies	**6,783,874**	9,179,577
Investments, net	**320,004,190**	292,486,807

Other currencies mainly comprise of TRY, PKR and SGD.

(6.4) Investments held at amortised cost

(a) The movement in gross carrying amount of debt instruments held at amortized cost is as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	**179,935,669**	**455,310**	**-**	**180,390,979**
Additions or purchases	**32,732,762**	**-**	**-**	**32,732,762**
Derecognized on repayment or disposal	**(17,576,768)**	**(70,542)**	**-**	**(17,647,310)**
Transfer to stage 1	**250**	**(250)**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Foreign currency translation and other adjustments	**(387,097)**	**-**	**-**	**(387,097)**
Balance as at 31 December 2025	**194,704,816**	**384,518**	**-**	**195,089,334**

2024	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	157,296,109	455,029	-	157,751,138
Additions or purchases	39,834,374	-	-	39,834,374
Derecognized on repayment or disposal	(16,808,817)	-	-	(16,808,817)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(281)	281	-	-
Transfer to stage 3	-	-	-	-
Foreign currency translation and other adjustments	(385,716)	-	-	(385,716)
Balance as at 31 December 2024	179,935,669	455,310	-	180,390,979

(b) The analysis of unrealised revaluation gains/(losses) and fair values of investments held at amortised cost is as follows:

2025	Carrying value	Gross unrealised gain	Gross unrealised loss	Fair value
Fixed rate securities	**168,963,176**	**607,852**	**(11,524,081)**	**158,046,947**
Floating rate securities	**26,126,158**	**36,968**	**(622,754)**	**25,540,372**
Expected credit loss allowance	**(16,180)**	**-**	**-**	**(16,180)**
Held at amortised cost, net	**195,073,154**	**644,820**	**(12,146,835)**	**183,571,139**

2024	Carrying value	Gross unrealised gain	Gross unrealised loss	Fair value
Fixed rate securities	153,429,370	172,429	(13,734,687)	139,867,112
Floating rate securities	26,961,609	10,694	(374,847)	26,597,456
Expected credit loss allowance	(24,439)	-	-	(24,439)
Held at amortised cost, net	180,366,540	183,123	(14,109,534)	166,440,129

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

6. INVESTMENTS, NET (continued)

(6.5) Debt instruments held at FVOCI

The movement in gross carrying amount of debt instruments held at FVOCI is as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	80,852,844	577,554	-	81,430,398
Additions or purchases	39,202,791	-	-	39,202,791
Derecognized on sale or disposal	(29,511,442)	(360,973)	-	(29,872,415)
Change in fair value	920,328	5,891	-	926,219
Transfer to stage 1	8,835	(8,835)	-	-
Transfer to stage 2	(4,974)	4,974	-	-
Transfer to stage 3	-	-	-	-
Foreign currency translation and other adjustments	(239,142)	-	-	(239,142)
Balance as at 31 December 2025	91,229,240	218,611	-	91,447,851

2024	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	81,213,712	700,442	-	81,914,154
Additions or purchases	27,338,325	-	-	27,338,325
Derecognized on sale or disposal	(28,021,063)	(87,292)	-	(28,108,355)
Change in fair value	680,598	95,886	-	776,484
Transfer to stage 1	131,482	(131,482)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Foreign currency translation and other adjustments	(490,210)	-	-	(490,210)
Balance as at 31 December 2024	80,852,844	577,554	-	81,430,398

(6.6) An analysis of changes in expected credit loss allowance for debt instruments held at amortized cost and FVOCI, is as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	42,290	19,139	-	61,429
Net ECL charge/(reversal)	(18,636)	(8,756)	-	(27,392)
Transfer to stage 1	192	(192)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Foreign currency translation and other adjustments	-	-	-	-
Balance as at 31 December 2025	23,846	10,191	-	34,037

2024	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	66,703	2,310	-	69,013
Net ECL charge/(reversal)	(24,549)	17,094	-	(7,455)
Transfer to stage 1	265	(265)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Foreign currency translation and other adjustments	(129)	-	-	(129)
Balance as at 31 December 2024	42,290	19,139	-	61,429

(6.7.1) The analysis of the composition of investments is as follows:

2025	Quoted	Unquoted	Total
Fixed rate securities	2,668,959	-	2,668,959
Floating rate securities	2,117	-	2,117
Equities	249,188	1,837,665	2,086,853
Mutual funds, hedge funds and others	2,294,329	24,247,342	26,541,671
Held at FVIS	5,214,593	26,085,007	31,299,600
Fixed rate securities	74,953,255	667,714	75,620,969
Floating rate securities	8,754,778	7,072,104	15,826,882
Equities	1,688,104	19,452	1,707,556
Mutual funds, hedge funds and others	110,194	365,835	476,029
Held at FVOCI	85,506,331	8,125,105	93,631,436
Fixed rate securities	167,299,497	1,663,679	168,963,176
Floating rate securities	21,313,050	4,813,108	26,126,158
Expected credit loss allowance	(5,088)	(11,092)	(16,180)
Held at amortised cost, net	188,607,459	6,465,695	195,073,154
Investments, net	279,328,383	40,675,807	320,004,190

2024	Quoted	Unquoted	Total
Fixed rate securities	2,565,419	-	2,565,419
Floating rate securities	173,017	-	173,017
Equities	999,560	701,380	1,700,940
Mutual funds, hedge funds and others	2,386,551	18,737,697	21,124,248
Held at FVIS	6,124,547	19,439,077	25,563,624
Fixed rate securities	64,856,135	868,093	65,724,228
Floating rate securities	9,040,970	6,665,200	15,706,170
Equities	4,847,940	17,977	4,865,917
Mutual funds, hedge funds and others	121,018	139,310	260,328
Held at FVOCI	78,866,063	7,690,580	86,556,643
Fixed rate securities	151,061,995	2,367,375	153,429,370
Floating rate securities	20,924,300	6,037,309	26,961,609
Expected credit loss allowance	(21,465)	(2,974)	(24,439)
Held at amortised cost, net	171,964,830	8,401,710	180,366,540
Investments, net	256,955,440	35,531,367	292,486,807

(6.7.2) The analysis of the composition of investments is as follows:

(a) Investments held at amortised cost include investments amounting to ⃁4,271 million (2024: ⃁936 million) which are held under a fair value hedge relationship. As at 31 December 2025, the fair value of these investments amounts to ⃁4,272 million (2024: ⃁872 million).

(b) Total investments include Shariah compliant investments amounting to ⃁189,328 million (31 December 2024: ⃁165,635 million).

(6.8) Securities lending transactions

The Group pledges financial assets for securities lending transactions which are generally conducted under terms that are usual and customary for standard securitised borrowing contracts. As at 31 December 2025, securities amounting to ⃁3,322 million (2024: ⃁4,008 million) were lent to counterparties under securities lending transactions.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

6. INVESTMENTS, NET (continued)

(6.9) The analysis of investments by counterparty is as follows:

	2025	2024
Government and Quasi Government	230,235,983	211,696,953
Banks and other financial institutions	37,684,436	41,058,438
Corporates	52,083,771	39,731,416
Investments, net	320,004,190	292,486,807

7. FINANCING AND ADVANCES, NET

(7.1) Financing and advances, net

2025	Performing financing and advances	Non-performing financing and advances	Total financing and advances	Allowance for financing losses	Purchased or originated credit-impaired	Financing and advances, net
Corporate	273,840,165	1,613,561	275,453,726	(2,904,785)	1,722,863	274,271,804
Micro, Small and Medium Enterprises "MSMEs"	80,199,362	1,798,535	81,997,897	(1,920,274)	102	80,077,725
Wholesale	354,039,527	3,412,096	357,451,623	(4,825,059)	1,722,965	354,349,529
Residential finance	195,572,842	655,778	196,228,620	(1,164,025)	-	195,064,595
Personal finance	99,091,795	274,376	99,366,171	(619,982)	-	98,746,189
Auto lease	19,052,455	36,645	19,089,100	(90,005)	-	18,999,095
Credit cards	6,456,044	61,343	6,517,387	(122,740)	-	6,394,647
Private banking	31,716,288	207,415	31,923,703	(96,193)	-	31,827,510
Retail	351,889,424	1,235,557	353,124,981	(2,092,945)	-	351,032,036
International	20,230,827	353,673	20,584,500	(437,984)	-	20,146,516
Others*	3,782,825	-	3,782,825	-	-	3,782,825
Financing and advances, net	729,942,603	5,001,326	734,943,929	(7,355,988)	1,722,965	729,310,906

2024	Performing financing and advances	Non-performing financing and advances	Total financing and advances	Allowance for financing losses	Purchased or originated credit-impaired	Financing and advances, net
Corporate	238,941,778	2,938,988	241,880,766	(4,880,922)	2,443,093	239,442,937
Micro, Small and Medium Enterprises "MSMEs"	54,084,842	2,279,545	56,364,387	(2,218,149)	8,675	54,154,913
Wholesale	293,026,620	5,218,533	298,245,153	(7,099,071)	2,451,768	293,597,850
Residential finance	181,447,985	1,452,701	182,900,686	(1,848,141)	-	181,052,545
Personal finance	89,878,909	266,260	90,145,169	(671,841)	-	89,473,328
Auto lease	16,790,532	32,154	16,822,686	(108,299)	-	16,714,387
Credit cards	5,493,309	64,929	5,558,238	(99,343)	-	5,458,895
Private banking	47,247,306	234,691	47,481,997	(140,902)	-	47,341,095
Retail	340,858,041	2,050,735	342,908,776	(2,868,526)	-	340,040,250
International	17,179,190	423,060	17,602,250	(437,627)	-	17,164,623
Others*	3,449,623	-	3,449,623	-	-	3,449,623
Financing and advances, net	654,513,474	7,692,328	662,205,802	(10,405,224)	2,451,768	654,252,346

*Others includes margin lending.

Below is a breakdown of Shariah-Compliant financing products:

2025	Retail	Wholesale	International	Others	Total
Tawarruq	131,074,041	215,515,466	868,428	-	347,457,935
Murabaha	177,459,198	3,239,213	15,505,752	-	196,204,163
Ijara	37,166,099	12,449,476	1,796,815	-	51,412,390
Other islamic products	-	4,411,364	1,237,939	3,404,542	9,053,845
Total performing financing and advances	345,699,338	235,615,519	19,408,934	3,404,542	604,128,333
Non-performing financing and advances	1,145,183	2,353,271	209,330	-	3,707,784
Allowance for financing losses	(2,074,294)	(3,373,036)	(291,801)	-	(5,739,131)
Purchased or originated credit-impaired	-	1,566,164	-	-	1,566,164
Financing and advances, net	344,770,227	236,161,918	19,326,463	3,404,542	603,663,150

2024	Retail	Wholesale	International	Others	Total
Tawarruq	134,044,884	173,262,775	1,071,567	-	308,379,226
Murabaha	162,054,759	3,273,673	13,197,193	-	178,525,625
Ijara	36,183,758	12,392,264	1,472,565	-	50,048,587
Other islamic products	-	5,858,208	740,801	3,104,660	9,703,669
Total performing financing and advances	332,283,401	194,786,920	16,482,126	3,104,660	546,657,107
Non-performing financing and advances	2,012,642	2,931,037	193,341	-	5,137,020
Allowance for financing losses	(2,769,255)	(5,341,703)	(307,716)	-	(8,418,674)
Purchased or originated credit-impaired	-	2,318,581	-	-	2,318,581
Financing and advances, net	331,526,788	194,694,835	16,367,751	3,104,660	545,694,034

(7.2) The analysis of changes in gross carrying amounts is as follows:

	Gross carrying amount			
2025	Stage 1	Stage 2	Stage 3	Total
Consolidated				
As at 1 January 2025	636,077,653	18,143,678	7,984,471	662,205,802
Net increase/(decrease) during the year	85,351,220	(3,600,562)	17,993	81,768,651
Transfer to stage 1	1,528,968	(1,244,027)	(284,941)	-
Transfer to stage 2	(9,180,756)	9,285,489	(104,733)	-
Transfer to stage 3	(1,434,747)	(2,458,946)	3,893,693	-
Bad debts written off	-	-	(6,121,686)	(6,121,686)
Foreign currency translation adjustment	(2,741,115)	(132,570)	(35,153)	(2,908,838)
As at 31 December 2025	709,601,223	19,993,062	5,349,644	734,943,929

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For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

7. FINANCING AND ADVANCES, NET (continued)

(7.2) The analysis of changes in gross carrying amounts is as follows: (continued)

	Gross carrying amount			
2024	Stage 1	Stage 2	Stage 3	Total
Consolidated				
As at 1 January 2024	572,801,910	28,210,842	7,602,791	608,615,543
Net increase/(decrease) during the year	69,179,489	(9,633,672)	267,020	59,812,837
Transfer to stage 1	3,012,205	(2,790,326)	(221,879)	–
Transfer to stage 2	(4,851,061)	4,908,277	(57,216)	–
Transfer to stage 3	(1,682,809)	(2,392,665)	4,075,474	–
Bad debts written off	–	–	(3,646,943)	(3,646,943)
Foreign currency translation adjustment	(2,382,081)	(158,778)	(34,776)	(2,575,635)
As at 31 December 2024	636,077,653	18,143,678	7,984,471	662,205,802

(7.3) The analysis of changes in expected credit loss allowance (ECL) is as follows:

	Expected credit loss allowance			
2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Consolidated				
As at 1 January 2025	**2,245,042**	**1,443,336**	**6,716,846**	**10,405,224**
Net impairment charge/(reversal)	**(574,909)**	**1,013,555**	**2,585,804**	**3,024,450**
Transfer to stage 1	**714,086**	**(477,267)**	**(236,819)**	**-**
Transfer to stage 2	**(185,859)**	**291,746**	**(105,887)**	**-**
Transfer to stage 3	**(978)**	**(1,199,087)**	**1,200,065**	**-**
Bad debts written off	**-**	**-**	**(6,121,686)**	**(6,121,686)**
Foreign currency translation adjustment	**(10,075)**	**(22,600)**	**(37,925)**	**(70,600)**
Other movements	**80,323**	**(35,802)**	**74,079**	**118,600**
As at 31 December 2025	**2,267,630**	**1,013,881**	**4,074,477**	**7,355,988**

	Expected credit loss allowance			
2024	Stage 1	Stage 2	Stage 3	Total
Consolidated				
As at 1 January 2024	1,920,617	3,189,822	5,164,865	10,275,304
Net impairment charge/(reversal)	101,440	(1,248,615)	4,928,963	3,781,788
Transfer to stage 1	766,920	(581,360)	(185,560)	–
Transfer to stage 2	(535,788)	800,677	(264,889)	–
Transfer to stage 3	(1,334)	(749,695)	751,029	–
Bad debts written off	–	–	(3,646,943)	(3,646,943)
Foreign currency translation adjustment	(6,813)	(1,056)	(30,619)	(38,488)
Other movements	–	33,563	–	33,563
As at 31 December 2024	2,245,042	1,443,336	6,716,846	10,405,224

	Expected credit loss allowance			
2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Retail				
As at 1 January 2025	**1,123,307**	**222,788**	**1,522,431**	**2,868,526**
Net impairment charge/(reversal)	**(456,890)**	**565,756**	**1,088,193**	**1,197,059**
Transfer to stage 1	**645,894**	**(434,285)**	**(211,609)**	**-**
Transfer to stage 2	**(153,994)**	**256,339**	**(102,345)**	**-**
Transfer to stage 3	**(13)**	**(330,464)**	**330,477**	**-**
Bad debts written off	**-**	**-**	**(2,139,868)**	**(2,139,868)**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**
Other movements	**119,656**	**-**	**47,572**	**167,228**
As at 31 December 2025	**1,277,960**	**280,134**	**534,851**	**2,092,945**

	Expected credit loss allowance			
2024	Stage 1	Stage 2	Stage 3	Total
Retail				
As at 1 January 2024	1,270,100	308,664	692,747	2,271,511
Net impairment charge/(reversal)	(368,000)	128,011	2,154,400	1,914,411
Transfer to stage 1	723,214	(553,653)	(169,561)	–
Transfer to stage 2	(502,001)	764,990	(262,989)	–
Transfer to stage 3	(6)	(425,224)	425,230	–
Bad debts written off	–	–	(1,317,396)	(1,317,396)
Foreign currency translation adjustment	–	–	–	–
Other movements	–	–	–	–
As at 31 December 2024	1,123,307	222,788	1,522,431	2,868,526

	Expected credit loss allowance			
2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Wholesale				
As at 1 January 2025	**1,085,299**	**1,062,673**	**4,951,099**	**7,099,071**
Net impairment charge/(reversal)	**(232,403)**	**445,482**	**1,439,948**	**1,653,027**
Transfer to stage 1	**65,863**	**(40,653)**	**(25,210)**	**-**
Transfer to stage 2	**(30,099)**	**33,637**	**(3,538)**	**-**
Transfer to stage 3	**(726)**	**(866,176)**	**866,902**	**-**
Bad debts written off	**-**	**-**	**(3,878,411)**	**(3,878,411)**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**
Other movements	**(39,333)**	**(35,802)**	**26,507**	**(48,628)**
As at 31 December 2025	**848,601**	**599,161**	**3,377,297**	**4,825,059**

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For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

7. FINANCING AND ADVANCES, NET (continued)

(7.3) The analysis of changes in expected credit loss allowance (ECL) is as follows: (continued)

	Expected credit loss allowance			
2024	Stage 1	Stage 2	Stage 3	Total
Wholesale				
As at 1 January 2024	619,183	2,665,917	4,207,921	7,493,021
Net impairment charge/(reversal)	461,493	(1,325,266)	2,729,100	1,865,327
Transfer to stage 1	38,321	(22,322)	(15,999)	-
Transfer to stage 2	(32,561)	34,461	(1,900)	-
Transfer to stage 3	(1,137)	(323,680)	324,817	-
Bad debts written off	-	-	(2,292,840)	(2,292,840)
Foreign currency translation adjustment	-	-	-	-
Other movements	-	33,563	-	33,563
As at 31 December 2024	1,085,299	1,062,673	4,951,099	7,099,071

	Expected credit loss allowance			
2025	Stage 1	Stage 2	Stage 3	Total
International				
As at 1 January 2025	36,436	157,875	243,316	437,627
Net impairment charge/(reversal)	114,384	2,317	57,663	174,364
Transfer to stage 1	2,329	(2,329)	-	-
Transfer to stage 2	(1,766)	1,770	(4)	-
Transfer to stage 3	(239)	(2,447)	2,686	-
Bad debts written off	-	-	(103,407)	(103,407)
Foreign currency translation adjustment	(10,075)	(22,600)	(37,925)	(70,600)
Other movements	-	-	-	-
As at 31 December 2025	141,069	134,586	162,329	437,984

	Expected credit loss allowance			
2024	Stage 1	Stage 2	Stage 3	Total
International				
As at 1 January 2024	31,334	215,241	264,197	510,772
Net impairment charge/(reversal)	7,947	(51,360)	45,463	2,050
Transfer to stage 1	5,385	(5,385)	-	-
Transfer to stage 2	(1,226)	1,226	-	-
Transfer to stage 3	(191)	(791)	982	-
Bad debts written off	-	-	(36,707)	(36,707)
Foreign currency translation adjustment	(6,813)	(1,056)	(30,619)	(38,488)
Other movements	-	-	-	-
As at 31 December 2024	36,436	157,875	243,316	437,627

(7.4) Impairment charge for financing and advances in the consolidated statement of income represents:

2025	Stage 1	Stage 2	Stage 3	POCI	Total
Consolidated					
Net impairment charge/(reversal)	(574,909)	1,013,555	2,585,804	-	3,024,450
Charge/(reversal) against indirect facilities (included in other liabilities)	25,154	72,236	(471,802)	10,826	(363,586)
Recoveries	-	-	(1,318,179)	(394,813)	(1,712,992)
Direct write-off	-	-	64,947	-	64,947
Others	39,587	-	9,129	-	48,716
Net charge for the year	(510,168)	1,085,791	869,899	(383,987)	1,061,535

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Consolidated					
Net impairment charge/(reversal)	101,440	(1,248,615)	4,928,963	-	3,781,788
Charge/(reversal) against indirect facilities (included in other liabilities)	11,228	4,868	(614,838)	285,418	(313,324)
Recoveries	-	-	(1,156,384)	(1,366,927)	(2,523,311)
Direct write-off	-	-	71,104	-	71,104
Others	10,304	(1,164)	863	-	10,003
Net charge for the year	122,972	(1,244,911)	3,229,708	(1,081,509)	1,026,260

(7.5) Economic sector risk concentrations for financing and advances and allowances for financing losses are as follows:

2025	Gross financing and advances	ECL allowance	POCI	Financing and advances, net
Government and quasi government	15,620,599	(1,928)	-	15,618,671
Banks and other financial institutions	42,037,675	(12,549)	-	42,025,126
Agriculture and fishing	702,239	(6,454)	-	695,785
Manufacturing	46,974,118	(395,313)	-	46,578,805
Mining and quarrying	9,975,582	(39,733)	-	9,935,849
Electricity, water, gas and health services	64,190,935	(364,899)	-	63,826,036
Building and construction	12,589,327	(817,694)	104,949	11,876,582
Commerce	98,997,504	(2,709,381)	1,553,645	97,841,768
Transportation and communication	36,746,296	(140,630)	-	36,605,666
Consumers	353,124,981	(2,092,945)	-	351,032,036
Others	53,984,673	(774,462)	64,371	53,274,582
Financing and advances, net	734,943,929	(7,355,988)	1,722,965	729,310,906

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7. FINANCING AND ADVANCES, NET (continued)

(7.5) Economic sector risk concentrations for financing and advances and allowances for financing losses are as follows: (continued)

2024	Gross financing and advances	ECL allowance	POCI	Financing and advances, net
Government and quasi government	14,853,345	(1,666)	-	14,851,679
Banks and other financial institutions	33,422,786	(22,107)	-	33,400,679
Agriculture and fishing	431,499	(4,486)	-	427,013
Manufacturing	43,397,029	(1,081,239)	-	42,315,790
Mining and quarrying	15,557,669	(15,004)	-	15,542,665
Electricity, water, gas and health services	54,236,035	(387,539)	-	53,848,496
Building and construction	11,128,345	(1,381,408)	83,479	9,830,416
Commerce	76,705,813	(3,866,460)	2,310,068	75,149,421
Transportation and communication	25,966,101	(88,854)	-	25,877,247
Consumers	342,908,776	(2,868,526)	-	340,040,250
Others	43,598,404	(687,935)	58,221	42,968,690
Financing and advances, net	662,205,802	(10,405,224)	2,451,768	654,252,346

(7.6) The details of finance lease receivables (including Ijara) included in financing and advances is as follows:

	2025	2024
Gross finance lease receivables:		
Less than 1 year	**14,633,309**	13,442,645
1 to 5 years	**21,842,838**	19,619,689
Over 5 years	**23,314,445**	25,476,192
Total	**59,790,592**	58,538,526
Unearned finance income on finance leases:		
Less than 1 year	**(2,210,061)**	(2,038,803)
1 to 5 years	**(2,764,407)**	(2,549,352)
Over 5 years	**(3,403,734)**	(3,901,784)
Total	**(8,378,202)**	(8,489,939)
Net finance lease receivables:		
Less than 1 year	**12,423,248**	11,403,842
1 to 5 years	**19,078,431**	17,070,337
Over 5 years	**19,910,711**	21,574,408
Total	**51,412,390**	50,048,587

Allowance for expected credit losses is ⃁186 million (2024: ⃁283 million).

8. PROPERTY, EQUIPMENT AND SOFTWARE, NET

2025	Land	Building	Furniture, equipment and vehicles	Software	Capital work in progress	Total
Cost:						
At beginning of the year	**2,095,908**	**8,176,012**	**5,937,995**	**5,065,760**	**1,600,629**	**22,876,304**
Impact of hyperinflation	**98,790**	**126,200**	**143,092**	**146,326**	**9,272**	**523,680**
Foreign currency translation adjustment	**(69,484)**	**(81,205)**	**(104,313)**	**(99,817)**	**(8,508)**	**(363,327)**
Additions	**18,230**	**50,351**	**210,682**	**79,601**	**1,787,742**	**2,146,606**
Disposals and retirements	**(32,365)**	**(93,516)**	**(62,184)**	**-**	**-**	**(188,065)**
Transfer from capital work in progress	**-**	**217,820**	**249,532**	**684,246**	**(1,151,598)**	**-**
As at 31 December	**2,111,079**	**8,395,662**	**6,374,804**	**5,876,116**	**2,237,537**	**24,995,198**
Accumulated depreciation/amortisation:						
At beginning of the year	**-**	**3,945,998**	**4,059,134**	**2,983,508**	**-**	**10,988,640**
Impact of hyperinflation	**-**	**17,755**	**46,568**	**68,578**	**-**	**132,901**
Foreign currency translation adjustment	**-**	**(34,554)**	**(59,512)**	**(86,949)**	**-**	**(181,015)**
Charge for the year	**-**	**231,074**	**542,016**	**360,533**	**-**	**1,133,623**
Disposals and retirements	**-**	**(91,297)**	**(53,630)**	**-**	**-**	**(144,927)**
As at 31 December	**-**	**4,068,976**	**4,534,576**	**3,325,670**	**-**	**11,929,222**
Net book value as at 31 December	**2,111,079**	**4,326,686**	**1,840,228**	**2,550,446**	**2,237,537**	**13,065,976**

2024	Land	Building	Furniture, equipment and vehicles	Software	Capital work in progress	Total
Cost:						
At beginning of the year	1,974,622	7,809,301	5,245,511	4,484,270	1,145,857	20,659,561
Impact of hyperinflation	168,797	230,686	169,205	150,702	10,012	729,402
Foreign currency translation adjustment	(47,511)	(43,514)	(81,042)	(71,180)	(3,781)	(247,028)
Additions	-	192,846	488,501	135,904	1,094,275	1,911,526
Disposals and retirements	-	(66,048)	(79,253)	(25,433)	(6,423)	(177,157)
Transfer from capital work in progress	-	52,741	195,073	391,497	(639,311)	-
As at 31 December	2,095,908	8,176,012	5,937,995	5,065,760	1,600,629	22,876,304
Accumulated depreciation/amortisation:						
At beginning of the year	-	3,528,306	3,569,881	2,560,913	-	9,659,100
Impact of hyperinflation	-	16,580	54,618	57,716	-	128,914
Foreign currency translation adjustment	-	(29,544)	(42,450)	(65,662)	-	(137,656)
Charge for the year	-	460,066	545,284	431,486	-	1,436,836
Disposals and retirements	-	(29,410)	(68,199)	(945)	-	(98,554)
As at 31 December	-	3,945,998	4,059,134	2,983,508	-	10,988,640
Net book value as at 31 December	2,095,908	4,230,014	1,878,861	2,082,252	1,600,629	11,887,664

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For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

9. RIGHT OF USE ASSETS, NET

	2025			
	Land	Buildings	Others*	Total
Cost:				
As at 1 January 2025	831,987	1,928,725	107,122	2,867,834
Impact of hyperinflation	2,334	171,695	1,401	175,430
Additions	57,916	274,082	30,235	362,233
Terminations	(12,672)	(99,654)	(2,103)	(114,429)
Foreign currency translation adjustment	(3,227)	(193,660)	(10,051)	(206,938)
As at 31 December 2025	876,338	2,081,188	126,604	3,084,130
Accumulated depreciation:				
As at 1 January 2025	662,018	1,138,955	61,203	1,862,176
Impact of hyperinflation	1,096	66,432	945	68,473
Charge for the year	110,199	238,558	1,707	350,464
Terminations	(5,771)	(56,781)	(1,918)	(64,470)
Foreign currency translation adjustment	(920)	(89,777)	(5,802)	(96,499)
Other movements	-	(3,440)	(21)	(3,461)
As at 31 December 2025	766,622	1,293,947	56,114	2,116,683
Net book value as at 31 December 2025	109,716	787,241	70,490	967,447

	2024			
	Land	Buildings	Others*	Total
Cost:				
As at 1 January 2024	751,090	1,667,159	164,019	2,582,268
Impact of hyperinflation	3,538	175,486	4,100	183,124
Additions	91,468	298,499	-	389,967
Terminations	(11,717)	(62,596)	(59,391)	(133,704)
Foreign currency translation adjustment	(2,392)	(149,823)	(1,606)	(153,821)
As at 31 December 2024	831,987	1,928,725	107,122	2,867,834
Accumulated depreciation:				
As at 1 January 2024	525,305	956,519	61,529	1,543,353
Impact of hyperinflation	1,173	49,155	1,219	51,547
Charge for the year	119,286	227,631	4,021	350,938
Terminations	(4,082)	(28,449)	(4,354)	(36,885)
Foreign currency translation adjustment	(1,249)	(80,321)	(1,014)	(82,584)
Other movements	21,585	14,420	(198)	35,807
As at 31 December 2024	662,018	1,138,955	61,203	1,862,176
Net book value as at 31 December 2024	169,969	789,770	45,919	1,005,658

*Others include furniture, office equipment and vehicles.

10. OTHER ASSETS

(10.1) Other Assets

	2025	2024
Assets purchased under Murabaha arrangements	3,068,495	2,425,770
Prepayments and advances	2,964,236	2,905,773
Margin deposits against derivatives and repos	4,161,021	7,007,964
Other real estate, net (note 10.2)	790,419	764,101
Others	1,985,522	1,086,235
Total	12,969,693	14,189,843

(10.2) Other Real Estate, Net

	2025	2024
Cost:		
At beginning of the year	1,295,982	1,261,854
Additions	136,755	100,279
Disposals	(74,036)	(66,151)
At 31 December	1,358,701	1,295,982
Provision and foreign currency translation adjustment:		
Foreign currency translation adjustment	(68,396)	(25,419)
Provision for impairment	(499,886)	(506,462)
At 31 December	(568,282)	(531,881)
Other real estate, net	790,419	764,101

11. DERIVATIVES

In the ordinary course of business, the Group utilises the following financial derivative instruments for both trading and hedging purposes:

(a) Swaps

Swaps are commitments to exchange one set of cash flows for another. For interest rate swaps, counterparties generally exchange fixed and floating rate interest rate payments in a single currency without exchanging principal. For currency swaps, principal is exchanged in different currencies. For cross-currency interest rate swaps, principal, fixed and floating special commission payments are exchanged in different currencies.

(b) Forwards and futures

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter market. Foreign currency and interest rate futures are transacted in standardized amounts on regulated exchanges. Changes in futures contract values are settled daily.

(c) Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at a fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

(d) Structured derivative products

Structured derivative products provide financial solutions to the customers of the Group to manage their risks in respect of foreign exchange, interest rate and commodity exposures and enhance yields by allowing deployment of excess liquidity within specific risk and return profiles. The majority of the Group's structured derivative transactions are entered on a back-to-back basis with various counterparties.

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11. DERIVATIVES (continued)

(11.1) Derivatives held for trading purposes

Most of the Group's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers and banks in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favorable movements in prices, rates or indices. Arbitrage involves profiting from price differentials between markets or products.

(11.2) Derivatives held for hedging purposes

The Group has adopted a comprehensive system for the measurement and management of risk (see note 30 - credit risk, note 31 - market risk and note 32 - liquidity risk). Part of the risk management process involves managing the Group's exposure to fluctuations in foreign exchange and interest rate to reduce its exposure to currency and interest rate risks to acceptable levels as determined by the Board of Directors 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 that positions are maintained within the established limits. Asset and liability interest rate gaps are reviewed on a periodic basis and hedging strategies are used to reduce interest rate gaps to within the established limits.

As part of its asset and liability management, the Group uses derivatives for hedging purposes in order to adjust its own exposure to currency and interest rate risks. This is generally achieved by hedging specific transactions as well as strategic hedging against overall statement of financial position exposures. Strategic hedging does not qualify for special hedge accounting and the related derivatives are accounted for as held for trading, such as interest rate swaps, interest rate options and futures, forward foreign exchange contracts and currency options.

The Group uses interest rate swaps to hedge against the interest rate risk arising from specifically identified fixed interest rate exposures. The Group also uses interest rate swaps to hedge against the cash flow risk arising on certain floating rate exposures. In all such cases, the hedging relationship and objective, including details of the hedged items and hedging instrument, are formally documented and the transactions are accounted for as fair value or cash flow hedges.

11. DERIVATIVES (continued)

The tables below show the positive and negative fair values of derivatives, together with the notional amounts analysed by the term to maturity and the change in fair value used for calculating hedge ineffectiveness. 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 to market risk.

2025	Positive fair value	Negative fair value	Notional amount	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in statement of income	Changes in the value of the hedging instrument recognised in OCI	Amount reclassified from the hedge reserve to statement of income	Notional amounts by term to maturity: Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:											
Interest rate instruments	**24,990,792**	**(23,805,681)**	**942,011,829**	-	-	-	-	**79,955,323**	**202,966,940**	**394,941,221**	**264,148,345**
Forward/future foreign exchange contracts	**1,102,674**	**(612,641)**	**104,726,427**	-	-	-	-	**45,281,374**	**27,875,351**	**31,569,702**	-
Options	**117,496**	**(117,440)**	**24,709,385**	-	-	-	-	**6,739,205**	**17,903,807**	**66,373**	-
Held as fair value hedges:											
Interest rate instruments	**400,008**	**(469,410)**	**41,030,519**	**(21,057)**	**21,579**	-	-	**819,107**	-	**6,894,904**	**33,316,508**
Held as cash flow hedges:											
Interest rate instruments and cross currency swaps	**279,833**	**(368,204)**	**27,957,001**	**(64,323)**	**166,442**	**(92,056)**	**(217,565)**	**2,300,000**	**4,932,546**	**16,255,039**	**4,469,416**
Total	**26,890,803**	**(25,373,376)**	**1,140,435,161**	**(85,380)**	**188,021**	**(92,056)**	**(217,565)**	**135,095,009**	**253,678,644**	**449,727,239**	**301,934,269**

2024	Positive fair value	Negative fair value	Notional amount	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in statement of income	Changes in the value of the hedging instrument recognised in OCI	Amount reclassified from the hedge reserve to statement of income	Notional amounts by term to maturity: Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:											
Interest rate instruments	25,511,544	(24,306,108)	787,604,862	-	-	-	-	87,465,147	67,488,411	420,202,651	212,448,653
Forward/future foreign exchange contracts	933,674	(593,465)	102,721,654	-	-	-	-	80,929,851	12,264,514	9,527,289	-
Options	72,448	(73,097)	11,507,033	-	-	-	-	771,491	6,013,557	4,721,985	-
Held as fair value hedges:											
Interest rate instruments	398,516	(447,320)	10,409,879	(112,928)	29,757	-	-	2,262,998	761,653	4,536,100	2,849,128
Held as cash flow hedges:											
Interest rate instruments and cross currency swaps	459,269	(483,317)	25,427,481	394,098	(2,741)	414,576	(279,350)	427,986	1,736,458	22,933,284	329,753
Total	27,375,451	(25,903,307)	937,670,909	281,170	27,016	414,576	(279,350)	171,857,473	88,264,593	461,921,309	215,627,534

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11. DERIVATIVES (continued)

2025	Carrying amount Assets	Carrying amount Liabilities	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item Assets	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item Liabilities	Change in value used for calculating hedge ineffectiveness
Held as fair value hedges:					
Investments/Debt Issue/Due to Banks	12,303,382	28,333,649	(22,429)	(158,895)	(21,057)
Total	12,303,382	28,333,649	(22,429)	(158,895)	(21,057)

2024	Carrying amount Assets	Carrying amount Liabilities	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item Assets	Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item Liabilities	Change in value used for calculating hedge ineffectiveness
Held as fair value hedges:					
Investments/Debt Issue/Due to Banks	5,088,131	5,022,093	(170,155)	(348,080)	(112,928)
Total	5,088,131	5,022,093	(170,155)	(348,080)	(112,928)

2025	Changes in value used for calculating hedge ineffectiveness	Cashflow hedge reserve
Held as cash flow hedges:		
Investments/Debt Issuance/Due to Banks	(64,323)	(20,819)
Total	(64,323)	(20,819)

2024	Changes in value used for calculating hedge ineffectiveness	Cashflow hedge reserve
Held as cash flow hedges:		
Investments/Debt Issuance/Due to Banks	394,098	71,237
Total	394,098	71,237

Derivatives that are Shariah compliant are as follows:

2025	Positive fair value	Negative fair value	Notional amount	Notional amounts by term to maturity: Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Profit rate swaps	1,789,810	(665,119)	59,997,798	4,503,528	4,817,625	38,814,874	11,861,771
Islamic foreign exchange	414,367	(65,638)	21,521,825	18,905,854	2,479,877	136,094	-
Options	117,496	(117,440)	24,709,385	6,739,205	17,903,807	66,373	-
Total	2,321,673	(848,197)	106,229,008	30,148,587	25,201,309	39,017,341	11,861,771

2024	Positive fair value	Negative fair value	Notional amount	Notional amounts by term to maturity: Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Profit rate swaps	1,882,300	(910,886)	57,876,516	2,641,955	6,265,104	34,300,823	14,668,634
Islamic foreign exchange	554,411	(200,472)	24,304,786	17,024,024	7,280,762	-	-
Options	44,304	(44,118)	6,770,959	408,121	6,013,557	349,281	-
Total	2,481,015	(1,155,476)	88,952,261	20,074,100	19,559,423	34,650,104	14,668,634

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	Cost	Risk	Hedging instrument	Positive fair value	Negative fair value
Description of hedged items						
Fixed rate instruments	39,998,601	40,401,064	Fair value	Interest rate instruments	400,008	(469,410)
Fixed rate and floating rate instruments	27,510,165	27,493,340	Cash flow	Interest rate instruments and cross currency swaps	279,833	(368,204)

2024	Fair value	Cost	Risk	Hedging instrument	Positive fair value	Negative fair value
Description of hedged items						
Fixed rate instruments	9,517,137	10,159,570	Fair value	Interest rate instruments	398,516	(447,320)
Fixed rate and floating rate instruments	23,638,240	23,670,821	Cash flow	Interest rate instruments and cross currency swaps	459,269	(483,317)

Approximately 90% (2024: 88%) of the positive fair value of the Group's derivatives are entered into with financial institutions and 10% (2024: 12%) of the positive fair value contracts are with non-financial institutions at the consolidated statement of financial position date. Derivative activities are mainly carried out under the Group's Wholesale segment.

Cash flow hedges:

The Group is exposed to variability in future special commission cash flows on non-trading assets and liabilities which bear special commission interest at a variable rate. The Bank generally uses interest rate swaps as hedging instruments to hedge against these interest rate risks.

Below is the schedule as at 31 December indicating, the periods when the hedged undiscounted cash flows are expected to occur and when they are expected to affect profit or loss:

2025	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	927,359	3,067,817	2,389,011	1,004,869
Cash outflows (liabilities)	(1,059,653)	(3,178,740)	(2,424,505)	(982,293)
Net cash inflows (outflows)	(132,294)	(110,923)	(35,494)	22,576

2024	Within 1 year	1-3 years	3-5 years	Over 5 years
Cash inflows (assets)	1,498,034	1,729,711	1,096,498	532,648
Cash outflows (liabilities)	(1,619,978)	(1,594,349)	(954,466)	(501,481)
Net cash inflows (outflows)	(121,944)	135,362	142,032	31,167

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12. DUE TO BANKS, CENTRAL BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025	2024
Current accounts	**5,815,242**	5,076,472
Money market deposits	**82,374,946**	85,323,340
Repos (note 29 (a))	**101,998,851**	94,719,978
Total	**190,189,039**	185,119,790

13. CUSTOMERS' DEPOSITS

	2025	2024
Current and call accounts	**463,255,347**	418,200,767
Time	**146,157,115**	130,092,840
Others	**26,681,915**	31,468,500
Total	**636,094,377**	579,762,107

Other customers' deposits mainly include margins held for irrevocable commitments and contingencies. The amount of customers' deposits Shariah-compliant is ⃁515,238 million (2024: ⃁475,918 million).

International segment deposits included in customers' deposits comprise of:

	2025	2024
Current and call accounts	**9,627,315**	8,099,644
Time	**11,813,593**	12,754,743
Others	**3,777,029**	2,234,643
Total	**25,217,937**	23,089,030

Details on foreign currency deposits included in customers' deposits is as follows:

	2025	2024
Current and call accounts	**42,417,933**	36,267,100
Time	**26,071,383**	33,104,269
Others	**4,525,866**	2,845,531
Total	**73,015,182**	72,216,900

14. DEBT SECURITIES ISSUED AND TERM LOANS

(14.1) Debt securities issued and term loans comprises of:

	2025	2024
Debt securities issued	**72,993,614**	46,622,413
Term loans	**59,648,749**	48,682,958
Total	**132,642,363**	95,305,371

As at the reporting date, debt securities issued comprise non-convertible sukuks and certificates of deposit issued by the Group, carrying profit at fixed and floating rates, with maturities up to 2035. Below is the movement of debt securities:

	2025	2024
Balance at beginning of the year	**46,622,413**	20,265,905
Debt securities issued	**109,661,419**	38,170,612
Debt securities payment	**(83,631,598)**	(11,729,173)
Foreign currency translation and other adjustments	**341,380**	(84,931)
Balance at the end of the year	**72,993,614**	46,622,413

The amount of debt securities issued that are compliant with Shariah is ⃁8,392 million (2024: ⃁7,964 million).

The movement in term loans is as follows:

	2025	2024
Balance at beginning of the year	**48,682,958**	24,146,522
Term loans issued	**66,785,523**	79,788,352
Term loans payment	**(55,639,003)**	(53,532,747)
Foreign currency translation and other adjustments	**(180,729)**	(1,719,169)
Balance at the end of the year	**59,648,749**	48,682,958

(14.2) The table below shows the details of term loans:

Issuer	Issuance year	Remaining tenure as of 2025	Particulars	2025	2024
SNB	2020	Over 5 years	Term-loan issued at float rate	-	564,663
	2022	1-5 years	Term-loan issued at float rate	-	376,819
	2023	1-5 years	Term-loan issued at float rate	**3,870,530**	301,731
	2023	Over 5 years	Term-loan issued at float rate	-	3,844,697
	2024	3-12 months	Term-loan issued at fixed rate	-	38,927,015
	2024	1-5 years	Term-loan issued at float rate	**4,706,662**	1,515,104
	2024	Over 5 years	Term-loan issued at float rate	-	3,152,929
	2025	within 3 months	Term-loan issued at fixed rate	**16,088,007**	-
	2025	3-12 months	Term-loan issued at fixed rate	**22,935,075**	-
	2025	1-5 years	Term-loan issued at float rate	**8,258,050**	-
	2025	Over 5 years	Term-loan issued at float rate	**3,790,425**	-
Total				**59,648,749**	48,682,958

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14. DEBT SECURITIES ISSUED AND TERM LOANS (continued)

(14.3) The table below shows the details of debt securities:

Issuer	Issuance year	Remaining tenure as of 2025	Particulars	2025	2024
SNB	2020	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**1,897,958**	1,932,672
	2022	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**3,067,829**	3,053,620
	2022	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**2,428,998**	2,430,217
	2023	Within 3 months	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**105,729**	-
	2023	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**186,555**	356,147
	2023	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**740,369**	839,327
	2024	3-12 months	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**627,294**	-
	2024	3-12 months	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**1,276,495**	-
	2024	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**3,764,968**	4,553,380
	2024	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**4,765,182**	6,535,008
	2025	Within 3 months	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**102,785**	-
	2025	3-12 months	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**1,379,562**	-
	2025	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**1,956,537**	-
	2025	1-5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a float rate.	**6,565,345**	-
	2025	Over 5 years	Non-convertible listed Euro medium term note on the London stock exchange, carrying profit at a fixed rate.	**8,249,167**	-
	2025	Within 3 months	Certificate of Deposit issued at fixed rate	**51,728**	1,016,023
	2025	3-12 months	Certificate of Deposit issued at fixed rate	**26,354,370**	14,871,479
	2025	1-5 years	Certificate of Deposit issued at fixed rate	**8,841,523**	8,979,421
SNBC	2025	1-5 years	Short-term certificates issued at commercial market rate.	**501,299**	1,970,068
TFKB	2025	3-12 months	Non-convertible listed sukuk on the Borsa Istanbul, carrying profit at a fixed rate.	**60,315**	13,486
SBL	2021	Over 5 years	Non-convertible listed TFCs on Pakistan Stock Exchange carrying profit at a floating rate.	**69,606**	71,565
Total				**72,993,614**	46,622,413

15. OTHER LIABILITIES

(15.1) Other Liabilities

	2025	2024
Zakat and tax (note 15.2.1)	**2,911,177**	2,646,542
Staff-related payables	**1,377,445**	1,582,021
Accrued expenses and accounts payable	**5,951,157**	6,763,024
Allowances for credit losses on indirect facilities (note 19)	**2,981,534**	3,364,287
Employee benefit obligation (note 23)	**1,890,174**	1,798,760
Lease liabilities	**608,576**	1,140,110
Treasury related and other payables	**443,545**	1,736,889
Others	**5,741,542**	5,757,171
Total	**21,905,150**	24,788,804

(15.2) Zakat and Tax

The Bank and it's Saudi subsidiaries are subject to zakat in accordance with regulations of the zakat, Tax and Customs Authority ("ZATCA"). The Bank's foreign subsidiaries are obliged to pay income tax as per applicable tax laws of their countries of incorporation. Zakat expense is charged to the consolidated statement of income. The Bank calculated zakat accruals for the year ended 31 December 2025 based on applicable zakat rules for financial institutions. The Bank submitted its zakat return for the year ended 31 December 2024, and obtained the unrestricted zakat certificate. The financial years 2021 and 2024 are under the review of ZATCA, the assessments in respect to the Bank's zakat returns for the financial years 2020, 2022 and 2023 have been finalized.

(15.2.1) The movement in Zakat and Tax provision is as follows:

	2025	2024
As at 1 January	**2,646,542**	2,438,729
Charge during the year	**2,905,172**	2,521,125
Amount paid during the year	**(2,640,537)**	(2,313,312)
At 31 December	**2,911,177**	2,646,542

16. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Bank consists of 6,000 million shares of ⃁10 each (31 December 2024: 6,000 million shares of ⃁10 each). The capital of the Bank excluding treasury shares consists of 5,931 million shares of ⃁10 each (31 December 2024: 5,945 million shares of ⃁10 each).

The ownership of the Bank's share capital is as follows:

	2025	2024
Saudi and GCC shareholders (%)	**81.84%**	84.46%
Foreign shareholders (%)	**18.16%**	15.54%

The ownership structure above reflects the ownership percentages as reflected on the Saudi Stock Exchange. It does not reflect the ownership percentages of SNB at the date of inception.

17. STATUTORY RESERVE

In accordance with Saudi Arabian Banking Control Law, a minimum of 25% of the consolidated net income attributable to equity holders of the Bank is required to transfer to a statutory reserve up to where the reserve equals a minimum amount of paid up capital of the Bank. The statutory reserve is not available for distribution.

18. OTHER RESERVES (CUMULATIVE CHANGES IN FAIR VALUES)

Other reserves represent the net unrealised revaluation gains (losses) of cash flow hedges (effective portion), FVOCI equity investments, FVOCI debt investments and actuarial gain or loss. The movement of other reserves during the year is included under consolidated statement of other comprehensive income and the consolidated statement of changes in equity.

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19. COMMITMENTS AND CONTINGENCIES

(19.1) Capital and other non-credit related commitments

As at 31 December 2025 the Bank had capital commitments of ⃁8,768 million (2024: ⃁7,341 million) in respect of building, equipment and software purchases, capital calls on private equity funds and in respect of capital contribution toward hedge fund investments.

(19.2) Credit-related commitments and contingencies

Credit-related commitments and contingencies mainly comprise letters of credit, guarantees, acceptances and commitments to extend credit (irrevocable). The primary purpose of these instruments is to ensure that funds are available to customers as required.

Guarantees including standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that customers cannot meet their obligations to third parties, carry the same credit risk as financing and advances.

Cash requirements under guarantees are normally considerably less than the amount of the related commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit, which are written undertakings by the Group on behalf of a customer 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 shipment of goods to which they relate and therefore have significantly less risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent unused portions of authorisation to extended credit, principally in the form of financing, guarantees and letters of credit. With respect to credit risk relating to commitments to extend unused credit lines, the Group is potentially exposed to a loss in an amount which is equal to the total unused commitments. The likely amount of loss, which cannot be reasonably estimated, is expected to be considerably less than the total unused commitments, since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

(a) The contractual maturity structure of the Group's credit-related commitments and contingencies is as follows:

2025	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	9,477,059	4,756,823	2,486,927	245,689	16,966,498
Guarantees	47,060,063	26,543,935	16,831,283	2,177,575	92,612,856
Acceptances	3,824,005	1,806,885	1,347,681	23,318	7,001,889
Irrevocable commitments to extend credit	13,135,388	455,009	27,339,152	20,576,482	61,506,031
Total	73,496,515	33,562,652	48,005,043	23,023,064	178,087,274

2024	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	11,546,290	5,316,564	1,083,771	45,149	17,991,774
Guarantees	16,359,166	29,587,887	32,590,818	1,525,370	80,063,241
Acceptances	4,086,492	3,009,672	7,685	21,645	7,125,494
Irrevocable commitments to extend credit	11,911,680	1,461,560	17,453,268	23,656,870	54,483,378
Total	43,903,628	39,375,683	51,135,542	25,249,034	159,663,887

Due to the nature of the contingent liabilities and credit commitment, it is probable that the guarantees and commitments could be called in the less than three months bucket, being the earliest period in which the guarantees could be called, and commitments could be drawn.

(b) The analysis of commitments and contingencies by counterparty is as follows:

	2025	2024
Government and quasi government	26,713,280	7,716,267
Corporate	113,093,079	115,032,294
Banks and other financial institutions	37,848,366	36,229,326
Others	432,549	686,000
Total	178,087,274	159,663,887

(c) The movement in ECL on commitments and contingencies is as follows:

2025	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2025	182,523	45,699	301,653	2,834,412	3,364,287
Net impairment charge/(reversal/ settlement)	(68,003)	73,597	(16,014)	(367,738)	(378,158)
Transfer to stage 1	1,409	(967)	(442)	-	-
Transfer to stage 2	(1,104)	1,140	(36)	-	-
Transfer to stage 3	(392)	(2,203)	2,595	-	-
Foreign currency translation	(2,184)	(389)	(2,022)	-	(4,595)
Balance as at 31 December 2025	112,249	116,877	285,734	2,466,674	2,981,534

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	158,581	46,639	273,982	3,480,286	3,959,488
Net impairment charge/(reversal/ settlement)	23,917	1,273	30,929	(645,874)	(589,755)
Transfer to stage 1	3,431	(2,813)	(618)	-	-
Transfer to stage 2	(1,600)	1,600	-	-	-
Transfer to stage 3	(425)	(685)	1,110	-	-
Foreign currency translation	(1,381)	(315)	(3,750)	-	(5,446)
Balance as at 31 December 2024	182,523	45,699	301,653	2,834,412	3,364,287

20. NET SPECIAL COMMISSION INCOME

	2025	2024
Special commission income:		
Investments held at FVOCI	4,034,865	4,251,368
Investments held at amortised cost	8,091,540	6,836,883
Total of investments	12,126,405	11,088,251
Due from banks and other financial institutions	2,388,445	1,908,128
Financing and advances	46,446,833	44,839,043
Total	60,961,683	57,835,422
Special commission expense:		
Due to banks, Saudi Central Bank and other financial institutions	10,948,248	9,449,084
Customers' deposits	15,574,536	16,561,306
Debt securities issued and term loans	5,283,707	4,101,789
Total	31,806,491	30,112,179
Net special commission income	29,155,192	27,723,243

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21. FEE INCOME FROM BANKING SERVICES, NET

	2025	2024
Fee income from banking services:		
Financing and cards	**3,359,499**	3,326,214
Investment management services	**1,054,598**	1,079,269
Shares brokerage	**638,707**	886,687
Trade finance	**1,004,818**	813,470
Others	**1,300,603**	716,371
Total	**7,358,225**	6,822,011
Fee expenses from banking services:		
Financing and cards	**(2,110,323)**	(1,994,578)
Investment management services	**(54,521)**	(48,145)
Shares brokerage	**(220,218)**	(361,136)
Others	**(41,812)**	(41,011)
Total	**(2,426,874)**	(2,444,870)
Fee income from banking services, net	**4,931,351**	4,377,141

22. EMPLOYEES' SHARE-BASED PAYMENTS RESERVE

(22.1) Employees' share-based payments plan:

The Bank has established a share based remuneration scheme for its key management that entitles the related personnel to be awarded shares in the Bank subject to successfully meeting certain service and performance conditions. Under the share based remuneration scheme, the Bank has three outstanding plans. Significant features of these plans are as follows:

Nature of Plan	Equity Based Long Term Bonus Plan
Number of outstanding plans	3 plans
Grant dates	January 2023 to January 2025
Maturity dates	December 2025 - December 2027
Vesting period	3 years
Method of settlement	Equity
Fair value per share on grant date adjusted for bonus shares issued	Average price ⃁34.88

The movement in weighted average price and in the number of shares granted is as follows:

	Weighted average price (in ⃁)		Number of shares (in 000's)	
	2025	2024	2025	2024
Beginning of the year	**43**	43	**12,361**	10,841
Forfeited	**53**	40	**(604)**	(609)
Exercised	**53**	40	**(2,486)**	(3,058)
Granted during the year	**34**	35	**5,628**	5,187
End of the year	**35**	43	**14,899**	12,361

(22.2) Treasury shares:

The movement in the number of treasury shares is as below:

	Number of treasury shares (in 000's)	
	2025	2024
Beginning of the year	**55,275**	58,333
Purchased	**16,000**	-
Settled	**(2,486)**	(3,058)
End of the year	**68,789**	55,275

23. EMPLOYEE BENEFIT OBLIGATION

(23.1) The characteristics of the end of service benefits scheme

The Group operates an unfunded end of service benefit plan (the plan) for its employees based on the prevailing Saudi Labor Laws and applicable laws for overseas branches and subsidiaries. The liability in respect of the plan is estimated by a qualified external actuary in accordance with International Accounting Standard 19 - Employee Benefits, and using "Projected Unit Credit Method". The liability recognised in the consolidated statement of financial position in respect of the plan is the present value of the defined benefit obligation at the end of the reporting period. The end of service liability is disclosed in note 15.

(23.2) Changes in the present value of defined benefit liability

	2025	2024
As at 1 January	**1,798,760**	1,501,866
Included in consolidated statement of income:		
Current service cost	**138,307**	127,703
Interest expense	**98,750**	85,923
Other	**-**	1,580
Total amount included in consolidated statement of income	**237,057**	215,206
Included in other comprehensive income:		
Actuarial gain or loss arising from:		
Changes in demographic assumptions	**(3,221)**	-
Changes in financial assumptions	**14,941**	33,118
Changes in experience assumptions	**5,407**	173,782
Total amount included in other comprehensive income	**17,127**	206,900
End of service benefits paid	**(162,770)**	(125,212)
As at 31 December	**1,890,174**	1,798,760

(23.3) The valuation of the defined benefit obligation

Liability under the plan is based on various assumptions ('actuarial assumptions") including the estimation of the discount rate, inflation rate, expected rate of salary increase and normal retirement ages. Based on the assumptions, also taking into consideration the future salary increases, cash outflows are estimated for the Group's employees as a whole giving the total payments expected over the future years, which are discounted to arrive at the closing obligation. Any changes in actuarial assumptions from one period to another may affect the determination of the estimated closing obligation, which is accounted for as an actuarial gain or loss for the year.

Critical assumptions used:

	2025	2024
Discount rate	**4.5%**	4.7%
Normal retirement age (years)	**62**	60
Expected salary increase rate	**3.10%**	3.10%

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23. EMPLOYEE BENEFIT OBLIGATION (continued)

(23.3) The valuation of the defined benefit obligation (continued)

Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the end of service valuation as at 31 December 2025 and 2024:

	2025	2024
Discount rate +1%	**(139,510)**	(125,833)
Discount rate -1%	**162,614**	144,866
Expected salary increase rate +1%	**163,780**	146,095
Expected salary increase rate -1%	**(142,932)**	(129,091)

24. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2025 and 31 December 2024 is calculated by dividing the net income attributable to common equity holders of the Bank (after deduction of Tier 1 sukuk costs) for the year by the weighted average number of shares outstanding during the year. The diluted earnings per share are adjusted for the impact of the employees' share based payment plan.

Details of basic and diluted earnings per share are as follows:

	Basic EPS		Diluted EPS	
	2025	2024	2025	2024
Weighted-Average number of shares outstanding (in thousands)	**5,941,774**	5,944,649	**5,951,153**	5,952,973
Earnings per share (in ⃁)	**4.04**	3.44	**4.03**	3.43

25. TIER 1 SUKUK

During the year ended 31 December 2025, the Bank issued through Shariah compliant arrangements, additional Tier 1 Sukuk, amounting to ⃁2.7 billion (SAR-denominated). These arrangements were approved by the regulatory authorities and Board of Directors of the Bank. Moreover, during this period, the Bank exercised the call option on its existing Tier 1 Sukuk (the Sukuk) amounting to ⃁6.2 billion.

Tier 1 sukuk are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Tier 1 sukuk - holders in the Tier 1 sukuk assets, with each Sakk 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 Tier 1 sukuk in a specific period of time, subject to the terms and conditions stipulated in the Tier 1 sukuk agreement.

The applicable profit rate on the Tier 1 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.

26. DIVIDEND

The details of dividends paid to the Bank's shareholders are as follows:

Distribution Date	Amount (⃁ per share)	Total Payout Net of Zakat	Type	Status
To be announced	1.15	6,900,000	Final	Proposed
August 2025	1.00	6,000,000	Interim	Paid
February 2025	1.00	6,000,000	Final	Paid
August 2024	0.90	5,400,000	Interim	Paid
May 2024	0.90	5,400,000	Final	Paid

27. 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 central banks excluding statutory deposit with SAMA (note 4)	**8,792,242**	7,517,165
Due from banks and other financial institutions with original maturity of three months or less	**17,289,809**	13,484,728
Total	**26,082,051**	21,001,893

28. OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's management.

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure.

Retail

Provides banking services, including lending and current accounts in addition to products in compliance with Shariah rules which are supervised by the independent Shariah Board, to individuals and private banking customers.

Wholesale

Provides banking services including all conventional credit-related products as well as financing products in compliance with Shariah rules to small sized businesses, medium and large establishments and companies. Wholesale also provides full range of treasury and correspondent banking products and services, including money market and foreign exchange, in addition to carrying out investment and trading activities (local and international) and managing liquidity risk, market risk and credit risk.

Capital Market

Provides wealth management, asset management, investment banking and shares brokerage services (local, regional and international).

International

Comprises banking services provided outside Saudi Arabia. TFKB and SBL are included within this segment.

Transactions between the operating segments are recorded as per the Bank and its subsidiaries' transfer pricing system. The support and Head Office expenses are allocated to segments using activity-based costing.

Notes to the Consolidated Financial Statements

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28. OPERATING SEGMENTS (continued)

(28.1) The Group's total assets and liabilities at year end, its operating income and expenses (total and main items) and net income for the year before zakat and income tax, by business segments, are as follows:

2025	Retail	Wholesale	Capital Market	International	Total
Total assets	447,165,490	693,423,854	33,633,580	35,808,629	1,210,031,553
Total liabilities	356,773,474	598,376,664	19,064,728	31,989,439	1,006,204,305
Customers' deposits	348,223,247	261,647,602	1,005,591	25,217,937	636,094,377
Total operating income from external customers	19,948,323	14,498,208	2,585,215	2,162,824	39,194,570
Intersegment operating income (expense)	(2,779,879)	2,943,350	(163,471)	-	-
Total operating income	17,168,444	17,441,558	2,421,744	2,162,824	39,194,570
of which:					
- Net special commission income	16,958,279	10,917,150	387,369	892,394	29,155,192
- Fee income from banking services, net	1,168,161	1,398,377	1,407,073	957,740	4,931,351
Total operating expenses before expected credit losses	5,889,701	1,754,081	696,011	1,532,594	9,872,387
of which:					
- Depreciation/amortisation of property, equipment, software and right of use assets	938,197	198,492	31,520	315,878	1,484,087
- Amortization of intangible assets	547,866	185,134	87,280	-	820,280
Impairment charge/(reversal) for expected credit losses, net	495,201	392,937	(5,890)	151,895	1,034,143
Total operating expenses	6,384,902	2,147,018	690,121	1,684,489	10,906,530
Other non-operating (expenses)/income, net	(68,184)	(40,613)	(957)	(281,553)	(391,307)
Income for the year before zakat and income tax	10,715,358	15,253,927	1,730,666	196,782	27,896,733

2024	Retail	Wholesale	Capital Market	International	Total
Total assets	428,391,431	620,340,070	23,347,686	32,075,453	1,104,154,640
Total liabilities	354,154,327	517,053,338	11,287,548	28,384,166	910,879,379
Customers' deposits	343,885,813	211,999,497	787,767	23,089,030	579,762,107
Total operating income from external customers	19,202,864	12,688,236	2,479,617	1,662,392	36,033,109
Intersegment operating income (expense)	(2,143,620)	2,341,233	(197,613)	-	-
Total operating income	17,059,244	15,029,469	2,282,004	1,662,392	36,033,109
of which:					
- Net special commission income	16,698,280	9,839,788	493,045	692,130	27,723,243
- Fee income from banking services, net	1,067,833	1,112,262	1,531,576	665,470	4,377,141
Total operating expenses before expected credit losses	6,616,574	2,181,929	727,141	1,496,203	11,021,847
of which:					
- Depreciation/amortisation of property, equipment, software and right of use assets	1,062,316	283,808	38,872	402,778	1,787,774
- Amortization of intangible assets	547,866	185,134	87,280	-	820,280
Impairment charge/(reversal) for expected credit losses, net	1,197,549	(192,516)	34	13,738	1,018,805
Total operating expenses	7,814,123	1,989,413	727,175	1,509,941	12,040,652
Other non-operating (expenses)/income, net	(53,772)	(50,763)	(8,791)	(264,360)	(377,686)
Income for the year before zakat and income tax	9,191,349	12,989,293	1,546,038	(111,909)	23,614,771

(28.2) The Group's credit risk exposure by business segments, is as follows:

2025	Retail	Wholesale	Capital Market	International	Total
Statement of financial position assets	361,672,304	675,367,763	4,756,997	28,073,682	1,069,870,746
Commitments and contingencies (credit equivalent)	5,632,094	103,362,615	-	5,580,523	114,575,232
Derivatives (credit equivalent)	-	24,492,037	-	986,643	25,478,680

2024	Retail	Wholesale	Capital Market	International	Total
Statement of financial position assets	346,285,924	597,128,110	4,176,707	23,954,820	971,545,561
Commitments and contingencies (credit equivalent)	2,280,472	98,699,247	-	5,310,429	106,290,148
Derivatives (credit equivalent)	-	23,524,841	-	1,014,922	24,539,763

The credit exposure of assets as per the consolidated statement of financial position comprises the carrying value of due from banks and other financial institutions, investments subject to credit risk, financing and advances, positive fair value of derivatives and other receivables.

The credit equivalent of commitments and contingencies and derivatives is calculated according to SAMA's prescribed methodology.

29. COLLATERAL AND OFFSETTING

Following are the details of collaterals held/received by the Group and offsetting carried out as at 31 December 2025:

(a) The Bank conducts Repo transactions under the terms that are usually based on the applicable Global Master Repurchase Agreement (GMRA) collateral guidelines. Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the consolidated statement of financial position as the Group retains substantially all the risks and rewards of ownership. These assets continue to be measured in accordance with related accounting policies for investments held at FVIS, held at FVOCI and investments held at amortised cost. The carrying amount and fair value of securities pledged under agreement to repurchase (repo) are as follows:

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Held at FVOCI	29,497,884	29,497,884	32,697,121	32,697,121
Investments held at amortised cost	74,405,063	68,972,005	63,916,703	58,372,020
Total	103,902,947	98,469,889	96,613,824	91,069,141

(b) The Bank has placed a margin deposit of ⃁1,164 million (2024: ⃁931 million) as an additional security for these repo transactions.

(c) Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2025 and 31 December 2024.

(d) For details of margin deposits held for the irrevocable commitments and contingencies, please (refer to note 19.2) and for details of margin deposits against derivatives and repos, (refer to note 10.1).

(e) Securities pledged with the Group in respect of reverse repo transactions comprise ⃁1,611 million (2024: ⃁903 million). The Group is allowed to sell or repledge these securities in the event of default by the counterparty.

(f) All significant financial assets and liabilities where the Group has a legal enforceable right and intention to settle on a net basis have been offset and presented net in these consolidated financial statements.

(g) The Bank holds collateral and other credit enhancements against certain credit exposures. The following table sets out the collaterals held against the gross balances of individually impaired financing:

	2025		2024	
	Individually impaired financing	Collateral	Individually impaired financing	Collateral
Wholesale	3,412,096	1,254,364	5,218,533	1,792,981
Consumer	692,423	788,047	1,484,855	1,643,183
Total	4,104,519	2,042,411	6,703,388	3,436,164

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30. CREDIT RISK

The Group manages exposure to credit risk, which is the risk that one party to a financial instrument or transaction will fail to discharge an obligation and will cause the other party to incur a financial loss. Credit exposures arise principally in credit-related risk that is embedded in financing and advances and investments. There is also credit risk in off-balance sheet financial instruments, such as trade-finance related products, derivatives and financing commitments.

For financing and advances and off-balance sheet financing to borrowers, the Group assesses the probability of default of counterparties using internal rating models. For investments, due from banks and other financial institutions and off-balance sheet financial instruments held with international counterparties, the Group uses external ratings by the major rating agencies.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify risks and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are monitored on a daily basis.

The Group manages the credit exposure relating to its trading activities by monitoring credit limits, entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances, and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation and the Group assesses counterparties using the same techniques as for its financing activities in order to control the level of credit risk taken.

Concentrations of credit risk may arise in case of sizeable exposure to a single obligor or when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular customer, industry or geographical location.

The debt securities included in investments are mainly sovereign risk and high-grade securities. Analysis of investments by counterparty is provided in note (6.9). For details of the composition of the financing and advances refer to note (7.5). Information on credit risk relating to derivative instruments is provided in note (11) and for commitments and contingencies in note (19). The information on the Group's total maximum credit exposure is given in note (30.1).

Each individual corporate borrower is rated based on an internally developed debt rating model that evaluates risk based on financial, qualitative and industry specific inputs. The associated loss estimate norms for each grade have been developed based on the Group's experience. These risk ratings are reviewed on a regular basis.

The Group in the ordinary course of lending activities holds collaterals as security to mitigate credit risk in financing and advances. These collaterals mostly include time and other cash deposits, financial guarantees from other banks, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial and individual loans and are managed against relevant exposures at their net realisable values.

The Bank has a master rating scale in place that comprises 17 risk rating grades. The rating grades (including the modifiers) are classified into three categories (a) 4 investment grade ratings, (b) 12 non-investment grade ratings, and (c) one non-performing or default grade rating. The table below shows the segregation of the Bank's master rating scale:

Type	Rating	Number of Modifiers	PD Range
Performing			
Investment grade	AAA to A-	1	0 to 0.12%
	BBB	3	0.12% to 0.35%
Non-Investment grade	BB	4	0.35% to 2.1%
	B	4	2.1% to 12%
	CCC	3	12% to 40%
	CC to C	1	40% to 99.9%
Non-performing	Default	1	100%

The Group also manages its credit risk exposure through the diversification of financing activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or businesses. It also takes security when appropriate. The Group also seeks additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant financing and advances. The Group monitors the market value of collateral periodically and requests additional collateral in accordance with the underlying agreement and Group's policy.

(30.1) Maximum credit exposure

Maximum exposure to credit risk without taking into account any collateral and other credit enhancements is as follows:

	2025	2024
Assets		
Due from banks and other financial institutions, net (note 5)	**22,970,831**	21,088,423
Investments (note 30.2 (a))	**286,537,185**	261,821,377
Financing and advances, net (note 7.1)	**729,310,906**	654,252,346
Other assets - margin deposits against derivatives and repos (note 10.1)	**4,161,021**	7,007,964
Total assets	**1,042,979,943**	944,170,110
Contingent liabilities and commitments, net	**168,724,042**	148,326,638
Derivatives - positive fair value of derivatives, net (note 11)	**26,890,803**	27,375,451
Total maximum credit exposure	**1,238,594,788**	1,119,872,199

(30.1.1) Contingent liabilities and commitments, net

These amounts reflect the credit equivalent of the contingent liabilities and commitments by applying appropriate credit conversion factors. For full amount of the contingent liabilities and commitments (refer note 19).

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30. CREDIT RISK (continued)

(30.2) Financial Risk Management

(a) Credit quality analysis

(i) The following table 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 financing commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

- Investment Grade is composed of Very Strong Credit Quality (AAA to BBB)
- Non-Investment Grade is composed of: Good, Satisfactory and Special Mention Credit Quality (BB+ to C)

	Gross carrying amount				
2025	Stage 1	Stage 2	Stage 3	POCI	Total
Due from bank and other financial institutions					
Investment grade	14,052,489	-	-	-	14,052,489
Non-investment grade	7,235,960	-	-	-	7,235,960
Unrated	1,683,720	-	-	-	1,683,720
Gross carrying amount	22,972,169	-	-	-	22,972,169
Financing and advances					
Investment Grade	160,395,469	60,075	-	-	160,455,544
Wholesale	155,378,504	-	-	-	155,378,504
International	5,016,965	60,075	-	-	5,077,040
Non-investment Grade	194,494,328	16,736,657	-	-	211,230,985
Wholesale	182,850,908	15,810,115	-	-	198,661,023
International	11,643,420	926,542	-	-	12,569,962
Unrated	354,711,426	3,196,330	348,318	-	358,256,074
Retail	348,447,296	3,093,810	348,318	-	351,889,424
International	2,481,305	102,520	-	-	2,583,825
Others	3,782,825	-	-	-	3,782,825
Individually impaired	-	-	5,001,326	1,722,965	6,724,291
Retail	-	-	1,235,557	-	1,235,557
Wholesale	-	-	3,412,096	1,722,965	5,135,061
International	-	-	353,673	-	353,673
Gross carrying amount	709,601,223	19,993,062	5,349,644	1,722,965	736,666,894
Debt investment securities held at amortised cost					
Saudi Government Bonds, Sukuk and Treasury Bills	157,814,555	-	-	-	157,814,555
Investment Grade	33,919,196	-	-	-	33,919,196
Non-investment Grade	2,971,065	384,518	-	-	3,355,583
Unrated	-	-	-	-	-
Gross carrying amount	194,704,816	384,518	-	-	195,089,334
Debt investment securities held at FVOCI					
Saudi Government Bonds, Sukuk and Treasury Bills	21,157,685	-	-	-	21,157,685
Investment Grade	65,341,435	-	-	-	65,341,435
Non-investment Grade	3,160,384	218,611	-	-	3,378,995
Unrated	1,569,736	-	-	-	1,569,736
Gross carrying amount	91,229,240	218,611	-	-	91,447,851
Commitment and contingencies					
Investment Grade	87,475,260	6,565	-	-	87,481,825
Non-investment Grade	71,585,211	6,292,931	-	3,278,384	81,156,526
Unrated	8,128,706	29,905	1,290,312	-	9,448,923
Gross carrying amount	167,189,177	6,329,401	1,290,312	3,278,384	178,087,274

	Gross carrying amount				
2024	Stage 1	Stage 2	Stage 3	POCI	Total
Due from bank and other financial institutions					
Investment grade	13,140,779	-	-	-	13,140,779
Non-investment grade	5,933,107	-	-	-	5,933,107
Unrated	2,016,534	-	-	-	2,016,534
Gross carrying amount	21,090,420	-	-	-	21,090,420
Financing and advances					
Investment Grade	143,101,577	245,071	-	-	143,346,648
Wholesale	138,670,811	175,125	-	-	138,845,936
International	4,430,766	69,946	-	-	4,500,712
Non-investment Grade	148,534,070	15,275,044	-	-	163,809,114
Wholesale	139,607,041	14,573,643	-	-	154,180,684
International	8,927,029	701,401	-	-	9,628,430
Unrated	344,442,006	2,623,563	292,143	-	347,357,712
Retail	338,058,243	2,507,655	292,143	-	340,858,041
International	2,934,140	115,908	-	-	3,050,048
Others	3,449,623	-	-	-	3,449,623
Individually impaired	-	-	7,692,328	2,451,768	10,144,096
Retail	-	-	2,050,735	-	2,050,735
Wholesale	-	-	5,218,533	2,451,768	7,670,301
International	-	-	423,060	-	423,060
Gross carrying amount	636,077,653	18,143,678	7,984,471	2,451,768	664,657,570
Debt investment securities held at amortised cost					
Saudi Government Bonds, Sukuk and Treasury Bills	144,789,025	-	-	-	144,789,025
Investment Grade	31,120,826	-	-	-	31,120,826
Non-investment Grade	4,025,818	455,310	-	-	4,481,128
Unrated	-	-	-	-	-
Gross carrying amount	179,935,669	455,310	-	-	180,390,979
Debt investment securities held at FVOCI					
Saudi Government Bonds, Sukuk and Treasury Bills	18,438,180	-	-	-	18,438,180
Investment Grade	56,467,810	-	-	-	56,467,810
Non-investment Grade	4,184,281	577,554	-	-	4,761,835
Unrated	1,762,573	-	-	-	1,762,573
Gross carrying amount	80,852,844	577,554	-	-	81,430,398
Commitment and contingencies					
Investment Grade	55,196,097	3,537	-	-	55,199,634
Non-investment Grade	76,864,395	6,469,279	-	3,543,572	86,877,246
Unrated	16,168,079	107,048	1,311,448	432	17,587,007
Gross carrying amount	148,228,571	6,579,864	1,311,448	3,544,004	159,663,887

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30. CREDIT RISK (continued)

(30.2) Financial Risk Management (continued)

(a) Credit quality analysis (continued)

(ii) The classification of investments in debt instruments as per their external ratings is as follows:

2025	Held at FVIS	Held at FVOCI	Held at amortized cost	Total
Rating				
AAA	-	12,930,767	807,447	13,738,214
AA+	-	19,340,249	3,198,659	22,538,908
AA	-	5,846,759	4,883,075	10,729,834
AA-	95,510	1,373,392	1,092,073	2,560,975
A+	1,821,484	23,151,471	172,880,616	197,853,571
A	75,882	2,427,350	1,521,795	4,025,027
A-	214,209	5,436,253	2,638,993	8,289,455
BBB+	37,706	3,382,362	1,119,101	4,539,169
BBB and below	398,443	15,989,512	6,931,395	23,319,350
Unrated	27,842	1,569,736	-	1,597,578
Investments in debt instrument, net	**2,671,076**	**91,447,851**	**195,073,154**	**289,192,081**

2024	Held at FVIS	Held at FVOCI	Held at amortized cost	Total
Rating				
AAA	-	9,024,746	831,620	9,856,366
AA+	70,721	18,879,952	2,775,969	21,726,642
AA	9,796	4,068,915	3,061,451	7,140,162
AA-	93,496	1,115,644	1,750,308	2,959,448
A+	1,578,114	14,198,294	158,402,181	174,178,589
A	171,858	4,512,739	1,994,309	6,678,906
A-	40,806	6,938,557	3,056,076	10,035,439
BBB+	57,343	3,733,183	757,131	4,547,657
BBB and below	716,057	17,195,795	7,737,495	25,649,347
Unrated	245	1,762,573	-	1,762,818
Investments in debt instrument, net	2,738,436	81,430,398	180,366,540	264,535,374

(iii) The table below details the aging of the performing financing and advances:

2025	Consumer & Credit card	Corporate	International	Others	Total
Neither past due nor impaired	**346,183,821**	**349,215,750**	**19,232,685**	**3,782,825**	**718,415,081**
Past due but not impaired					
Less than 30 days	3,996,603	1,232,170	39,735	-	5,268,508
30-59 days	1,289,115	1,726,775	47,410	-	3,063,300
60-89 days	419,885	1,864,832	910,997	-	3,195,714
Total past due but not impaired	**5,705,603**	**4,823,777**	**998,142**	-	**11,527,522**
Total performing financing and advances	**351,889,424**	**354,039,527**	**20,230,827**	**3,782,825**	**729,942,603**

2024	Consumer & Credit card	Corporate	International	Others	Total
Neither past due nor impaired	335,773,432	286,647,123	16,398,842	3,449,623	642,269,020
Past due but not impaired					
Less than 30 days	3,664,008	2,060,782	24,187	-	5,748,977
30-59 days	1,112,538	2,240,046	78,145	-	3,430,729
60-89 days	308,063	2,078,669	678,016	-	3,064,748
Total past due but not impaired	5,084,609	6,379,497	780,348	-	12,244,454
Total performing financing and advances	340,858,041	293,026,620	17,179,190	3,449,623	654,513,474

(b) 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.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure based on approved stages of criteria.

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each corporate exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

The monitoring of exposures involves use of the following data:

Corporate exposures	Retail exposures	All exposures
• Information obtained during periodic review of customers files - e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality management, and senior management changes.	• Internally collected data and customer behavior - e.g. utilization of credit card facilities.	• Payment record - this includes overdue status as well as a range of variables about payment ratios. • Utilization of the granted limit • Requests for and granting of forbearance. • Existing and forecasted changes in business, financial and economic conditions.
• Data from credit reference agencies, press articles, changes in external credit ratings.		
• Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.		

(i) Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analyzed by type of product and borrower as well as by credit risk grading. For some portfolios, information obtained from external credit reference agencies 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 as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and macro-economic factors including income velocity, government revenue, unemployment,etc.

Based on inputs from Group's Economics Department and consideration of a variety of external actual and forecasted 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 forecasted scenarios (see discussion on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

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30. CREDIT RISK (continued)

(30.2) Financial Risk Management (continued)

(b) Amounts arising from ECL - significant increase in credit risk (continued)

(ii) Determining whether credit risk has increased significantly

The criteria for determining whether there is a significant increase in credit risk (SICR) since initial recognition, include quantitative changes in PDs and various qualitative factors, including a backstop based on delinquency.

Moreover, the bank also considers information about guarantees or other credit enhancements in assessing changes in credit risk, as well as the impact of the changes in nature, type and value of such collaterals, on the ability and/or economic incentive of a borrower to repay. As such, where available and applicable, the Bank has duly considered the same.

Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The assessment of significant increase in credit risk, is assessed taking on account of:

- Days past due;
- Change in risk of default occurring since initial recognition;
- Expected life of the financial instrument; and
- Reasonable and supportable information, that is available without undue cost or effort that may affect credit risk.

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 unless reasonable evidences are present to prove otherwise. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. Moreover, the Group generally considers a financial asset to have undergone a SICR when its credit rating, where available, has deteriorated by three notches 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; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

(iii) Modified financial assets

The contractual terms of financing and advances may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing and advances whose terms have been modified may be derecognised and the renegotiated financing and advances recognised as a new financing and advances 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 is completed on the basis of the approved staging criteria. There were no modifications to financial instruments made during the year that could have a material impact on the consolidated financial statements.

The Group renegotiates financing and advances to customers in financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Group's forbearance policy, financing and advances forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of special commission payments and amending the terms of financing and advances covenants. Both retail and corporate financing and advances are subject to the forbearance policy.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect special commission income and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

The forbearance activities did not have any material impact on the consolidated financial statements of the Bank as of 31 December 2025.

(iv) Definition of 'Default'

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place:

- The obligor is past due for 90 days or more on any material credit obligations to the Group including principal instalments, interest payments and fees. The materiality threshold for recognition of default is 5% of the total outstanding credit obligations of the client.
- The Group considers that the obligor is unlikely to pay its credit obligations to the bank in full, without recourse by the bank to actions such as realizing security (if any).

The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

(v) Incorporation of forward looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Group's Economics Department experts and consideration of a variety of external actual and forecasted 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 forecasted scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private sector and academic forecasters.

The base case represents the most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December 2025 included the following ranges of key indicators as shown below.

Economic Indicators	2025	2024
Unemployment Rate	Upside: -13.92% Downside: 27.84%	Upside: -4.02% Downside: 8.04%
Government Total Expenditure Percent of GDP	Upside: 8.61% Downside: -17.21%	Upside: 3.71% Downside: -7.42%
Income Velocity of Money (Non-Oil)	Upside: 3.39% Downside: -6.79%	Upside: 3.19% Downside: -6.39%
Government Revenue	Upside: 9.80% Downside: -19.59%	Upside: 8.85% Downside: -17.69%
Government Non-Oil Revenue	Upside: 9.05% Downside: -18.10%	Upside: 11.39% Downside: -22.79%
Nominal GDP	Upside: 6.41% Downside: -12.82%	Upside: 5.87% Downside: -11.75%
Money Supply	Upside: 5.00% Downside: -10.00%	Upside: 4.76% Downside: -9.52%

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 Bank has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

	Forecast calendar years used in 2025 ECL model		
Economic Indicators	2026	2027	2028
Unemployment Rate	3.2%	3.1%	3.0%
Government Total Expenditure Percent of GDP	27.2%	27.0%	26.8%
Income Velocity of Money (Non-Oil)	81.6%	78.6%	76.8%
Government Revenue in million	1,155,061	1,207,400	1,242,327
Government Non-Oil Revenue in million	595,177	624,936	656,183
Nominal GDP in million	4,889,459	5,065,928	5,250,490
Money Supply in million	3,474,644	3,750,218	4,022,278

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30. CREDIT RISK (continued)

(30.2) Financial Risk Management (continued)

(b) Amounts arising from ECL - significant increase in credit risk (continued)

(v) Incorporation of forward looking information (continued)

The table below shows the change in economic indicators to the ECL computed under three different scenarios used by the Bank:

2025	Financing and advances	Letter of credit	Guarantees	Acceptances	Irrevocable
Gross exposure	734,943,929	16,966,498	92,612,856	7,001,889	61,506,031
More optimistic (Upside)	7,191,360	5,788	362,304	17,193	89,351
More pessimistic (Downside)	7,970,689	6,987	400,908	17,777	119,023
Base Case	7,539,662	5,838	368,595	17,150	104,616
Probability weighted	7,355,988	6,358	381,202	17,470	107,344

2024	Financing and advances	Letter of credit	Guarantees	Acceptances	Irrevocable
Gross exposure	662,205,802	17,991,774	80,063,241	7,125,494	54,483,378
More optimistic (Upside)	10,067,879	19,277	404,155	7,852	67,463
More pessimistic (Downside)	10,714,775	22,448	444,828	8,529	86,557
Base Case	10,322,328	19,848	413,604	7,984	73,394
Probability weighted	10,405,224	20,875	424,960	8,196	77,835

(vi) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described.

(a) Probability of default (PD);
(b) Loss given default (LGD); and
(c) Exposure at default (EAD).

PD estimates are estimates at a certain date, which are calculated, based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For financing and advances secured by retail property, LTV (Lending to Value) ratios are a key parameter in determining LGD.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations.

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 financing and advances commitment or guarantee.

However, for retail overdrafts and credit card facilities that include both a financing and advances and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL.

(c) Collateral

The Group uses a wide variety of techniques to reduce credit risk on its lending; one important credit risk mitigation technique is accepting guarantees and collaterals with appropriate coverage. The Group ensures that the collateral held is sufficiently liquid, legally effective and regularly valued. The method and frequency of revaluation depends on the nature of the collateral involved. Types of acceptable collateral to the Group include time and other cash deposits, financial guarantees, equities, real estate, other fixed assets and salary assignment in case of individuals. The collateral is held mainly against commercial and individual financings and is managed against relevant exposures at its net realizable values. The Group monitors the market value of collaterals, requests additional collaterals in accordance with the underlying agreements. Whenever possible, financing and advances are secured by acceptable forms of collateral in order to mitigate credit risk. Group's policy is to lend against the cash flow of an operating commercial entity as a first way and primary source of repayment. Collaterals provided by the customer are generally only considered as a secondary source for repayment.

31. MARKET RISK

Market risk is the risk that changes in market prices, such as interest rate, credit spreads (not relating to changes in the obligor's/ issuer's credit standing), equity prices and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group separates its exposure to market risk between trading and banking books. Trading book is mainly held by the treasury division and includes positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested to the Board of Directors. The Risk department is responsible for the development of detailed risk management policies (subject to review and approval by the Board of Directors) and for the day-to-day review of their implementation.

The Group uses VaR limits for total market risk embedded in its trading activities including derivatives related to foreign exchange and interest rate. The overall structure of VaR limits is subject to review and approval by the Board of Directors. VaR limits are allocated to the trading book. The daily reports of utilisation of VaR limits are submitted to the senior management of the Group. In addition, regular summaries about various risk measures are submitted to the Risk Committee of the Board.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based gives rise to some limitations, including the following:

(i) A 1-day holding period assumes that it is possible to hedge or dispose of positions within one day horizon. This is considered to be a realistic assumption in most of the cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
(ii) A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a 1% probability that losses could exceed the VaR.
(iii) VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
(iv) The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
(v) The VaR measure 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.

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading book. In addition, the Group uses stress tests to model the financial impact of exceptional market scenarios on individual trading book and the Group's overall trading position.

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31. MARKET RISK (continued)

(31.1) Market risk - Trading book

The table below shows the VaR arises from interest rate, foreign currency exposure and equity exposure held at FVIS portfolio:

2025	Foreign exchange risk	Interest rate risk	Equity Price Risk	Overall risk
End of year VaR	4,324	13,603	2,129	20,056
Average VaR	5,260	28,986	5,673	39,919

2024	Foreign exchange risk	Interest rate risk	Equity Price Risk	Overall risk
End of year VaR	3,575	22,427	18,381	44,383
Average VaR	4,219	23,862	18,659	46,740

(31.2) Market risk - Non-Trading or Banking Book

Market risk on banking book positions mainly arises from the interest rate, foreign currency exposures and equity price changes.

(31.2.1) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The following table depicts the sensitivity due to reasonably possible changes in interest rate, with other variables held constant, on the Group's consolidated statement of income or statement of changes in equity. The sensitivity of the income is the effect of the assumed changes in interest rate on the net special commission income for one year, based on the special commission bearing non-trading financial assets and financial liabilities held as at 31 December 2025 and 2024 including the effect of hedging instruments. The sensitivity of the equity is calculated by revaluing the fixed rate FVOCI financial assets, including the effect of any associated hedges, as at 31 December 2025 and 2024 for the effect of assumed changes in interest rate. The sensitivity of equity is analyzed by maturity of the assets or cash flow hedge swaps. All significant banking book exposures are monitored and analyzed in currency concentrations and relevant sensitivities are disclosed in local currency. The sensitivity analysis does not take account of actions by the Group that might be taken to mitigate the effect of such changes.

			Sensitivity of equity (other reserves)				
2025	Increase/ decrease in basis points	Sensitivity of special commission income	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Currency							
⃁	± 10	± 85,304	± -	± -	± 990	± 7,061	± 8,051
USD	± 10	± 52,370	± 93	± 861	± 51,686	± 208,727	± 261,367

			Sensitivity of equity (other reserves)				
2024	Increase/ decrease in basis points	Sensitivity of special commission income	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Currency							
⃁	± 10	± 8,987	± 17	± -	± 1,085	± 14,251	± 15,333
USD	± 10	± 70,293	± 18	± 1,178	± 42,564	± 222,086	± 265,846

(a) Interest rate sensitivity of assets, liabilities and off-balance sheet items

The Group manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market interest rate on its consolidated financial position and cash flows. The table below summarizes the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by the earlier of the contractual re-pricing or the maturity dates. The Group manages exposure to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-statement of financial position instruments that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

The table below summarizes the Group's exposure to interest rate:

2025	Within 3 months	3-12months	1-5 years	Over 5 years	Non-special commission bearing	Total
Assets						
Cash and balances with central banks	342,994	-	-	-	44,580,243	44,923,237
Due from banks and other financial institutions, net	9,898,708	16,124	551,570	-	12,504,429	22,970,831
Investments, net	27,612,327	20,555,224	68,382,388	172,642,142	30,812,109	320,004,190
- Held at FVIS	64,043	271,968	1,171,721	1,163,344	28,628,524	31,299,600
- Held at FVOCI	10,238,812	5,170,321	25,617,733	50,420,985	2,183,585	93,631,436
- Investments held at amortised cost	17,309,472	15,112,935	41,592,934	121,057,813	-	195,073,154
Financing and advances, net	200,833,602	212,961,753	154,415,645	160,979,427	120,479	729,310,906
- Retail	21,201,554	54,487,269	130,775,123	144,454,689	113,401	351,032,036
- Wholesale	167,694,877	149,694,199	20,670,526	16,289,927	-	354,349,529
- International	8,154,346	8,780,285	2,969,996	234,811	7,078	20,146,516
- Others	3,782,825	-	-	-	-	3,782,825
Positive fair value of derivatives	11,481,397	12,119,958	664,193	1,924,977	700,278	26,890,803
Total financial assets	250,169,028	245,653,059	224,013,796	335,546,546	88,717,538	1,144,099,967
Liabilities						
Due to banks, centeral banks and other financial institutions	116,469,351	37,222,388	30,678,299	3,759	5,815,242	190,189,039
Customers' deposits	236,299,468	19,043,009	4,930,812	2,990,971	372,830,117	636,094,377
- Current and call accounts	113,321,893	-	-	-	349,933,454	463,255,347
- Time	119,533,889	18,955,455	4,676,800	2,990,971	-	146,157,115
- Others	3,443,686	87,554	254,012	-	22,896,663	26,681,915
Debt securities issued and term loans	60,972,810	52,480,312	10,490,689	8,698,552	-	132,642,363
Negative fair value of derivatives	11,056,523	11,704,502	305,282	1,832,377	474,692	25,373,376
Total financial liabilities	424,798,152	120,450,211	46,405,082	13,525,659	379,120,051	984,299,155
On-balance sheet position gap	(174,629,124)	125,202,848	177,608,714	322,020,887	(290,402,513)	
Off-balance sheet position gap	43,011,349	10,421,194	(15,514,349)	(37,428,322)	-	
Total interest rate sensitivity gap	(131,617,775)	135,624,042	162,094,365	284,592,565	(290,402,513)	
Cumulative interest rate sensitivity gap	(131,617,775)	4,006,267	166,100,632	450,693,197	160,290,684	

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31. MARKET RISK (continued)

(31.2) Market risk - Non-Trading or Banking Book (continued)

(31.2.1) Interest rate risk (continued)

(a) Interest rate sensitivity of assets, liabilities and off-balance sheet items (continued)

2024	Within 3 months	3-12months	1-5 years	Over 5 years	Non-special commission bearing	Total
Assets						
Cash and balances with central banks	4,216	-	-	-	42,115,482	42,119,698
Due from banks and other financial institutions, net	10,053,966	799,030	509,056	-	9,726,371	21,088,423
Investments, net	33,281,792	21,013,682	57,146,392	153,093,508	27,951,433	292,486,807
- Held at FVIS	386,053	650,006	606,191	1,096,186	22,825,188	25,563,624
- Held at FVOCI	8,957,553	4,452,626	25,022,210	42,998,009	5,126,245	86,556,643
- Investments held at amortised cost	23,938,186	15,911,050	31,517,991	108,999,313	-	180,366,540
Financing and advances, net	179,106,259	166,507,195	136,608,402	171,915,465	115,025	654,252,346
- Retail	14,533,893	62,783,939	109,218,875	153,396,006	107,537	340,040,250
- Wholesale	155,116,009	96,412,302	23,918,314	18,151,225	-	293,597,850
- International	6,006,734	7,310,954	3,471,213	368,234	7,488	17,164,623
- Others	3,449,623	-	-	-	-	3,449,623
Positive fair value of derivatives	14,518,952	8,517,536	887,103	2,999,786	452,074	27,375,451
Total financial assets	236,965,185	196,837,443	195,150,953	328,008,759	80,360,385	1,037,322,725
Liabilities						
Due to banks, central banks and other financial institutions	159,155,165	13,700,705	7,178,493	8,955	5,076,472	185,119,790
Customers' deposits	158,892,342	18,037,576	18,239,565	-	384,592,624	579,762,107
- Current and call accounts	62,775,242	-	-	-	355,425,525	418,200,767
- Time	94,009,082	17,957,657	18,126,101	-	-	130,092,840
- Others	2,108,018	79,919	113,464	-	29,167,099	31,468,500
Debt securities issued and term loans	36,212,044	30,696,692	26,867,983	1,528,652	-	95,305,371
Negative fair value of derivatives	14,271,458	7,692,761	435,320	3,099,935	403,833	25,903,307
Total financial liabilities	368,531,009	70,127,734	52,721,361	4,637,542	390,072,929	886,090,575
On-balance sheet position gap	(131,565,824)	126,709,709	142,429,592	323,371,217	(309,712,544)	
Off-balance sheet position gap	29,764,276	3,480,248	(29,911,592)	(2,947,776)	-	
Total interest rate sensitivity gap	(101,801,548)	130,189,957	112,518,000	320,423,441	(309,712,544)	
Cumulative interest rate sensitivity gap	(101,801,548)	28,388,409	140,906,409	461,329,850	151,617,306	

The off-balance sheet position gap represents the net notional amounts of derivative financial instruments, which are used to manage the interest rate risk.

(31.2.2) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its consolidated financial position and cash flows. The Board has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

At the year end, the Group had the following significant net exposures denominated in foreign currencies:

Currency	2025 Long (short)	2024 Long (short)
US Dollar	**(5,166,064)**	64,979
TRY	**2,598,075**	2,718,672

A long position indicates that assets in a foreign currency are higher than the liabilities in the same currency; the opposite applies to short position.

The table below indicates the extent to which the Group was exposed to currency risk at 31 December 2025 on its significant foreign currency positions. The analysis is performed for reasonably possible movements of the currency rate against the Saudi Riyal with all other variables held constant, including the effect of hedging instruments, on the consolidated statement of income; the effect on equity of foreign currencies other than Turkish Lira (TRY) is not significant. A negative amount in the table reflects a potential net reduction in consolidated statement of income, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions by the Group that might be taken to mitigate the effect of such changes.

	2025			2024		
Currency	Increase/decrease in currency rate in %	Effect on profit	Effect on equity	Increase/decrease in currency rate in %	Effect on profit	Effect on equity
TRY	**± 10%**	**± 4,721**	**± 227,832**	±10%	± 20,533	± 222,708

(31.2.3) Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks.

The effect on equity (other reserves) as a result of a change in the fair value of equity instruments quoted on Saudi Stock Exchange (Tadawul) and held at FVOCI at 31 December 2025 and 31 December 2024 due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows:

	2025		2024	
Market index - (Tadawul)	Increase / decrease in market prices %	Effect on equity (other reserves)	Increase / decrease in market prices %	Effect on equity (other reserves)
Impact of change in market prices	**± 10%**	**± 75,978**	± 10%	± 165,768

32. LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management has diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities and monitors future cash flows and liquidity on a daily basis. The Group has lines of credit in place that it can access to meet liquidity needs.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA of 7% of average demand deposits and 4% of average savings and time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of not less than 20% of the deposit liabilities, in the form of cash, Saudi Government Bonds or assets which can be converted into cash within a period not exceeding 30 days.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. One of these methods is to maintain limits on the ratio of liquid assets to deposit liabilities, set to reflect market conditions. Liquid assets consist of cash, short- term bank deposits and liquid debt securities available for immediate sale and Saudi Government Bonds excluding repos. Deposits liabilities include both customers and Banks, excluding non-resident Bank deposits in foreign currency.

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32. LIQUIDITY RISK (continued)

(32.1) Analysis of undiscounted financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 and 31 December 2024 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 on the basis of the remaining period at the consolidated statement of financial position date to the contractual maturity date and do not take into account the effective expected maturities as shown on note (32.2) below (Analysis of discounted assets and liabilities by expected maturity). Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities						
Due to banks, central banks and other financial institutions	817,092	97,456,168	56,615,398	28,055,648	12,747,289	195,691,595
Customers' deposits	489,937,262	30,602,976	58,777,590	60,092,333	215,357	639,625,518
- Current and call accounts	463,255,347	-	-	-	-	463,255,347
- Time	-	30,602,976	58,777,590	60,092,333	215,357	149,688,256
- Others	26,681,915	-	-	-	-	26,681,915
Debt securities issued and term loans	-	29,591,593	52,805,616	47,902,088	12,602,322	142,901,619
Derivative financial instruments (gross contractual amounts payable)	-	14,950,687	11,909,468	7,683,776	6,053,197	40,597,128
Lease Liabilities	-	41,614	122,829	313,205	198,729	676,377
Total undiscounted financial liabilities	490,754,354	172,643,038	180,230,901	144,047,050	31,816,894	1,019,492,237

2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities						
Due to banks, central banks and other financial institutions	2,145,396	159,152,104	16,171,585	12,331,954	8,639,668	198,440,707
Customers' deposits	449,669,267	91,286,301	19,900,594	20,965,170	14,191	581,835,523
- Current and call accounts	418,200,767	-	-	-	-	418,200,767
- Time	-	91,286,301	19,900,594	20,965,170	14,191	132,166,256
- Others	31,468,500	-	-	-	-	31,468,500
Debt securities issued and term loans	-	36,483,861	32,677,846	29,839,224	629,820	99,630,751
Derivative financial instruments (gross contractual amounts payable)	-	12,608,774	9,685,057	6,596,104	8,364,180	37,254,115
Lease Liabilities	-	45,865	134,815	338,131	782,670	1,301,481
Total undiscounted financial liabilities	451,814,663	299,576,905	78,569,897	70,070,583	18,430,529	918,462,577

The contractual maturity structure of the credit-related and commitments and contingencies are shown under note (19.2(a)).

(32.2) Analysis of discounted assets and liabilities by expected maturity

Below is an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Financial assets and liabilities under the no-fixed maturity category are repayable on demand.

2025	Within 3 months	3-12months	1-5 years	Over 5 years	No-fixed maturity	Total
Assets						
Cash and balances with central banks	342,994	-	-	-	44,580,243	44,923,237
Due from banks and other financial institutions, net	13,011,358	7,429,153	2,530,320	-	-	22,970,831
Investments, net	8,707,152	16,624,318	72,197,602	191,192,601	31,282,517	320,004,190
- Held at FVIS	102,949	255,147	2,397,461	-	28,544,043	31,299,600
- Held at FVOCI	2,175,190	3,034,507	27,280,782	58,402,483	2,738,474	93,631,436
- Held at amortized cost	6,429,013	13,334,664	42,519,359	132,790,118	-	195,073,154
Financing and advances, net	253,370,580	113,980,617	186,207,373	175,752,336	-	729,310,906
- Retail	21,201,717	35,441,680	118,872,621	175,516,018	-	351,032,036
- Wholesale	223,800,355	70,119,740	60,429,434	-	-	354,349,529
- International	8,368,508	8,419,197	3,122,493	236,318	-	20,146,516
- Others	-	-	3,782,825	-	-	3,782,825
Positive fair value of derivatives	396,311	133,619	235	26,360,638	-	26,890,803
Property, equipment and software, net	-	-	-	-	13,065,976	13,065,976
Goodwill	-	-	-	-	34,006,782	34,006,782
Intangible assets	205,070	615,209	3,922,948	178,461	-	4,921,688
Right of use assets, net	-	-	-	-	967,447	967,447
Other assets	-	3,067,173	-	-	9,902,520	12,969,693
Total assets	276,033,465	141,850,089	264,858,478	393,484,036	133,805,485	1,210,031,553
Liabilities						
Due to banks, central banks and other financial institutions	128,621,668	38,005,024	23,019,517	542,830	-	190,189,039
Customers' deposits	128,302,757	69,527,472	175,800,749	262,463,399	-	636,094,377
- Current and call accounts	6,655,765	44,354,905	150,365,145	261,879,532	-	463,255,347
- Time	118,436,257	20,662,016	6,846,091	212,751	-	146,157,115
- Others	3,210,735	4,510,551	18,589,513	371,116	-	26,681,915
Debt securities issued and term loans	32,983,679	46,163,247	42,739,902	10,755,535	-	132,642,363
Negative fair value of derivatives	86,664	96,085	25,190,627	-	-	25,373,376
Other liabilities	41,138	53,528	382,528	131,381	21,296,575	21,905,150
Total liabilities	290,035,906	153,845,356	267,133,323	273,893,145	21,296,575	1,006,204,305

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32. LIQUIDITY RISK (continued)

(32.2) Analysis of discounted assets and liabilities by expected maturity (continued)

2024	Within 3 months	3-12months	1-5 years	Over 5 years	No-fixed maturity	Total
Assets						
Cash and balances with central banks	4,216	-	-	-	42,115,482	42,119,698
Due from banks and other financial institutions, net	12,743,604	6,342,127	2,002,692	-	-	21,088,423
Investments, net	13,901,545	12,947,408	72,949,723	164,035,001	28,653,130	292,486,807
- Held as FVIS	537,180	391,259	1,937,986	-	22,697,199	25,563,624
- Held at FVOCI	3,462,459	3,264,358	25,895,652	47,978,243	5,955,931	86,556,643
- Held at amortized cost	9,901,906	9,291,791	45,116,085	116,056,758	-	180,366,540
Financing and advances, net	189,439,441	95,995,626	202,539,410	166,277,869	-	654,252,346
- Retail	16,840,741	30,287,518	127,036,054	165,875,937	-	340,040,250
- Wholesale	165,955,849	59,779,536	67,862,465	-	-	293,597,850
- International	6,642,851	5,928,572	4,191,268	401,932	-	17,164,623
- Others	-	-	3,449,623	-	-	3,449,623
Positive fair value of derivatives	482,920	191,405	1,429	26,699,697	-	27,375,451
Property, equipment and software, net	-	-	-	-	11,887,664	11,887,664
Goodwill	-	-	-	-	34,006,782	34,006,782
Intangible assets	205,070	615,209	4,008,940	912,749	-	5,741,968
Right of use assets, net	-	-	-	-	1,005,658	1,005,658
Other assets	-	2,423,787	-	-	11,766,056	14,189,843
Total assets	216,776,796	118,515,562	281,502,194	357,925,316	129,434,772	1,104,154,640
Liabilities						
Due to banks, central banks and other financial institutions	162,513,020	16,473,032	5,380,114	753,624	-	185,119,790
Customers' deposits	163,054,961	81,409,871	140,911,310	194,385,965	-	579,762,107
- Current and call accounts	68,685,414	54,908,318	100,520,191	194,086,844	-	418,200,767
- Time	92,468,444	20,709,666	16,902,520	12,210	-	130,092,840
- Others	1,901,103	5,791,887	23,488,599	286,911	-	31,468,500
Debt securities issued and term loans	35,929,478	31,975,047	26,800,201	600,645	-	95,305,371
Negative fair value of derivative	131,919	111,243	25,660,145	-	-	25,903,307
Other liabilities	59,487	100,546	297,505	682,572	23,648,694	24,788,804
Total liabilities	361,688,865	130,069,739	199,049,275	196,422,806	23,648,694	910,879,379

33. GEOGRAPHICAL CONCENTRATION OF ASSETS, LIABILITIES, COMMITMENTS AND CONTINGENCIES AND CREDIT EXPOSURE

(33.1) The distribution by geographical region for major categories of assets, liabilities and commitments and contingencies and credit exposure at year end is as follows:

2025	The Kingdom of Saudi Arabia	GCC and Middle East	Europe	Turkey	North America	Other countries	Total
Assets							
Cash and balances with central banks	43,964,285	26,339	-	907,627	-	24,986	44,923,237
Due from banks and other financial institutions, net	3,918,040	3,113,554	3,215,115	7,116,551	4,811,259	796,312	22,970,831
Investments, net	195,307,176	15,010,617	11,048,114	3,385,993	70,902,183	24,350,107	320,004,190
- Held at FVIS	5,293,196	687,562	2,135,256	1,127	22,444,980	737,479	31,299,600
- Held at FVOCI	20,994,197	8,774,922	6,402,915	1,330,164	37,982,531	18,146,707	93,631,436
- Held at amortised cost	169,019,783	5,548,133	2,509,943	2,054,702	10,474,672	5,465,921	195,073,154
Financing and advances, net	663,487,925	34,675,469	2,727,537	19,516,127	3,884,571	5,019,277	729,310,906
- Retail	351,032,036	-	-	-	-	-	351,032,036
- Wholesale	308,673,064	34,675,469	2,727,537	189,663	3,884,571	4,199,225	354,349,529
- International	-	-	-	19,326,464	-	820,052	20,146,516
- Others	3,782,825	-	-	-	-	-	3,782,825
Positive fair value of derivatives	4,279,564	1,795,795	20,095,546	530,165	106,515	83,218	26,890,803
Total	910,956,990	54,621,774	37,086,312	31,456,463	79,704,528	30,273,900	1,144,099,967
Liabilities							
Due to banks, Saudi Central Bank and other financial institutions	71,368,433	34,254,487	16,129,726	4,117,352	1,047,453	63,271,588	190,189,039
Customers' deposits	606,581,569	4,147,934	29,715	23,598,070	117,635	1,619,454	636,094,377
- Current and call accounts	452,860,676	751,462	2,560	9,220,715	13,834	406,100	463,255,347
- Time	130,928,464	3,284,078	27,155	11,166,620	103,703	647,095	146,157,115
- Others	22,792,429	112,394	-	3,210,735	98	566,259	26,681,915
Debt securities issued and term loans	501,299	13,599,340	88,809,221	60,315	4,308,909	25,363,279	132,642,363
Negative fair value of derivatives, net	3,380,708	3,156,270	18,579,323	182,974	5,884	68,217	25,373,376
Total	681,832,009	55,158,031	123,547,985	27,958,711	5,479,881	90,322,538	984,299,155
Commitments and contingencies (note 19.2)	126,883,174	12,000,976	5,242,362	7,321,000	5,945,672	20,694,090	178,087,274
- Letters of credit	11,855,145	2,541,417	-	1,996,783	-	573,153	16,966,498
- Guarantees	60,290,478	2,579,108	4,688,154	4,712,876	244,117	20,098,123	92,612,856
- Acceptances	5,434,725	1,456,383	1,645	86,322	-	22,814	7,001,889
- Irrevocable commitments to extend credit	49,302,826	5,424,068	552,563	525,019	5,701,555	-	61,506,031
Credit exposure (credit equivalent) (note 28.2)							
Commitments and contingencies	80,559,260	9,629,896	3,004,491	6,230,956	-	15,150,629	114,575,232
Derivatives	7,198,897	1,880,379	15,002,257	986,643	202,004	208,500	25,478,680

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33. GEOGRAPHICAL CONCENTRATION OF ASSETS, LIABILITIES, COMMITMENTS AND CONTINGENCIES AND CREDIT EXPOSURE (continued)

(33.1) The distribution by geographical region for major categories of assets, liabilities and commitments and contingencies and credit exposure at year end is as follows: (continued)

2024	The Kingdom of Saudi Arabia	GCC and Middle East	Europe	Turkey	North America	Other countries	Total
Assets							
Cash and balances with central banks	41,315,707	25,061	–	760,081	–	18,849	42,119,698
Due from banks and other financial institutions, net	3,421,725	4,620,054	556,381	5,988,974	5,703,143	798,146	21,088,423
Investments, net	182,910,227	14,299,822	11,475,870	4,307,305	60,005,248	19,488,335	292,486,807
- Held at FVIS	4,342,621	684,984	1,173,913	11,364	19,196,068	154,674	25,563,624
- Held at FVOCI	19,955,628	7,525,694	8,006,417	2,072,873	33,055,573	15,940,458	86,556,643
- Held at amortised cost	158,611,978	6,089,144	2,295,540	2,223,068	7,753,607	3,393,203	180,366,540
Financing and advances, net	586,288,466	34,953,046	8,048,934	16,622,240	4,084,933	4,254,727	654,252,346
- Retail	343,585,576	–	–	–	–	–	343,585,576
- Wholesale	239,253,267	34,953,046	8,048,934	254,489	4,084,933	3,457,855	290,052,524
- International	–	–	–	16,367,751	–	796,872	17,164,623
- Others	3,449,623	–	–	–	–	–	3,449,623
Positive fair value of derivatives	5,138,778	1,152,409	20,424,789	562,720	86,239	10,516	27,375,451
Total	819,074,903	55,050,392	40,505,974	28,241,320	69,879,563	24,570,573	1,037,322,725
Liabilities							
Due to banks, Saudi Central Bank and other financial institutions	120,687,813	31,423,230	5,037,321	3,625,023	6,865,532	17,480,871	185,119,790
Customers' deposits	550,081,091	5,488,277	991,923	21,611,645	112,222	1,476,949	579,762,107
- Current and call accounts	409,528,373	555,478	5,319	7,783,145	12,454	315,998	418,200,767
- Time	111,392,410	4,859,250	986,604	11,927,397	99,768	827,411	130,092,840
- Others	29,160,308	73,549	–	1,901,103	–	333,540	31,468,500
Debt securities issued and term loans	1,970,068	17,602,543	57,392,687	13,486	1,551,294	16,775,293	95,305,371
Negative fair value of derivatives, net	4,170,137	3,377,448	17,947,606	244,591	22,586	140,939	25,903,307
Total	676,909,109	57,891,498	81,369,537	25,494,745	8,551,634	35,874,052	886,090,575
Commitments and contingencies (note 19.2)	119,079,214	8,608,882	3,774,385	6,600,074	4,557,590	17,043,742	159,663,887
- Letters of credit	12,755,161	425,779	590,356	1,478,004	–	2,742,474	17,991,774
- Guarantees	55,929,749	3,022,751	2,720,216	4,513,845	–	13,876,680	80,063,241
- Acceptances	4,826,206	1,776,879	–	97,821	–	424,588	7,125,494
- Irrevocable commitments to extend credit	45,568,098	3,383,473	463,813	510,404	4,557,590	–	54,483,378
Credit exposure (credit equivalent) (note 28.2)							
Commitments and contingencies	79,115,954	7,582,632	1,918,415	5,806,442	–	11,866,705	106,290,148
Derivatives	6,163,786	1,962,347	15,159,431	1,014,922	188,276	51,001	24,539,763

The credit equivalent of commitments and contingencies and derivatives is calculated according to SAMA's prescribed methodology.

(33.2) The distribution by geographical concentration of non-performing financing and advances and ECL allowances are as follows:

2025	KSA, GCC and Middle East	Turkey and Pakistan	Total
Non-performing financing and advances	4,647,653	353,673	5,001,326
ECL allowances	(6,918,004)	(437,984)	(7,355,988)

2024	KSA, GCC and Middle East	Turkey and Pakistan	Total
Non-performing financing and advances	7,269,268	423,060	7,692,328
ECL allowances	(9,967,597)	(437,627)	(10,405,224)

34. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

Fair value information of the Group's financial instruments is analysed below:

(a) Fair value information for financial instruments at fair value and investments held at amortised cost - fair value hedged

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices in active markets for the same instrument;

Level 2: Quoted prices in active markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: Valuation techniques for which any significant input is not based on observable market data.

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34. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

(a) Fair value information for financial instruments at fair value and investments held at amortised cost - fair value hedged (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value: hierarchy:

2025	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments				
Held for trading	93,345	26,117,617	-	26,210,962
Held as cash flow hedges	-	279,833	-	279,833
Held as fair value hedges	-	400,008	-	400,008
	93,345	26,797,458	-	26,890,803
Financial assets held at FVIS				
Fixed rate debt securities	1,335,815	1,333,144	-	2,668,959
Floating rate securities	-	2,117	-	2,117
Equities	249,188	462,889	1,374,776	2,086,853
Mutual funds, hedge funds and others	726,115	8,046,089	17,769,467	26,541,671
	2,311,118	9,844,239	19,144,243	31,299,600
Financial assets held at FVOCI				
Fixed rate debt securities	72,766,842	2,854,127	-	75,620,969
Floating rate securities	7,013,754	8,813,128	-	15,826,882
Equities	1,688,104	19,452	-	1,707,556
Mutual funds, hedge funds and others	110,194	-	365,835	476,029
	81,578,894	11,686,707	365,835	93,631,436
Financial assets held at amortized cost				
Investments held at amortized cost, net - fair value hedged (note 6.7.2 (a))	-	4,271,749	-	4,271,749
	-	4,271,749	-	4,271,749
Total	83,983,357	52,600,153	19,510,078	156,093,588
Financial liabilities				
Derivative financial instruments				
Held for trading	99,599	24,436,163	-	24,535,762
Held as cash flow hedges	-	368,204	-	368,204
Held as fair value hedges	-	469,410	-	469,410
Total	99,599	25,273,777	-	25,373,376

2024	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments				
Held for trading	127,472	26,390,194	-	26,517,666
Held as cash flow hedges	-	459,269	-	459,269
Held as fair value hedges	-	398,516	-	398,516
	127,472	27,247,979	-	27,375,451
Financial assets held at FVIS				
Fixed rate debt securities	1,310,831	1,254,588	-	2,565,419
Floating rate securities	172,776	241	-	173,017
Equities	999,560	249,771	451,609	1,700,940
Mutual funds, hedge funds and others	102,847	7,627,574	13,393,827	21,124,248
	2,586,014	9,132,174	13,845,436	25,563,624
Financial assets held at FVOCI				
Fixed rate debt securities	61,946,818	3,777,410	-	65,724,228
Floating rate securities	7,470,117	8,236,053	-	15,706,170
Equities	4,847,940	17,977	-	4,865,917
Mutual funds, hedge funds and others	121,018	-	139,310	260,328
	74,385,893	12,031,440	139,310	86,556,643
Financial assets held at amortized cost				
Investments held at amortized cost, net - fair value hedged (note 6.7.2 (a))	-	872,447	-	872,447
	-	872,447	-	872,447
Total	77,099,379	49,284,040	13,984,746	140,368,165
Financial liabilities				
Derivative financial instruments				
Held for trading	115,450	24,857,220	-	24,972,670
Held as cash flow hedges	-	483,317	-	483,317
Held as fair value hedges	-	447,320	-	447,320
Total	115,450	25,787,857	-	25,903,307

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34. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

(b) Fair value information for financial instruments not measured at fair value

The fair value of Group's financing and advances as at 31 December 2025 on a business as usual basis applying the guidance of IFRS 13 "Fair Value Measurement", was 0.9% lower than the corresponding book value (2024: 1.4% lower than the corresponding book value). The fair value of Group's financing and advances is categorized within Level 3 of the fair value hierarchy and the fair value of the investments at amortised cost are categorized within Level 2 as disclosed in note 6.4(b).

The fair values of due from banks and other financial institutions, Due to banks, Central Banks and other financial institutions, customers' deposits and debt securities issued and term loans at 31 December 2025 and 31 December 2024 are not materially different from their respective carrying values included in the consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of due from and due to banks and other financial institutions. An active market for these instruments is not available and the Bank intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

(c) Valuation technique and significant unobservable inputs for financial instruments at fair value

The Group uses various valuation techniques for the 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 and hedge 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.

(d) Transfer between Level 1 and Level 2

At 31 December 2025, FVOCI debt securities with a carrying amount of SR 11.0 million were transferred from Level 2 to Level 1 because market prices for such debt securities became available during 2025. There were no transfers from level 1 to Level 2 during the year ended 31 December 2025, and no transfers in either directions during the year end 31 December 2024.

(e) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

	2025			2024		
	Financial asset held at FVIS	Financial asset held at FVOCI	Total	Financial asset held at FVIS	Financial asset held at FVOCI	Total
Balance as at 1 January 2025	**13,845,436**	**139,310**	**13,984,746**	10,619,926	786,893	11,406,819
Total gains/(losses), realised and unrealised, in the consolidated statement of income	**1,331,405**	**13,171**	**1,344,576**	414,838	43,625	458,463
Purchases	**5,236,521**	**-**	**5,236,521**	5,103,614	-	5,103,614
Sales/Maturities	**(966,337)**	**(89,428)**	**(1,055,765)**	(2,292,942)	(691,208)	(2,984,150)
Other movements	**(302,782)**	**302,782**	**-**	-	-	-
Balance as at 31 December 2025	**19,144,243**	**365,835**	**19,510,078**	13,845,436	139,310	13,984,746

(f) Sensitivity analysis for significant unobservable inputs in valuation of financial instruments at fair value

Certain unobservable inputs were applied in the valuation of hedge funds and private equities for the year ended 31 December 2025 and the impact of the sensitivity is not material.

35. RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. The related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA and approved by the board of directors and management. Related party balances include the balances resulting from transactions with Governmental shareholders. The ultimate controlling party is the Public Investment Fund "PIF", ultimately owned by the Saudi government.

Major shareholders represent shareholdings of more than 5% of the Bank's issued share capital. Related parties are the persons or close members of those persons' families and their affiliated entities where they have control, joint control or significant influence over these entities.

(35.1) The balances resulting from such transactions included in the consolidated financial statements are as follows:

	2025	2024
Major shareholders and their affiliates with significant influence:		
Customers' deposits	**14,186,698**	11,575,424
Financing and advances	**47,607,684**	39,308,628
Commitments and contingencies	**8,016,907**	7,798,120
Directors, key management personnel and other companies:		
Financing and advances	**8,645,585**	11,826,612
Customers' deposits	**5,012,870**	3,454,688
Commitments and contingencies	**394,156**	894,359
End of service benefits	**43,489**	47,457
Bank's mutual funds:		
Investment	**2,023,886**	638,150
Customers' deposits	**213**	531

(35.2) Income and expenses pertaining to transactions with related parties included in the consolidated financial statements are as follows:

	2025	2024
Major shareholders and their affiliates with significant influence:		
Special commission income	**2,502,536**	2,409,992
Special commission expense	**835,594**	1,093,137
Fees and commission income and expense, net	**199,502**	142,334
Directors, key management personnel and other companies:		
Special commission income	**854,620**	1,269,556
Special commission expense	**216,247**	199,206
Fees and commission income and expense, net	**20,449**	23,482
End of service benefit obligation	**139,777**	126,320
Bank's mutual funds:		
Special commission expense	**29**	118

(35.3) The total amount of compensation paid to directors and key management personnel during the year is as follows:

	2025	2024
Short-term employee benefits	**68,134**	67,241
Directors' remuneration	**25,237**	23,961
Post-employment benefits	**131**	139
Other long-term benefits	**91,939**	85,090
Share-based payments	**17,410**	23,773

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35. RELATED PARTY TRANSACTIONS (continued)

(35.4) Assets held in a fiduciary capacity:

	2025	2024
Bank's assets under management	**1,764,975**	3,223,976

The Bank's Board of Directors includes the Board and Board related committees (Executive Committee, Risk Management Committee, Nomination and Remuneration Committee and Audit Committee). For Group's senior executives compensation (see note 36).

(35.5) Transactions with investment funds managed by the Group:

	2025	2024
Transactions included in consolidated statement of income:		
Management fee earned on funds managed by the Group	**588,674**	615,654
Performance and transaction fee earned on funds managed by the Group	**159,009**	85,521
Balances included in consolidated statement of financial position:		
Investment in funds managed by the Group	**2,033,684**	646,316
Management and performance fee receivable from funds managed by the Group	**136,480**	307,463

36. GROUP'S STAFF REMUNERATION

The following table summarizes the Group's employee categories defined in accordance with SAMA's rules on remuneration practices and includes the total amounts of fixed and variable compensation paid to employees during the years ended 31 December 2025 and 2024, and the forms of such payments:

	2025				2024			
			Variable remuneration paid				Variable remuneration paid	
Categories of employees	Number of employees	Fixed remuneration	Cash	Shares	Number of employees	Fixed remuneration	Cash	Shares
Senior Executives	**22**	**50,552**	**52,998**	**21,255**	21	47,161	59,591	34,125
Employees engaged in risk taking activities	**940**	**465,388**	**244,083**	**38,175**	880	437,239	186,426	43,417
Employees engaged in control functions	**732**	**318,301**	**93,308**	**20,175**	813	304,064	84,135	22,917
Other employees	**6,091**	**1,396,286**	**314,552**	**3,667**	6,752	1,425,423	311,456	4,841
Subsidiaries	**7,553**	**1,152,751**	**277,801**	**-**	7,213	1,015,922	288,817	-
Other employee related benefits	**-**	**647,159**	**-**	**-**	-	602,213	-	-
Accrued variable Compensation	**-**	**880,599**	**-**	**-**	-	871,020	-	-
Group total	**15,338**	**4,911,036**	**982,742**	**83,272**	15,679	4,703,042	930,425	105,300

All forms of payment for fixed and variable compensation are either in cash or shares in SNB.

The Bank's Senior Executives are those persons, including an executive director, having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including senior management positions whose appointment requires SAMA's non-objection.

Employees engaged in risk taking activities comprise those officers of the business sectors of Retail and Wholesale banking, who are the key drivers in undertaking business transactions, and managing related business risks.

Employees engaged in control functions include employees in Risk Management, Internal Audit, Compliance, Finance and Legal divisions and roles in other business sectors who are involved in control activities.

37. CAPITAL ADEQUACY

The Group's objectives when managing capital are to comply with the capital requirements set by SAMA to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base.

Capital adequacy and the use of regulatory capital are monitored regularly by management. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above Basel prescribed minimum.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its statement of financial position assets, commitments and notional amounts of derivatives at a weighted amount to reflect their relative risk. As at 31 December 2025, the Bank is in compliance with the externally imposed capital requirements.

The following table summarizes the Bank's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios:

	2025	2024
Risk Weighted Assets		
Credit risk	**773,405,058**	684,824,163
Operational risk	**38,614,619**	39,309,946
Market risk	**18,138,219**	30,196,171
Total Pillar-1 - risk weighted assets	**830,157,896**	754,330,280
Common Equity Tier 1 Capital (CET1)	**147,267,575**	132,619,766
Core capital (Tier 1)	**164,209,115**	153,044,867
Supplementary capital (Tier 2)	**11,426,061**	4,059,123
Core and supplementary capital (Tier 1 and Tier 2)	**175,635,176**	157,103,990
Capital Adequacy Ratio (Pillar 1):-		
Common Equity Tier 1 Capital (CET1) ratio	**17.7%**	17.6%
Core capital (Tier 1) ratio	**19.8%**	20.3%
Core and supplementary capital (Tier 1 and Tier 2) ratio	**21.2%**	20.8%

Tier 1 capital of the Group comprises share capital, statutory reserve, other reserves, retained earnings, Tier 1 eligible debt securities, foreign currency translation reserve, non-controlling interests, treasury shares, less goodwill, intangible assets and other prescribed deductions. Tier 2 capital comprises of eligible debt securities issued and prescribed amounts of eligible portfolio (collective) provisions less prescribed deductions.

The Group uses the Standardized approach of Basel IV final reforms to calculate the Risk-Weighted Assets and required regulatory capital for Pillar -1 (including Credit Risk, Market Risk and Operational Risk). The management is responsible for ensuring that minimum required Regulatory Capital calculated is compliant with Basel IV final reforms requirements. Quarterly prudential returns are submitted to SAMA showing the Capital Adequacy Ratio.

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

38. GROUP'S INTEREST IN OTHER ENTITIES

(38.1) Material partly-owned subsidiaries

(a) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which TFKB operate. The supervisory frameworks require TFKB to keep certain levels of regulatory capital and liquid assets, limits its exposure to other parts of the Group and comply with other ratios. The carrying amounts of TFKB's assets and liabilities are ⃁30,994 million and ⃁27,249 million, respectively (2024: ⃁29,098 million and ⃁27,156 million, respectively).

(b) Non-controlling interests in subsidiaries

The following table summarises the information relating to the Group's subsidiary (TFKB) that has material non-controlling interests (NCI).

	2025	2024
Summarised statement of financial position:		
Financing and advances, net	**19,326,463**	16,367,751
Other assets	**12,623,526**	12,730,744
Liabilities	**30,402,268**	27,155,799
Net assets	**1,547,721**	1,942,696
Carrying amount of NCI	**510,284**	640,507
Summarised statement of income:		
Total operating income	**1,971,347**	1,489,005
Net income/(loss)	**(70,431)**	(306,327)
Total comprehensive income/(loss)	**(1,042,623)**	(1,234,441)
Total comprehensive income/(loss) attributable to NCI	**(343,753)**	(406,995)
Summarised cash flow statement:		
Net cash from/(used in) operating activities	**(903,877)**	(3,541,564)
Net cash from/(used in) investing activities	**404,611**	2,118,525
Net cash from/(used in) financing activities	**43,153**	4,561
Net increase/(decrease) in cash and cash equivalents	**(456,113)**	(1,418,478)

(38.2) 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
Hedge funds	To generate returns from trading in the units/shares of the fund and/or via distributions made by the fund. These funds are financed through the issue of units/shares to investors.	• Investments in units issued by the funds.
Private equity funds	To generate returns from long-term capital appreciation in the net worth of the funds, realised via periodic distributions and eventual exit at the end of the life of the funds. These funds are financed through the issue of units/ shares to investors.	• Investments in units/ shares issued by the funds.

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
Hedge funds	**462,335**	422,381
Private equity funds	**307**	307
Total	**462,642**	422,688

The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. As at 31 December 2025 and 2024, the Group holds an interest in all structured entities it has sponsored.

39. GOODWILL AND OTHER INTANGIBLES

(39.1) Intangibles amounts arising from business combination

	2025	2024
Goodwill	**34,006,782**	34,006,782
Other intangibles	**4,921,688**	5,741,968
Total	**38,928,470**	39,748,750

		Other Intangible		
2025	**Goodwill**	**Core Deposit Intangible**	**Customer relationships, brand, and tradmark**	**Total**
Cost:				
As at 1 January 2025	**34,006,782**	**7,852,287**	**1,064,071**	**42,923,140**
As at 31 December	**34,006,782**	**7,852,287**	**1,064,071**	**42,923,140**
Accumulated amortisation:				
As at 1 January 2025	**-**	**2,676,915**	**497,475**	**3,174,390**
Charge for the year	**-**	**713,844**	**106,436**	**820,280**
As at 31 December	**-**	**3,390,759**	**603,911**	**3,994,670**
Net book value: **As at 31 December**	**34,006,782**	**4,461,528**	**460,160**	**38,928,470**

		Other Intangible		
2024	Goodwill	Core Deposit Intangible	Customer relationships, brand, and tradmark	Total
Cost:				
As at 1 January 2024	34,006,782	7,852,287	1,064,071	42,923,140
As at 31 December	34,006,782	7,852,287	1,064,071	42,923,140
Accumulated amortisation:				
As at 1 January 2024	-	1,963,071	391,039	2,354,110
Charge for the year	-	713,844	106,436	820,280
As at 31 December	-	2,676,915	497,475	3,174,390
Net book value: As at 31 December	34,006,782	5,175,372	566,596	39,748,750

Notes to the Consolidated Financial Statements

For the years ended 31 December 2025 and 2024 (Amounts in ⃁'000)

39. GOODWILL AND OTHER INTANGIBLES (continued)

(39.2) Impairment testing of goodwill

In accordance with the requirements of International Accounting Standard (IAS 36) "Impairment of Assets", the Bank has performed an annual impairment test as at 31 December 2025 in respect of the goodwill arising as a result of acquisition of Samba Financial Group.

Goodwill is allocated to cash-generating units ("CGU's"), which represent the lowest level within the Group at which goodwill is monitored by management and which are not larger than a segment. The four CGUs identified are consistent with the operating segments of Banks determined in accordance with IFRS 8 "Operating Segments". The goodwill allocated is as follows:

Cash Generating Unit	Goodwill allocated
Retail	25,647,455
Wholesale	8,359,327
	34,006,782

No goodwill was allocated to Capital Market and International CGU's.

The recoverable amount of each CGU was determined based on value-in-use ("VIU") calculations. These calculations use cash flow projections based on financial plans approved by management covering a five-year period. The carrying amount of CGU is derived using a capital allocation model where the Group's core equity capital is allocated to the CGUs. The Group determines the recoverable amounts of its CGUs on the basis of VIU and employs a discounted cash flow model ("DCF"), which reflects the specifics of the banking business and its regulatory environment.

The model calculates the present value of the estimated future cashflows that are distributable to shareholders after fulfilling the respective regulatory capital requirements.

The DCF model uses earnings projections and respective capitalisation assumptions based on five-year financial plans approved by the Board of Directors of the Bank, which are discounted to their present value. Estimating future earnings and capital requirements involves judgement and the consideration of past and current performances as well as expected developments in the respective markets, and in the overall macroeconomic and regulatory environments.

Key inputs for VIU calculation and impairment testing

The VIU used projected cash flows in perpetuity through a five-year forward period of projections, and thereafter applying a long-term terminal growth rate.

Assumptions used for VIU calculations under CGUs to which the recoverable amount is most sensitive were:

(a) Growth rates

The long term growth rate 4.5% (2024: 4.5%) has been based on estimates provided by macro economic research and analyst reports. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

(b) Discount rates

Discount rates reflect management's estimate of return on capital employed ("ROCE") required in each business. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. Discount rates are calculated by using the cost of equity ("CoE") 10.25% (2024: 10.25%).

(c) Projected GDP and local inflation rates

Assumptions are based on published industry research.

40. INVESTMENT MANAGEMENT SERVICES

The Bank offers investment management services to its customers through its subsidiary, which include management of certain investment funds in consultation with professional investment advisors, with assets under management totaling of ⃁294,272 million (2024: ⃁264,766 million).

41. BOARD OF DIRECTORS' APPROVAL

The consolidated financial statements were approved and auhtorised for issue by the Board of Directors on 27 January 2026, (corresponding to 07 Sha'ban 1447H).

Awards in 2025

Global Finance

Middle East

Best Digital-Only Bank

Best Online Product Offerings

Best in Lending

Best SME Banking / SME Platform

Best Bank for Embedded Finance

Best Corporate/Institutional Digital Bank

Best Integrated Corporate Banking Program

Best Information Security and Fraud Management

Saudi Arabia

Best Consumer Digital Bank

Best Digital Bank

Best Online Payments Solution

Best Integrated Consumer Banking Site

Best Online Product Offerings

Best Bill Payment and Presentment

Best Mobile Banking App

Best Information Security and Fraud Management

Best in Social Media Marketing and Services

Best in Lending

Best Open Banking APIs

Best in Transformation

Best Integrated Corporate Banking Program

Best Corporate Online/User Experience (UX) Portal

Best Online Treasury & Cash Management Services

Best Trade Finance Services

Best Bank for Embedded Finance

Best SME Banking/ SME Platform

The Digital Banker Awards

Best Bank for Payments & Collections in the Middle East

Best Bank for Payments & Collections in Saudi Arabia

Best Bank for Cash Management in Saudi Arabia

Global Banking & Markets Awards

Bank Treasury & Funding Team of the Year

ESG Bond Deal of the Year

Global FI Sukuk Deal of the Year

Lucidya Gamechangers 2025

CX Excellence in Financial Services

Forbes Middle East

Top 100 Listed Companies

30 Most Valuable Banks

Sustainability Leaders
(Tareq Alsadhan, Group CEO)

Euromoney Awards for Excellence

Best Investment Bank for Equity Capital Markets (SNB Capital)

JP Morgan Chase

Straight-Through Processing (STP) Award

<EDGE 25/>

Fastest Growing Ecommerce Acquirer

Group-IB

Award for Excellence in Combating Cyber Fraud

GTR KSA Awards 2025

Best Trade Finance Bank

Kafalah Awards for Excellence

Outstanding Performance Award

Export Sector Support Award

Medium-sized Enterprises Financing Award

Biban

Leading Banks for Financing Micro Enterprises

Leading Banks for Financing Small Enterprises

National Center for the Non-Profit Sector

National Award for Volunteer Work, presented by the Ministry of Human Resources and Social Development

Guinness World Records

Longest 'Receipt of Gratitude'

The Saudi National Bank Tower
King Abdullah Financial District
King Fahd Road, 3208 Al Aqeeq District
Riyadh 13519 - 6676
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