ALINMA BANK
(A Saudi Joint Stock Company)

BASEL III Pillar 3 Disclosures
For the Financial Period Ended December 31, 2025

Table of Contents

KM1: Key Metrics (at group consolidated level)						
		SAR 000's				
		T	T–1	T–2	T–3	T–4
		December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	**35,691,124**	34,901,240	34,081,670	34,149,178	32,714,234
1a	Fully loaded ECL accounting model CET1	**35,691,124**	34,901,240	34,081,670	34,149,178	32,714,234
2	Tier 1	**48,193,174**	47,403,290	44,707,620	42,899,678	41,464,734
2a	Fully loaded ECL accounting model Tier 1	**48,193,174**	47,403,290	44,707,620	42,899,678	41,464,734
3	Total capital	**52,445,767**	49,962,574	47,607,316	45,680,329	44,040,887
3a	Fully loaded ECL accounting model total capital	**52,445,767**	49,962,574	47,607,316	45,680,329	44,040,887
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**263,676,903**	259,565,231	258,010,876	249,216,628	248,228,490
4a	Total risk-weighted assets (pre-floor)	**263,676,903**	259,565,231	258,010,876	249,216,628	248,228,490
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	**13.54%**	13.45%	13.21%	13.70%	13.18%
5a	Fully loaded ECL accounting model CET1 (%)	**13.54%**	13.45%	13.21%	13.70%	13.18%
5b	CET1 ratio (%) (pre-floor ratio)	**13.54%**	13.45%	13.21%	13.70%	13.18%
6	Tier 1 ratio (%)	**18.28%**	18.26%	17.33%	17.21%	16.70%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	**18.28%**	18.26%	17.33%	17.21%	16.70%
6b	Tier 1 ratio (%) (pre-floor ratio)	**18.28%**	18.26%	17.33%	17.21%	16.70%
7	Total capital ratio (%)	**19.89%**	19.25%	18.45%	18.33%	17.74%
7a	Fully loaded ECL accounting model total capital ratio (%)	**19.89%**	19.25%	18.45%	18.33%	17.74%
7b	Total capital ratio (%) (pre-floor ratio)	**19.89%**	19.25%	18.45%	18.33%	17.74%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	**2.50%**	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**6.54%**	6.45%	6.21%	6.70%	6.18%
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	**334,832,962**	330,768,512	322,079,510	312,920,157	301,959,220
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	**14.39%**	14.33%	13.88%	13.71%	13.73%

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		December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
14 a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	**14.39%**	14.33%	13.88%	13.71%	13.73%
14 b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**14.39%**	14.33%	13.88%	13.71%	13.73%
14 c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	**14.39%**	14.33%	13.88%	13.71%	13.73%
14 d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	**14.39%**	14.33%	13.88%	13.71%	13.73%
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)	**53,712,165**	52,131,064	51,037,161	50,278,535	46,763,162
16	Total net cash outflow	**39,674,247**	41,668,663	41,481,281	38,816,209	38,322,586
17	LCR ratio (%)	**135.38%**	125.11%	123.04%	129.53%	122.03%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	**213,074,388**	213,893,069	200,575,813	192,788,405	184,139,370
19	Total required stable funding	**192,899,662**	189,079,747	185,410,597	178,412,712	170,193,530
20	NSFR ratio	**110.46%**	113.12%	108.18%	108.06%	108.19%

OVA – Bank risk management approach

a) Business model determination and risk profile

alinma is a Saudi Joint Stock Company, with SAR 25.000 billion in paid-up capital and SAR 48.241 billion total equity for Financial Year-End (FYE) 2025, is a fully Sharia compliant bank providing banking services through 127 branches in the Kingdom. The Bank has four (4) lines of business namely Retail, Corporate (which includes the SME), Treasury and Investment/Brokerage. The Bank also offers investment, asset management, insurance related products/services, retail remittances, financial technology and outsourcing services through the subsidiaries and associates mentioned below:

- Alinma Capital Company (AIC) is a fully owned subsidiary capitalized at SAR 500 million;
- Al-Tanweer Real Estate Company is a fully owned subsidiary capitalized at SAR 100,000. Al-Tanweer does not do business for its own account. Its main purpose is to facilitate Alinma's mortgage financing and commercial financing backed by real estate collateral;
- Saudi FinTech Company, Tech Strike and ESNAD Company are 100% owned subsidiaries, capitalized at SAR 200 million, SAR 20 million and SAR 0.5 million respectively;
- Alinma SPV Limited is a fully owned subsidiary, licensed in the Cayman Islands with authorized capital of SAR 187,500 (USD 50,000). Its main purpose is to facilitate Alinma's financial derivatives transactions and repurchase agreements with international banks. This subsidiary was established on January 25, 2022;
- ERSAL Financial Remittance Company is a joint venture between Alinma and Saudi Post, it is capitalized at SAR 25 million. It is owned 50% by Alinma and 50% by Saudi Post;
- The Bank also owns 20.25% and 46.19% of Alinma Fund for Private Equity Investments and Alinma Jeddah Residential Fund and is treated as an investment in an associate;
- In addition to above subsidiaries, the Bank has effective control of the Alinma Sukuk ETF, Alinma IPO Fund and Alinma Digital Fund in which the Bank holds 92.5%, 50.1% and 100% ownership, respectively;
- The Bank's financial statements consolidate all subsidiaries and controlled funds, whereas the associates and joint ventures reported under the equity method.

alinma's business has grown during the past years. The Bank continues to operate with optimal balance of risks and rewards while adhering to its strategic objectives. Its continuing mission is to be the fastest and most convenient bank in the Kingdom.

The Bank's overall strategic positioning is cascaded into the strategies of each business to:

- Be recognized and celebrated as the fastest and most convenient bank in Kingdom of Saudi Arabia (KSA);
- Be the #1 in Net Promoter Score (NPS) across KSA Banks;
- Be the "#1 Employer of Choice" across KSA Banks;
- Be the most digitally advanced, fastest, and most convenient Retail bank in KSA;
- Be the Corporate bank with the best customer experience (increasingly integrated) and offer the fastest turnaround time in KSA;
- Be the most innovative Sharia compliant Treasury partner across KSA.

The Bank achieved nearly all its 2025 strategic objectives and completed all its strategic initiatives. At the Bank, the revision of key performance indicators (KPIs) and strategic initiatives is a continuous process. In order to trace and report on the success of the overarching Strategic Plan, the benefit realization of completed strategic initiatives is monitored. Appropriate measures are taken to rectify any discrepancies between actual results and planned KPI.

Risk Profile

- Credit Risk - potential failure of the counterparty to meet its obligations as per the contracted terms. The following are the primary credit-risk taking units: Corporate Banking Group (CBG), Retail Banking Group (RBG) and Treasury Group (TG);
- Market Risk - the price risk arising from the probability that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in market variables such as equity prices, profit rates, foreign exchange rates, and commodity prices;
- Operational Risk - the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. All bank units carry operational risk with varying degrees of severity depending on the function of the unit;
- Residual credit, market and operational risks - remaining threats that may not be covered above;
- Concentration Risk - a single point of failure in the credit portfolio mix. The Bank is exposed to three types of these risks namely obligors (name), sector and collateral concentration risk;
- Sharia'h Non-compliance Risk - the risk of non-adherence of the Bank to Sharia'h Guidelines;

- Liquidity Risk - is the risk that the Bank will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets;
- Profit Rate Risk in Banking Book – the risk arises from changes in profit rates that affect either the fair values or the future cash flows of profit-rate sensitive financial instruments in the Banking Book;
- Macroeconomic and Business Cycle Risk - is a risk associated with the cyclicality of the economy that drives other risk variables such as credit, market or liquidity due to changes in economic factors;
- Strategic and Reputational Risk - a risk to the Bank's earnings and profitability arising from strategic decisions, changes in business conditions, the conditions, the improper implementation of decisions and/or the improper management of issues important to the public at large.

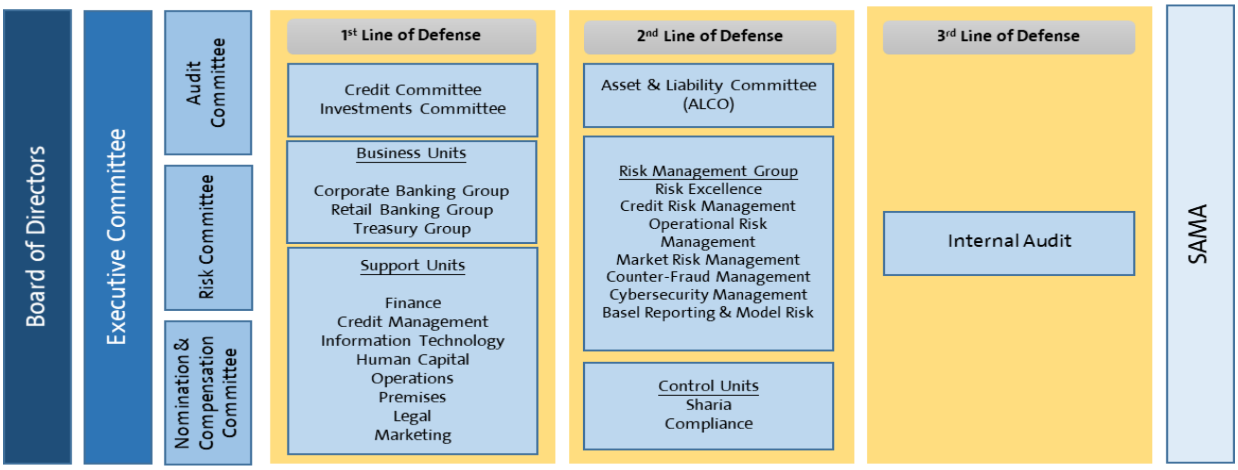
Risk Appetite

The Risk Management Division (RMD) maintains the overall risk profile of the Bank at the optimal level by making sure that the Bank's risk attitude is always within its risk appetite. Business at the first line of defense and RMD at the second line, monitor the risk appetite thresholds and reports regularly to the senior management.
The Bank's risk tolerance is the maximum level of risk allowed as determined by the local regulators and / or Board.
The risk capacity is broadly governed by SAMA limits and the Board's approved boundaries and governance.

b) The risk governance structure

The Bank's strong performance while navigating uncertain times without major incident was underpinned by its risk governance that viewed risk mitigation and management as non-negotiable. The Board of Directors and the Risk Committee of the Board worked in tandem to enforce strong risk governance that contributed to a growing balance sheet while averting adverse incidents.

The Bank's risk management framework is based on the Three Lines of Defense model, demonstrating Alinma's integrated and collaborative effort across all levels of the Bank to ensure effective Enterprise Risk Management.



Board of Directors (Board) - sets the Bank's overall enterprise risk management philosophy, strategy, risk tolerance levels and risk policies. The Board has ultimate responsibility for the Bank's enterprise risk management. The Board establishes its committee for risk management function, but they retain the responsibility thereof. Further, the Board delegates to the management the day-to-day monitoring of risks, but it continues to be accountable for ensuring these are carried out within the ambit of statutory, regulatory and good banking practices.

Executive Committee of the Board (ExCom) - supports the implementation of enterprise risk management including the alinma's compliance to the risk management policies. Regularly reviews, assesses the overall risk profile of the Bank and advise the senior management to take action, where necessary.

Risk Committee of the Board (RiskCom) - oversees the enterprise risk management on behalf of the Board. Review the risk management policies and recommends its approval to the Board, and exercises oversight on an on-going basis of the Risk Appetite Framework (RAF) of the Bank and the risk management framework that supports it.

Audit Committee and Nominations & Compensation Committee - the functions and authorities of these committees meet the SAMA Governance Guidelines and are all approved by the Board.

Assets and Liabilities Committee (ALCO) - evaluates, establishes, promulgates and enforces policies and strategies on risk management, specially the market and liquidity risks, to optimize shareholders' value through effective management of alinma's balance sheet and assumes Management level oversight on the review, approval, implementation and monitoring of the Bank's RAF.

Credit Committee - reviewing and approving authority for all credit exposures to counter-parties, Corporate, SME, FI, Private Banking/High Net-worth customers and Self-Employed segments. All credit approvals require the signature of at least one (1) authorized credit approver from Credit Management in addition to the authorized credit approvers from Corporate Banking Group and/or Retail Group, as the case may be.

Investment Committee - prepares, reviews and recommends strategic investment policies of the Bank. It has also assumed the responsibility of reviewing and approving specific investments as well as the regular monitoring of the performance of the various new and existing investment assets of the Bank.

Risk Management Division - collaborates with business and support units to implement procedures for identifying and mitigating the overall risk profile of the Bank, ensuring critical issues are escalated to senior management and the Board (through RiskCom). Simultaneously, the Division serves as "goalkeepers" by enforcing the Risk Appetite Framework and ensuring all risk exposures comply with established policies, documentation requirements, and approved limits.

Business Units - Corporate, Retail and Treasury Groups are the key business groups charged with originating, recommending and managing the largest portion of the Bank's overall risk asset exposure. These key business units have the primary responsibility to implement the relevant policies in their respective units under the monitoring and oversight of the Risk Management Division.

Support Units - performs Risk and Control Self-Assessment (RCSA) periodically to identify, analyze and evaluate operational risks in their respective business activities in support of the business units.

Control Units - ensure that the Bank is compliant through review of the Bank's transactions, activities and executive procedures vis-a-vis Sharia'h guidelines and laws & regulations of the country.

Internal Audit - evaluates independently the internal control of the overall risk profile, risk management governance, as well as the operating effectiveness of its policies and procedures.

c) Channels to communicate, decline and enforce the risk culture

The Bank has implemented an automated notification system to conduct trainings for the risk management policies, alongside informal drivers, including executive role modeling and transparent communication channels, ensuring risk awareness is systematically enforced and inherently ingrained in daily operations.

The Bank's risk culture is anchored in a comprehensive policy framework—covering enterprise, credit, market, and operational risks—which is operationalized through a structured governance model led by the Assets and Liabilities Committee (ALCO), the Credit Committee, the Impairment Committee and steering committees across IT, human capital, and procurement.

d) The scope and main features of risk measurement systems

1. Credit Risk

Credit risk arises when a counterparty fails to fulfil its contractual obligations to the Bank. To mitigate the risk of a counterparty defaulting, the Bank adheres to a robust, proactive credit process designed to ensure that every originated credit aligns with the institution's risk appetite and meets the criteria under which credits are extended. Each credit proposal undergoes thorough due diligence to identify and assess all potential risks associated with granting the credit.

An internal credit-rating model is employed to determine the Obligor Risk Rating (ORR), which quantifies the obligor's probability of default. In addition, ratings from major credit rating agencies are taken into account, provided they are available and disclosed by clients. A key element of this process is the Target Market, which acts as the first filter to ensure that the Bank avoids initiating or maintaining relationships with obligors that do not align with its strategic goals or desired risk profile. The Risk Acceptance Criteria (RAC) establishes the conditions under which the Bank is willing to engage in or continue a credit relationship with an obligor that meets the target market criteria. The credit assessment for individual obligors of Retail Asset products is performed through automated product specific scorecard framework.

The business team, responsible for originating, evaluating, and recommending credit proposals, plays a critical role in the front-end marketing process. Credit approval is granted in accordance with the Board-approved "Credit Approval Authority Delegation Matrix," which governs the Credit Committee, composed of the CEO, Business Senior Credit Officer, and Chief Credit Officer. Credits are extended based on the Bank's Corporate, Financial Institutions, and Retail Banking Credit Policies and Guidelines.

Risk Management, as a pivotal stakeholder, oversees the policies governing financing and is responsible for the regular review and updating of the Bank's credit policies, guidelines, and processes. This ensures that credit risks are managed within the Bank's defined risk appetite and that potential credit-related losses are minimized. Additionally, Risk Management ensures that credit policies remain aligned with evolving economic conditions, market trends, and regulatory and legal requirements.

The Bank actively manages a diverse range of credit portfolios to mitigate concentration risk. Portfolio diversification is examined and pro-actively managed controlled across several dimensions, including economic activity, geography, and underlying products. The Bank seeks to broaden its credit portfolios by acquiring customers from a variety of industries, economic sectors, and geographic regions, targeting large, medium, and small corporate clients, as well as individual clients. Monitoring of obligor and sector concentrations is essential to assess exposure to specific types of financing risks. To further safeguard its credit risk profile, the Bank regularly conducts stress tests on its credit portfolios to evaluate the potential impact of adverse factors on asset quality, risk ratings, profitability, and capital allocations.

Credit Risk Grades

The Bank follows a comprehensive and well-structured credit evaluation process, anchored in a clearly defined Target Market and Risk Acceptance Criteria, underpinned by a robust framework of credit policies and an extensive due diligence process. This credit review and approval process is further reinforced by stringent credit administration controls and a vigilant monitoring system for credit limits.

To determine an internal risk rating, the Bank leverages the Moody's CreditLens platform, a rating system that is widely utilized by leading global banks and those within the Kingdom. This platform enables the Bank to assign a precise risk rating to each obligor, reflecting a 12-month probability of default (PD). The rating scale spans from 1 (indicating the lowest risk) to 10 (indicating the highest risk), with intermediate sub-grades (e.g., 3+, 3, and 3-) providing a more granular assessment of the obligor's PD. In line with the Bank's policy, only obligors with risk ratings of 6- or better are eligible for new financing facilities.

The Bank ensures that the Moody's CreditLens rating system remains aligned with current market dynamics through an independent periodic model validation activity to ensure key aspects of score ranges, rating grades and corresponding PDs are operationally sound and viable. All obligors are subject to ongoing monitoring and annual reviews, during which their credit risk grades may be reassessed and adjusted. These changes may result from various factors, including updates in audited financial statements, changes in compliance with covenants, shifts in management, or broader fluctuations in the economic and business environment.

For the retail portfolio, credit risks are assessed using individual credit-worthiness scores generated through an automated credit scoring platform, which operates independently of the Moody's rating system.

The Bank’s internal credit rating grades:

Rating Grade			Internal rating description	PD
Performing	Investment	1	Almost Credit Risk Free	0.01%
		2+	Almost Credit Risk Free	0.01%
		2	Almost Credit Risk Free	0.02%
		2-	Almost Credit Risk Free	0.05%
		3+	Exceptionally Strong Credit Risk	0.08%
		3	Exceptionally Strong Credit Risk	0.12%
		3-	Exceptionally Strong Credit Risk	0.17%
		4+	Highest credit quality, subject to minimal credit risk	0.25%
		4	Excellent credit quality, subject to very negligible credit risk	0.35%
		4-	Excellent credit quality but susceptible to adverse changes while capacity to meet financial obligations is strong, subject to low credit risk	0.50%
	Non-investment	5+	Good credit quality, adverse changes could weaken the capacity to repay, subject to low credit risk	0.80%
		5	Good credit quality, adverse changes could substantially weaken the capacity to repay, subject to moderate credit risk	1.25%
		5-	Satisfactory credit quality, current financial obligations are being met but adverse business condition could affect the ability to repay, subject to moderate credit risk	2.10%
		6+	Speculative credit quality, capacity to pay is highly dependent upon favorable business conditions, subject to high credit risk	3.50%
		6	Highly Speculative credit quality, capacity to pay is constrained even upon favorable business conditions and external supports, subject to high credit risk.	6.30%
		6-	Highly vulnerable to default, subject to extremely high credit risk	13.25%
		7	Special mention, watch list, Policy driven downgrades, non- target market	30.00%
Default		8	Sub-standard / Non-accrual	100.00%
		9	Doubtful	100.00%
		10	Loss	100.00%

Impairment Framework

The Bank's impairment framework is designed to ensure the accurate recognition of credit losses and the appropriate provision of allowances in accordance with International Financial Reporting Standards (IFRS9). The framework is integral to maintaining the financial health of the Bank, ensuring that all credit exposures are assessed for impairment and that sufficient provisions are made to absorb potential losses.

The Bank recognizes impairments on financial assets through an Expected Credit Loss (ECL) model, which applies a forward-looking approach to estimate potential credit losses. This model incorporates both historical data and forward-looking information to assess the credit quality of assets and to determine an appropriate impairment allowance. The ECL model is based on three stages of credit classification:

- **Stage 1 - Performing Assets:**

Financial assets that have not experienced significant credit deterioration since initial recognition. A 12-month ECL is recognized in this stage.

- **Stage 2 - Underperforming Assets:**

Financial assets that have shown significant credit deterioration since initial recognition but are not yet considered impaired. A lifetime ECL is recognized in this stage.

- **Stage 3 - Credit-Impaired Assets (Non-performing Assets):**

Financial assets that are considered credit-impaired. A lifetime ECL is recognized, and profit income is calculated on the net carrying amount (i.e., after adjusting for the impairment allowance).

The Bank’s Credit Risk Management function is responsible for monitoring credit exposures, identifying deteriorating assets based on pre-set Significant Increase in Credit Risk (SICR) criteria, and ensuring the accuracy of impairment provisions. Regular periodic reviews of the credit portfolio are conducted to assess changes in credit risk and to update impairment provisions as necessary. The

Bank also employs a range of models, including internal credit ratings, macroeconomic variables, and industry-specific factors, to estimate the expected credit loss and assess the adequacy of provisions.

Impairment provisions are subject to regular governance and oversight by the Risk Management and Impairment Committee to ensure they are consistent with the Bank's policies and are aligned with the regulatory requirements.

In the retail portfolio, the impairment framework and assessment of credit quality are primarily driven by automated credit scoring models that incorporate both quantitative indicators (such as payment behaviour, debt burden, income stability, and delinquency patterns) and relevant qualitative factors (including demographic and behavioural attributes). This model-based approach enables consistent, scalable, and timely assessment of credit risk across a large number of retail exposures. For corporate / non-retail portfolios, impairment assessments are conducted through detailed, obligor-specific credit reviews. These reviews consider individual internal risk ratings, financial performance, cash flow capacity, and behavioural aspects of the client, ensuring that ECL measurement appropriately reflects the distinct risk profile and circumstances of each obligor
The Bank remains committed to ensuring that its impairment framework is robust and responsive to changing economic conditions, regulatory developments, and evolving market risks. This approach enables the Bank to maintain financial stability, safeguard shareholder value, and fulfil its obligations to customers and stakeholders.

2. Market Risk

Market risk is the potential fluctuation of the fair value or the future cash flows of a financial instrument due to changes in market variables such as equity prices, profit rates, foreign exchange rates and commodity prices. The Bank classifies exposures to market risks into either trading or non-trading (or banking book).

Market risk – trading book
The Bank is exposed to an insignificant market risk on its trading book position of equities in local currency which is regularly marked to market and losses or gains on equity prices.

Market risk – non trading book
Market risks on non-trading book mainly arise from profit rate movements and, to a minor extent, from currency fluctuations. The Bank also faces price risks on investments held at “FVOCI”.

Profit rate risk
It arises from changes in profit rates which will affect either the fair values or the future cash flows of the financial instruments. The Board has established profit rate gap limits which are regularly monitored by ALCO. Treasury imputes the funding costs based on the yield curve and the margins are also adjusted to account for liquidity premium based on the duration of the financing.

The Bank manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market profit rates on its financial position and cash flows. The Bank uses the SAIBOR for SAR and appropriate reference rates for USD lending as a benchmark rate for different maturities. At times when these benchmark rates are not representative of the actual transactions in the market, marginal cost of fund is provided by Treasury. The Bank charges profit rates based on the maturity of loans (longer term loans usually require a higher profit rate) based on marginal costs of funds.

Currency risk
Currency risk represents the risks of change of value of financial instruments due to changes in foreign exchange rates. The Bank’s Risk Appetite Framework and policies contain limits for positions by currencies. However, the Bank has negligible exposure in foreign currencies because its assets and liabilities are primarily denominated in Saudi Riyals and to a smaller extent in United States Dollars (USD) or in USD pegged currencies.

Equity price risk
Equity price risk refers to the risk of decrease in fair values of equities as a result of changes in the levels of equity index and the value of individual stocks.

3. Operational Risk

Operational risk is the potential direct or indirect loss arising from a wide variety of causes associated with the Bank’s processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Bank’s operations.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and innovation. In all cases, Bank policy requires compliance with all applicable legal and regulatory requirements.

The Bank has an Operational Risk Management team as a part of Risk Management Division which is tasked with monitoring and controlling the operational risks of the Bank. Functions of this unit are guided by the Operational Risk Policy To systematize the assessment and mitigation of operational risks, the Business Environment and Internal Control Framework is established through Risk Control and Self-Assessment (RCSA) along with establishing Key Risk Indicators (KRIs) for all business and support units. These risk metrics are proactively monitored by Operational Risk department on a regular basis. In addition, the Bank has a successfully tested and documented business continuity plan and operational disaster recovery site.

4. Other Pillar 2 Risks

The Bank actively manages its Asset/Liability using various metrics of "Liquidity" and "Profit Rate Risk." In its "Market Risk" dashboard, liquidity is monitored daily using the SAMA imposed, Basel III approaches on liquidity measurements and metrics - LCR, for short-term liquidity and NSFR, for long-term liquidity.

The residual credit risk is calculated as the net of Foundation Internal Risk-Based (IRB) and Standardized approach. Similarly, residual market risk is estimated by subtracting the result of the Advanced to the existing Standardized approach. For the residual operational risk, the additional capital is calculated using a statistical technique to simulate the potential operational loses.

"Liquidity Risk" is calculated as part of ILAAP.

The capital charge for "Profit Rate Risk" is calculated using the Economic Value of Equity (EVE) methodology.

For Macroeconomic and Business Cycle Risk, an internally built Eco metrics model is being used.

For "Strategic / Reputational Risk" and "Sharia' Non-compliance Risk" a detailed scorecard-based model is adopted.

e) Description of the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure

On a regular basis, the RiskCom receive Risk Appetite Compliance as well as portfolio reports covering existing approved limits and outstanding exposure for all facilities granted to a particular customer in the Corporate Banking Group, the Obligor Risk Rating, summary reports on Sector Concentration, obligations past due and non-performing and the level of provisions booked for each account (specific provisions or collective provisions). The RiskCom also receives the details of the 20 largest corporate exposures and the total list of Classified Accounts and Non- Performing credit exposures, pursuant to the guidelines of the Credit Risk Classification and Provisioning Policy under IFRS 9.

ALCO oversees the compliance of the RAF, reviewing the same prior to presentation to RiskCom. Alongside the overall risk profile reporting, the Risk Management Division prepares the annual ICAAP, ILAAP, and Stress Testing reports for SAMA. These critical regulatory reports are reviewed by RiskCom and approved by the Board before official submission to SAMA.

f) Qualitative information on stress testing (e.g. portfolios subject to stress testing, scenarios adopted and methodologies used, and use of stress testing in risk management).

The Bank performs stress testing to model its resilience under extreme but potential conditions arising from macroeconomic, strategic and business environmental factors, among others.

The potential unfavorable effects of stress scenarios, to the institution's risk weighted assets and capital adequacy are modeled to assess the Bank's resiliency in terms of solvency, liquidity and profitability. The following are the key risk indicators:

i. Asset's quality - increase/decrease in nonperforming assets measured in terms of ratio to financing assets;
ii. Profitability - increase/decrease in the accounting profit/loss;
iii. Capital adequacy – measured in terms of changes in total amount of capital and the Capital Adequacy Ratio (CAR);
iv. Liquidity position - measured in terms of changes in key liquidity indicators."

g) The strategies and processes to manage, hedge and mitigate risks that arise from the bank's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants.

1. Credit Risk

Write offs

The Bank writes off any financing exposure in whole or in part, only when it has exhausted all practical recovery and remedial efforts and has concluded that there is no reasonable expectation of recovery in the foreseeable future. The write off are made after obtaining required approval. The write-off does not dilute the Bank's recovery and collection efforts including legal recourse, and hence does not forfeit its right to recover.

2. Market Risk

Market risk is controlled by setting market risk limits (including position limits) and implementing risk policies that not only meet regulatory requirements but also are designed to mitigate and/or cap potential exposure. The Market Risk Management Team under the Risk Management, independently monitors the market risk exposure of the Bank and prepares regular reports for the ALCO, through the CRO.

ALCO is responsible for monitoring the market risk exposure against the approved Risk Appetite Framework and the Treasury Risk Policy. ALCO's primary objective is to manage volatility in earnings, control the liquidity risk at the Bank level with reporting to the RiskCom, Board and the local regulators.

3. Operational Risk

The Bank has an Operational Risk Team as a part of Risk Management Division which is tasked with monitoring and controlling the operational risks of the Bank. Functions of this unit are guided by the Operational Risk Policy and Framework. To systematize the assessment and mitigation of operational risks, the Business Environment and Internal Control Framework is established through RCSA along with establishing Key Risk Indicators (KRIs) for all business and support units. These risk metrics are proactively monitored by Operational Risk department on a regular basis. In addition, the Bank has a successfully tested and documented business continuity plan and operational disaster recovery site.

4. Sharia'h Non-Compliance

The Sharia'h Compliance Framework is the basis for implementing Sharia compliance. The Sharia Compliance Framework is the enterprise-wide Sharia management plan consisting of Sharia'h Governance Structure, systems processes and control to be undertaken by relevant business entities across the group. Sharia governance is affected through the following functions:

i. Sharia Review;
ii. Sharia Advisory & Research;
iii. Sharia Audit; and
iv. Sharia Committee.

The Sharia'h Committee is responsible to:

i. Advise the Board on Sharia matters in its business operations;
ii. Endorse Sharia Compliance Manual and Framework;
iii. Endorse and validate relevant transactions and documentation;
iv. Advise the Bank on the computation and distribution of Zakat;
v. Assist related parties on Sharia matters; and
vi. Provide written Sharia opinions.

The control structure for handling and reporting Sharia'h non-compliance and Potential Sharia' Non-compliance is in place. Key measures undertaken by the Bank for managing Sharia'h Compliance risk include having in place the following processes:

i. Awareness and Communication;
ii. Identification and assessment;
iii. Mitigation and control; and
iv. Monitoring and reporting.

5. Liquidity Risk

In terms of day-to-day liquidity management, the Treasury Group ensures sufficient funding to meet its intraday payments and all settlement obligations on a timely basis.
The process of managing liquidity risk includes:

i. Maintaining sufficient amounts as unencumbered high quality liquidity buffer - a protection against any unforeseen interruptions to cash flow;
ii. Managing short-term and long-term cash flows via maturity mismatch report and various indicators;
iii. Monitoring depositor concentration at Bank level to avoid undue reliance on large fund providers;
iv. Diversifying funding sources to ensure proper funding mix;
v. Ensuring that regulatory ratios such as SAMA Liquidity Ratio, LCR and NSFR are maintained at the required minimum;
vi. Constant review and assessment of the Contingency Funding Plan; and
vii. Conducting biannually liquidity stress testing under various scenarios as part of prudent liquidity control to examine the effectiveness and robustness of the plans.

All liquidity policies and procedures are covered by the Liquidity Risk Policy, the Treasury Risk Policy and the Risk Appetite Framework and Policy, which are subject to review and Oversight by ALCO and approval by RiskCom.

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

The Bank has the ability to raise overnight funds through special investment arrangement facilities with SAMA (i.e. Murabaha with SAMA). The Bank estimates the Liquidity Risk based on the results of LCR and NSFR and the standard SAMA Liquidity Ratio.

6. Profit Rate Risk in the Banking Book

Profit rate risk arises from changes in profit rates which affect either the fair values or the future cash flows of profit-rate sensitive financial instruments in the Banking Book.

The Bank uses the EVE methodology and Income-based Approach to assess the Profit-Rate-Risk in the Banking Book (PRRBB whereby six scenario shocks (based on the revised IRRBB standards) are applied across the profit risk yield curve to measure the impact on the Bank's equity position resulting from changes of the values of all profit rate sensitive assets and liabilities.

7. Macroeconomic and Business Cycle Risk

The macroeconomic and business cycle risk is a combination of attributes that give rise to other risk types like credit, market or liquidity. The Bank has assessed this risk through the impact of the movement in macroeconomic factors (employed in the Bank's corporate credit portfolio. The major activity of alinma is financing, so it is assumed that the impact of such risks would be primarily on the credit risk.

8. Strategic and Reputational risks

Strategic risk refers to the threat to earnings and profitability arising from strategic decisions, changes in business conditions and improper implementation of decisions. Thus, strategic risk arises from external causes, the adoption of wrong strategies and the implementation of specific choices that cause losses to the Bank in the form of reduction of shareholder value, loss of earnings, etc. On the other hand, reputational risk refers to the potential adverse effects, which cause damage to the Bank's due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints, negative/adverse publicity etc.

9. Other risks

The Bank does not have an exposure to securitization risk. Geographic concentration risk is also immaterial as alinma's operations are only limited in the Kingdom Also, Alinma is not be required to allocate additional capital charge for the Global Risk as it is covered under the "Macroeconomic and business cycle risk".

OV1: Overview of RWA					
	SAR 000's	a	b	c	
		RWA		Minimum capital requirements	Drivers behind significant differences in T and T-1
		T	T–1	T	
		December 31, 2025	September 30, 2025	December 30, 2025	
1	**Credit risk (excluding counterparty credit risk)**	**245,490,755**	**241,552,393**	**19,639,260**	Due to growth in assets and financing
2	Of which: standardized approach (SA)	245,490,755	241,552,393	19,639,260	Due to growth in assets and financing
3	Of which: foundation internal ratings-based (F-IRB) approach				
4	Of which: supervisory slotting approach				
5	Of which: advanced internal ratings-based (A-IRB) approach				
6	**Counterparty credit risk (CCR)**	**1,107,836**	**919,709**	**88,627**	
7	Of which: standardized approach for counterparty credit risk	1,107,836	919,709	88,627	
8	Of which: IMM				
9	Of which: other CCR				
10	**Credit valuation adjustment (CVA)**	**1,107,836**	**919,709**	**88,627**	
11	**Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period**	-	-	-	
12	**Equity investments in funds – look-through approach**	**3,628,318**	**3,348,680**	**290,265**	Due to growth in fund investments
13	**Equity investments in funds – mandate-based approach**	-	-	-	
14	**Equity investments in funds – fall-back approach**	-	-	-	
15	**Settlement risk**	-	-	-	
16	**Securitization exposures in banking book**	-	-	-	
17	Of which: securitization IRB approach (SEC-IRBA)	-	-	-	
18	Of which: securitization external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	
19	Of which: securitization standardized approach (SEC-SA)	-	-	-	
20	**Market risk**	**3,617,574**	**4,100,156**	**289,406**	Due to increase in net FX position
21	Of which: standardized approach (SA)	3,617,574	4,100,156	289,406	Due to increase in net FX position
22	Of which: internal model approach (IMA)				
23	**Capital charge for switch between trading book and banking book**	-	-	-	
24	**Operational risk**	**8,724,584**	**8,724,584**	**697,967**	
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	-	-	-	
26	Output floor applied		-		
27	Floor adjustment (before application of transitional cap)	-	-		

OV1: Overview of RWA					
SAR 000's		a	b	c	
		RWA		Minimum capital requirements	Drivers behind significant differences in T and T-1
		T	T–1	T	
		December 31, 2025	**September 30, 2025**	**December 30, 2025**	
28	Floor adjustment (after application of transitional cap)	-	-		
29	**Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)**	**263,676,903**	**259,565,231**	**21,094,152**	

Table CCA - Main features of regulatory capital instruments and of other TLAC-eligible instruments						
		a				
		Quantitative / qualitative information				
1	Issuer	Alinma Bank	Alinma Bank	Alinma Bank	Alinma Bank	Alinma Bank
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (ISIN) or Bloomberg identifier for private placement)	SA15BFK0J7J5	XS2753907554	XS3079963834	XS3168164286	XS3213445003
3	Governing law(s) of the instrument	Saudi Arabian law	English Law	English Law	English Law	English Law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A	N/A	N/A	N/A
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
5	Post-transitional Basel III rules	Eligible	Eligible	Eligible	Eligible	Eligible
6	Eligible at solo/group/group and solo	Group & solo	Group & solo	Group & solo	Group & solo	Eligible at solo
7	Instrument type (refer to SACAP)	Subordinated sukuk	Jr Subordinated Sukuk	Jr Subordinated Sukuk	Jr Subordinated Sukuk	Tier 2 Capital Trust Certificate
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	SAR 5,000	USD 1,000	USD 500	USD 500	USD 500 million
9	Par value of instrument	SAR 5,000	USD 1,000	USD 500	USD 500	USD 500 million
10	Accounting classification	Equity	Equity	Equity	Equity	Financial Liability
11	Original date of issuance	July 1, 2021	6 March 2024	28 May 2025	3 September 2025	10 Nov 2025
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated – 10-year (non-call for the first 5 years)
13	Original maturity date	N/A	N/A	N/A	N/A	10 Nov 2035
14	Issuer call subject to prior SAMA approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	In compliance with Basel III rules, call date is equal to or greater than 5 years and the Sukuk may be redeemed early due to a capital event, tax event or at the option of the Bank as described in the terms and conditions of the Sukuk				Call Dates: 10 Nov 2030 and each subsequent Periodic

Table CCA - Main features of regulatory capital instruments and of other TLAC-eligible instruments						
		a Quantitative / qualitative information				
						Distribution Date (semi-annual).
16	Subsequent call dates, if applicable	As above	As above	As above	As above	As above
	Coupons / dividends	-	-	-	-	Semi-annual profit distributions (Islamic "coupon") on 10 May and 10 Nov each year, starting 10 May 2026.
17	Fixed or floating dividend/coupon	Fixed from date of issue up to 2026 and then floating every 5 years	Fixed from date of issue up to 2029 and then floating every 5 years	Fixed from date of issue up to 2030 and then floating every 5 years	Fixed from date of issue up to 2030 and then floating every 5 years	Fixed for the first 5 years (10 Nov 2025 – 10 Nov 2030)
18	Coupon rate and any related index	The applicable profit rate is 4% per annum from date of issue up to 2026 and is subjected to reset every 5 years.	The applicable profit rate is 6.5% per annum from date of issue up to 2029 and is subjected to reset every 5 years.	The applicable profit rate is 6.5% per annum from date of issue up to 2030 and is subjected to reset every 5 years.	The applicable profit rate is 6.25% per annum from date of issue up to 2030 and is subjected to reset every 5 years.	Profit Rate 5.792 % (fixed) per annum for first 5 years Rate Rest after 5 years at T+210 bps reset margin
19	Existence of a dividend stopper	Yes	Yes	Yes	Yes	Profit is payable as long as the Obligor remains solvent and the instrument is not in a non-viability event.
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step-up or other incentive to redeem	No	No	No	No	At the Reset Date (10 Nov 2030) if market rates rise, the reset rate may be higher than existing rates, providing an incentive for early redemption.
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown feature	Yes	Yes	Yes	Yes	Yes
31	If writedown, writedown trigger(s)	Non-viability event	Non-viability event	Non-viability event	Non-viability event	Non-Viability Event

Table CCA - Main features of regulatory capital instruments and of other TLAC-eligible instruments						
		a				
		Quantitative / qualitative information				
32	If writedown, full or partial	Fully or partially. The Sukuk allow the Bank to write-down (in full or in part) any amounts due to the holders in the event of non-viability event with approval from SAMA.	Fully or partially. The Sukuk allow the Bank to write-down (in full or in part) any amounts due to the holders in the event of non-viability event with approval from SAMA.	Fully or partially. The Sukuk allow the Bank to write-down (in full or in part) any amounts due to the holders in the event of non-viability event with approval from SAMA.	Fully or partially. The Sukuk allow the Bank to write-down (in full or in part) any amounts due to the holders in the event of non-viability event with approval from SAMA.	Fully or partially. The Sukuk allow the Bank to write-down (in full or in part) any amounts due to the holders in the event of non-viability event with approval from SAMA.
33	If writedown, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination	Subordinated.	jr. Subordinated.	jr. Subordinated.	jr. Subordinated.	Subordinated
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	The financial instrument is junior to senior creditors.	The financial instrument is junior to senior creditors.	The financial instrument is junior to senior creditors.	The financial instrument is junior to senior creditors.	ranks (i) subordinate to Senior Obligations, (ii) pari-passu with Parity Obligations, and (iii) senior to Junior Obligations.
36	Non-compliant transitioned features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A

CC1 - Composition of regulatory capital				
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	Commentary to explain any significant changes over the reporting period and the key drivers of such change
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	25,000,000	**A**	
2	Retained earnings	4,250,443	**C**	
3	Accumulated other comprehensive income (and other reserves)	6,669,586	**D**	
4	Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)	-		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	-		
6	**Common Equity Tier 1 capital before regulatory adjustments**	**35,920,029**		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudent valuation adjustments	-		
8	Goodwill (net of related tax liability)	-		
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	-		
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-		
11	Cash flow hedge reserve	(47,948)		
12	Shortfall of provisions to expected losses	-		
13	Securitisation gain on sale (as set out in SACAP4.1.4)	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
15	Defined benefit pension fund net assets	-		
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	(180,957)	**D**	
17	Reciprocal cross-holdings in common equity	-		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-		
20	MSR (amount above 10% threshold)	-		
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		
22	Amount exceeding the 15% threshold	-		
23	Of which: significant investments in the common stock of financials	-		
24	Of which: MSR	-		
25	Of which: DTA arising from temporary differences	-		
26	National specific regulatory adjustments	-		

27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-		
28	**Total regulatory adjustments to Common Equity Tier 1 capital**	**(228,905)**		
29	**Common Equity Tier 1 capital (CET1)**	**35,691,124**		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	12,502,050	**B**	
31	Of which: classified as equity under applicable accounting standards	12,502,050	**B**	
32	Of which: classified as liabilities under applicable accounting standards	-		
33	Directly issued capital instruments subject to phase-out from additional Tier 1 capital	-		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	-		
35	Of which: instruments issued by subsidiaries subject to phase-out	-		
36	**Additional Tier 1 capital before regulatory adjustments**	**12,502,050**		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in additional Tier 1 instruments	-		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		
41	National specific regulatory adjustments	-		
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-		
43	**Total regulatory adjustments to additional Tier 1 capital**	-		
44	**Additional Tier 1 capital (AT1)**	**12,502,050**		
45	**Tier 1 capital (T1 = CET1 + AT1)**	**48,193,174**		
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1,875,000		
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	-		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		
49	Of which: instruments issued by subsidiaries subject to phase-out	-		
50	Provisions	2,377,593		
51	**Tier 2 capital before regulatory adjustments**	**4,252,593**		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		

54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56	National specific regulatory adjustments	-		
57	**Total regulatory adjustments to Tier 2 capital**	-		
58	**Tier 2 capital**	**4,252,593**		
59	**Total regulatory capital (= Tier 1 + Tier2)**	**52,445,767**		
60	**Total risk-weighted assets**	**263,676,903**		
Capital adequacy ratios and buffers				
61	**Common Equity Tier 1 capital (as a percentage of risk-weighted assets)**	13.54%		
62	**Tier 1 capital (as a percentage of risk-weighted assets)**	18.28%		
63	**Total capital (as a percentage of risk-weighted assets)**	19.89%		
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of riskweighted assets)**	2.50%		
65	Of which: capital conservation buffer requirement	2.50%		
66	Of which: bank-specific countercyclical buffer requirement	0.00%		
67	Of which: higher loss absorbency requirement	0.00%		
68	**Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	6.54%		
National minima (if different from Basel III)				
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	N/A		
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	N/A		
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	N/A		
	Amounts below the thresholds for deduction (before risk-weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	N/A		
73	Significant investments in the common stock of financial entities	N/A		
74	MSR (net of related tax liability)	N/A		
75	DTA arising from temporary differences (net of related tax liability)	N/A		
	Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	2,377,593		
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	3,113,988		
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings based approach (prior to application of cap)	-		
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	-		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase-out arrangements	-		

81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)	-		
82	Current cap on AT1 instruments subject to phase-out arrangements	-		
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	-		
84	Current cap on Tier 2 instruments subject to phase-out arrangements	-		
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	-		

CC2 - Reconciliation of regulatory capital to balance sheet

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period-end	As at period-end	
Assets				
1	Cash and balances at central banks	14,942,407	14,942,407	
2	Items in the course of collection from other banks	-	-	
3	Trading portfolio assets	-	-	
4	Financial assets designated at fair value	17,549,821	17,549,821	
5	Derivative financial instruments	443,077	443,077	
6	Loans and advances to banks	1,540,969	1,540,969	
7	Loans and advances to customers	229,746,838	229,746,838	
8	Reverse repurchase agreements and other similar secured lending	179,489	179,489	
9	Financial investments held at amortized cost	38,940,510	38,940,510	
10	Current and deferred tax assets	-	-	
11	Prepayments, accrued income and other assets	3,069,088	3,069,088	
12	Investments in associates and joint ventures	132,221	132,221	
13	Goodwill and intangible assets	1,195,050	1,195,050	
	Of which: goodwill	-	-	
	Of which: other intangibles (excluding MSR) b	1,195,050	1,195,050	
	Of which: MSR	-	-	
14	Property, plant and equipment	3,327,678	3,327,678	
15	**Total assets**	**311,067,148**	**311,067,148**	
Liabilities				
16	Deposits from banks	11,899,123	11,899,123	
17	Items in the course of collection due to other banks	-	-	
18	Customer accounts	227,373,930	227,373,930	
19	Repurchase agreements and other similar secured borrowing	4,313,842	4,313,842	
20	Trading portfolio liabilities	-	-	
21	Financial liabilities designated at fair value	-	-	
22	Derivative financial instruments	265,984	265,984	
23	Debt securities in issue	5,734,725	5,734,725	
24	Accruals, deferred income and other liabilities	10,377,178	10,377,178	
25	Current and deferred tax liabilities	-	-	
	Of which: deferred tax liabilities (DTL) related to goodwill d	-	-	
	Of which: DTL related to intangible assets (excluding MSR) e	-	-	
	Of which: DTL related to MSR	-	-	
26	Subordinated liabilities	1,890,196	1,890,196	
27	Provisions	971,048	971,048	

28	Retirement benefit liabilities	-	-	
29	**Total liabilities**	**262,826,026**	**262,826,026**	
Shareholders' equity				
30	Paid-in share capital	37,502,050	37,502,050	
	Of which: amount eligible for CET1 capital h	25,000,000	25,000,000	**A**
	Of which: amount eligible for AT1 capital i	12,502,050	12,502,050	**B**
31	Retained earnings	4,250,443	4,250,443	**C**
32	Accumulated other comprehensive income	6,488,629	6,488,629	**D**
33	**Total shareholders' equity**	**48,241,122**	**48,241,122**	

CDC: Capital distribution constraints

		a	b	
		CET1 capital ratio that would trigger capital distribution constraints (%)	Current CET1 capital ratio (%)	Constrains imposed
1	CET1 minimum requirement plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	N/A	13.54%	N/A
2	CET1 capital plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	N/A	13.54%	N/A
		Leverage ratio that would trigger capital distribution constraints (%)	**Current leverage ratio (%)**	
3	[Applicable only for G-SIBs] Leverage ratio	N/A	14.39%	N/A

The Bank does not have any capital distribution constraints as of December 31, 2025.

LIA – Explanations of differences between accounting and regulatory exposure amounts

Banks must explain the origins of the differences between accounting amounts, as reported in financial statements amounts and regulatory exposure amounts, as displayed in Templates LI1 and LI2.		
a	Banks must explain the origins of any significant differences between the amounts in columns (a) and (b) in Template LI1.	None
b	Banks must explain the origins of differences between carrying values and amounts considered for regulatory purposes shown in Template LI2.	None
c	In accordance with the implementation of the guidance on prudent valuation (see Basel Framework “prudent valuation guidance”), banks must describe systems and controls to ensure that the valuation estimates are prudent and reliable. Disclosure must include: (i) Valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used. (ii) Description of the independent price verification process. (iii) Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).	Not applicable
d	Banks with insurance subsidiaries must disclose: (i) The national regulatory approach used with respect to insurance entities in determining a bank's reported capital positions (ie deduction of investments in insurance subsidiaries or alternative approaches, as discussed in Basel Framework “Scope and definitions” Banking, securities and other financial subsidiaries (Insurance entities); and (ii) Any surplus capital in insurance subsidiaries recognized when calculating the bank's capital adequacy (see Basel Framework “Scope and definitions” Banking, securities and other financial subsidiaries (Insurance entities).	Not applicable

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

As of December 31, 2025

SR 000's

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
				Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets								
1	Cash and balances at central banks	14,942,407	14,942,407	14,942,407	-	-	-	
2	Items in the course of collection from other banks	-	-	-	-	-	-	
3	Trading portfolio assets	-	-	-	-	-	-	
4	Financial assets designated at fair value	17,549,821	17,549,821	17,007,833	-	-	541,988	
5	Derivative financial instruments	443,077	443,077	-	443,077	-	-	
6	Due from banks and other financial institutions	1,540,969	1,540,969	1,540,969	-	-	-	
7	Loans and advances to customers	229,746,838	229,746,838	229,746,838	-	-	-	
8	Reverse repurchase agreements and other similar secured lending with banks and other financial institutions	179,489	179,489	179,489	-	-	-	-
9	Investments held at amortized cost	38,940,510	38,940,510	38,940,510	-	-	-	-
10	Current and deferred tax assets	-	-	-	-	-	-	-
11	Prepayments, accrued income and other assets	3,069,088	3,069,088	3,069,088	-	-	-	-
12	Investments in associates and joint ventures	132,221	132,221	132,221	-	-	-	-
13	Goodwill and intangible assets	1,195,050	1,195,050	1,195,050	-	-	-	-
	Of which: goodwill	-	-	-	-	-	-	-
	Of which: other intangibles (excluding MSR)	1,195,050	1,195,050	1,195,050	-	-	-	-
	Of which: Mortgage servicing rights (MSR)	-	-	-	-	-	-	-

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

As of December 31, 2025

SR 000's

		a	b	c	d	e	f	g
				Carrying value of items:				
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
14	Property, plant and equipment	3,327,678	3,327,678	3,327,678	-	-	-	-
Total Assets		**311,067,148**	**311,067,148**	**310,082,083**	**443,077**	**-**	**541,988**	**-**
11	Due to SAMA, banks and other financial institutions	11,899,123	11,899,123	-	-	-	-	11,899,123
12	Items in the course of collection due to other banks	-	-	-	-	-	-	-
13	Customer deposits	227,373,930	227,373,930	-	-	-	-	227,373,930
14	Repurchase agreements and other similar secured borrowings	4,313,842	4,313,842	-	-	-	-	4,313,842
15	Trading portfolio liabilities	-	-	-	-	-	-	-
16	Financial liabilities designated at fair value	-	-	-	-	-	-	-
17	Derivative financial instruments	265,984	265,984	-	-	-	-	265,984
18	Debt securities in issue	5,734,725	5,734,725	-	-	-	-	5,734,725
19	Accruals, deferred income and other liabilities	10,377,178	10,377,178	-	-	-	-	10,377,178
20	Current and deferred tax liabilities	-	-	-	-	-	-	-
	Of which: deferred tax liabilities (DTL) related to goodwill	-	-	-	-	-	-	-
	Of which: DTL related to intangible assets (excluding MSR)	-	-	-	-	-	-	-

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

As of December 31, 2025

SR 000's

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
				Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
	Of which: DTL related to MSR	-	-	-	-	-	-	-
21	Subordinated liabilities	1,890,196	1,890,196	-	-	-	-	1,890,196
22	Provisions	971,048	971,048	-	-	-	-	971,048
23	Retirement benefit liabilities	-	-	-	-	-	-	-
Total Liabilities		**262,826,026**	**262,826,026**	**-**	**-**	**-**	**-**	**262,826,026**

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

As of December 31, 2025

SR 000's

		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)	311,067,148	310,082,083	-	443,077	541,988

2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	-	-	-	-	-
3	**Total net amount under regulatory scope of consolidation (Row 1 - Row 2)**	**311,067,148**	**310,082,083**	**-**	**443,077**	**541,988**
4	Off-balance sheet amounts	23,021,677	23,021,677	-	-	
5	Differences in valuations	-	-	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	
7	Differences due to consideration of provisions	-	-	-	-	
8	Differences due to prudential filters	-	-	-	-	
9	-	-	-	-	-	
10	**Exposure amounts considered for regulatory purposes**	**334,088,825**	**333,103,760**	**-**	**443,077**	

ENC: Asset encumbrance

As of December 31, 2025

SR 000's

		a	b	c
		Encumbered Assets	**Unencumbered Assets**	**Total**
1	The assets on the balance sheet would be disaggregated; there can be as much disaggregation as desired	4,140,163	306,926,985	311,067,148

REMA: Remuneration policy	
a	**Information relating to the bodies that oversee remuneration.**
	(i) The Bank's remuneration is overseen by the Nomination and Remuneration Committee (NRC) Comprising of 4 Members & Board of Directors (BOD) comprising of 9 members. Their mandate is to approve policies related to remuneration as well as the amount of remuneration given to Senior Management and other Key employees; specially those requiring SAMA No-Objection. (ii) the services of two main consultancy bodies where utilized; for Salary & Benefits Benchmarking and for Advice & Support in relation to the new Jan 2023 SAMA Rules on Remuneration. (iii) the banks remuneration policy relates to bank employees which is approved by the board, and Bank subsidiaries are governed by their own remuneration policies and approved by their own boards. (iv) In the bank, Material Risk Takers are defined as "employees who sit within business areas / divisions / subsidiaries engaged in risk taking activities (Retail Banking, Corporate, Treasury, selected subsidiary departments). They are officers who have direct responsibility and are the key drivers in undertaking business transactions and managing business risks. Such officers may be undertaking these risks on an individual basis or overseeing a group of employees undertaking such risks." and Senior Managers as the CEO and his direct reports.
b	**Information relating to the design and structure of remuneration processes**
	(i) Alinma Bank’s reward system is designed to reinforce the business strategy, culture, and customer offering; promote value creating behavior; ensure effective risk management; and to drive a high-performance oriented culture, rewarding employees for growing the business in a sustainable way (ii) during 2023, the Nomination and Remumeration Committee reviewed the fully revamped Bank remuneration policy that has been aligned with the new Jan 2023 SAMA Rules on Remuneration. Key changes are mainly related to variable pay and specifically the increase of the deferred bonus percentage. (iii) The Bank ensures that the remunerations of the employees in Risk and Compliance are not affected by the businesses they oversee.
c	**Description of the ways in which current and future risks are taken into account in the remuneration processes**
	Remuneration Risk is the risk associated with the compensation (fixed and variable), pay mix, design, structure and the remuneration system employed within the Bank, which has the potential to impact the functionality of the organization adversely. Inadequate pay system, design and structure could lead to negative potential impact related to liquidity, capital adequacy, employee dissatisfaction, misconduct, operating income, and last but not least the reputation of the Bank. The Bank has established extensive Policies and Procedures that guide the manner by which the business and other supporting organizations are implemented and managed. The Bank’s appetite for Remuneration risk is very low. Effective governance structure, policies, control, and oversight mechanisms are put in place for managing Remuneration risk and these mechanisms are expected to reduce the likelihood and resilience of Remuneration risk in the Bank.
d	**Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration**
	(i) The bank uses the balance scorecard which includes financial, non-financial, and competencies. (ii) The individual remuneration Fixed pay is based on Market Rates and the Variable Pay based on performance. the accrued budget for the variable pay is based on the targeted financial results, however this is updated and adjusted based on the real financial results. (iii) in the eventuality that the bank does not achieve its financial targets, the variable pay budget will be reduced accordingly.
e	**Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance**
	(i) The bank deferred a proportion of the variable for managers and above in terms of shares and the amount deferred increases with seniority. All deferred are vestered equally over 3 years. (ii) the bank policies allows at any level, for both holdback on future variable pay as well as clawback on past variable pay, based on strict criteria.
f	**Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms**
	(i) The bank's variable pay is comprised of both an immediate cash bonus payout and a deferred share based award. (ii) The Variable pay ratio of cash to deferred changes with seniority with the most seniors receiving more of their variable pay in the form of deferred shares.

REM1: Remuneration awarded during the financial year Financial year ended December 31, 2025 SR 000's				
Remuneration Amount			a Senior management, as defined in SAMA circular No.42081293 date 21/11/1442AH	b Other material risktakers*
1	Fixed Remuneration	Number of employees	35	67
2		**Total fixed remuneration (rows 3 + 5 + 7)**	**64,696**	**14,013**
3		Of which: cash-based	64,696	14,013
4		Of which: deferred		
5		Of which: shares or other share-linked instruments		
6		Of which: deferred		
7		Of which: other forms		
8		Of which: deferred		
9	Variable Remuneration	Number of employees		
10		**Total variable remuneration (rows 11 + 13 + 15)**	**43,382**	**70,013**
11		Of which: cash-based	23,588	63,387
12		Of which: deferred		
13		Of which: shares or other share-linked instruments	19,794	6,626
14		Of which: deferred	19,794	6,626
15		Of which: other forms		
16		Of which: deferred		
17	**Total remuneration (2 + 10)**		**101,987**	**84,026**

**Other material risk takers are defined in REMA (a) iv. See Note 22 of the 2024 Annual FS for the remuneration of all employees engaged in risk-taking activities*

REM2: Special payments Financial year ended December 31, 2025 SR 000's							
Special Payments		Guaranteed bonuses		Sign-on awards		Severance payments	
		Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
1	Senior Management	-	-	-	-	2	1,765
2	Other material risk-takers	-	-	-	-	3	92

REM3: Deferred remuneration As of December 31, 2025 SR 000's						
Deferred and retained remuneration		a	b	c	d	e
		Total amount of outstanding deferred remuneration	Of which: total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
1	Senior Management	27	-	-	-	30
2	Cash		-	-	-	
3	Shares	59,189	-	-	-	19,891
4	Cash linked instruments		-	-	-	
5	Other		-	-	-	
6	Other material risk-takers	67	-	-	-	72
7	Cash		-	-	-	
8	Shares	11,508	-	-	-	3,894
9	Cash linked instruments		-	-	-	
10	Other		-	-	-	
11	**Total**	**70,697**	**-**	**-**	**-**	**23,785**

	CRA: General qualitative information about credit risk
a	**How the business model translates into the components of the bank's credit risk profile.**
	Alinma as a premier full-service Sharia compliant institution is committed in all its dealings to adhering to the highest standards of Sharia compliant banking. The Bank's enterprise risk management objective is to maximize return to shareholders by optimizing the use of the Bank's risk capital. The Bank assesses market and service strategies based on a thorough understanding of the financial results of those strategies, including measurement and calculation of the exposure to risk and/or loss, and the consumption of risk capital required to implement those strategies. The Bank recognizes and clearly understands the importance of statutory and regulatory requirements, guidelines and diligently complies with these in all risk decisions. The Bank is committed to a strong pro-active credit process to ensure that credit risk falls within the institutional risk appetite framework. This framework establishes and communicates the level and diversity of risks that the Bank seeks and tolerates in order to achieve its business goals while maintaining a balance between risks and rewards. TM (Target Market) is a key component of this process as it provides the tools to filter prospective and existing obligors in order to avoid initiating or keeping relationships that would not fit the Bank's strategy and desired risk profile. Meticulously designed RAC (Risk Acceptance Criteria) establishes the requirements under which the Bank is willing to initiate and/or maintain a credit relationship with companies which fall under its target market. The front-end business team is primarily responsible for originating, evaluating and recommending credit proposals. Approvals are granted in accordance with the Board approved Credit Approval Authority Delegation Matrix, the Credit Committee Charter, Corporate Banking and Retail Banking Credit Policy Guidelines, and Risk Appetite Framework and Policy.
b	**Criteria and approach used for defining credit risk management policy and for setting credit risk limits.**
	The Bank follows a well-defined credit evaluation process anchored in a clear Target Market and Risk Acceptance Criteria, credit policies framework, and extensive due diligence process. The credit review and approval process are ably supported with stringent credit administration control and credit limit monitoring functions. Obligors are assigned risk ratings using well established rating models hosted on the robust Moody's platform called CreditLens which is used by many leading banks in the Kingdom and globally. The risk rating is designed with through-the-cycle approach with a 12-month time horizon for probability of default (PD) estimation. The Bank assigns a rating from a 10-point rating scale with 1 as the best through 10 as the worst. The rating uses sub-grades (e.g., 3+, 3, and 3-) for a granular assessment of the PD. As part of the Bank's policy, only obligors with risk ratings of 6- (minus) or better are eligible for new financing facilities. The Bank reviews and validates the Moody's CreditLens rating system on a regular basis through an independent internal or external consultant and calibrates the score ranges as and when required with rating grades and associated PDs. All credit exposures are subject to ongoing monitoring and annual review activity, which may result in an exposure being moved to a different credit risk grade due to various qualitative and quantitative obligor-specific factors such as changes in the audited financial statements, compliance with covenants, management changes, as well as changes in the economic and business environment etc. To manage concentration risk, the Bank has set targets for portfolio mix and exposure limits on significant risk concentration areas. Risk concentration areas include single counterparties and groups of connected counterparties, specific industries or economic sectors, geographic regions, rating bands, specific products, collateral types, or any other concentration area deemed of risk. Credit risks in the retail portfolio are estimated based on individual creditworthiness scores, derived from an automated credit scoring model. The credit scoring model for the retail portfolio is adequately designed to assess an obligor's risk using borrower-specific characteristics and historical credit information obtained from the credit bureau (SIMAH)- wherever applicable
c	**Structure and organization of the credit risk management and control function**
	All financing activities are only undertaken in accordance with documented and approved policies and procedures which are accessible to all relevant staff and are effectively implemented. These documents (manuals, programs, bulletins, etc.) clearly define the applicable risk measures and controls. The Business Units (CBG, RBG and Treasury) initiate the origination of accounts based on Credit Policy Guidelines. The Bank follows a well-defined credit evaluation process anchored in a clear Target Market and Risk Acceptance Criteria, credit policies framework, and extensive due diligence process. The credit review and approval process are ably supported with stringent credit administration control and credit limit monitoring functions. Once the credit is approved, the Credit Administration and Control Unit ensures that all terms and conditions of approval are captured in the legal documentation, all facility and supporting documents are in order, and all securities and collaterals are received and lodged in the required custodianship unit. All credit exposures are subject to on-going monitoring and annual review activity, which may result in an exposure being moved to a different credit risk grade due to various qualitative and quantitative obligor-specific factors such as changes in the audited financial statements, compliance with covenants, management changes, as well as changes in the economic and business environment. Credit risks in the retail portfolio are estimated based on individual creditworthiness scores, derived from an automated credit scoring model.

	There is a clear delineation and segregation of duties between the Business Unit and Credit Management in reviewing and approving the credit in the first instance, and in managing the documentation and controlling the limits through the Credit Administration's Documentation guidelines and defined elements of Limit monitoring functional role. Credit Administration also monitors the accounts' payment of dues and compliance with financial covenants and notifies the Business Unit of any required action. Subject to the established credit policies, credit limits may be withdrawn or suspended if an account does not meet certain conditions or the scheduled annual review is not completed or is not granted a formal extension by the Credit Committee.
d	**Relationships between the credit risk management, risk control, compliance and internal audit functions**
	As a premier Islamic banking institution, Alinma places strong emphasis on high standards of transparency, integrity, ethical accountability, and professionalism on all cross functional areas in the pursuit of its goals. Risk Management is the second line of defense and as a key stakeholder ensures required oversight over the policies established for financing. Risk Management regularly reviews the Bank's credit policies, guidelines, and processes to ensure that credit risk is managed and controlled within the Risk Appetite Criteria of the Bank and credit-related losses are minimized. Risk Management also ensures that credit policies are aligned and adjusted on periodic basis in accordance with the economic, market, regulatory, and legal landscape. Credit Risk Management, a division under Risk Management, ensures that expected credit losses are adequately covered with provisions based on obligors' risk profiles in line with the prevalent regulations. The Bank is strongly committed to the Sharia'h compliant banking principles and practices. Accordingly, the Bank keeps Sharia'h non-compliance risks to the barest minimum and maintains a low tolerance towards any deviation/non-compliance with Sharia'h principles in its business practices. The Bank has zero appetite for regulatory non-compliance. The Bank's Compliance Department ensures that all organizational and business processes of the Bank comply with all relevant laws and regulations. In addition to the above, Business and Support units perform periodic Risk and Control Self-Assessment (RCSA) to identify, analyze, and evaluate operational risks in their respective units' activities. Internal Audit evaluates independently the internal control of the overall risk profile, risk management governance, as well as the operating effectiveness of its policies and procedures.
e	**Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management.**
	The Risk Limits are proactively tracked, monitored and reported at a regular frequency to enable the Bank's Senior Management, Board Risk Committee (RiskCom), and Board Executive Committee (ExCom) to exercise appropriate oversight .The RiskCom and ExCom regularly receive portfolio reports covering existing approved limits, outstanding exposures, risk rating and sector concentrations, Large Exposures (as defined by prevalent SAMA regulations), past due and non-performing exposures, as well as specific and collective provisions. The ExCom also receives the details of the 20 Largest Corporate Exposures and the total list of Classified and Impaired Accounts, pursuant to the guidelines of the Credit Risk Policy. All limits which govern the business of Corporate, Retail, and Treasury Groups are defined in the Board-approved Risk Appetite Framework and Policy. At a semiannual frequency, the Chief Risk Officer (CRO) presents the financing portfolio updates and key portfolio indicators to the RiskCom and ExCom, or more frequently as required.

CR1: Credit quality of assets

As of December 31, 2025

SR 000's

	a	b	c	d	e	f	g
	Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
	Defaulted exposures	Non-Defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
Loans	2,134,663	230,820,579	3,208,404	974,096	2,234,308	-	229,746,838
Debt Securities	-	52,335,022	41,141	-	41,141	-	52,293,881
Off-balance sheet exposures	-	23,021,677	236,311	138,037	98,274	-	22,785,366
Total	**2,134,663**	**306,177,278**	**3,485,856**	**1,112,133**	**2,373,723**	**-**	**304,826,085**

CR2: Changes in stock of defaulted loans and debt securities

As of December 31, 2025

SR 000's

1	**Defaulted loans and debt securities at end of the previous reporting period**	2,783,852
2	Loans and debt securities that have defaulted since the last reporting period, net of settlements and accruals	1,861,173
3	Returned to non-defaulted status	-
4	Amounts written off	(2,510,362)
5	Other changes	-
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)**	**2,134,663**

CR3: Credit risk mitigation techniques - overview

As of December 31, 2025

SR 000's

		a	b	c	d	e
		Exposures unsecured: carrying amount	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	157,096,890	72,649,948	72,649,948	-	-
2	Debt securities	52,293,881	-	-	-	-
3	**Total**	**209,390,771**	**72,649,948**	**72,649,948**	**-**	**-**
4	Of which defaulted	1,733,772	400,891	400,891	-	-

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

As of December 31, 2025 — SR 000's

	Asset Classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post- CRM		RWA and RWA Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Sovereigns and their central banks	**55,136,107**	**-**	**55,136,107**	**-**	**155,282**	**0.28%**
2	Non-central government public sector entities	**170,322**	**-**	**170,322**	**-**	**85,161**	**50%**
3	Multilateral development banks	**94,711**	**-**	**94,711**	**-**	**-**	-
4	Banks	**2,419,103**	**4,114,028**	**2,419,103**	**1,505,757**	**1,496,742**	**38%**
	Of which: securities firms and other FIs	-	-	-	-	-	-
5	Covered bonds	**-**	**-**	**-**	**-**	**-**	-
6	Corporates	**175,208,056**	**82,253,434**	**165,894,785**	**21,515,920**	**187,084,316**	**100%**
	Of which: securities firms and other FIs	-	-	-	-	-	-
	Of which: specialized lending	35,519,642	9,187,099	35,519,642	3,350,887	42,592,964	110%
7	Subordinated debt, equity and other capital	5,991,513	-	5,991,513	-	10,931,096	182%
8	Retail exposures	29,770,544	-	29,770,544	-	24,464,380	82%
	MSMEs	902,801	-	902,801	-	677,101	75%
9	Real estate	**29,110,475**	**-**	**25,862,727**	**-**	**12,543,653**	**49%**
	Of which: general RR	26,958,142	-	23,839,273	-	9,508,472	40%
	Of which: IPRRE	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-
	Of which: IPCR	-	-	-	-	-	-
	Of which: land ADC	2,152,333	-	2,023,454	-	3,035,181	150%
10	Defaulted exposures	**2,134,663**	**-**	**1,160,567**	**-**	**1,138,311**	**98%**
11	Other assets	**9,831,323**	**-**	**9,831,323**	**-**	**7,591,816**	**77%**
12	**Total**	**309,866,817**	**86,367,462**	**296,331,702**	**23,021,677**	**245,490,755**	**77%**

CR5: Standardized approach - exposures by asset classes and risk weights

As of December 31, 2025 — SR 000's

		0%	20%	30%	50%	75%	80%	85%	100%	130%	150%	Other	Total credit exposure (post-CCF and post-CRM)
1	**Sovereigns and their central banks**	54,950,531	37,868		-				147,708		-	-	55,136,107
2	**Non-central government public sector entities**		-		170,322				-		-	-	170,322
3	**Multilateral development banks**	94,711		-	-				-		-	-	94,711
4	**Banks**		1,258,543	1,949,190	292,382	-			246,064		178,681	-	3,924,860
	Of which: securities firms and other FIs		-	-	-	-			-		-	-	-
5	**Covered bonds**		-		-				-			-	-
6	**Corporates**		106,298		8,946,302	1,512,728	8,268,598	8,200,134	138,220,996	17,920,515	4,235,135	-	187,410,705
	Of which: general corporate		106,298		8,946,302	1,512,728		8,200,134	125,539,579		4,235,135	-	148,540,176
	Of which: securities firms and other FIs		-		-	-		-	-		-	-	-
	Of which: specialized lending		-		-	-	8,268,598		12,681,416	17,920,515	-	-	38,870,529
7	**Subordinated debt, equity and other capital**								-	-	1,131,948	4,859,565	5,991,513

													SAR 000's
		0%	20%	30%	50%	75%	80%	85%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
8	**Retail**					21,224,656			8,545,888			-	29,770,544
	MSMEs					902,801			-			-	902,801
9	**Real estate**	-	5,016,643	-	5,805,210	-		-	-		2,023,454	13,017,420	25,862,727
	Of which: general RRE	-	5,016,643	-	5,805,210	-	-	-	-	-	-	13,017,420	23,839,273
	Of which: no loan splitting applied	-	5,016,643	-	5,805,210	-	-	-	-	-	-	13,017,420	23,839,273
	Of which: loan splitting applied (Secured)		-									-	-
	Of which: loan splitting applied (Unsecured)	-	-	-	-	-	-	-	-		-	-	-
	Of which: IPRRE			-		-	-				-	-	-
	Of which: general CRE	-	-	-	-	-	-	-	-		-	-	-
	Of which: no loan splitting applied	-	-	-	-							-	-
	Of which: loan splitting applied (Secured)											-	-
	Of which: loan splitting applied (Unsecured)	-	-	-	-	-	-		-		-	-	-
	Of which: IPCRE								-		-	-	-
	Of which: land ADC										2,023,454	-	2,023,454
10	**Defaulted exposures**				44,526				1,116,028		13	-	1,160,567
11	**Other assets**	2,239,507	-						7,591,816			-	9,831,323
12	**Total**	**57,284,749**	**6,419,352**	**1,949,190**	**15,258,742**	**22,737,384**	**8,268,598**	**8,200,134**	**155,868,499**	**17,920,515**	**7,569,231**	**17,876,985**	**319,353,379**

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

As of December 31, 2025				SR 000's
		a	b	c
Risk Weight		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*Exposure (post-CCF and post CRM)
1	Less than 40%	64,501,545	3,128,993	65,653,291
2	40-70%	15,171,825	267,281	15,258,742
3	75%	22,668,384	690,000	22,737,384
4	80- 85%	15,465,707	4,761,999	16,468,732
5	90-100%	137,667,114	71,372,651	155,868,499
6	105-130%	15,605,100	5,807,317	17,920,515
7	150%	7,375,042	339,221	7,569,231
8	250%	-	-	-
9	400%	-	-	-
10	1250%	-	-	-
11	Others	17,876,985	-	17,876,985
12	**Total exposures**	**296,331,702**	**86,367,462**	**319,353,379**

CRB: Additional disclosure related to the credit quality of assets

Qualitative disclosures

a	**The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes. When the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A.**
	The Bank categorizes its financial assets into three stages of impairment, in accordance with IFRS 9 methodology: • **Stage 1 Performing assets** – Financial asset(s) at origination or existing financial assets, at the reporting date, with no significant increase in credit risk since origination. The Bank recognizes an impairment allowance amounting to 12-month expected credit losses using a point-in-time PD (an estimate of the probability of default over the next 12 months). Profits associated with the asset are recognized on the basis of gross carrying value. • **Stage 2 Underperforming assets** – Financial asset(s) that have significantly deteriorated in credit quality since origination. In determining whether a significant increase in credit risk has occurred since initiation, the bank assesses the change, if any, in the risk of default over the expected life of the financial asset. The trigger point for classifying an account to Stage 2 and the consequent calculation of lifetime expected credit loss is when contractual payments are more than 30 days past due, based on the rebuttable presumption that credit risk has significantly increased on the financial asset. However, the most important consideration for categorization to Stage 2 is a determination by the Impairment Committee that the credit quality has deteriorated to the degree defined by the IFRS 9 guidelines. For retail borrowers, over 30 days past due is typically the trigger point for Stage 2 Classification. The Bank recognizes impairment amounting to lifetime expected credit losses using a lifetime PD (an estimate of the probability of default over the life of the asset). Profits associated with the asset are recognized on the basis of gross carrying value. • **Stage 3 Credit-impaired assets (non-performing assets)** – Financial asset(s) that show objective evidence of impairment. For credit impaired financial asset(s), the Bank recognizes impairment amounting to lifetime expected credit losses using a lifetime PD approach and profits associated with the asset are recognized on the basis of net carrying value. **Definition of 'Default'** A financial asset or group of financial assets is classified as impaired when there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial asset. Such objective evidences include but are not limited to: • Significant financial difficulties of the obligor • A breach of contract, such as a default etc. • The rescheduling of financing facility by the lender based on the financial difficulties of the obligor. • It becomes probable that the obligor will enter bankruptcy • Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financing assets since their initial recognition. An assessment for impairment is made on regular basis to determine the amount of impairment loss. The Bank follows Basel definition for default i.e." The borrower is more than 90 days past due on principal or profit on any material obligation to the Bank"
b	**The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.**
	In line with the IFRS9 guidelines, the Bank has well established and thoroughly tested SICR (significant increase in credit risk) criteria to determine impairment of an obligor. In brief, all material credit exposures with past due obligations of over 90 days past due are classified as non-performing and credit impaired exposure. However, under exceptional circumstances, the Business Unit may propose a SICR override backed by proper justification for Impairment Committee review and approval. In such cases, the credit exposure will not be classified as credit impaired despite past due obligations beyond 90 days. As of 31 December 2025, all past due exposures more than 90 days are classified as impaired.
c	**Description of methods used for determining accounting provisions for credit losses. In addition, banks that have adopted an ECL accounting model must provide information on the rationale for categorization of ECL accounting provisions in general and specific categories for standardized approach exposures.**
	The account provision is the same as the provision calculated under IFRS9 for credit losses. For purposes of the standardized approach under Basel accords, the provisions calculated under Stage 1 (performing) and Stage 2 (underperforming) are considered as general provisions and provisions for stage 3 (impaired) accounts are considered as specific provisions
d	**The bank's own definition of a restructured exposure. Banks should disclose the definition of restructured exposures they use (which may be a definition from the local accounting or regulatory framework).**

	Restructuring occurs when there is a significant change or modification of the terms and conditions of the original exposure contract. Restructuring may occur in the form of forbearance where an obligor is experiencing financial difficulty in meeting the financial commitments as per contractual obligations and the Bank grants a concession that it would not otherwise consider to enable the obligor to sufficiently service its financial commitments . The Bank adheres to Basel guidelines on prudential treatment of problem assets which states that not all concessions lead to a reduction in the net present value of the credit exposure, and therefore concessions do not necessarily lead to the recognition of a loss by the Bank. There is no concession when the borrower is not in financial difficulty.
Quantitative disclosures	
e	**Breakdown of exposures by geographical areas, industry and residual maturity.**
	See Sheets "CRB e.1", "CRB e.2" and "CRB e.3"
f	**Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related accounting provisions,**
	See Sheets "CRB f.1" and "CRB f.2"
g	**Ageing analysis of accounting past-due exposures.**
	See Sheet "CRG g"
h	**Breakdown of restructured exposures between impaired and not impaired exposures.**
	See Sheet "CRG h"

e	Breakdown of exposures by geographical areas, industry and residual maturity.

CRB: Additional disclosure related to the credit quality of assets							
CRB (e) Breakdown of exposures by geographical areas							
Asset classes	**Geographic area**						
	Saudi Arabia	**Other GCC & Middle East**	**Europe**	**North America**	**South East Asia**	**Other countries**	**Total**
Sovereigns and central banks:	**54,988,399**	**147,708**	**-**	**-**	**-**	**-**	**55,136,107**
SAMA and Saudi Government	54,988,399	-	-	-	-	-	**54,988,399**
Others	-	147,708	-	-	-	-	**147,708**
Multilateral Development Banks (MDBs)	-	-	-	-	-	94,711	**94,711**
Public Sector Entities (PSEs)	170,322	-	-	-	-	-	**170,322**
Banks and securities firms	2,633,749	861,977	277,180	43,346	6,475	102,134	**3,924,861**
Subordinated debt, equity and other capital instruments	4,577,753	1,411,406	2,353	-	-	-	**5,991,512**
General Corporates	157,853,447	-	-	-	-	-	**157,853,447**
Specialized Lending	36,843,213	-	-	2,027,316	-	-	**38,870,529**
Retail non-mortgages	29,770,544	-	-	-	-	-	**29,770,544**
Real estate exposures	**29,110,475**	**-**	**-**	**-**	**-**	**-**	**29,110,475**
Residential	29,110,475	-	-	-	-	-	**29,110,475**
Commercial	-	-	-	-	-	-	**-**
Securitized assets	-	-	-	-	-	-	**-**
Equity investments in funds	1,585,986	909,408	42,485	1,011,056	-	-	**3,548,935**
Defaulted exposures	2,134,663	-	-	-	-	-	**2,134,663**
Others	9,831,323	-	-	-	-	-	**9,831,323**
Total	**329,499,874**	**3,330,499**	**322,018**	**3,081,718**	**6,475**	**196,845**	**336,437,429**

**Exposures are defined as the sum of on-balance sheet exposures pre-CRM and off-balance sheet exposures post-CCF but pre-CRM.*

CRB: Additional disclosure related to the credit quality of assets

CRB (e) Breakdown of exposures by industry

Asset classes	Industry sector													
	Agriculture, forestry and fishing	Mining and quarrying	Manufac-turing	Electricity, water and related industries	Construc-tion	Trade and repair of vehicles	Transport and storage	Accomm. and food services	Information and comm.	Financial and insurance	Real estate	Retail	Others	Total
Sovereigns and central banks:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	55,136,107	**55,136,107**
SAMA and Saudi Government	-	-	-	-	-	-	-	-	-	-	-	-	54,988,399	**54,988,399**
Others	-	-	-	-	-	-	-	-	-	-	-	-	147,708	**147,708**
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	94,711	-	-	-	**94,711**
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	170,322	**170,322**
Banks and securities firms	-	-	-	-	-	-	-	-	-	3,924,861	-	-	-	**3,924,861**
Subordinated debt, equity and other capital instruments	-	-	2,120	-	-	36,606	-	-	15,000	5,930,286	-	-	7,501	**5,991,513**
General Corporates	3,213,894	1,255,968	13,360,395	9,839,894	16,932,524	14,586,870	7,455,741	12,250,275	2,254,317	8,977,414	44,002,652	23,723,503	-	**157,853,447**
Specialized lending	-	3,897,211	5,315,502	12,587,099	6,274,278	-	2,027,316	1,995,295	-	-	749,858	-	6,023,970	**38,870,529**
Retail non-mortgages	-	-	-	-	-	-	-	-	-	-	-	29,770,544	-	**29,770,544**
Real estate exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29,110,475**	**-**	**29,110,475**
Residential	-	-	-	-	-	-	-	-	-	-	-	29,110,475	-	**29,110,475**
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Defaulted exposures	-	-	115,231	-	1,317,284	246,090	59,159	19,156	-	-	-	367,227	10,516	**2,134,663**
Equity investments in funds	-	-	-	-	-	-	-	-	-	3,548,935	-	-	-	**3,548,935**
Others	-	-	-	-	-	-	-	-	-	-	-	-	9,831,323	**9,831,323**
Total	**3,213,894**	**5,153,179**	**18,793,248**	**22,426,993**	**24,524,086**	**14,869,566**	**9,542,216**	**14,264,726**	**2,269,317**	**22,476,207**	**44,752,510**	**82,971,749**	**71,179,739**	**336,437,429**

**Exposures are defined as the sum of on-balance sheet exposures pre-CRM and off-balance sheet exposures post-CCF but pre-CRM.*

CRB: Additional disclosure related to the credit quality of assets							
CRB (e) Breakdown of exposures by residual maturity							
Asset classes	**Maturity breakdown**						
	On demand	**Short Term: Less Than 1 Year**	**Medium Term: 1 - 3 Years**	**Medium Term: 3 - 5 Years**	**Long Term: Over 5 Years**	**No Stated maturity**	**Total**
Sovereigns and central banks:	-	751	3,987,171	3,609,190	34,836,095	12,702,900	**55,136,107**
Multilateral Development Banks (MDBs)	-	-	94,711	-	-	-	**94,711**
Public Sector Entities (PSEs)	-	-	79,429	-	90,893	-	**170,322**
Banks and securities firms	464,185	1,541,453	1,562,714	356,509	-	-	**3,924,861**
Subordinated debt, equity and other capital instruments	-	1,240,732	2,247,678	1,050,698	1,131,656	320,748	**5,991,512**
General Corporates	-	65,761,023	31,553,317	24,561,072	35,983,261	-	**157,858,673**
Specialized lending	-	5,758,410	3,831,162	6,603,469	22,677,488	-	**38,870,529**
Retail non-mortgages	-	3,219,315	8,757,940	14,382,501	3,410,788	-	**29,770,544**
Real estate exposures	-	14,224	145,433	545,648	28,405,170	-	**29,110,475**
Residential	-	14,224	145,433	545,648	28,405,170	-	**29,110,475**
Commercial	-	-	-	-	-	-	**-**
Securitized assets	-	-	-	-	-	-	**-**
Defaulted exposures	-	-	2,134,664	-	-	-	**2,134,664**
Equity	-	-	-	-	-	3,548,935	**3,548,935**
Others	-	-	-	-	-	9,831,323	**9,831,323**
Total	**464,185**	**77,535,908**	**54,394,219**	**51,109,087**	**126,535,351**	**26,403,906**	**336,442,656**

**Exposures are defined as the sum of on-balance sheet exposures pre-CRM and off-balance sheet exposures post-CCF but pre-CRM.*

f	Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related accounting provisions, broken down by geographical areas and industry.

CRB: Additional disclosure related to the credit quality of assets		
CRB (f) Breakdown of impaired exposures and related accounting provisions by geographical areas		
Geographic area	**Impaired loans**	**Related accounting provisions**
Saudi Arabia	2,134,663	974,096
Other GCC & Middle East	-	-
Europe	-	-
North America	-	-
South East Asia	-	-
Other countries	-	-
Total	**2,134,663**	**974,096**

CRB: Additional disclosure related to the credit quality of assets		
CRB (f) Breakdown of impaired exposures and related accounting provisions by industry		
Industry sector	**Impaired loans**	**Related accounting provisions**
Government and quasi government	-	-
Manufacturing	115,231	48,120
Electricity, water, gas & health services	-	-
Building and construction	1,309,992	566,825
Services	103,672	39,561
Mining	-	-
Agriculture	-	-
Consumer financing	367,226	220,853
Transportation and communication	542	163
Commerce	237,942	98,550
Real Estate Business	-	-
Others	58	24
Total	**2,134,663**	**974,096**

g	Ageing analysis of accounting past-due exposures.

CRB: Additional disclosure related to the credit quality of assets					
CRB (g) Ageing analysis of accounting past-due exposures					
Exposure	**Aging of Past Due Loans (days)**				
	Less than 90	**90-180**	**180-360**	**Over 360**	**Total**
Past due exposures	255,443	1,428,466	311,585	394,612	2,390,106

h	Breakdown of restructured exposures between impaired and not impaired exposures.

CRB: Additional disclosure related to the credit quality of assets					
CRB (h) Breakdown of restructured exposures between impaired and not impaired exposures					
Exposures	**Performing**	**Non-performing**	**Total exposure**	**Impaired**	**Specific provisions and adjustments**
Loans	1,587,368	-	1,587,368	-	-
Of which: corporate	1,587,368	-	1,587,368	-	-
Of which: retail	-	-	-	-	-
Debt securities	-	-	-	-	-
Off-balance sheet exposure	-	-	-	-	-
Total	**1,587,368**	**-**	**1,587,368**	**-**	**-**

CRB-A – Additional disclosure related to prudential treatment of problem assets	
Qualitative disclosures	
a	**The bank's own definition of non-performing exposures. The bank should specify in particular if it is using the definition provided in the guidelines on prudential treatment of problem assets (hereafter in this table referred to as SAMA's Rules on Management of Problem No. 41033343, January 2020. And provide a discussion on the implementation of its definition, including the materiality threshold used to categorise exposures as past due, the exit criteria of the non-performing category (providing information on a probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.**
	The Bank follows the Basel definition for default, i.e., if the borrower is more than 90 days past due on principal or profit on any material obligation to the Bank, and compares the risk of default at the reporting date with the risk of default from the reference period. If the change in credit assessment is significant, the obligor is moved from Stage 1 to Stage 2 or Stage 2 to Stage 3. The PD is then changed from a 12-month point-in-time PD to a lifetime PD. The Bank groups its credit exposures on the basis of shared credit risk characteristics with the objective of facilitating analysis designed to identify significant increases in the credit risk on a timely basis.The upward Stage classification is evaluated for obligors where an improvement in credit quality is evident and customer started to perform again and exit from the category after complying to prevalent cure period requirements of 12 months for Corporate and 6 months for Retail obligors. All credit exposures are subject to ongoing monitoring and annual review activity, which may result in an exposure being moved to a different credit risk grade because of various qualitative and quantitative aspects related to the specific obligor such as changes in the audited financial statements, compliance with covenants, management changes, as well as changes in the economic and business environment. Credit risks in the retail portfolio are estimated based on individual credit-worthiness scores, derived from an automated credit scoring platform and is not subject to the Moody's rating system.
b	**The bank's own definition of a forborne exposure. The bank should specify in particular if it is using the definition provided in the Guidelines and provide a discussion on the implementation of its definition, including the exit criteria of the restructured or forborne category (providing information on the probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the catagorisation of corporate and retail loans1.**
	Restructuring occurs when there is a significant change or modification of the terms and conditions of the original exposure contract. Restructuring may occur in the form of forbearance where an obligor is experiencing financial difficulty in meeting the financial commitments as per contractual obligations and the Bank grants a concession that it would not otherwise consider to enable the obligor to sufficiently service its financial commitments The Bank adheres to Basel guidelines on prudential treatment of problem assets which states that not all concessions lead to a reduction in the net present value of the credit exposure, and therefore concessions do not necessarily lead to the recognition of a loss by the Bank. There is no concession when the borrower is not in financial difficulty. The upward Stage classification is evaluated for obligors where an improvement in credit quality is evident and customer started to perform again and exit from the category after complying to prevalent cure period requirements of 12 months and 6 months for Corporate and Retail business segment obligors respectively.

c	**Gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures. Non-performing exposures should in addition be split into (i) defaulted exposures and/or impaired exposures;5 (ii) exposures that are not defaulted/impaired exposures but are more than 90 days past due; and (iii) other exposures where there is evidence that full repayment is unlikely without the bank's realisation of collateral (which would include exposures that are not defaulted/impaired and are not more than 90 days past due but for which payment is unlikely without the bank's realisation of collateral, even if the exposures are not past due). Value adjustments and provisions6 or non-performing exposures should also be disclosed.**
	Please see CR1 for the gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Please see CRB (f) for the breakup of non-performing loans and related provisions and value adjustments. Please see Note 8 of the Bank's 2025 financial statements for the breakdown of loans by corporate and retail exposures.
d	**Gross carrying values of restructured/forborne exposures broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures to enable an understanding of material differences in the level of risk among different portfolios (e.g. retail exposures secured by real estate/mortgages, revolving exposures, SMEs, other retail). Exposures should, in addition, be split into performing and non-performing, and impaired and not impaired exposures. Value adjustments and provisions for non-performing exposures should also be disclosed.**
	Please see CRB (h) for the consolidated report on restructured exposures.

CRC: Qualitative disclosure related to credit risk mitigation techniques	
Qualitative disclosures	
a	**Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting.**
	The Bank does not use netting arrangements.
b	**Core features of policies and processes for collateral evaluation and management.**
	For Corporate Financing Based on existing guidelines for Corporate financing, Real Estate collaterals being held by the Bank to secure certain exposures to an Obligor and are re-appraised once every 2 years by two approved external evaluators. The valuation is supported by a written appraisal duly signed by the Evaluator. Real estate/fixed assets valuations should be updated at least every two years, and should be updated as soon as feasible if: a) the collateral becomes the first way-out for any reason, b) the collateral assumes higher importance as a way-out due to deterioration of the credit. In the event the real estate market is extremely volatile, the Bank may opt to obtain fresh appraisals for all clients/portfolio or should Credit Committee request for more frequent valuations on all customers. In case of a large commercial or residential real estate project which offers few types of distinct category in terms of size, location of the real estate property, the detailed evaluation report for one fully completed unit will be considered as valid for a similar standard type of the property to derive appraised value. Appraisers are not permitted to appraise the same real estate/asset for more than two consecutive terms. **For Retail / Consumer Financing** The Real Estate properties taken as collateral are evaluated through two evaluators from the approved panel of authorized evaluators at the time of origination. Under real estate offering, the property title deeds are transferred to Al-Tanweer, a company formed principally to hold legal title of properties as collateral for the finance extended by the Bank.
c	**Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).** **Banks should disclose a meaningful breakdown of their credit derivative providers, and set the level of granularity of this breakdown in accordance with section 10. For instance, banks are not required to identify their derivative counterparties nominally if the name of the counterparty is considered to be confidential information. Instead, the credit derivative exposure can be broken down by rating class or by type of counterparty (e.g. banks, other financial institutions, non-financial institutions).**
	The Bank, in the ordinary course of business holds collaterals as security to mitigate credit risk. These collaterals are diversified and include customers' deposits, financial guarantees, equities, real estate, and other fixed assets.

CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk	
Qualitative disclosures	
a	**Names of the external credit assessment institutions (ECAIs);**
	The Bank uses multiple eligible External Credit Assessment Institutions (ECAIs) in accordance with SAMA guidelines for determining the risk weights of Sovereigns, Multilateral Development Banks (MDBs), Banks and Securities Firms, and Corporate exposures. These include Moody's, Fitch, and S&P.
b	**The asset classes for which each ECAI is used;**
	Bank uses ECAI for its exposures to other banks and financial institutions wherever such ratings are available. Majority of Credit exposures to corporate customers are rated internally.
c	**A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book (see SCRE8.16 to SCRE8.18); and**
	As most credit exposures to other corporate and asset classes are internally rated where external ratings are not available, however for the purposes of Basel capital adequacy calculation these are treated as Unrated.
d	**The alignment of the alphanumerical scale of each agency used with risk buckets (as per SAMA circular No. B.C.S 242, issued April 11, 2007).**
	For the purposes of aligning the alphanumerical scale of each ECAI, we used the mapping as per the SAMA circular No. BCS 242 issued April 11, 2007.

CCRA: Qualitative disclosure related to CCR	
Qualitative disclosures	
a	**The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures;**
	The Bank has an overall limit for credit exposures (including CCR) and adopting SA CCR in for calculating the regulatory capital.
b	**Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs;**
	The Bank is managing counterparty credit risk exposures in line with the Bank's Risk Appetite and Risk Management framework. Currently, the bank does not have any exposure to CCP.
c	**Policies with respect to wrong-way risk exposures;**
	Wrong-way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. The Bank considers its exposure to such risk is limited as most derivatives transactions are carried with good credit quality customers.
d	**The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade.**
	This has been managed through variation margin and the impact of any increase in variation margin due to potential credit rating downgrade is considered minimal.

CCR1: Analysis of CCR exposures by approach

As of December 31, 2025

SR 000's

		a	b	c	d	e	f
		Replacement cost	**Potential future exposure**	**Effective EPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	SA-CCR (for derivatives)	248,033	1,068,628		1.4	1,843,325	1,043,204
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					215,439	64,632
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	**Total**						**1,107,836**

CCR3: Standardized approach - CCR exposures by regulatory portfolio and risk weights

As of December 31, 2025

SR 000's

		a	b	c	d	e	f	g	h	i
Regulatory portfolio*↓	**Risk weight*→**	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns		-	-	-	-	-	-	-	-	-
Non-central government public sector entities		-	-	-	-	-	-	-	-	-
Multilateral development banks		-	-	-	-	-	-	-	-	-
Banks		-	-	37,448	129,277	-	668,709	-	1,223,331	2,058,765
Securities firms		-	-	-	-	-	-	-	-	-
Corporates		-	-	-	-	-	-	-	-	-
Regulatory retail portfolios		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Total		**-**	**-**	**37,448**	**129,277**	**-**	**668,709**	**-**	**1,223,331**	**2,058,765**

CCR5: Composition of collateral for CCR exposure

As of December 31, 2025

SR 000's

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
Cash - domestic currency	-	54,330	-	-	-	-
Cash - other currencies	136,350	34,688	-	-	14,308	8,985
Domestic sovereign debt	-	-	-	-	179,410	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	3,303,296
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**136,350**	**89,018**	**-**	**-**	**193,717**	**3,312,281**

MRA: General qualitative disclosure requirements related to market risk		
Qualitative disclosures		
a	**Strategies and processes of the bank, which must include an explanation and/or a description of:**	
(i)	The bank's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the bank's market risks, including policies for hedging risk and the strategies/processes for monitoring the continuing effectiveness of hedges.	The bank has in place the Hedge Accounting policy duly approved by Board. It entails all the products that can be used by the bank to hedged the underlying assets and liabilities. Moreover, it also covers both fair value hedge and cash flow hedge that can be conducted by the bank along with the applicable accounting rules. The policy contains following three hedge effectiveness requirements: • There should be an economic relationship between the hedged item and the hedging instrument. This needs to be assessed on hedge by hedge basis. • The effect of credit risk does not dominate the value changes that result from that economic relationship; and • Maintaining the applicable hedge effectiveness ratio at all times. Policy also outlines the roles and responsibilities of each department. ALCO committee is responsible for regularly assessing and discussing hedging strategies for the bank presented by Balance Sheet Management department under Treasury Management. Balance Sheet Management team is responsible for identifying the potential hedging opportunities based on the prevailing market conditions. Treasury Middle Office is responsible for monitoring the hedge effectiveness ratio. Bank has also developed the hedging limits in order to ensure that risk remains within the defined appetite.
(ii)	Policies for determining whether a position is designated as trading, including the definition of stale positions and the risk management policies for monitoring those positions. In addition, banks should describe cases where instruments are assigned to the trading or banking book contrary to the general presumptions of their instrument category and the market and gross fair value of such cases, as well as cases where instruments have been moved from one book to the other since the last reporting period, including the gross fair value of such cases and the reason for the move.	The bank has prepared the trading book policy statement which specify the definition and key attributes for a trading desk. Following are the key points of the trading book policy statement: • Define and demarcate the boundary between the Banking Book (“BB”) and Trading Book (“TB”). • Identify all instruments, including the BB positions, that are required to be included in the market risk capital calculations. • Define the criteria for the initial identification of the TB instruments. • Provide the requirements for any subsequent re-assignments/movements of instruments between books. • Specify the definition, identification, and regulatory capital treatment of internal risk transfers (“IRT”). • State the way the regulatory boundary and IRT are governed and assign responsibility for these procedures. The Governance and Adherence section of the policy includes the roles and responsibilities of different departments along with the desk mandates and the management of market risk that arises from trading book position. It also includes the criteria as defined in the SAMA guidelines for the classification of trading book position. Reassignment should be rare and will be allowed by SAMA only in extraordinary circumstances. Any deviations from permissible list of instruments is part of the policy along with the approving authority including SAMA.
(iii)	Description of internal risk transfer activities, including the types of internal risk transfer desk (SMAR5)	Not applicable.

b	**The structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the bank discussed in row (a) above.**
	• The following are the key players in the market risk management process at the Bank: • Risk Committee of the Board - Oversee on behalf of the Board of Directors (BoD) the market risk management practice at the Bank and Approve overall market risk policy and setting broad market risk guidelines for the Bank. • Asset and Liability Management (ALCO) - Approve asset allocation and investment of the balance sheet. Set tolerance levels for the Bank, covering the components of Market Risk (including Asset Price Risk and Profit Rate Risk) and investment. Oversee management of market risk. Approve frameworks for monitoring market risk. Monitor overall actual risk levels. Monitor resilience of balance sheet to future changes, through reviewing stress testing. React if risk moves outside agreed tolerance. • Investment Committee - Approve allocation of investments managed by Treasury. Set tolerance levels for the bank, covering the components of investment and market risk. Oversee management of investment risk. Approve frameworks for monitoring investment risk. Monitor overall actual investment risk levels. Monitor resilience of balance sheet vis-à-vis investment risk to future changes, through reviewing stress testing. React if investment risk moves outside agreed tolerance. • Treasury Front Office - Manage bank's own investment portfolio and manage asset price risk associated with these investments. Manage risks resulting from balance sheet composition (liquidity and profit rate risks) for the entire bank. • Treasury Support - Support decision making in Treasury, through producing rapid response Treasury MIS (e.g. dealer performance, position reports and etc.). • Treasury Operations - Process all transactions initiated in Treasury, from confirmation through to settlement. • Risk Management - Ensure decision makers, bank-wide, to make decisions with full understanding of the risks involved. Review investment objectives, both in terms of risk and return. Support ALCO in setting risk tolerance levels and monitoring actual risk levels. Develop frameworks to measure risk. Propose risk limits, as request by and in discussion with Business units, and present to ALCO for approval. Measure overall risk levels both under steady conditions, and under stress scenarios. If the Bank moves outside approved risk limits, analyze options for bank to react, and present to ALCO for discussion and decision. Approve those decisions within delegated authority (e.g. counterparty limits). Monitor and report to ALCO all limit excesses in accordance with the Risk Appetite. • Finance - Act as ALCO secretary. Manage funds transfer pricing mechanism. Address tax concerns, including zakat which may be applicable on any investments. Escalate any un-reconciled trades. • Sharia'h Control - Sharia Control shall review to ensure that the Treasury business activities are in full compliance with Sharia Board Rulings as any violation may affect the Bank's profit. • • Audit - Conduct the review of the design and operating effectiveness of the market risk management process.
c	**The scope and nature of risk reporting and/or measurement systems.**
	The primary tool used by Market Risk to manage the market risks of the Bank is the Asset Liability Management system which is linked to the Fund Transfer Pricing System. The ALM system produces the Intra-day Liquidity system, the gap analysis and the various methods used in calculating the Profit Rate Risks of the Banking Book of the Bank. Investments in Traded Equities are also monitored in terms of VaR and CVaR. Limits for Market Risks, Liquidity, Profit Rate and Treasury Trading Limits are guided and managed through the Risk Appetite Framework and Policy which is monitored for compliance by Risk Management. Risk Committee of the Board and the Board Risk Committee receive periodic report on the compliance of the Risk Appetite Framework. In addition, all types of risks assessment are consolidated in the annual Internal Capital Adequacy and Assessment Process (ICAAP) which the regulator require from Banks to be completed and submitted within the month of February after the closing of the calendar year.

MR1: Market risk under the standardized approach

As of December 31, 2025

SR 000's

		Capital requirement in standardized approach
1	General interest rate risk	6,938
2	Equity risk	155,945
3	Commodity risk	-
4	Foreign exchange risk	116,219
5	Credit spread risk - non-securitizations	-
6	Credit spread risk - securitizations (non-correlation trading portfolio)	-
7	Credit spread risk - securitization (correlation trading portfolio)	-
8	Default risk - non-securitizations	10,304
9	Default risk - securitizations (non-correlation trading portfolio)	-
10	Default risk - securitizations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	**Total**	**289,406**

CVAA: General qualitative disclosure requirements related to CVA

a	**An explanation and/or a description of the bank's processes implemented to identify, measure, monitor and control the bank's CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges.**
	The Bank's CVA risks are managed as part of the Bank's derivative and hedging process and it's computed on quarterly basis to gauge the impact on the P&L using the standardized approach. Hedge effectiveness are monitored on regular basis and where appropriate, economic and/or accounting hedge is applied to manage the CVA risks.
b	**Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under SMAR14.**
	the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under SMAR14.

CVAB: Qualitative disclosures for banks using the SA-CVA

a	**A description of the bank's CVA risk management framework.**
	CVA/DVA is part of Derivatives Risk Management and Hedging Policy which is approved by Board. The policies articulates the role and responsibilities in term of computing and managing the accounting CVA. For the purpose of CVA capital requirement the bank is taking 100% of SA-CCR as a capital requirement since the bank is below the threshold mentioned by SAMA.
b	**A description of how senior management is involved in the CVA risk management framework.**
	CVA capital calculation results are regularly presented to ALCO as part of their review.
c	**An overview of the governance of the CVA risk management framework (eg documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).**
	Accounting CVA/DVA is part of Derivatives Risk Management and Hedging Policy. It outlines the detailed calculation along with the responsibilities of providing the needed data. The results are shared with the senior management and external auditors for their review.

CVA4: RWA flow statements of CVA risk exposures under SA-CVA As of December 31, 2025		SR 000's
1	**Total RWA for CVA at previous quarter-end**	**919,709**
2	**Total RWA for CVA at end of reporting period**	**1,107,836**

ORA: General qualitative information on a bank's operational risk framework	
a	**Their policies, frameworks and guidelines for the management of operational risk.**
	Alinma Bank has an approved Operational Risk Policy that guides the implementation of the Operational Risk Management (ORM) practice at the Bank. The corresponding procedure documents are also in place detailing the key processes, roles and responsibilities, as well as the documentary requirements along the ORM framework.
b	**The structure and organisation of their operational risk management and control function.**
	Alinma Bank is adopting a key process approach in its ORM practice whereby there is a dedicated team for each key ORM activity namely: Incident Management, Loss Data Management, RCSA, KRIs, New Products and Services Risk Assessments, and Policies/Procedures Reviews. The current organizational structure of ORM strengthens its control function in second-line of defense.
c	**Their operational risk measurement system (ie the systems and data used to measure operational risk in order to estimate the operational risk capital charge).**
	The Bank is using the Standardized Approach to calculate the required capital for the Operational Risk under Pillar 1. The computation includes the Business Indicator Component (BIC) and the Internal Loss Multiplier (ILM). BIC represents the exposure based on its income-generating activities, while the Internal Loss Multiplier is adjusting the same based on the Bank's historical loss data. The Bank has also developed a methodology for the required capital under Pillar 2 using the combination of the following: • Comparison of Operational Risk Capital Charge to historical loss data. • Comparison of Operational Risk Capital to losses based on Monte Carlo Simulation.
d	**The scope and main context of their reporting framework on operational risk to executive management and to the board of directors.**
	Alinma Bank's Board of Directors via its delegated Board Risk Management Committee and Executive Management are formally notified on the key updates and progress of ORM. This reporting requirements detailed in the Risk Monitoring and Reporting section of the ORM Policy.
e	**The risk mitigation and risk transfer used in the management of operational risk. This includes mitigation by policy (such as the policies on risk culture, risk appetite, and outsourcing), by divesting from high-risk businesses, and by the establishment of controls. The remaining exposure can then be absorbed by the bank or transferred. For instance, the impact of operational losses can be mitigated with insurance.**
	Risk Mitigation: the mitigation treatments adopted by the ORM include business continuity/contingency planning, insurance and outsourcing. **Risk Transfer:** In an event that a particular operational risk is beyond the control of the Bank, a risk transfer through insurance is used as a treatment.

OR1: Historical losses

SR 000's

		a	b	c	d	e	f	g	h	i	j	k
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year Average
Using 44,600 SAR threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	14,542	13,642	15,588	5,661	6,826	4,205	2,335	13,227	N/A	N/A	9,503
2	Total number of operational risk losses	32	20	15	16	7	9	6	17	N/A	N/A	15
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	N/A	N/A	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	N/A	N/A	-
5	Total amount of operational losses net of recoveries and net of excluded losses	14,542	13,643	15,587	5,661	6,826	4,205	2,335	13,227	N/A	N/A	9,503
												Using 446,000 SAR threshold
6	Total amount of operational losses net of recoveries (no exclusions)	11,653	12,011	12,044	4,180	5,012	2,668	1,243	11,532	N/A	N/A	7,543
7	Total number of operational risk losses	11	6	8	3	4	3	2	7	N/A	N/A	6
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	N/A	N/A	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	N/A	N/A	-
10	Total amount of operational losses net of recoveries and net of excluded losses	11,653	12,011	12,044	4,180	5,012	2,668	1,243	11,532	N/A	N/A	7,543

		a	b	c	d	e	f	g	h	i	j	k
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year Average
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A
12	If “no” in row 11, is the exclusion of internal loss data due to non compliance with the minimum loss data standards (yes/no)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	Loss event threshold: 44,600 SAR or 446,000 SAR for the operational risk capital calculation if applicable	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600	44,600

OR2: Business Indicator and subcomponents

As of December 31, 2025

SR 000's

		a	b	c
	BI and its subcomponents	**T**	**T-1**	**T-2**
1	Interest, lease and dividend component	4,994,304		
1a	Interest and lease income	16,154,779	13,227,509	7,612,961
1b	Interest and lease expense	7,506,150	5,572,995	1,546,495
1c	Interest earning assets	254,879,430	220,455,142	186,379,416
1d	Dividend income	33,004	30,798	30,545
2	Services component	2,449,283		
2a	Fee and commission income	2,921,597	2,426,703	1,901,510
2b	Fee and commission expense	1,313,278	967,712	692,578
2c	Other operating income	24,914	39,342	33,783
2d	Other operating expense	18,454	18,793	4,184
3	Financial component	596,852		
3a	Net P&L on the trading book	-	-	-
3b	Net P&L on the banking book	625,210	542,012	623,334
4	BI	8,040,439		
5	Business indicator component (BIC)	1,072,266		

Disclosure on BI:

		a
6a	BI gross of excluded divested activities	-
6b	Reduction in BI due to excluded divested activities	-

OR3: Minimum required operational risk capital

As of December 31, 2025

SR 000's

#	Particulars	a
1	Business indicator component (BIC)	1,072,266
2	Internal loss multiplier (ILM)	0.65
3	Minimum required operational risk capital (ORC)	697,967
4	**Operational risk RWA**	**8,724,584**

IRRBBA - IRRBB risk management objectives and policies (Quantitative disclosures)

As of December 31, 2025

Quantitative disclosures		
1	Average repricing maturity assigned to non-maturity deposits (NMDs).	Average maturity of all NMDs: 2.49 Years
2	Longest repricing maturity assigned to NMDs.	The slotting of NMDs has been done till the longest tenor of 5.5 Years

IRRBB1 - Quantitative information on IRRBB

As of December 31, 2025

SR 000's

In reporting currency	ΔEVE		ΔNII	
Period	**T**	**T-1**	**T**	**T-1**
Parallel up	4,459,451	3,624,028	(1,009,870)	(1,201,498)
Parallel down	(5,883,193)	(4,784,533)	1,010,337	1,201,810
Steepener	2,000,582	1,518,450		
Flattener	(1,176,861)	(858,415)		
Short rate up	1,193,509	1,022,428		
Short rate down	(1,237,884)	(1,058,730)		
Maximum	4,459,451	3,624,028	1,010,337	1,201,810
Period	**T**		**T-1**	
Tier 1 capital	48,193,174		41,464,734	

LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

		December 31, 2025
1	Total consolidated assets as per published financial statements	311,067,148
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1,843,325
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	215,439
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	23,021,677
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(1,314,627)
13	**Leverage ratio exposure measure**	**334,832,962**

LR2- Leverage ratio common disclosure

		December 31, 2025	September 30, 2025
		T	T–1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	310,726,617	308,336,139
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(974,096)	(1,827,621)
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	-	-
7	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of rows 1 to 6)	**309,752,521**	**306,508,518**
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	347,246	400,797
9	Add-on amounts for potential future exposure associated with *all* derivatives transactions	1,496,079	1,075,880
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures (sum of rows 8 to 12)**	**1,843,325**	**1,476,676**
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	215,439	262,599
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**215,439**	**262,599**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	86,367,462	82,747,174
20	(Adjustments for conversion to credit equivalent amounts)	(63,345,785)	(60,226,454)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**23,021,677**	**22,520,720**
Capital and total exposures			
23	**Tier 1 capital**	**48,193,174**	47,403,290
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**334,832,962**	330,768,512
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**14.39%**	14.33%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	14.39%	14.33%
26	**National minimum leverage ratio requirement**	**3.00%**	3.00%
27	**Applicable leverage buffers**	**n/a**	n/a

LR2- Leverage ratio common disclosure			
		December 31, 2025	September 30, 2025
		T	T–1
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	334,832,962	330,768,512
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	334,832,962	330,768,512
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14.39%	14.33%
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14.39%	14.33%

LIQA - Liquidity risk management	
Qualitative disclosures	
a	**Governance of liquidity risk management, including: risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity reporting; and communication of liquidity risk strategy, policies and practices across business lines and with the board of directors.**
	Liquidity risk is the risk that the Bank will be unable to fund itself or meet its liquidity needs in the event of firm-specific, market-wide or in a combined liquidity stress events. Liquidity is of critical importance to the Bank and Bank has in place a comprehensive and conservative set of liquidity and funding policies. Bank’s primary objective is to be able to fund itself and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances. In addition, the Bank also strives to ensure that it maintains key liquidity metrics within the regulatory thresholds & Bank’s risk appetite framework to remain in a safe position against liquidity stress and associated risks. The key ratios are SAMA specified requirements, namely, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and SAMA Liquidity Ratio. The second objective of the bank is to create an effective strategy for diversification in the sources and tenor of funding to improve the bank’s capacity to raise available funds under stress situations. To minimize concentration risk, relationship between different markets, depth of each market and period of products which have not matured is taken into consideration. In order to avoid large funding gaps in the balance sheet, the Bank regularly monitors maturity profile of the assets and liabilities on the basis of the remaining maturity. Bank’s Treasury Group is responsible for the management of the Bank’s liquidity position and the structural maturity mismatches. Treasury coordinates closely with the Market Risk Unit of Risk Management to track liquidity ratios and conduct liquidity stress tests to better prepare the bank for business as usual and unexpected stress scenarios. Liquidity ratios and Liquidity Stress Scenarios are regularly presented to ALCO together with the Contingent Funding Plans. Treasury group works under the liquidity guidelines and principles set by the Bank’s Asset Liability Committee (ALCO), who is the approving authority for the Liquidity Risk Appetite and the Liquidity Risk Policy. The Board Risk Committee has the ultimate ownership for the Bank’s Liquidity Risk management framework and reviews the liquidity position of the bank on a regular basis.
b	**Funding strategy, including policies on diversification in the sources and tenor of funding, and whether the funding strategy is centralised or decentralised.**
	The funding strategy assesses the funding requirements based on the projected balance sheet growth and the main sources of funding to support that growth. Along with normal projection, a sensitivity analysis of customer deposits is also included as these constitute the major source of funding for the Bank and expected to remain so. The funding strategy is aligned with the ILAAP by demonstrating that the projected liquidity regulatory ratios will be in compliance with the regulatory requirements if the funding is maintained as planned. A major portion of the funding requirements to be met through customers’ deposits. Additional sources of funding comprise boorowing through repo, Sukuk Issuance and long term Bilateral borrowing from other financial institutions.
c	**Liquidity risk mitigation techniques.**
	• • Maintaining sufficient amounts as unencumbered high quality liquidity buffer - a protection against any unforeseen interruptions to cash flow; • • Managing short-term and long-term cash flows via maturity mismatch report and various indicators; • • Monitoring depositor concentration at Bank level to avoid undue reliance on large fund providers; • • Diversifying funding sources to ensure proper funding mix; • • Ensuring that regulatory ratios such as SAMA Liquidity Ratio, LCR and NSFR are maintained at the required minimum; • • Constant review and assessment of the Contingency Funding Plan; • • Conducting biannually liquidity stress testing under various scenarios as part of prudent liquidity control to examine the effectiveness and robustness of the plans.
d	**An explanation of how stress testing is used.**
	The Bank performs stress testing to model its resilience under extreme but potential conditions arising from macroeconomic, strategic, political and business environmental factors, among others. The potential unfavorable effects of stress scenarios, to the institution’s risk weighted assets and capital adequacy are modeled to assess the Bank’s resiliency in terms of solvency, liquidity and profitability. The following are the key risk indicators: • Assets quality - increase/decrease in nonperforming assets measured in terms of ratio to financing assets. • Profitability - increase/decrease in the accounting profit/loss. • Capital adequacy – measured in terms of changes in total amount of capital and the Capital Adequacy Ratio (CAR). • Liquidity position - measured in terms of changes in key liquidity indicators.
e	**An outline of the bank's contingency funding plans.**
	Contingency funding plan (CFP) sets out the strategies for addressing liquidity shortfalls in emergency situations. CFP provides a pre-ordered response mechanism to facilitate a swift and effective response to specific contingency funding events, triggered by financial distress in the market or a company specific event. The CFP establishes a clear allocation of roles and clear lines of management responsibility, include clear invocation and escalation procedures, information flows, internal and external communications plan for managing a contingency funding event

	throughout the handling of a crisis event. It includes the early warning indicators which trigger the CFP with quantification and timing of mitigating actions. The plan is to be put to regular test and updated to ensure that it is operationally robust.
Quantitative disclosures	
f	**Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank.**
	The bank's lqiuidity position is continuously measured through verious matrices including Prudential Liquidity Ratios, future liquidity position in various time buckets, cash flow monitoring and funding concentration. Funding Strategy is planned every year to enable adequate and diversified sources of funding.
g	**Concentration limits on collateral pools and sources of funding (both products and counterparties).**
	Funding Concentration is monitored through depositor concentration ratio. It is monitored by Treasury middle office and Market Risk and is reported to ALCO.
h	**Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.**
	The operations of the Bank are mainly on the domestic market and does not have any foreign branches. The consolidated group entity comprises the banking arm and five other subsidiaries, four consolidated funds and two joint venture that offer investment management, remittances and real estate services. The liquidity requirements of the subsidiaries is managed independently by their respective management teams. Given that all subsidiary positions within the group are located domestically, the transfer of liquidity or capital between them is not a concern. Additionally, loans extended to intragroup subsidiaries are minimal relative to the overall balance sheet, meaning they do not significantly affect the liquidity gap or Pillar 1 liquidity ratios
i	**Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.**
	To ensure meeting Bank's payment obligations when they fall due under normal and stress circumstances the bank monitors its liquidity position through various measures. One such measure is Liquidity Gap - the mismatch in a bank's inflows and outflows from various assets and liabilities. All the assets and liabilities are slotted in different time buckets based on their residual maturities and net positions are assessed for each of those time periods. Up to one year liquidity is managed with more granular time buckets enabling the bank to monitor and manage the position more efficiently. The Management Action Trigger and Board Limits ensure that the gaps remain withing manageable levels. (refer to LIQA (i))

LIQA: Liquidity risk management

LIQA (i): Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps

SAR'000

	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA	-	-	-	-	14,942,407	**14,942,407**
Due from banks and other financial institutions:	-	-	-	-	-	**-**
Current accounts	-	-	-	-	463,228	**463,228**
Murabaha, Wakala and Reverse repo with banks	744,189	10,060	502,981	-	-	**1,257,230**
Investments, net	-	-	-	-	-	**-**
Investments held at amortized cost	140,018	963,804	6,113,582	31,723,106	-	**38,940,510**
Investments held at FVOCI	7,989	1,926,789	6,318,666	5,021,504	379,091	**13,654,039**
Investments held at FVSI	36,055	21,624	20,744	-	3,817,359	**3,895,782**
Investments in associate and joint venture	-	-	-	-	132,221	**132,221**
Positive fair value of derivatives	2,451	450	440,176	-	-	**443,077**
Financing, net	-	-	-	-	-	**-**
Retail	3,450,351	5,809,265	25,758,686	23,652,268	-	**58,670,570**
Corporate	17,415,197	48,791,605	65,499,990	39,369,476	-	**171,076,268**
Property and equipment, net	-	-	-	-	4,522,728	**4,522,728**
Other assets	-	-	-	-	3,069,088	**3,069,088**
Total assets	21,796,250	57,523,597	104,654,825	99,766,354	27,326,122	**311,067,148**
Liabilities and equity	-	-	-	-	-	**-**
Due to SAMA, banks and other financial institutions	-	-	-	-	-	**-**
Demand	-	-	-	-	524,609	**524,609**
Time investments and due to SAMA	10,626,982	1,143,014	3,918,360	-	-	**15,688,356**
Customers' deposits	-	-	-	-	-	**-**
Demand, savings and others	-	-	-	-	109,782,801	**109,782,801**
Customer's time investments	85,485,129	26,978,585	3,715,352	1,412,063	-	**117,591,129**
Sukuks and certificates of deposit issued	-	3,816,638	1,918,087	1,890,196	-	
Negative fair value of derivatives	2,454	98	263,432	-	-	**265,984**
Amount due to Mutual Funds' unitholders	-	-	-	-	100,782	**100,782**
Other liabilities	-	-	-	-	11,247,444	**11,247,444**

LIQA: Liquidity risk management

LIQA (i): Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps

SAR'000

	Within 3 months	3 months to 12 months	1 to 5 years	Over 5 years	No fixed maturity	Total
Total equity	-	-	-	-	48,241,122	**48,241,122**
Total liabilities and equity	96,114,565	31,938,335	9,815,231	3,302,259	169,896,758	**311,067,148**
Commitments & contingencies						**-**
Letters of credit	3,028,853	1,945,903	181,230	62,279	-	**5,218,265**
*Letters of guarantee**	3,353,820	10,363,615	6,744,829	116,270	-	**20,578,534**
Acceptances	1,167,413	-	-	-	-	**1,167,413**
*Irrevocable commitments to extend credit**	-	-	12,831,447	-	-	**12,831,447**
Total commitments & contingencies	**7,550,086**	**12,309,518**	**19,757,506**	**178,549**	**-**	**39,795,659**
Liquidity gap - on-balance sheet	**(74,318,315)**	**25,585,262**	**94,839,594**	**96,464,095**	**(142,570,636)**	**-**
Liquidity gap - on- and off-balance sheet	**(81,868,401)**	**13,275,744**	**75,082,088**	**96,285,546**	**(142,570,636)**	**(39,795,659)**

***** These are all receivables / payable on demand. Letters of guarantee and irrevocable commitments may be payable on demand in the event of default.

	LIQ1 – Liquidity Coverage Ratio (LCR)		
			SAR 000's
		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	**Total HQLA**		**53,712,165**
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**	73,139,387	5,794,855
3	Stable deposits	30,381,676	1,519,084
4	Less stable deposits	42,757,711	4,275,771
5	**Unsecured wholesale funding, of which:**	91,475,395	38,540,221
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	87,572,811	34,637,637
8	Unsecured debt	3,902,584	3,902,584
9	**Secured wholesale funding**	-	-
10	**Additional requirements, of which:**	12,441,642	1,244,164
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	12,441,642	1,244,164
14	**Other contractual funding obligations**	-	-
15	**Other contingent funding obligations**	71,883,343	1,882,405
16	**TOTAL CASH OUTFLOWS**		**47,461,645**
Cash inflows			
17	**Secured lending (eg reverse repos)**	-	-
18	**Inflows from fully performing exposures**	12,914,297	7,787,398
19	Other cash inflows	-	-
20	**TOTAL CASH INFLOWS**		7,787,398
			Total adjusted value
21	**Total HQLA**		**53,712,165**
22	**Total net cash outflows**		**39,674,247**
23	**Liquidity Coverage Ratio (%)**		**135.38%**

LIQ2: Net Stable Funding Ratio (NSFR)

As of December 31, 2025

SAR 000's

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(In currency amount)		No maturity	<6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item						
1	**Capital:**	-	-	-	52,445,767	54,321,168
2	*Regulatory capital*	-	-	-	52,445,767	52,445,767
3	*Other capital instruments*	-	-	-	-	1,875,401
4	**Retail deposits and deposits from small business customers, of which:**	61,787,159	25,939,125	1,627,641	1,024,594	83,065,735
5	*Stable deposits*	30,285,984	1,985,423	180,768	44,229	30,873,795
6	*Less stable deposits*	31,501,175	23,953,703	1,446,873	980,365	52,191,941
7	**Wholesale funding:**	48,520,251	83,848,366	15,496,610	9,217,670	75,687,485
8	*Operational deposits*	-	-	-	-	-
9	*Other wholesale funding*	48,520,251	83,848,366	15,496,610	9,217,670	75,687,485
10	**Liabilities with matching interdependent assets**	-	-	-	-	-
11	**Other liabilities**	11,348,227	-	-	265,984	-
12	*NSFR derivative liabilities*		-	-	265,984	
13	*All other liabilities and equity not included in the above categories*	11,348,227	-	-	-	-
14	**Total ASF**					**213,074,388**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**2,003,761**
16	**Deposits held at other financial institutions for operational purposes**	464,184	-	-	-	232,092
17	**Performing loans and securities:**	511,312	41,772,754	36,852,815	162,324,908	173,340,425
18	*Performing loans to financial institutions secured by Level 1 HQLA*	-	-	-	-	-
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	-	563,745	10,060	502,981	592,573
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	-	40,137,629	35,685,006	145,269,079	161,233,255
21	*With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk*	-	-	-	-	-
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk*	-	3,277	8,846	7,850,775	5,109,066
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	511,312	1,068,102	1,148,903	8,702,073	6,405,531

LIQ2: Net Stable Funding Ratio (NSFR)

As of December 31, 2025

SAR 000's

		a	b	c	d	e
		Unweighted value by residual maturity				**Weighted value**
	(In currency amount)	**No maturity**	**<6 months**	**6 months to < 1 year**	**≥ 1 year**	
25	**Assets with matching interdependent liabilities**	-	-	-	-	-
26	**Other assets:**	7,591,816	-	-	5,672,987	16,681,812
27	*Physical traded commodities, including gold*	-				-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties*		-	-	-	-
29	*NSFR derivative assets*				443,077	177,092
30	*NSFR derivative liabilities before deduction of variation margin posted*				265,984	53,197
31	*All other assets not included in the above categories*	7,591,816	3,895,782	-	4,963,925	16,451,523
32	***Off-balance sheet items***				86,367,462	641,572
33	***Total RSF***				**73,536,015**	**192,899,662**
34	***Net Stable Funding Ratio (%)***					**110.46%**