

بنك الجزيرة  
BANK ALJAZIRA



# Enriching Lives Through Financial Wellbeing

Annual Report 2024

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

**King Salman bin Abdulaziz Al Saud**  
Custodian of the Two Holy Mosques



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

**HRH Prince Mohammad bin Salman Abdulaziz Al Saud**  
The Crown Prince, Prime Minister, the chairman of the Council of Economic and Development Affairs and chairman of the Council of Political and Security Affairs

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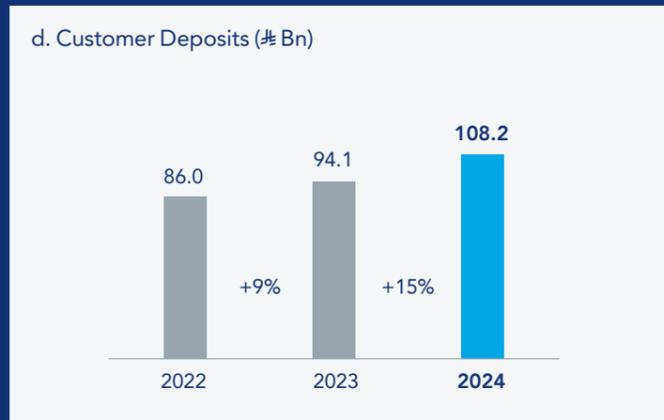
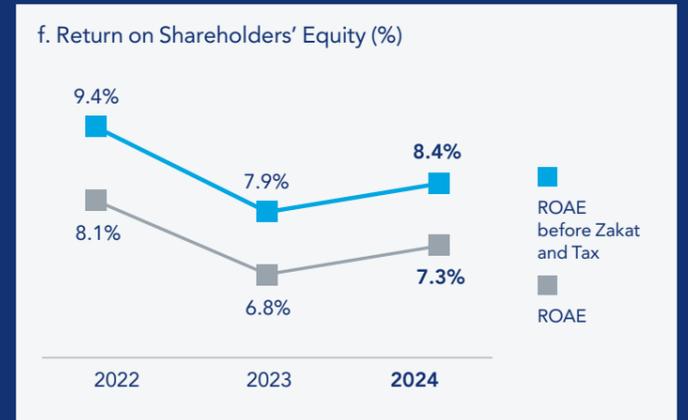
# 01

## About Bank AlJazira



1.1 Financial highlights

# Our year in numbers





## 1.2 Purpose, values, vision

Our purpose

# Enriching lives through financial wellbeing

Our values

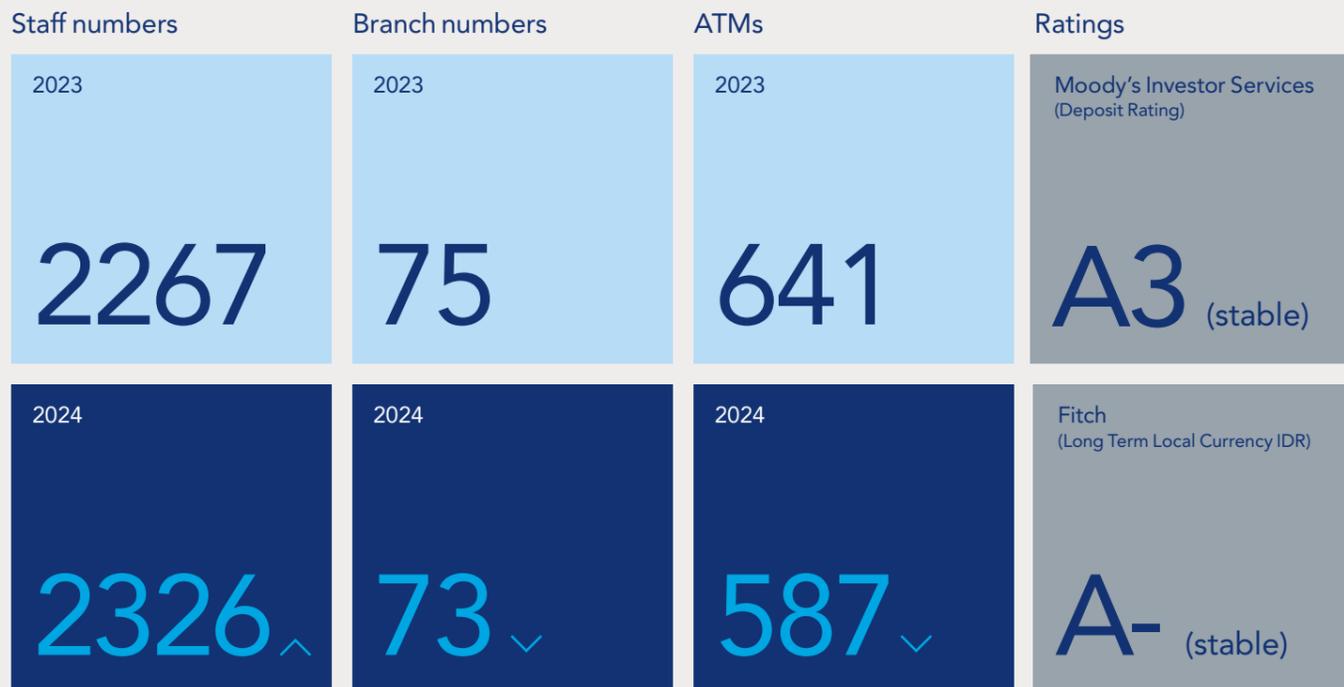
We innovate for the Future...  
We succeed through Partnership

Our vision

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

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

## 1.3 Bank AlJazira at a glance



### Subsidiary companies

|  | Country of Incorporation | Nature of Business   | Ownership (direct and indirect) 31 December 2024 | Ownership (direct and indirect) 31 December 2023 |
|--|--------------------------|--|--|--|
| <b>Subsidiaries</b>  |                          |  |  |  |
| <b>AlJazira Capital Company (AJC)</b>                      | Kingdom of Saudi Arabia  | Brokerage, margin financing and asset management                       | 100%   | 100%   |
| <b>Aman Development and Real Estate Investment Company</b> | Kingdom of Saudi Arabia  | Holding and managing real estate collaterals on behalf of the Bank     | 100%   | 100%   |
| <b>AlJazira Securities Limited</b>                         | Cayman Islands           | Carry out Shariah compliant derivative and capital market transactions | 100%   | 100%   |
| <b>BAJ Sukuk Tier 1 Limited</b>                            | Cayman Islands           | Trustee for issuance of Tier 1 capital certificates                    | 100%   | 100%   |
| <b>Associate</b>   |                          |  |  |  |
| <b>AlJazira Takaful Ta'awuni Company</b>                   | Kingdom of Saudi Arabia  | Fully Shariah compliant protection and saving products                 | 33.08%*  | 26.03%   |

\*This includes the Bank's standalone shareholding of 29.36% (31 December 2023: 22.31%) and AJC's shareholding of 3.72% (31 December 2023: 3.72%).

## 1.4 Investment case

### Strong and well-established Islamic banking franchise:

Bank AlJazira is recognized for its robust and trusted Islamic banking operations. This foundation in Islamic finance has earned the bank the loyalty of a diverse customer base, contributing to its reputation as a leading provider of ethical banking solutions.

### Well-diversified business profile:

Bank AlJazira's business spans retail, corporate, brokerage, asset management and treasury. This spread of activity caters for every client segment in the vibrant and diverse Kingdom of Saudi Arabia. This diversification ensures a balanced and resilient business model, allowing the bank to navigate market fluctuations, while also positioning itself to capitalize on a broad spectrum of opportunities.

### Consistent profit delivery over the past eight quarters:

The bank has consistently demonstrated strong profitability, with healthy growth in key financial metrics such as net income, return on equity, and capital adequacy ratios. Bank AlJazira has delivered steady and reliable profitability over the last eight quarters, reflecting its disciplined approach to cost management, revenue generation, and risk control. This consistency in earnings is underscored by its operational efficiency and ability to adapt to changing market conditions.

### Most liquid stock among peers:

BAJ stands out for its high liquidity, making its stock an attractive option for investors seeking both stability and flexibility. This liquidity ensures ease of transaction for shareholders and is a sign of investor confidence in the bank's financial health and market presence.

### Well-positioned for growth with a new strategy

With its innovative growth strategy, Bank AlJazira is well-equipped to take advantage of Saudi Arabia's expanding economy and the Vision 2030 transformation. Bank AlJazira has embraced digital banking, offering advanced online and mobile banking services, successfully catering to the evolving needs of tech-savvy customers. The bank's strategic initiatives focus on expanding its customer base, diversifying income sources, and enhancing operational efficiency.

### Committed to sustainability and social responsibility:

Bank AlJazira is dedicated to making a positive impact on society through its focus on environmental sustainability, ethical practices, and social initiatives. The bank integrates ESG (Environmental, Social, and Governance) principles into its operations, aligning itself with global standards and catering to the growing demand for responsible and impactful investments.

## 1.5 Strategy overview

Bank AlJazira’s strategy is to be a dynamic and resilient boutique bank, prioritizing mobile first and digital capabilities. We are building a strong mid-tier corporate franchise, enhancing our appeal to affluent retail customers, and leading in wealth management, supported by Treasury operations. With 42 strategic initiatives set for completion during the five-year timeline of the refreshed strategy, we are on an ambitious path to achieve a more resilient and profitable performance.

A dynamic and resilient boutique bank, prioritizing mobile first and digital capabilities.

### The Refreshed Strategy

#### Where are we heading?

- A boutique bank with upside potential
- A mobile first, digitally enabled bank that blends the physical and digital worlds
- A dynamic and resilient bank in a transforming world, built on innovation & partnership
- Long-term stability and profitability for our shareholders

### Business Lines Vision

#### Corporate

Segment and sector focused, growing assets fueled by robust mid-tier corporate franchise with a growing contribution from the MSME segment.

#### Retail

Bank-of-choice for affluent customers and high net worth individuals with a comprehensive value proposition that is digitally enabled

#### AlJazira Capital

Leading wealth management house in Saudi Arabia

#### Treasury

Core partner for business growth and enablement

#### Time Span for Transformation Initiatives



## 1.6 Awards & accolades

Bank AlJazira has been recognized by industry peers and judges across a range of categories, reflecting the excellence with which the bank conducts its business:



### Genesys Next Generation Award 2024

Best Customer Service Practices for Next Generation: Following Highest international standards and system in Customer Service.

From: Genesys / LEAP 2024



### Outstanding Online Security Measures Award 2024

Upholding Highest Standard of Security and Services for customers

From: Saudi Banking Conference 2024



### Excellence Award in the Corporate Governance Index 2024

Bank ranks among the top five financial sector companies in Saudi Stock Exchange(Tadawul), demonstrating strong corporate governance and regulatory compliance.

From: Alfaisal University



### STP Award 2024

Achieving Exceptional Rate of 99% in Straight Through Payments (STP) Processing through USD account

From: Citibank (USD Clearing Bank)



### Best Modern Data Infrastructure in the Middle East 2024

Outstanding progress in data transformation, affirming our strategic commitment to leverage data for impactful outcome.

From: Cloudera



### Consumer Finance Product of the Year – Auto Lease 2024

Reflecting our commitment to excellence in providing financial solutions enhancing customer satisfaction and loyalty.

From: The Digital Banker



### Outstanding Customer Service Innovation by Retail Bank 2024

This is a testament to our dedication to pushing boundaries and creating truly innovative products and services for our customers.

From: The Digital Banker



### Excellence in Mobile Banking 2024

This prestigious award recognize Bank AlJazira's commitment to delivering innovative, user-friendly mobile banking solutions that empower customers.

From: Finnovax Awards – Saudi Arabia



### Best Customer Experience Award - Digital Banking Channel

Reflecting excellence of our digital banking channels and continuous focus on customer through all stages of development

From: MEA Finance



### Best Workplace Environment 2024

Testament of Bank AlJazira's remarkable culture transformation journey, which is built on four key cornerstones – execution, innovation, growth, and unity.

From: International Finance Awards



### Best Strategic Partnership Initiative for Empowering Tech Startups 2024

This award recognizes Bank AlJazira commitment to fostering innovation and supporting the next generation of tech leaders.

From: Global Business Outlook Awards



### Corporate Social Responsibility Award in the Arab Countries 2024

Recognizing Bank AlJazira pioneering role in social responsibility through various programs that aim to develop community and support non-profit sector in according with Kingdom Vision 2023

From: Regional Network for Social Responsibility.

## 1.7 Stakeholder engagement

Open, transparent and constructive dialogue with stakeholders is of fundamental importance to Bank AlJazira.



Employees



Investors and Shareholders



Regulators and Government Authorities

### Method of Engagement

- Training & development
- Programs
- Performance
- Appraisals
- Internal communications
- Employees satisfaction survey

### Method of Engagement

- Press release
- General assembly
- Annual and public reports
- Financial statements
- Investor conference and presentation
- Investor earning calls
- Bank website
- Earning Press Release

### Method of Engagement

- Board of Director's report (BoD)
- Engagement with regulator through compliance reports and public reports
- Financial statements
- Annual Report
- Announcements made on the Saudi Stock Exchange

### Topics of Engagement

- Talent development
- Diversity
- Fair compensation
- Employee wellbeing
- Career planning
- Corporate values
- Employee loyalty and recognition

### Topics of Engagement

- Financial performance
- Governance and compliance
- ESG rating
- Risk management
- Business ethics

### Topics of Engagement

- Governance and compliance
- Anti-money laundering, bribery and corruption
- Saudization
- Strategy
- Conferences

The bank defines stakeholders as those groups or individuals who are directly impacted by or are interested in Bank AlJazira and its operations. The bank encourages stakeholders to convey their opinions and to deliver regular feedback. Below is a simple matrix outlining the bank's engagement methods and topics with its key stakeholder audiences.



Suppliers and Business Partners



Customers



Communities, Societies and Environments

### Method of Engagement

- Supplier code of conduct
- Public reports
- Bank website
- On-site Visits and Meetings

### Method of Engagement

- Branches
- Call centers
- Online banking
- Social media
- Bank website
- Public Events
- ATMs

### Method of Engagement

- Partnerships
- Volunteering & donation programs
- Education programs
- Social media
- Public events
- Youth and employment projects

### Topics of Engagement

- Sustainable procurement
- Digital innovation
- Continued Business Opportunities

### Topics of Engagement

- Digital banking services
- Data privacy
- Data securities
- Responsive customer service
- Innovative products & services

### Topics of Engagement

- Financial literacy
- Financial accessibility
- Business ethics and community investments
- Environmental Performance
- ESG report

## 1.8 Saudi Vision 2030

As the Kingdom continues to press ahead with its national transformation strategy Vision 2030, Bank AlJazira continues to align and contribute towards achieving the Vision’s objectives in its role as one of Saudi Arabia’s leading Shariah-compliant financial institutions. This status makes the bank a key enabler of Vision 2030.

Vision 2030 is built on three strategic pillars:

- Vibrant Society
- Thriving Economy
- Ambitious Nation

Bank AlJazira makes a material contribution to relevant elements within each of these pillars.

- A Vibrant Society includes the ambition to “Enable suitable home ownership among Saudi families”. AlJazira’s strong performance in the mortgage market plays a key role in making this possible.
- A Thriving Economy includes the targets of:
  - Increase SME contribution to GDP from 20% to 35%: Bank AlJazira’s compelling SME proposition has resulted in asset growth to the segment of 14% over ₪ 6.2 billion in 2024.
  - To increase the private sector’s contribution from 40% to 65% of GDP: Bank AlJazira’s strong corporate and SME business is the engine that drives private sector growth
  - To raise the share of non-oil exports in non-oil GDP from 16% to 50%: Bank AlJazira is a material contributor to the non-oil economy
  - 70% Homeownership by 2030: Bank AlJazira is an important contributor to and participant in the Kingdom’s residential finance market.

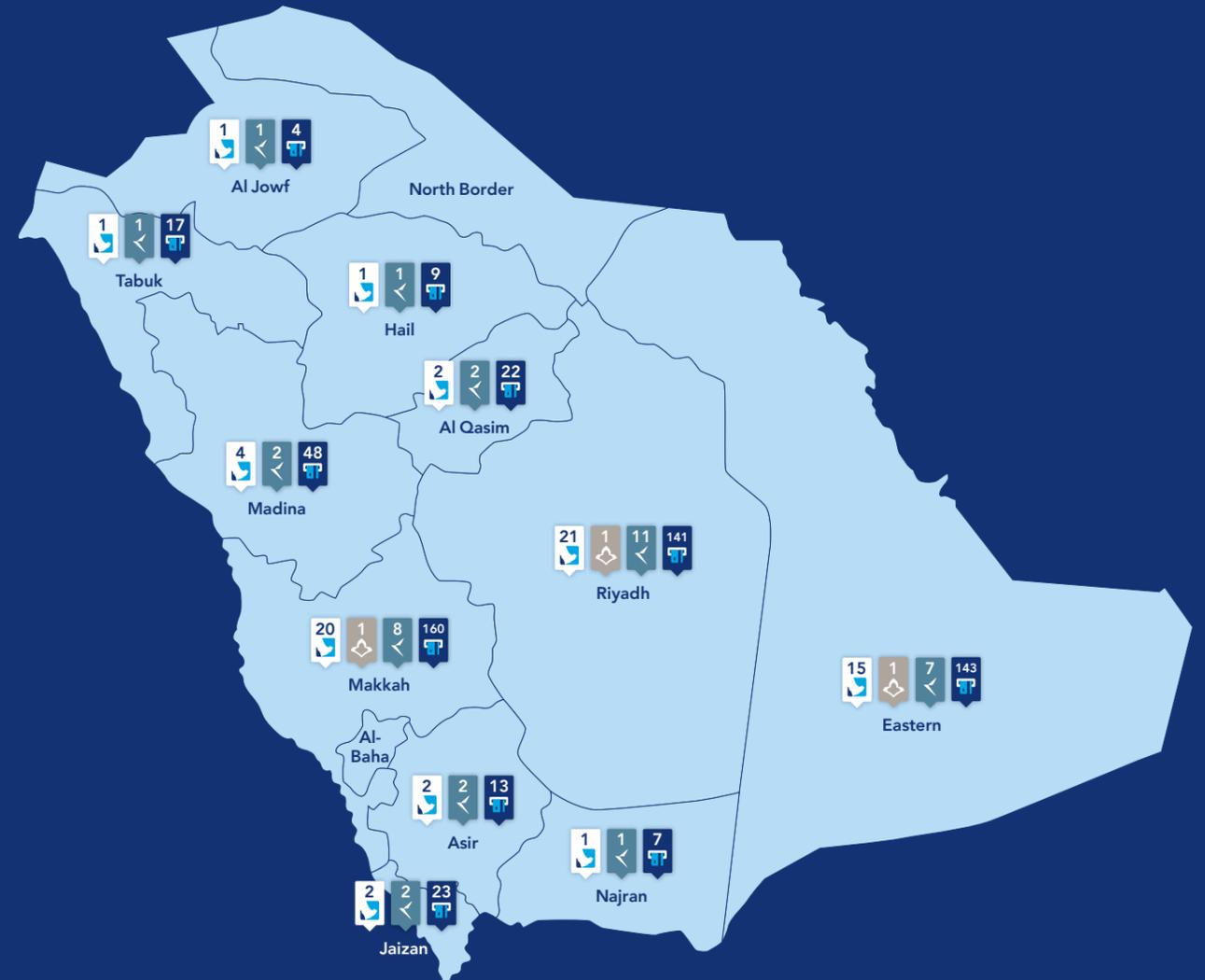
- Ambitious Nation has the aim of building a country that is effectively governed, transparent, and accountable, encouraging all of society – citizens, businesses, and non-profit organizations – to take the lead in identifying and pursuing opportunities to advance our collective future. This empowers everyone to play a more active role in shaping the future of our nation.

But the area of Vision 2030 with which Bank AlJazira is most clearly aligned is the Financial Sector Development Program (FSDP), one of thirteen ‘Vision Realization Programs’ (VRPs), road-maps with approved delivery plans to meet specific objectives and Key Performance Indicators (KPIs) towards the overarching targets of Vision 2030.

Through the FSDP, the Kingdom envisions the steady growth of its Banking and Financial Services Sector. Bank AlJazira contributes towards the objectives of the program, which is to grow and diversify the economy, enable social responsibility, and transition into a cashless society powered by digital technologies and infrastructure that is accessible to all.

# Bank AlJazira is a vital contributor to the success of Vision 2030

## 1.9 Geographical Footprint



Total distribution network:

70  
Retail Branches

3  
Private Branches

38  
Fawri Branches

587  
Bank AlJazira ATMs

02

Board & Executive  
Management Team



# Board of Directors



**Engr. Tarek bin  
Othman Al-Kasabi**

Chairman of the Board



**Engr. Abdulmajeed bin  
Ibrahim Al-Sultan**

Deputy Chairman of the Board



**Mr. Naif bin Abdulkareem  
Al-Abdulkareem**

Member



**Mr. Mohammed Saad Bindawood**

Member



**Mr. Ibrahim bin Abdul-Aziz Al-Shaia**

Member



**Mr. Saad bin Ibrahim Al Mushawah**

Member



**Mr. Abdulwahab bin Abdulkareem Albetari**

Member



**Mr. Adil bin Saud Dahlawi**

Member



**Mr. AbdulLatif K. Al Melhem**

Member

## Executive Management team



**Mr. Naif A. Al-Abdulkareem**

CEO and Managing Director



**Mr. Hani A. Araki**

Senior Vice President and Head of Treasury Group



**Mr. Faisal M. Al-Mansour**

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



**Mr. Mohammed A. Al Mousa**

Senior Vice President and Head of Retail Banking Group



**Mr. Sami J. Al-Mehaid**

Senior Vice President and Head of Corporate and Institutional Banking Group



**Mr. Ibrahim A. Al-Omar**

Senior Vice President and Chief Operations Officer



**Mr. Hani S. Noori**

Senior Vice President and Chief Financial Officer



**Mr. Hamad I. Al-Essa**

Senior Vice President and Chief Compliance and AFC Officer

## Executive Management team (continued)



**Dr. Fahad A. Al-Elayan**

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



**Mr. Nahim Y. Bassa**

Senior Vice President and Head of Strategy  
& Digital Transformation Group



**Mr. Bader Al Boqami**

Senior Vice President and Head of Marketing  
and Customer Excellence Group



**Mr. Osama K. Al Ibrahim**

Senior Vice President and Chief Risk Officer



**Mr. Sultan S. Al-Qahtani**

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



**Mr. Abdulaziz Al-Zammam**

Senior Vice President and Chief  
Internal Audit Executive



**Mr. Yazid Al-Mobty**

Senior Vice President and  
Chief Credit Officer



**Mr. Badr A. Al-Rashodi**

Vice President and Head of Customer  
Experience and Protection Division

03

Chairman's  
Message



Having completed a full year of our refreshed strategy, Bank AlJazira has made **meaningful progress in all areas.**

## Chairman's Message

**Net income increased by 21% in 2024.**

### Dear shareholders of Bank AlJazira,

2024 proved to be a foundational year for Bank AlJazira. The successful execution of a bold and ambitious strategy has resulted in the emergence of a strong, innovative and successful financial institution with a highly promising future.

### 2024 Performance in Context

The context of this success is clear: Saudi Arabia's economy continues to be one of the most dynamic and exciting in the world. Over the eight years since the launch of the Saudi Arabia Vision 2030, the Kingdom has made significant strides in developing a thriving, diversified economy towards 2030 goals. This has included legal, regulatory and market reforms which are bringing Saudi Arabia's business environment in line with international practices.

The results of this national transformation are there for all to see: Saudi Arabia's non-oil activities contributed over 50% to GDP for the first time in 2023, and this trend continued into 2024 with non-oil GDP growth of 3.7% in 2024 and 4.4% forecast for 2025, indicating considerable success in the Vision 2030 objective of diversifying the economy beyond oil.

Key sectors that are driving this transformation include

tourism and transport, financial services, real estate and construction and manufacturing. Furthermore, the projects associated with Vision 2030 such as NEOM, the Red Sea project, Al Ula, Qiddiyah, Murabba, Diriyah, and King Salman Park in Riyadh alongside a wide range of developmental initiatives across the Kingdom have significantly contributed to accelerating economic growth and reinforcing Saudi Arabia's position as a leading destination for global investment.

Furthermore, the Kingdom can boast a positive economic outlook until at least 2029, as the IMF forecasts the Kingdom's growth to rise to 4.7 per cent in 2025, moderating to 3.5 per cent growth by 2029.

2024 was not without its challenges, however. Geopolitical crises, a subdued oil price and the elevated interest rates environment all provided headwinds to growth, but the Saudi economy proved to be resilient in the face of these challenges, registering growth when other parts of the world have struggled.

### A strong and growing banking sector

The banking sector continued to experience solid financing growth, with banking assets increasing by 14% in 2024, another sign of a flourishing macro-economic backdrop.



## Unity of purpose and endeavor is reflected in our financial performance this year.

However, while this environment can be seen as highly benign for business, the bank had to weather and overcome volatility and uncertainty both locally and globally.

Since the start of the year, interest rates have been at very high levels, and while there has been some alleviation, the agility, discipline and innovation that have characterized AlJazira's response to the rates challenge have been highly gratifying to witness, and our results and robust balance sheet are testament to the team's ability to seize opportunities in the midst of challenging circumstances.

### Execution of Strategy

Bank AlJazira made meaningful progress in executing its refreshed strategy in 2024. Our clear strategic focus on creating a distinctive value proposition, digital growth and building a thriving organization is well-understood throughout the organization, meaning that the bank is pulling together as a team towards the same goal.

Having completed a full year of our refreshed strategy, Bank AlJazira has made meaningful progress in all areas: we have balanced the portfolio mix in key business areas, continued Corporate expansion, gaining market share, improved resilience through an enhanced control environment, and repositioned BAJ as a preferred employer for top talent.

The result of this unity of purpose and endeavor is reflected in our financial performance: total assets increased by 15% to ₪ 148.9 bn. Of this, financing was responsible for ₪ 96.9 bn, while customer deposits grew by 15% over the year to reach ₪ 108.2 bn by the year end. Net income for the full year stood at ₪ 1.2 bn, an increase of 21% over 2023.

### Success underpinned by digital transformation

I am particularly pleased to report the progress made in our digital transformation. What began in 2021 as a journey towards achieving our vision of being a mobile first, digitally enabled bank reached fruition in 2024. We have established the infrastructure, the platforms, the data, the systems and the capabilities to enter 2025 in a highly developed state of digital readiness.

Bank AlJazira's self-developed digital platform has established itself as a cornerstone of innovation and technological advancement. Serving as the primary enabler for the design and deployment of the Bank's retail banking services, it also played a pivotal role in the successful launch of the corporate banking application. In 2024, the platform proved the strategic value of digital investment, delivering returns that significantly outperformed expectations. This achievement stands as a clear reflection of the Bank's bold ambition and forward-thinking vision throughout 2024.



# Our journey towards being a mobile first, digitally enabled bank reached fruition in 2024

### A socially responsible bank

In the field of social responsibility, Bank AlJazira executed over 100 community projects across the Kingdom, benefiting more than 23,000 individuals in 2024. The bank expanded its disability support programs, In addition, the Bank launched specialized initiatives aimed at enhancing the skills and capabilities of young men and women. In support of productive families, the Bank contributed to advancing their projects through strategic partnerships. It also played an active role in fostering innovation and entrepreneurship through flagship programs such as "Mubtakirun" and "Mubdi'un." Furthermore, the Bank made meaningful contributions to environmental preservation and awareness, including the cleanup of natural parks under the "Ahd wa Waad" initiative. The Bank also maintained its annual participation in the National Campaign for Charitable Work through the Ehsan platform. As part of its commitment to social responsibility, the Bank marked Social Responsibility Day by organizing various activities and events for beneficiaries of its social responsibility programs, particularly individuals with disabilities and their families.

In recognition of these efforts, Bank AlJazira was awarded the 2024 Corporate Social Responsibility Award for Arab countries by the Regional Network for Social Responsibility and the UNDP. It was also recognized as one of the top 20 institutions in social responsibility by the Arab Organization for Social Responsibility.

### Conclusion and thanks

In conclusion, I wish to express my sincere thanks and gratitude to His Majesty King Salman bin Abdulaziz Al Saud, the Custodian of the Two Holy Mosques, and to His Royal Highness Crown Prince Mohammed bin

Salman bin Abdulaziz, Prime Minister. for their wise leadership in guiding this ambitious journey towards Vision 2030. Their vision and directives have been the foundation of our achievements and will continue to drive our future successes, with God's will.

Our heartfelt appreciation is also due to those areas of the Government that support the financial services sector: the Council of Economic and Development Affairs, the Ministry of Finance, the Saudi Central Bank, the Capital Market Authority, the Ministry of Commerce, and the Ministry of Investment. Their continuous efforts have significantly contributed to the growth and development of both the financial sector and the national economy.

I also want to express gratitude to the esteemed members of the Board of Directors for their invaluable endeavor and continued support, which have greatly contributed to empowering the executive management and business sectors at Bank AlJazira in achieving success and delivering results.

I express profound appreciation to our shareholders and customers for their enduring trust and loyalty.

May the blessings of the Almighty be upon you, guiding your endeavors towards paths of virtue and prosperity.

**Engr. Tarek Othman AlKasabi**  
**Chairman of the Board of Directors**  
**Bank AlJazira**

# 148.9 Bn

A total assets increase of 15%

# 96.9 Bn

Financing grew by 20%

# 108.2 Bn

Customer deposits grew by 15%



04

Sustainability and  
Corporate Social  
Responsibility

## Bank AlJazira’s commitment to sustainability and to environmental, social and governance (ESG) principles remains undimmed.

As an Islamic bank, sustainability, fair outcomes, sharing of risk and adherence to Quranic principles are in our DNA.

As such, the bank publishes a full Sustainability Report which complies with the standards set out by the Global Reporting Initiative, and in which we disclose our impact on society, on communities and on the environment in full. The 2024 report will be published later in 2025.



Among the keynote sustainability successes of 2024 were:



The bank also participated as a member in the working team formed by the EBAC Committee at SAMA, which is responsible for Environmental, Social, and Governance (ESG) standards.

Bank AlJazira grew its financing of ESG and sustainability-related projects during 2024:

|  |  |                                    |                                   |                                |   |
|--|--|------------------------------------|-----------------------------------|--------------------------------|---|
| <b>1</b>                                       | <b>2</b>   | <b>3</b>                           | <b>4</b>                          | <b>5</b>                       | <b>6</b>                                      |
| Green Energy project – Power generation sector | Bio Medical facility – to produce medical implants | Carbon capture and storage project | Manufacturing of energy batteries | Waste collection and recycling | Paper board expansion project – ESG compliant |

These projects have approved facilities of ₪ 4.2 billion and a financing amount of approximately ₪ 1.8 billion.



The bank offers a range of programs to prepare young Saudis for the workforce and equip them with essential skills.

In 2024, Bank AlJazira successfully implemented over 100 community projects across more than 50 cities and governorates, benefiting more than 23,000 individuals. In recognition of its outstanding contributions, the bank was awarded the 2024 Corporate Social Responsibility Award for Arab countries by the Regional Network for Social Responsibility in collaboration with the United Nations Development Program. Additionally, the bank was honored as one of the top 20 institutions in social responsibility by the Arab Organization for Social Responsibility.

The bank has a long and proud history of supporting individuals with disabilities and their families. These programs focus on training, rehabilitation, awareness, and empowerment. In 2024, the bank sponsored the third edition of the Bank AlJazira Award for Special Education in Al-Qassim, and collaborated with Al-Majmaah University to offer a diploma in management for individuals with disabilities. Additionally, the bank supported the early intervention clinic for children with autism and the high-pressure oxygen therapy clinic.

The bank extended its successful “Mubtakirun” program beyond Riyadh. The ninth edition of the program, focused on “Technology and Industry,” was held in Jazan in collaboration with Jazan University, having a significant positive impact on entrepreneurs in the region. Additionally, the bank launched the “Mubdi’un” program for children aged 8-15, focused on solar and renewable energy.

The bank offers various programs aimed at preparing young Saudis for the workforce and equipping them with essential skills. Special initiatives, such as the “Uloom” project, help empower young men and women in the field of scientific research. Given the important role of media, the bank also launched the “Shabab Tech” project, which trains youth in modern media technologies and the creation of news and content.

On Social Responsibility Day, March 23, the bank organized a range of initiatives, including engaging with partners, interacting on social media, and hosting a Ramadan Iftar for individuals with disabilities, among other activities.



05

CEO's Message



Bank AlJazira has made material advances in its strategic objectives in 2024, and is positioned for a new era of growth, success, and shared prosperity for all stakeholders.

## CEO's Message

# Assets increased by 15% in 2024

### A Year of Growth, Resilience, and Strategic Excellence

As we look back on 2024, I am proud of the meaningful progress Bank AlJazira has made in advancing its strategic objectives, positioning the Bank for a new era of growth, success, and shared prosperity. This year has been defined by execution, validation, and significant milestones, reflecting the transformative impact of the strategy, we launched at the start of the year. We have made substantial strides in the first phase of our strategy, which focused on strategic investments and transformation. This phase has not only strengthened our foundation but also demonstrated our execution capabilities, enabling us to achieve significantly above average loan growth.

The challenges endured over the past few years have been overcome, and I am delighted to report a strong performance in 2024 by every metric. The hard work, investment and innovation have combined to deliver a position where the Bank is poised to progress further in 2025 and beyond.

### A Strong Financial Performance

2024 was a profitable and successful year for the bank. Assets increased by 15% to ₪ 148.9 billion, driven predominantly by a strong 20% increase in financing to ₪ 96.9 billion. Customer deposits grew by 15% to ₪ 108.2 billion, ensuring a healthy loan to deposit ratio that fell well within our regulatory limits and risk parameters. This topline growth translated into a 21% increase in net income to ₪ 1.2 billion, a record for the bank.

Cost discipline meant that operating expenses were restricted to a much lower level than the increase in revenues resulting in the further reduction in the bank's cost to income ratio by 220bps and expanding the bank's positive jaws to 400 bps. Bank AlJazira has delivered a profitable performance over the past eight quarters, where assets, net financing and investment income, fee income and cost management have all consistently moved in the right direction.

This sustained strong performance has improved the return on assets and return on equity in 2024, while journey continues in right direction to be aligned to the industry average. One of the key future focuses



In 2024 Bank AlJazira delivered growth which outstripped the market in assets, brokerage volumes, wealth management, and residential finance.



of the management team will be to further raise this metric, and we are confident that the shareholders would witness meaningful progress on this in 2025.

### Corporate

Bank AlJazira achieved above average market growth in Corporate Banking in 2024 across all segments, driven by the Kingdom's robust economic expansion, as reflected in strong macro indicators and acceleration of flagship Vision 2030 giga-projects. These factors, combined with our strategic commitment position us to sustain this growth momentum and further expand the bank's overall asset base.

At the core of our success is Bank AlJazira's segment and sector-focused approach in Corporate and Institutional Banking, which prioritizes tailored financial solutions. We provide clients with bespoke solutions, superior banking facilities, and a technology-led, innovative suite of services, particularly for the Mid corporate and SME segment.

The bank's agility and innovation is evidenced through its expertise in delivering digital banking and open banking for enhanced customer experiences. This was reinforced in 2024 through our techMAL digital transformation journey and the launch of the AlJazira Business apps in the market.

In Assets, Corporate Banking delivered a positive performance, with an increase of 22% in financing over last year. This growth was contributed to equally by all segments – Large, Medium and MSME – with at least 20% growth across all customer groups. Trade Finance showed a similar strong growth path, with the on-balance sheet portfolio growing by 96%, and off-balance sheet by 28%. This positive Corporate performance in 2024 underscores Bank AlJazira's role in building and contributing to the nation's strategic Vision 2030 plan. The target market was broadened further with the active participation of Structured Financing Department and Public Sector Unit, while penetrating into Multinational Companies to maximize business opportunities.

The bank has also been an active participant in sustainable finance and investments, and has delivered ₪ 1.8bn for financing projects related to ESG. This reflects our commitment to responsible lending while actively contributing to the Kingdom's goals relating to sustainability.

### Retail Banking

One of the Bank's core strategic priorities is to establish itself as a boutique bank, carving out a distinct niche and value proposition in retail banking by focusing on affluent and high-net-worth individual (HNWI) customers. This will be achieved by offering a comprehensive suite of retail and wealth management services tailored to their unique needs. The goal is to build specialized expertise, create a unique brand identity, and deliver curated products and services that resonate with the target market.

The bank made material progress towards this aim in 2024, and we are excited by the outlook for the future.

In Retail banking, our aim is nothing less than to be the bank of choice for affluent consumers, and 2024 saw concrete progress against this aim. One of the many pleasing aspects of our progress were the synergies and collaboration realized between Retail and AlJazira Capital. Without a robust, efficient and integrated suite of Capital solutions, we cannot compete meaningfully in the affluent segment, so the seamless offering of AlJazira Capital facilities and services to our Retail customers has been a major success in 2024, attracting new customers and growing the share of wallet with existing customers. Retail banking grew its assets by 19% in 2024.

Residential finance also demonstrated strong growth of 22% over last year, outpacing the market. Other areas of significant growth in 2024 included Call Accounts, which grew by over 116%; and the auto finance portfolio more than doubled.



## Treasury

Treasury is an important supporting ally for the bank's businesses, ensuring liquidity, managing risk and providing capital adequacy. Treasury delivered a strong performance in 2024, ensuring the bank was able to maintain a smooth liquidity profile and to navigate a difficult rates environment.

Investments managed by Treasury grew 5% in 2024 to reach ₪ 36.2 billion, and this portfolio is carefully constructed and managed to minimize rates risk and to contribute to the bank's regulatory capital base. More than three quarters of the investment book comprises government and semi-government assets, ensuring the highest levels of quality and liquidity.

## AlJazira Capital

During 2024, AlJazira Capital revamped its digital trading platform and mobile app to provide a highly enhanced user experience, enabling access to a suite of new product solutions for our retail customers. Leveraging its strong heritage in brokerage and capital markets, AlJazira's affluent retail customers have access to the nation's broadest and most sophisticated brokerage product and service suite. The bank scaled its Wealth and Asset Management business by offering new Real Estate funds, alternative asset funds and acquiring private equity portfolios. These new products helped assets under Management to reach a new record for the bank of ₪ 23.7 billion.

## A mobile first, digitally enabled bank that blends the physical and digital worlds

Today's customer – whether retail, corporate, wholesale or institutional – expects a digital-first approach from their bank. For AlJazira, 2024 marked the culmination of a journey that began several years ago, and which has laid the foundations for a truly exceptional digital customer experience and offering.

This journey included the establishment of teckMAL, our technology "garage", that exists to incubate and develop the future apps, systems, products and services that will define AlJazira's digital-first status.

2024 was the year that saw this investment come to fruition: the launch of the new retail banking app has been universally well-received, garnering extremely high scores from app store ratings. The app delivers a new efficient, intuitive and fast way for our retail customers to manage their finances, opening up a world of wealth management opportunities to them. Also in Retail, the launch of a new Customer Relationship Management system has revolutionized the way we talk to and understand our customers, driving deeper relationships, enabling cross selling opportunities, and ensuring customers receive the right products and services for their circumstances and requirements, a particularly important consideration for affluent customers. This CRM is powered by data analytics and will continue to evolve as we apply the latest artificial intelligence to the service.

In Corporate Banking, the existing eCorp and mCorp digital offerings will be replaced in early 2025 with AlJazira Business, a new and improved banking platform that allows corporate clients to seamlessly carry out all their business banking activities, including bulk payments, payroll and account management, directly through the mobile app.

Developed entirely in-house by teckMAL Garage, AlJazira Business also enables the bank to respond faster and more accurately to the requirements and needs of both corporate and SME clients.

Through its investment and deployment of the latest technology, AlJazira is well on the way to fulfilling its ambition of being a digital-first bank.

## A dynamic and resilient bank in a transforming world, built on innovation and partnership

2024 was the year that Bank AlJazira began to see meaningful delivery of results driven by the strategy refresh adopted in 2023. Our rigorous focus on the strategic levers of innovation and partnerships has enabled the bank to deliver material and strong growth in the year, against the backdrop of macro uncertainty and strong domestic competitive pressures. The proof of this strength was demonstrated in 2024 by AlJazira delivering growth which outstripped the market in assets, brokerage volumes, wealth management, and residential finance.

And following the strong performance of 2024, the whole bank can be very excited by the opportunities and possibilities of the future that are now being put in place.

We are building advanced analytics capabilities to uncover sales opportunities across the business, including higher digital cross-sell by building customer-centric digital journeys that personalized offerings across our product suite.

A focus on account planning for our key clients will continue to unlock growth and diversify revenue streams, allowing the bank to broaden its services by introducing new products for corporate and affluent retail customers.

## 2024: A Watershed Year

In summary, the year 2024 has been a watershed year for Bank AlJazira. We have moved with purpose and diligence to execute the bank's strategy. We have grown the business across all metrics. We have achieved or exceeded the KPIs we set for ourselves and we have positioned the bank for further meaningful growth in the future.

## Sustainability at Bank AlJazira

Sustainability is a central tenet of the AlJazira way of business, supporting the success of our customers, the long-term value creation of our stakeholders, and the sustainable growth of the bank. As a key enabler of the Kingdom's Vision 2030 strategic plan, this sustainable approach is fully aligned with the national direction, and the bank makes a meaningful and fully sustainable contribution towards the ambitious economic, social and environmental goals of the Kingdom.

## Thanks and Acknowledgments

The Board and management team remain confident about the outlook for Bank AlJazira. We anticipate further double-digit growth in loans, margin improvements, and further enhancements in operational efficiency and profitability.

In closing, I would like to convey our deepest gratitude and appreciation to His Majesty King Salman bin Abdulaziz Al Saud, the Custodian of the Two Holy Mosques, and to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz, Prime Minister, along with the Ministry of Finance, the Saudi Central Bank, and all relevant authorities for their consistent support of the Saudi financial sector.

I also express my appreciation to our shareholders and customers, whose trust and belief is the foundation of the bank. We are committed to continuing our maximum efforts to remain deserving of this trust in the years to come.

I am grateful to my esteemed fellow board members for their invaluable experience and advice, and to all bank employees, colleagues, and partners for their role in the bank's success.

**Mr. Naif A. Al-Abdulkareem**  
CEO and Managing Director

06

Business Review





## 6.1 Operating environment

### Global Economic Indicators

In 2024, the global economy experienced moderate growth as the world emerged from the lingering effects of the COVID-19 pandemic, albeit geopolitical tensions remained high. Inflation rates stabilized in many regions, allowing central banks to adopt a more cautious approach to monetary policy. The supply chain disruptions of 2022-23 improved, facilitating trade and production.

However, the economic landscape remains uneven, with developed economies showing robust recovery while some developing nations face obstacles such as debt burdens and high unemployment. Technological advancements continue to drive productivity, particularly in sectors like green energy and digital services.

Oil traded in a range between \$66 and \$86 in the year, driven by several factors including geopolitical unrest, slacking demand from China, OPEC+ quotas and strong production from North America. By the end of 2024, oil prices stabilized somewhat, averaging around \$85 to \$90 per barrel, reflecting a balance between demand recovery and persistent supply challenges.

### GCC and Saudi Economic Indicators

The GCC's economies showed strong resilience to the relatively weak oil price, an indication of the successful diversification of their economies and of ongoing government support to the private sector.

Saudi Arabia's economic and fiscal situation remained conducive to a positive performance from the banking sector in 2024. Growth was steady in the year, with real GDP increasing by 1.4% in 2024, led by the non-oil sector's robust 3.7% growth.

The number of international corporates setting up their regional headquarters in Saudi Arabia reached 571 in 2024, according to figures from the Ministry of Investment, ahead of government targets.

These and other positive developments drove Standard and Poor to confirm the Saudi sovereign rating at A/A-1 and to raise its outlook to "Positive" in September 2024.

Saudi Arabia GDP Growth Forecasts



Source: IMF , World Economic Outlook Update, January 2025



### Saudi Banking Sector

The banking sector in Saudi Arabia delivered a year of strong and resilient growth, despite elevated SAIBOR rates. Bank loans grew by 14.4% year-on-year to ₪ 2.96 trillion at the year end. Corporate loans were the main driver, rising 18.6% to ₪ 1.59 trillion. The residential finance market also continued to grow in 2024, while Saudi banks' personal finance loans increased in the year by 9.9% to reach ₪ 1.59 trillion.

Credit growth moderated but remained double digit owing to corporate loan growth and mortgage lending supported by the Saudi Housing Program. Saudi saw a surge in construction spending totaling USD105bn in 2024, a 45% y-o-y increase. According to MEED, USD319 billion worth of new projects have been awarded during 2021-24.

Saudi Banking Indicators 2022-2024

|     | 2022  | 2023  | 2024  |
|-----|-------|-------|-------|
| ROE | 13.7% | 14.7% | 15.0% |
| ROA | 2.02% | 2.17% | 2.22% |
| CIR | 33.4% | 33.0% | 32.3% |

Source: SAMA

|                   | 2022 | 2023 | 2024 |
|-------------------|------|------|------|
| Avg. 3M SAIBOR    | 3.1% | 5.9% | 6.0% |
| Repo Rate         | 5.0% | 6.0% | 5.0% |
| Reverse Repo Rate | 4.5% | 5.5% | 4.5% |

Source: SAMA

Non-oil Real GDP Growth



Source: IMF, Regional Economic Outlook – Middle East and Central Asia, October 2024

Banking Sector Loan Growth



Source: SAMA

### Saudi banking sector outlook

The macro-economic context for the banking sector in Saudi Arabia remains positive, supported by government actions and policy. For the banking sector, future growth is likely as the rapid development of the economy continues, as global interest rates continue to moderate, and as the Kingdom becomes ever more internationally connected.

Saudi Arabia's banking sector is set to maintain profitability this year, with lending projected to grow by 10 percent, driven by corporate loans linked to Vision 2030 projects. With an estimated USD1.3trn earmarked for Saudi capex/giga-projects to 2030, the outlook is highly positive.

While there were three rate cuts in 2024, the trajectory of rates was not as expected at the end of 2023, and global circumstances are combining to add further headwinds to any rate cutting impetus. We now expect a further 50bps of cuts to SAIBOR in 2025.

The awards of Expo 2030 and the FIFA World Cup in 2034 are important catalysts to this growth and these, along with other Vision 2030 projects, will continue to be the flagship drivers of infrastructure development over the medium term. The tourism sector achieved a notable milestone in 2024, achieving the 2030 goal of 100 million inbound and domestic visitors.

The macro-economic context for the banking sector in Saudi Arabia remains positive

## 6.2 Strategy

In 2023, the bank reviewed and refreshed its strategy with a clear transformation agenda for each business line.

2024 was the year that saw material achievements and developments delivered from this strategic focus, resulting in the strong financial performance delivered in the year.

Our overall strategy is built on three pillars:

1

Create a distinctive value proposition

Focus on affluent retail customers and mid-sized corporates

2

Grow digitally

Digitise and automate processes, adopt AI implementation, launch best in class apps, drive innovation via techMAL

3

Build a thriving organization

Bank of choice for Saudi talent

These pillars are driven by:

### Revenue Lines

Our strategy goals were designed to align with and to support the objectives of our three main business groups: Retail Banking Group (RBG), Corporate, and Treasury Banking Group (TBG). These business groups serve as the primary interface with our clients, so our strategic focus aims to empower them in meeting client needs and achieving their business objectives.

### Financial Model

Refers to the financial targets projected for our strategy.

### Interlinkages with the AlJazira family

The strategy aims to capitalize on the benefits and cooperation between the AlJazira family (the Bank, Takaful, and AlJazira Capital).

### Economics

The organization adapts to changing market trends, regulations, and economic conditions to ensure long-term sustainability and competitiveness. This proactive approach allows them to refine strategies, maintain resilience, and contribute positively to the broader economy while ensuring their own growth and success.



## Our Business Line Strategic Ambitions:

### Corporate

- Broaden exposure within segmented and sector-focused corporate segments while maintaining momentum in other sectors.
- Become the bank of choice for SMEs
- Develop standardized SME journeys.
- Grow unfunded assets ambitiously
- Improve ORR of overall corporate portfolio.

#### Delivery against strategy:

- In the large and mid-sized corporate segments, Bank AlJazira expanded its participation in syndicated loans, boosting engagement and coverage of the high-quality corporate book. The bank also successfully participated in several

corporate sukuk transactions, led by our Treasury colleagues, enhancing market presence and diversifying the bank's investment book.

- In the small business segment, the bank increased payment volumes and SME customer acquisition through increased PoS financing.
- Integrated B2B services: Launched eight B2B products, enhancing business operations.
- Corporate App: Launch of AlJazira Business banking app for corporate and SME clients.
- Upcoming iPad version: An enhanced app tailored for large corporate clients to launch in Q2 2025.
- These initiatives have contributed to strong growth in MSME assets and customer numbers:

|                                 | FY 2022   | FY 2023   | FY 2024   |
|---------------------------------|-----------|-----------|-----------|
| Micro Business Customer Assets  | 954,950   | 803,072   | 880,974   |
| Small Business Customer Assets  | 2,501,802 | 1,485,382 | 2,470,538 |
| Medium Business Customer Assets | 2,754,178 | 4,521,259 | 5,280,092 |
| Number of MSME customers        | 896       | 1,066     | 1,258     |

### Retail

- Bank of choice for affluent customers and HNWI with a comprehensive value proposition that is digitally enabled.

#### Delivery against strategy:

- The HNWI asset portfolio grew by 42% to ₪ 8.9 billion
- Improved and enhanced residential finance offerings, with new products focused on mortgages for homes

under self-construction, ready units and off plan properties. The residential portfolio reached ₪ 21,767 million in 2024, a growth of 21% compared to 2023.

- Improved mortgage turnaround time from 21 to 15 days
- Retail was a launch bank for Samsung Pay in the Kingdom
- Auto finance delivered particularly strong growth, with the portfolio increasing by 127% in 2024 to ₪ 1.6 billion.

### AlJazira Capital

- The leading wealth management house in Saudi Arabia

#### Delivery against strategy:

- Launched new digital platform with access to new products and services

- Offered number of real estate and alternative funds to clients, significantly expanding the investment options available to affluent clients.
- Grew Wealth and Asset Management AUMs to ₪ 23.7 billion, representing 2.6% market share.

### Treasury

- Core partner for business growth and enablement

#### Delivery against strategy:

- Treasury successfully optimized the bank's balance sheet through shaping its investment book size and growth within targeted levels.
- Successful participation in several corporate sukuk transactions to enhance the overall portfolio yield

- Demonstrated its pivotal role in driving the bank's financial performance and growth through focused efforts across its key desks during extremely volatile conditions – amid sticky inflation, peaking rates, and delayed rate cuts, intensified by liquidity constraints in the local market

- These and other actions combined to enhance Bank AlJazira's market presence while diversifying the investment book and maintaining balance sheet quality.

## 6.3 Business Model

Bank AlJazira is an Islamic bank operating in the Kingdom of Saudi Arabia serving the following customer groups with the **full suite of financial services products**

### Mass retail

Products and services to enable Saudi citizens to manage their finances and plan for their futures in a Shariah-compliant manner. Typical mass elements include current accounts, savings accounts, payments and remittance services, and salary receipt services.

### Affluent and high net worth individuals

AlJazira's strategic focus retail segment. As the wealth of the nation grows, the number of individuals with material investible assets is set to increase exponentially. By providing a complete range of savings, investment, residential finance, brokerage, securities and international products, Bank AlJazira will drive loyalty and multi-product relationships with this segment. Underpinned by world-leading technology, our ambition is to be the preferred bank for affluent individuals.

### Micro, small and medium sized enterprises

As the Kingdom continues its successful economic diversification strategy, the Saudi spirit of entrepreneurialism has been unleashed. From sole traders and tech start-ups to growth businesses and the successes of the future, Bank AlJazira is a partner to the country's MSME sector with products and services such as business lending, business bank accounts, payroll, payments, cash management, Point of Sale finance, and cashflow management.

### Large corporates and multinationals

As the largest economy in the region, Saudi Arabia is not only home to many successful domestic large corporates, but is also increasingly the destination of choice for multinationals. Bank AlJazira serves this sophisticated segment with world-class products and solutions including corporate finance and lending, payments, cash management and global transaction banking, M&A advisory and trade services.

### Financial sector

Bank AlJazira is a major participant in the financial institution sector. It provides Vostro account services, clearing, foreign exchange transactions, letters of credit, letters of guarantee, and remittances, bilateral financing, direct financing facilities, and risk participation transactions for large transactions requiring collaboration among multiple banks, with risk shared among them.

### Public sector

Public Sector provides tailored financial solutions that empower public sector entities to achieve their strategic goals. This includes offering "the whole bank" and its related services to the client, being Retail, Treasury, GTS, Private Banking and BAJ Capital. This includes Project Financing, Sukuk Issuance, Treasury and Cash Management solutions, Investment Advisory and Public-Private Partnerships (PPP).

Corporate enjoyed a **strong year**, achieving its strategic targets and objectives.

## 6.4 Review of Business and Operations

### Corporate Banking

- Strong progress in digital transformation
- Dedicated public sector unit launched
- Strategic focus on trade finance
- Financial Institutions enjoyed strong growth
- Positive Future Outlook

Corporate enjoyed a strong year in 2024, achieving its strategic targets and objectives across all segments and activities. The non-funded proportion of the portfolio reached 24% of the total in 2024, while financing to financial institutions reached ₪ 6 billion in the year, an increase of 100% over 2023. Moreover, FI delivered ₪ 67 million as fee income.

Corporate Banking faced several challenges in terms of interest rates, pricing sensitivity and fierce competition from other Saudi banks. Despite this, the Corporate book grew by 19% during 2024 and has increased by as much as 80% in the post-pandemic era since 2021.

Corporate made several strategic and tactical changes during this period related to target segments and sectors, with a special focus on the trade book, as well as enhancing our digital transformation activities to reach a broader customer base.

Total approved facilities reached ₪ 104 billion while utilization reached ₪ 68 billion.

As a result of this strong performance, net income before zakat and income tax improved by 33% over 2023, marking a record 50% of total bank net income before zakat and income tax, a significant milestone.

In 2024, Corporate launched a dedicated public sector unit focusing on government and quasi-government entities and to support Vision 2030 realization programmes as well as maximising cross sell and deposits from these entities. The public sector deposit base reached ₪ 45 billion in 2024, representing 87% of total Corporate deposit base. Public sector opened call accounts with an average balance totaling approximately ₪ 8 billion, showcasing strong client engagement and trust. The unit also established escrow accounts with expected average balances totaling ₪ 3 billion, contributing to the bank's growing presence in the escrow management space.



Some ₪ 190 million in Point-of-Sale finance was achieved in the year. 2024 also saw the development of an end-to-end digital channel to serve SMEs, along with upgrades to eCorp and mCorp to enhance service and relationships with the MSME sectors.

Vision 2030 projects also played a large part in the positive year enjoyed by Corporate, including a ₪ 300 million loan to New Village Real Estate Development Company, to finance construction worker housing for NEOM city, and a deal to finance the design, build, operation, and maintenance of a fibre-optic subsea cable system linking Europe with Asia through Saudi Arabia and other territories.

In the field of tourism development, the bank participated in the financing of the construction of the Ritz Carlton Resort and Residential in Eastern Area with the Tourism Development Fund, along with financing for the construction of AMALA project, part of Red Sea Global.

The strategic positioning of trade finance delivered 46% growth in fee income compared to the previous year, with market share increasing to 3%, an increase of 28%, (excluding other contingent assets). The bank successfully launched two new trade products in the year, developed system requirements for discounting and refinancing products ensuring a smooth rollout, and created significant new business opportunities by facilitating cross-selling for Letter of Credit confirmation business, substantially increasing both fee and net financing and investment income.

In terms of productivity, Corporate increased operational efficiency by 25%, reducing transaction processing time. This was displayed in employee productivity metrics improvement, with a 30% increase in throughput.

Cross-selling was another area of progress and delivery in 2024. Initiatives included targeted campaigns and marketing efforts for Global Transaction Services products to existing and new customers; Sales Training, which enhanced team skills to identify cross-sell opportunities; POS, which achieved an increase of 10.3% in new business from existing customers; and strong growth in new current account openings.

Customer experience was enhanced through the application of new technologies. These included the eCorp channels, which saw a new release of eCorp and mCorp platforms, and the successful launch of B2B channels aiming to provide our large corporate clients with a seamless financial channel that integrates with their ERP systems to facilitate all their financial needs.

The bank maintains a positive outlook for the Corporate business. Our focus in 2025 and beyond will continue to drive growth from syndications, financial institutions, trade finance, and SME finance. This will be enabled by ongoing investment in technology, in people and in productivity.

# +19%

Corporate Banking assets  
+19% to ₪ 50.6 billion

# +20%

Retail assets +20%  
to ₪ 44.7 billion

# +7%

Treasury and Investment  
assets +7% to  
₪ 49.4 billion

# +9%

Brokerage and Asset  
Management assets  
+9% to ₪ 3.9 billion

## Retail Banking

Retail made strong progress towards its strategic aim of being the bank of choice for affluent customers, increasing assets within the segment by 20%. This performance indicates the increasing attractions of Bank AlJazira to this important segment, reflecting our investments in technology, service, and product

options. More broadly, the total number of Retail customers approached one million in 2024, an increase of around 19% over two years, showing the increased competitiveness and attractiveness of the AlJazira retail proposition.

|   | FY 2022        | FY 2023        | FY 2024        |
|---|----------------|----------------|----------------|
| Mass Retail                             | 718,179        | 772,960        | 868,051        |
| Affluent                                | 82,051         | 83,645         | 80,900         |
| HNWI                                    | 2,063          | 2,281          | 2,917          |
| <b>Total number of Retail customers</b> | <b>802,293</b> | <b>858,886</b> | <b>951,868</b> |

# Retail increased assets by 20%

In an indication of this progress, the bank launched a new mobile app, developed entirely in-house by its team of digital experts at the techMAL digital garage. Available on both iOS and Android devices, the bank's commitment to innovation and customer-centric solutions is strongly illustrated by this development, a meaningful advance in our customer relationship infrastructure.

The app incorporates advanced features such as:

- **Proactive Application Monitoring:** Utilising tools like Dynatrace, the bank ensures seamless app performance and proactively identifies and resolves any issues.
- **Enhanced Issue Resolution:** the bank can easily investigate issues by accessing an environment that simulates their specific scenarios. This is a unique feature in the KSA banking sector, providing personalized support.
- **User-Friendly Interface:** The app boasts a highly intuitive interface with user-friendly search options and the ability to apply dynamic themes based on current events, enhancing user engagement and providing a more personalized experience.
- **The app also incorporates advanced segmentation capabilities,** tailoring the user experience for different customer segments. This personalized approach ensures that each user receives the most relevant and valuable features, enhancing overall customer satisfaction.

As well as launching the app, Retail also enabled Samsung Pay, one of the first banks in the Kingdom to deliver payment functionality to Samsung device owners.

In addition to these digital enhancements, the physical network also received investment and upgrades in 2024. ATM card printing machines have begun to be installed, removing the need to courier cards to customers, and average waiting times in branch were reduced by a third through greater efficiency.

Branch staff enjoyed training and recognition initiatives in 2024, including a Transformation Leadership Training, ensuring AlJazira retains the best banking talent in the Kingdom.

The residential financing portfolio reached ₪ 21,767 million by end of 2024, a growth of 21% compared to 2023. The personal finance portfolio reached ₪ 10,995 million by the year end, 1% higher than in 2023, while cards reached ₪ 838 million, an increase of 2%. Auto finance showed a standout performance, registering 127% growth over the year to ₪ 1.6 billion.

Liabilities remained broadly stable, decreasing by 1% over the year to ₪ 45.1 billion. However, this included a sharp increase in Call Accounts of 116% to ₪ 2.4 billion.



AlJazira Capital provides a full range of products and services to help individuals, companies and institutions to achieve their goals.

## AlJazira Capital

AlJazira Capital provides the full range of asset management and investment banking products and services to help individuals, corporates and institutions to achieve their goals. AJC offers:

- Securities services including dealing, underwriting, managing, arranging, advisory, and custody
- Asset and Wealth management services including public and private investment, and discretionary portfolio management, offering access to global assets in a Shariah compliant manner
- Investment Banking services, including IPO advisory, M&A advisory, DCM capabilities, rights issues and private placements.

AlJazira Capital has its own Shariah Board, Board of Directors and is regulated by the Saudi Capital Markets Authority. AJC is strategically integrated into the wider Group, which means that the bank's client base can benefit from the world class and global capabilities of AJC, a compelling and powerful wealth management and investment banking proposition.

During 2024, AlJazira Capital enhanced its digital trading platform and mobile app to provide an improved user experience and to enable access to new products to engage retail traders. The upgrade enhanced customer experience and facilitated additional sales related to account management, IPO subscriptions, as well as

integrating Wealth and Asset Management services into a one stop shop.

AJC scaled its Wealth and Asset Management business by offering new Real Estate funds, Alternative funds and by acquiring private equity portfolios.

New products launched in 2024 included:

- Two alternative investment funds with a total AUM of ₪ 450 million to bring this asset class to a Total to AUM of ₪ 2.4 billion.
- Five new real estate funds with AUMs of ₪ 1.57 billion, bringing the total real estate portfolio to ₪ 5.1 billion
- Discretionary portfolios grew substantially in 2024, with AJC attracting ₪1.7 billion of AUMs in 2024, helping the total discretionary portfolio to reach ₪ 7 billion including international market access DPMs by the end of 2024.

AlJazira Capital remains one of the top providers of margin finance products to its clients. 2024 also saw a substantial growth in institutional trading volumes. Institutional brokerage traded value amounted to 44% of the total market traded values (compared with 38% in 2023). Qualified Financial Institutions constituted 54% of the total institutional traded value in 2024.

Assets under management increased to total ₪ 23.7 billion in 2024, an increase of 41%.



## Details of new funds launched by AlJazira Capital in 2024

| Fund name                                       | Fund Type                   | Fund AUM<br>(Closing Dec.<br>31 2024) | Fund Description  |
|---|-----------------------------|---------------------------------------|---|
| <b>AlJazira CLO Equity Fund</b>                 | Alternative Investment Fund | ₹ 230 Mn                              | The Fund invests indirectly in a well-diversified portfolio of U.S. super-majority CLO Equity.  |
| <b>AlJazira Evergreen Private Equity Fund</b>   | Alternative Investment Fund | ₹ 263 Mn                              | The Fund invests indirectly in primary and secondary investments in private equity funds, direct investments and co-investments.  |
| <b>AlJazira Target Alsharq Real Estate Fund</b> | Real Estate Fund            | ₹ 514 Mn                              | The Fund invests in real estate infrastructure projects by acquiring land, planning, and developing it for optimal use, with the objective of selling it to potential buyers.   |
| <b>AlJazira Infinity Real Estate Fund</b>       | Real Estate Fund            | ₹ 197 Mn                              | The Fund invests in real estate development projects, including residential and commercial developments, by developing the land for these projects for the purpose of selling it to potential buyers.                                 |
| <b>AlJazira Ajdan Real Estate Fund</b>          | Real Estate Fund            | ₹ 469 Mn                              | The Fund invests in real estate development projects for various objectives, including residential, commercial, hotel, and office spaces. It then leases these properties for future sale or sells them directly to potential buyers. |
| <b>AlJazira Rafen Real Estate Fund</b>          | Real Estate Fund            | ₹ 167 Mn                              | The Fund invests in real estate development projects for office spaces by developing the land and then leasing the properties for future sale or sells them directly to potential buyers.   |
| <b>AlJazira Riyamarche Real Estate Fund</b>     | Real Estate Fund            | ₹ 224 Mn                              | The Fund invests in real estate development projects for multi-use commercial complexes by developing the land and then leasing it for the ultimate purpose of sale and/or selling it to potential buyers.                            |



# Treasury performed well in 2024 amid challenging market circumstance.

## Treasury

Treasury performed well in 2024 amid challenging market circumstances, maintaining and managing the bank's liquidity and balance sheet and growing the business through targeted and strategic activities.

The rates environment did not develop as expected in 2024, with only minor movement in base rates over the year. Nevertheless, the Treasury team responded with major growth in deposits, in interbank lending and in the repo market, delivering strong growth, profitability and stability.

Of particular note was the successful creation and offering of client products by Treasury, including yield enhancement, funding and hedging solutions to our Corporate client book. And in a development that reflects Bank AlJazira's increasingly "digital first" approach, Treasury enhanced its market position with Fintech and digital banks by onboarding and executing deals with many digital banks.

The Investments desk, despite significant sukuk maturities, successfully grew the investment book, maintaining its proportion relative to the overall balance sheet by tilting more towards non-government investments. Furthermore, the Investments desk also launched and established the equity side of the business, deploying capital in both primary and secondary markets. This initiative not only enhanced the investment book yield but also optimized returns by capturing high profit rates and mitigating the impact of redemptions during the year.

The Primary Dealers desk executed successful Liquidity Enhancement initiatives, leveraging high UST rates to meet and exceed strategic objectives. These efforts strengthened the portfolio, improved book yield through higher primary market allocations, and delivered robust financial outcomes.

The Trading desk achieved exceptional results, surpassing interbank FX targets in line with the bank's strategy to enhance its FX market share, solidifying its market position, and driving financial growth. Treasury also succeeded in re-balancing interbank placements to a longer maturity profile, thereby ensuring a healthy liquidity profile and a strong future outlook.

Treasury actively supports Vision 2030 and contributes to the Financial Sector Development Programme's goals. As one of the primary dealers appointed by the National Debt Management Center (NDMC), Treasury broadened its client base this year by collaborating with AlJazira Capital, running targeted marketing campaigns, and upgrading its Online Subscription system, leading to a notable increase in primary market share.

Enhanced market-making capabilities and deeper relationships with brokers and institutional investors also boosted liquidity in the secondary market and further developed the repo market.

07

CFO's Message



2024 saw **sustained and solid growth** across both the balance sheet and the income statement for Bank AlJazira.

## CFO's Message

# Net income rose to **₹ 1.2 billion**

Assets increased by 15% to ₹ 148.9 billion, driven in large part by a strong 20% increase in financing to ₹ 96.9 billion. Customer deposits grew by 15% to ₹ 108.1 billion, ensuring healthy loan to deposit ratio that fell well within our regulatory and risk parameters. This topline growth translated into a healthy 21% increase in net income to ₹ 1.2 billion, a milestone record for the bank.

Financing to our commercial customers grew by 22% in the year, a strong performance that reflects the buoyancy and vibrancy of the Saudi economy, as well as being testament to the bank's growing status as a preferred lender to the nation's corporates, while our more mature consumer book saw financing grow by a healthy 17% over the year.

Two areas are worthy of special mention: on-balance sheet trade finance grew by 96% year-on-year, while off-balance sheet trade finance increased by 28%, a sign of Bank AlJazira's growing heft when considered by internationally minded corporates; and residential financing outpaced the market with growth of over 22% in 2024, a sign of the increasing attractiveness of our products and services to our focus affluent retail segment.

Profitability was further enhanced through the careful management of our investment book, which saw the

active replacement of floating with fixed rate investments, a critical performance enhancement in an elevated rates environment. Some 78% of the bank's investment portfolio was in fixed rate assets at the year end.

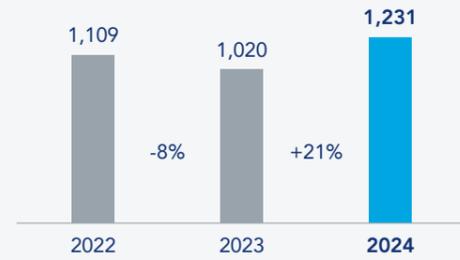
Of course, if growth is not sustainable, it is not meaningful. It is critical that the bank adopts a prudent and shareholder-centric approach to growth. For this reason, the bank has worked hard to maintain a robust liquidity level, with the loan to deposit ratio standing at 89.6% at the year end, a level that is comfortably above the regulatory minimum.

These factors resulted in net income growth of 21% in the year, driven by higher operating income, partly offset by rising expenses. Net financing and investment income increased 11%, supported by asset growth on broadly stable margins. Fee and other income rose by 19%, mainly from trade finance and investment-related fees. Operating expenses rose 9%, due to higher employee, general and administration costs. This performance resulted in the "positive jaws" of income outpacing costs, a performance we fully expect to see continue into 2025. This also enabled the bank to realise an improved cost to income ratio of 56.0% at the year end, and this is an area we will continue to focus on in 2025 and beyond as we drive further efficiencies.



Our topline growth translated into a healthy 21% increase in income. A milestone record for the bank. →

a. Net Income for the Year (₪ Mn)



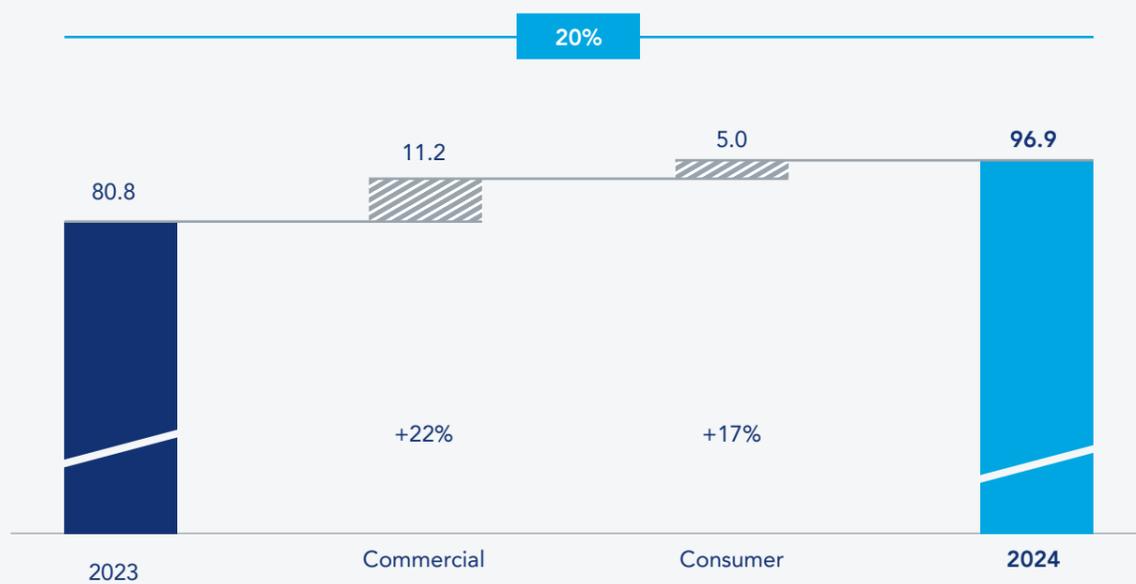
b. Net Financing (₪ Bn)



c. Customer Deposits (₪ Bn)



d. Financing Movement YoY (₪ Bn)



Residential financing ^

2024: +22% YoY (₪)

21.8 Bn

Trade finance ^

On-balance sheet: +96% YoY (₪)

3.8 Bn

Off-balance sheet: +28% YoY (₪)

16.2 Bn



Sustainable growth was also demonstrated by the solid performance delivered in margin protection. In an uncertain rates environment, coupled with intense competitive pressures, Bank AlJazira maintained its net margin at 1.99% over the year, with only a slight decline of 5bps compared to 2023.

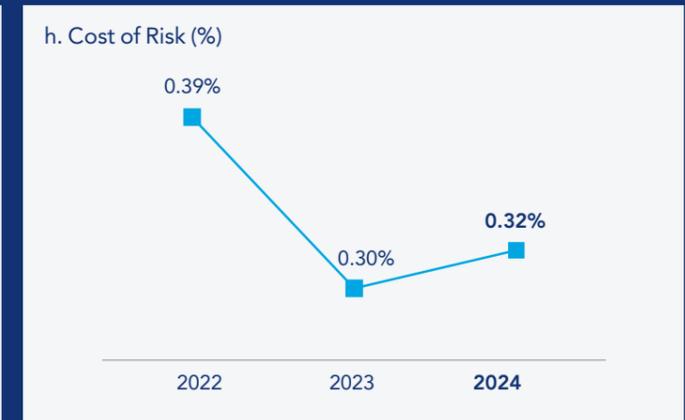
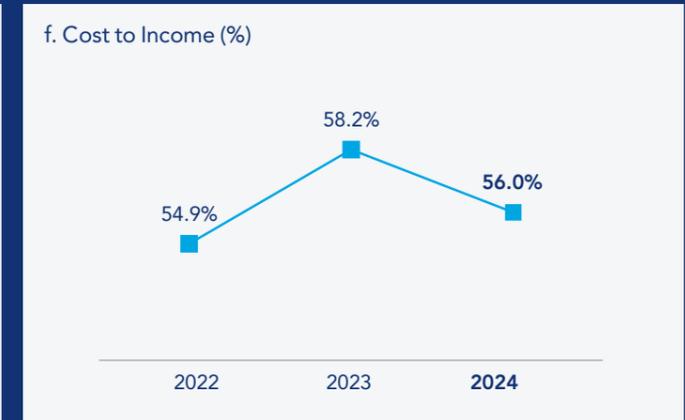
Credit quality remained healthy in 2024, with enhancements to our collections processes delivering material upside. As a result, the non-performing loan ratio declined by 63 basis points to 1.21%. This in turn helped to maintain the bank's cost of risk at 32 basis points.

Taken together, this strong performance delivered a return on equity of 7.3% in 2024, a level that is below industry average, but which is moving in the right direction and which, with the foundations outlined above in place and delivering, we are confident will continue to grow in 2025 and beyond.

A further supporting evidence point for this confidence is in the consistency of performance that Bank AlJazira has delivered over the past eight quarters, where assets, financing and investment income, fee income and cost management have all moved in the right direction on a consistent basis.

**Mr. Hani S. Noori**  
Senior Vice President and Chief Financial Officer

# Credit quality remained healthy, with cost of risk at 32 basis points



08

Financial Review



# Financial Review

## Retail Banking

The retail segment experienced an 8% increase in net income before zakat and tax in 2024. This was largely driven by growth in net financing and investment income, and was partially offset by higher expenses. Total personal banking assets rose by 20% during 2024.

This included a very strong contribution from Private Banking, which made tremendous progress in 2024.

Residential finance was a particular success story in 2024, with AlJazira's share of the REDF market increasing from 1.57% to 3.7%.

Retail operating expenses increased by 11%, a reflection of the ongoing investments in technology and people.

a. Retail Net Income before Zakat and Tax (S Mn)



b. Retail Total Assets (S Bn)



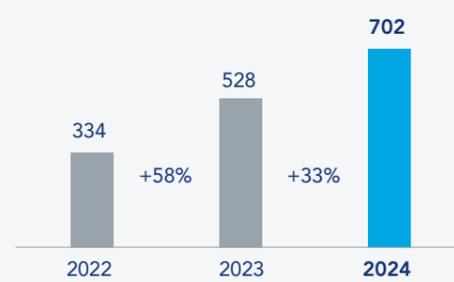
## Corporate banking

The corporate segment reported 33% growth in net income before zakat and tax in 2024. This strong performance was the result of 28% operating income growth, slightly offset by 23% operating expenses growth and 18% increase in the net impairment charge. Total corporate banking assets rose by 19% over the year, a reflection of the continuing strong domestic economy and the ongoing transition of the Saudi economy towards non-oil dependency. These macro tailwinds enabled the Corporate business to make meaningful inroads into desirable sectors of the economy, such as the MSME sector, which delivered

14% growth in the year, reflecting the increasing appeal of Bank AlJazira to the nation's entrepreneurs and business owners.

Indeed, Corporate showed strong growth across all metrics, including number of customers up 22% year on year, deposits rising by 9%, and revenue from syndications increasing by 47% in 2024. This story of growth and success has meant the Corporate business delivered a strong overall year, and is well-positioned for further growth in 2025 and beyond.

c. Corporate Net Income before Zakat and Tax (S Mn)



d. Corporate Total Assets (S Bn)



## AlJazira Capital

Brokerage and Asset management delivered a strong performance in 2024, reporting a 53% increase in net income before zakat. The segment's contribution to the bank's overall revenues and profitability continues to strengthen, with Brokerage and Asset Management reaching 19% of group net income before zakat in 2024.

Assets under management grew by 41% in the year, a reflection of the successful cross sell of wealth management offerings to affluent retail clients.

e. AlJazira Capital Net Income before Zakat and Tax (€ Mn)



f. Assets Under Management (€ Bn)

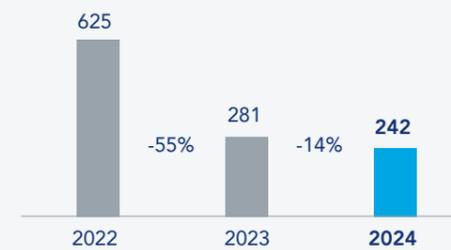


## Treasury

Treasury and investments net income before zakat decreased by 14% in 2024, resulting from a 77% decline in net financing and investment income, due to higher funding costs, balanced by a 19% rise in fee and other income.

Despite the challenging operating environment, the Treasury business has worked hard to ensure the necessary liquidity and funding base for the growth areas of the bank, maintaining our strong capital adequacy ratio, and ensuring the bank can fulfill its ambitions and objectives.

g. Treasury Net Income before Zakat and Tax (€ Mn)

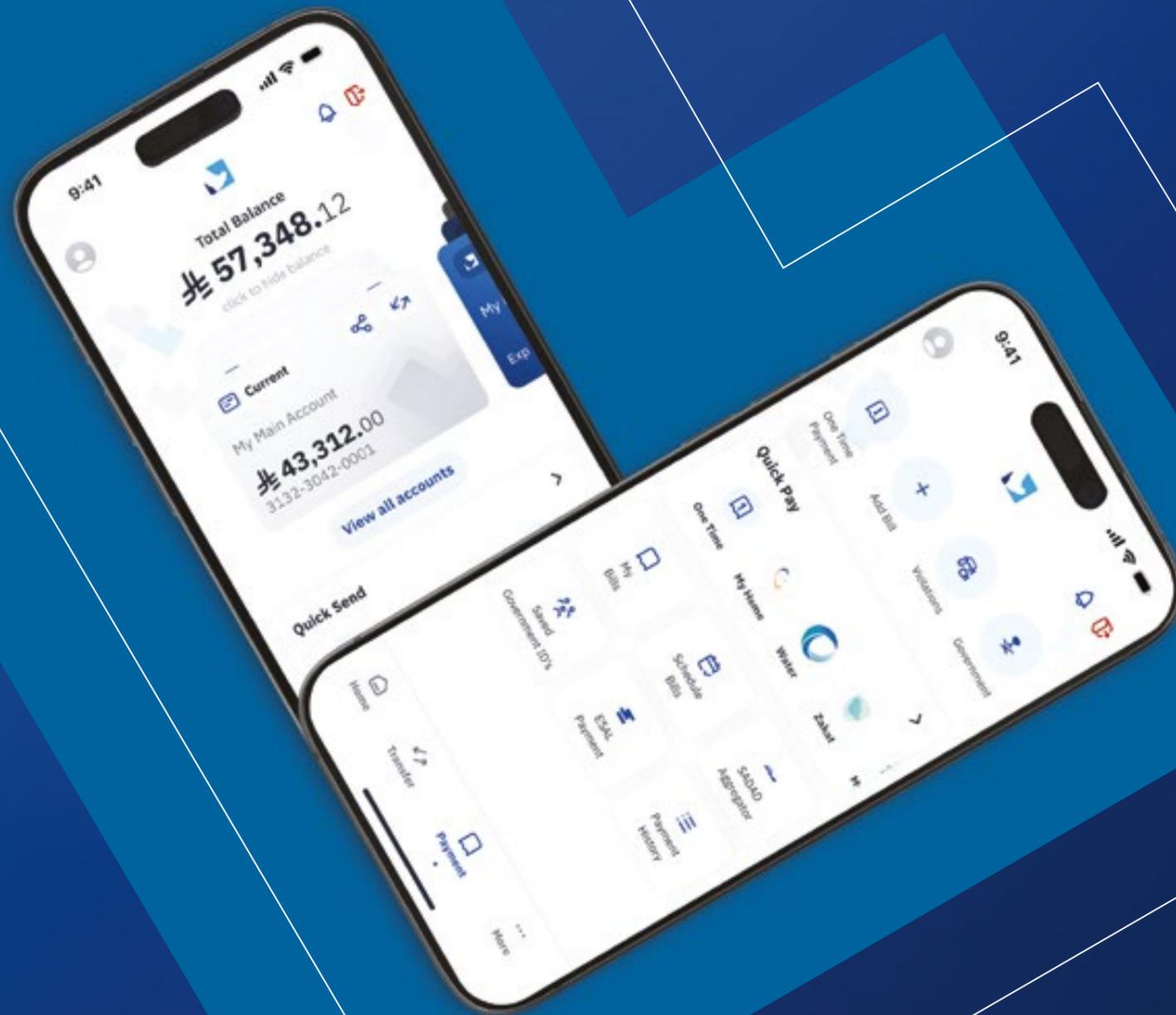


h. Treasury Total Assets (€ Bn)



09

# Digital and Technology Evolution



## Digital and Technology Evolution

Bank AlJazira's digital transformation is on track and took material steps forward in 2024.

# 2023

Business alignment, design, and acquisition of different solutions

# 2024

Establish new platforms and support business growth on legacy systems

# 2025

New products/services offerings on new platforms

### Key Achievements 2023-24:

- Customer experience improvements: Accelerated service delivery via core banking upgrade and CRM advancements.
- Digitization efficiency: Simplified payment systems through a payments hub for seamless transactions.
- Innovation contributions: Establishment of techMAL FinTech LAB as a hub for digital transformation and FinTech collaboration.

### Highlights of 2024:

- **Products/Services:** Launched more than 10 products and services with a major impact on profitability.
- **Data:** Better data governance aligned with the NDMO framework, ensuring data accuracy and security.
- **Payments Hub Evolution:** Simplified and secured payment channels, driving retail and wholesale adoption.
- **CRM Implementation:** Unified customer data for personalized interactions and real-time service delivery.
- **techMAL Garage:** Launched AlJazira Mobile, and new corporate app.
- Launch partner of Samsung Pay
- FinTech Lab initiative to foster innovation and partnerships with FinTechs.
- Launch of AlJazira Business app for corporate and SME customers



# 10

## Investor Relations

Shareholder returns and IR activity

## Investor Relations: Shareholder returns and IR activity

We never forget that the owners of our bank are its shareholders, and Bank AlJazira works hard to keep them informed and engaged in the progress of the bank. In 2024, Bank AlJazira embarked on a new and transformative Investor Relations programme, a series of activities designed to increase and improve disclosure, to communicate effectively with the investment community, and to attract new investors to the bank's equity story.

| Security Detail as of 31 <sup>st</sup> December 2024 |               |
|--|---------------|
| Company Name   | Bank AlJazira |
| Trading Symbol                                       | 1020          |
| ISIN   | SA0007879055  |
| Exchange   | SASE          |
| Par Value (ﷲ)  | 10            |
| <b>Closing price (ﷲ)</b>                             | <b>18.70</b>  |
| 52 weeks range (ﷲ)                                   | 14.6 – 18.9   |
| Shares issued (million)                              | 1,025         |
| <b>Market capitalization (ﷲbn)</b>                   | <b>19.17</b>  |
| Free float   | 84%           |
| Foreign ownership                                    | 14.89%        |
| Value traded (ﷲbn)                                   | 13.77         |
| Volume traded (Mn shares)                            | 840           |

Bank AlJazira enjoys a strong reputation and position in the region's capital markets: it is one of the most liquid bank stocks in Saudi Arabia, it counts a high level of international investors on its shareholder register, and its Investor Relations activities are recognised as being among the leaders in the market.

This focus on shareholders and the capital markets ecosystem will continue into 2025 and beyond, and the bank will continue to strive to deliver best practice investor relations across its stakeholder universe.

| IR calendar 2024                                     |            |
|--|------------|
| <b>Earnings call 4Q 2023</b>                         | 19/02/2024 |
| <b>Extraordinary General Assembly Meeting No. 66</b> | 24/04/2024 |
| <b>Bonus share issue</b>                             | 24/04/2024 |
| <b>Earnings call 1Q 2024</b>                         | 15/05/2024 |
| <b>Earnings call 2Q 2024</b>                         | 07/08/2024 |
| <b>Earnings call 3Q 2024</b>                         | 05/11/2024 |
| <b>Extraordinary General Assembly Meeting No. 67</b> | 11/12/2024 |





# Share capital increased to ₪ 10.25 Bn

## Share Capital

The shareholders of the Bank in their Extra Ordinary General Assembly Meeting held on April 24, 2024 approved an increase in the Bank's share capital from ₪ 8.2 billion to ₪ 10.25 billion through the issuance of bonus shares to shareholders of the Bank in the ratio of one share for every four shares held.

The legal formalities relating to the increase in share capital completed during second quarter of the year. Accordingly, the authorized, issued and fully paid share capital of the Bank consists of 1,025 million shares of ₪ 10 each (31 December 2023: 820 million shares of ₪ 10 each).

The ownership of the Bank's share capital is as follows:

|   | 2023   | 2024   |
|---|--------|--------|
| Saudi shareholders                                      | 84.21% | 85.11% |
| Non-Saudi shareholder – National Bank of Pakistan (NBP) | 3.70%  | 3.70%  |
| Non-Saudi shareholders – others                         | 12.09% | 11.19% |

11

Life at Bank AlJazira



## Life at Bank AlJazira

Our most important enabler is the quality and diligence of our people.

The most important enabler for the bank to execute its strategy successfully is the quality and diligence of its people. For this reason, the bank has set itself an overriding mission over the medium to long term to become an employer of choice for top talent in the Kingdom. The many initiatives, programmes and policies that have been introduced in the recent past are now beginning to make this ambition a reality.

One of the key levers to achieving the status of employer of choice has been the bank's journey to become a Learning Organisation. What we mean by this is a workplace that encourages continuous learning and knowledge creation at all levels. The goal is to improve performance and achieve strategic objectives by adapting to change and leveraging new insights. This is manifested across the employee value proposition and experience:

- **Culture:** Learning is a fundamental part of the organization's culture and vision.
- **Employee development:** The bank prioritizes employee development, innovation, and creativity
- Decisions are made strategically and intelligently
- **Growth opportunities:** Bank AlJazira provides opportunities for professional growth
- **Supportive environment:** We encourage thoughtful review of processes and listen to all voices and opinions
- **Trust:** We have built a culture of trust

With this foundation, Bank AlJazira is now able to attract the best and brightest talent the Kingdom has to offer, and we will continue to foster and develop our people and learning culture to maintain this important differentiator.

### Building a Learning Organisation in 2024

In 2024, the focus areas for building a learning organization included partnerships with some of the world's premier business schools and seats of learning, including INSEAD, Al Faisal University, the Thunderbird Business School of Arizona State University, and the Saudi Industrial Development Fund. These partnerships enable the bank to deliver tailor-made and specific training and development programmes to its people across all levels.

Bank AlJazira is the only Saudi bank to have a partnership with INSEAD, the leading global business school. Among the benefits of this partnership are a Graduate Programme, ensuring our cohort of graduate recruits are given a world class capability coaching regimen; a Future Leaders Programme, which takes a cadre of junior and emerging talent, and equips them to be the bank's leaders of tomorrow; and an open training and lecture platform that delivers the benefits of the partnership and INSEAD's insights to the broader bank population.





### The Working Environment

The COVID pandemic of 2020-22 disrupted the world of work globally. What has followed has been a fundamental rethinking of the relationship between employer and employee, and Bank AlJazira has led the way in Saudi Arabia in delivering this new approach to work and reward.

It was the first bank in the Kingdom to make flexible working the norm for its people, and today all employees have the choice of adopting a flexible approach to work. All employees have the chance to work remotely for a number of days each month which fosters an agile approach to work and collaboration, while preserving the work-life balance that is so critical to achieving our objective of being employer of choice.

All our people can adopt a flexible, hybrid or part time approach to work, and we find that this has driven the engagement and commitment levels of our people.

### Delivering a World Class Workforce

These twin approaches of Learning and Work Culture combine to not only make AlJazira a most attractive place to work, but also an environment of constant improvement and education. This is best exemplified by our "BYE" – Badge Your Expertise – programme, which enables skills and capability developments to be recorded and classified.

The Links programme is a bank-wide mentorship programme that ensures collaboration, best practice and knowledge sharing is institutionalised in the bank.

# 12

## Board of Directors Report

بنك الجزيرة  
BANK ALJAZIRA

بنك الجزيرة  
BANK ALJAZIRA

Enriching Lives  
Through Financial Wellbeing

Annual Report 2024

2024

## Introduction

The Board of Directors is pleased to submit the annual report of Bank AlJazira to the shareholders for the financial year that ended on 31 December 2024.

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

The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid up share capital of the Bank amounts to ₪ 10.25 billion divided into 1,025 million shares of ₪ 10 each.

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

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

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

### Five-year financial highlights

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

(₪ millions, except as otherwise indicated)

|  | 2020    | 2021     | 2022    | 2023    | 2024           |
|--|---------|----------|---------|---------|----------------|
| Financing, net                             | 53,961  | 62,434   | 70,599  | 80,781  | <b>96,912</b>  |
| Total assets                               | 92,089  | 102,827  | 115,849 | 129,551 | <b>148,906</b> |
| Customer deposits                          | 68,004  | 78,365   | 86,023  | 94,054  | <b>108,187</b> |
| Total liabilities                          | 80,724  | 88,932   | 102,240 | 113,135 | <b>131,704</b> |
| Shareholders’ equity                       | 11,364  | 12,020   | 11,734  | 12,540  | <b>13,327</b>  |
| Net income before zakat and income tax     | 31      | 1,153    | 1,297   | 1,181   | <b>1,405</b>   |
| Net income after zakat and income tax      | 34      | 1,006    | 1,109   | 1,020   | <b>1,231</b>   |
| Total operating income                     | 3,287   | 3,547    | 3,495   | 3,335   | <b>3,779</b>   |
| Net income growth (%)                      | (96.59) | 2,880.61 | 10.24   | (8.04)  | <b>20.69</b>   |
| Total operating income growth (%)          | 10.41   | 7.91     | (1.46)  | (4.60)  | <b>13.34</b>   |
| Return on average shareholders’ equity (%) | 0.29    | 7.97     | 8.06    | 6.79    | <b>7.32</b>    |
| Return on average assets (%)               | 0.04    | 1.03     | 1.01    | 0.83    | <b>0.88</b>    |
| Earnings per share (₪)                     | 0.03    | 0.94     | 1.01    | 0.86    | <b>1.01</b>    |

Note: The Earnings per Share have been retrospectively adjusted for prior periods to reflect the effect of the changes in weighted average number of shares due to bonus shares issued during the current year.

### Financing, net:

Reached ₪ 96.9 billion at the end of 2024, reflecting an increase of 20% compared to ₪ 80.8 billion in 2023. The growth was mainly driven by expansion in corporate financing portfolio, complimented by strong contributions from the consumer financing segment, particularly Mortgage and Auto finance. The Bank continued to diversify its financing portfolio across various economic sectors and expanded its client base resulting in lower concentration risk.

### Due from banks and other financial institutions:

Total outstanding amount at the end of 2024 was ₪ 6.7 billion versus ₪ 5.7 billion in 2023, an increase of 17.7%. This mainly represent short term placements with banks and financial institutions for liquidity management purpose.

### Investment Book:

The investment portfolio comprises of Sukuks, investment in equities and mutual funds. Total portfolio at 2024 year-end was ₪ 36.2 billion versus ₪ 34.4 billion in 2023, registering an increase of 5.1% compared to last year. This increase is primarily driven by investments in sukuks, complemented by a ₪ 0.5 billion rise in equity investments and a ₪ 0.3 billion increase in mutual fund investments.

### Total Assets:

Total assets amounted to ₪ 148.9 billion at the end of 2024, as compared to ₪ 129.6 billion in 2023, representing an increase of 14.9% over the previous year. The growth in total assets was mainly contributed by 20% increase in Financing portfolio, 5.1% increase in investment book and also supported by an increase in interbank balances.

### Customer Deposits:

Customer deposits grew by 15% to reach ₪ 108.2 billion at the end of 2024, compared to ₪ 94.1 billion in 2023. The increase is mainly driven by increase in saving / call deposits by ₪ 9.1 billion from ₪ 2 billion in 2023 to ₪ 11.1 billion as of year-end 2024. Additionally, there is a 6.6% rise in customers’ time investments which grew from ₪ 56.5 billion to ₪ 60.2 billion.

**Due to banks and other financial institutions:** Total outstanding amount at the end of 2024 was ₪ 19.3 billion versus ₪ 15 billion in 2023, an increase of 28.9%. This represents short-term interbank deposits, primarily intended for managing liquidity and cash flow requirements.

### Total Liabilities:

Amounted to ₪ 131.7 billion as at the end of 2024, compared to ₪ 113.1 billion in 2023, representing an increase of 16.4% over the previous year. The growth in total liabilities was mainly contributed by increase in Customer deposits by 15% and an increase in Due to banks, and other financial institutions by 28.9%.

### Geographical analysis of income:

The bank realizes its operational income from its activities in the Kingdom of Saudi Arabia and has no branches operating abroad. The table below depicts region-wise analysis of the total operating income of the bank. The operating income of Bank AlJazira includes the operating income of AlJazira Capital (100 % subsidiary of the bank) which amounted to ₪ 442 million as of the end of for 2024.

| Regions                       | Central<br>₪'000 | Eastern<br>₪'000 | Western<br>₪'000 | Total<br>₪'000   |
|-------------------------------|------------------|------------------|------------------|------------------|
| <b>2024</b>                   |                  |                  |                  |                  |
| Total Groups Operating Income | 1,612,259        | 425,799          | 1,741,339        | <b>3,779,397</b> |

## Main Business Segments

The Bank's activities consist mainly of the following business lines:

### Personal banking

Deposit, credit and investment products for individuals.

### Corporate banking

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

### Treasury

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

### Brokerage and asset management

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

### Others

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

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

| 2024  | Personal Banking<br>#'000 | Corporate Banking<br>#'000 | Treasury<br>#'000 | Brokerage and Asset Management<br>#'000 | Others<br>#'000 | Total<br>#'000     |
|---|---------------------------|----------------------------|-------------------|---|-----------------|--------------------|
| Total operating income                        | 2,081,817                 | 1,203,802                  | 404,576           | 441,775                                 | (352,573)       | <b>3,779,397</b>   |
| Total operating expenses                      | (1,530,824)               | (501,602)                  | (162,867)         | (197,487)                               | 1,101           | <b>(2,391,679)</b> |
| Share in net income of associates             | –                         | –                          | –                 | 2,414                                   | 14,487          | <b>16,901</b>      |
| Net income/(loss) before zakat and income tax | 550,993                   | 702,200                    | 241,709           | 246,702                                 | (336,985)       | <b>1,404,619</b>   |

#'000

### Subsidiaries and Associates

The following table summarizes the names of subsidiaries/ associate, their share capital, the Bank's holding percentage, their main business, their principal country of operation and country of incorporation as at 31st December 2024:

|   | Country of incorporation | Country of operation | Nature of business   | Share Capital  | Ownership |
|---|--------------------------|----------------------|--|--|-----------|
| <b>Subsidiaries</b>   |                          |                      |  |  |           |
| AlJazira Capital Company<br>(Closed Joint-Stock Company)                                      | Saudi Arabia             | Saudi Arabia         | Brokerage, asset and wealth management, investment banking and custody services  | # 500 million  | 100%      |
| Aman Development and Real Estate Investment Company<br>(Limited-Liability Co.)                | Saudi Arabia             | Saudi Arabia         | Holding and management of real estate collaterals on behalf of the Bank  | # 1 million  | 100%      |
| Aman Insurance Agency Company<br>(Limited Liability Co.) [under liquidation – note (a) below] | Saudi Arabia             | Saudi Arabia         | Acting as an agent for bancassurance activities on behalf of the Bank. The company ceased its business activities under liquidation. | # 500 thousand   | 100%      |
| AlJazira Securities Limited<br>(Limited Liability Co.)  | Cayman Islands           | Saudi Arabia         | Carry out Shariah compliant derivative and capital market transactions   | Authorized capital: USD 50,000<br>Paid up capital: USD 100 | 100%      |
| BAJ Sukuk Tier 1 Limited<br>(Limited Liability Co.)   | Cayman Islands           | Saudi Arabia         | Trustee for issuance of Tier 1 sukuk certificates  | Authorized capital: USD 50,000<br>Paid up capital: USD 250 | 100%      |
| <b>Associate</b>  |                          |                      |  |  |           |
| AlJazira Takaful Ta'awuni Company<br>(Listed Joint-Stock Company)                             | Saudi Arabia             | Saudi Arabia         | Fully Shariah compliant protection and saving products   | # 660 million  | 33.08%    |

\*This includes the Bank's standalone shareholding of 29.36% (31 December 2023: 22.31%) and AJC's shareholding of 3.72% (31 December 2023: 3.72%)

The issued share capital of AlJazira Capital Company amounts to # 500 million divided into 50 million shares of # 10 each. The issued share capital of Aman Development and Real Estate Investment Company amounts to # 1 million divided into 100 shares of # 10,000 each. The issued share capital of Aman Insurance Agency Company amounts to # 500,000 divided into 50,000 shares of # 10 each. The authorized capital of AlJazira Securities Limited amounts to USD 50,000 and its paid-up capital is USD 100 divided into 100 shares of USD 1 each. The authorized capital of BAJ Sukuk Tier 1 Limited amounts to USD 50,000 and its paid-up capital is USD 250 divided into 250 shares of USD 1 each.

The issued share capital of AlJazira Takaful Ta'awuni amounts to # 660 million divided into 66 million shares of # 10 each.

The Bank confirms that there were no debt securities in issue for any of these subsidiaries.

Note (a): During financial year 2021, Aman Insurance Agency Company (the Company) applied for its license renewal from Saudi Central Bank ("SAMA"), however, it was not renewed, as SAMA had issued rules governing bancassurance activities during May 2020 which require the banks to carry out Bancassurance business directly. This, as a result, restricted the ability of the Company to carry out business activities and therefore, management of the Company decided to initiate the winding up procedures which are in process as at 31 December 2024.

## Bank's Profitability and growth of financial assets and liabilities

The Bank has recorded a net income before zakat and income tax of ₪ 1,404.6 million for the year ended December 31, 2024. This represents an increase of ₪ 223.7 million or 18.9% compared to ₪ 1,180.9 million during the financial year 2023. The net income after zakat and income tax for the year ended December 31, 2024 was ₪ 1,231 million. This represents an increase of ₪ 211 million or 20.7% compared to ₪ 1,020 million for the financial year 2023.

Net income has increased by ₪ 211 million or 20.7% mainly due to an increase in total operating income by ₪ 444.7 million or 13.3%, from ₪ 3,334.7 million to ₪ 3,779.4 million. The increase in operating income is mainly due to an increase in net financing and investment income by ₪ 259.6 million or 10.9% from 2,374.8 million to ₪ 2,634.4 million, increase in Fees from banking services by ₪ 56.1 million or 10.2% from ₪ 548 million to ₪ 604.1 million, increase in Net gains on FVIS financial instruments by ₪ 48.0 million, from a loss of ₪ 3.4 million to a gain of ₪ 44.6 million, increase in Other operating income by ₪ 41.6 million or 101.7% from ₪ 40.9 million to ₪ 82.5 million and increase in Dividend income by ₪ 39.3 million or 25.6% from ₪ 153.4 million to ₪ 192.7 million.

On the other hand, the total operating expenses increased by ₪ 221.8 million or 10.2%, from ₪ 2,169.9 million to ₪ 2,391.7 million. This was primarily driven by an increase in net impairment charge for financing and other financial assets by ₪ 88.4 million or 38.6%, from ₪ 229.1 million to ₪ 317.5 million, salaries and employee-related expenses by ₪ 74.2 million or 7.1%, from ₪ 1,051.9 million to ₪ 1,126.1 million, other general and administrative expenses by ₪ 67.1 million or 10.6%, from ₪ 635.6 million to ₪ 702.7 million, Other operating expenses by ₪ 28.9 million or 166.1%, from ₪ 17.4 million to ₪ 46.3 million. This was partially offset due to reversal of an impairment charge for other real estate by ₪ 42.6 million.

The increase in net income was also partially offset by a higher zakat charge, which rose by ₪ 13.9 million or 9.2%, from ₪ 151.4 million to ₪ 165.3 million.

Earnings per share were ₪ 1.01 for the year ended 31 December 2024 against ₪ 0.86 (restated) for the financial year 2023.

Total assets were ₪ 148.9 billion as of 31 December 2024, compared to ₪ 129.6 billion at 31 December 2023, an increase of ₪ 19.4 billion or 14.9%. Net financing to customers amounted to ₪ 96.9 billion at 31 December 2024, an increase of ₪ 16.1 billion, or 20%, from ₪ 80.8 billion at 31 December 2023. The Bank's investment portfolio totaled ₪ 36.2 billion at 31 December 2024, an increase of ₪ 1.8 billion or 5.1% compared to ₪ 34.4 billion at 31 December 2023. Total liabilities were ₪ 131.7 billion at 31 December 2024, compared with ₪ 113.1 billion as at 31 December 2023 an increase of 16.4% or ₪ 18.6 billion. Customer deposits reached ₪ 108.2 billion as at 31 December 2024, an increase of ₪ 14.1 billion, or 15%, compared to ₪ 94.1 billion as at 31 December 2023. Due to banks and other financial institutions totaled ₪ 19.3 billion at 31 December 2024, an increase of ₪ 4.3 billion, or 28.9%, compared to ₪ 15 billion at 31 December 2023. There was no major change in the Subordinated Sukuk balance (without transaction costs) during the year which totaled ₪ 2.0 billion at 31 December 2024.

## Borrowings and Sukuk in issue

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

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

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

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

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

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

### ₪ 2,000 million Perpetual Tier 1 Sukuk

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

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

The applicable profit rate is 6% per annum from date of issue up to June 2028 and is subject to reset every 5 years. The applicable profit on the Sukuks is payable semi-annual in arrears on each periodic distribution date, except upon the occurrence of a non-payment

event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

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

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

On December 08, 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of ₪ 1 million each, with a profit distribution

| As at 31 December 2024                     | ₪'000            |
|--|------------------|
| ₪ 2,000 million 10-year subordinated sukuk | 2,000,000        |
| <b>Total</b>                               | <b>2,000,000</b> |

Note: In the financial statements the amount has been shown at amortised cost in line with IFRS requirements

## Borrowing from Banks and other financial institutions

Total outstanding amount at the end of 2024 was ₪ 19.3 billion versus ₪ 15 billion in 2023, higher by ₪ 4.3 billion or 28.9%. This represent short-term interbank deposits, primarily intended for managing liquidity and cash flow requirements.

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

The Bank does not hold treasury shares at the end of 2024.

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

## Staff Benefits and Schemes

To be in line with the supervisory directives issued by SAMA and the principles of the Financial Stability Board (FSB), the bank is conducting a periodic researches to ensure consistency of compensation, compensation and benefits levels and amounts are determined by conducting periodic research that includes salary benchmark surveys and through other means of market pay intelligence, in order to enable Bank to keep abreast of the local and regional market conditions relating to bank staff employed in the Kingdom, which are contrasted to cyclical performance levels, and mitigated for any associated risks.

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

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

The total accrued amount of End of Service Benefits outstanding at the end of December 2024 totaled ₪ 309.43 million.

## Key risks faced by the bank

Bank AlJazira (BAJ) has adopted a robust, transparent and prudent approach towards Risk Management and thus continues to invest into building an infrastructure that is able to proactively identify, assess, measure and control the risks the Bank is faced with on an Enterprise Wide basis. As a core risk management practice, the management keeps a close track of the top and emerging risks that are expected to emanate and challenge not only the International economies and financial markets but also their ripple effects on the Saudi Economy and thus the Financial Industry in the Kingdom.

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

According to the World Economic Outlook (WEO) for July FY2024, the International Monetary Fund (IMF) projects that global economic growth is expected to be approximately 3.2% and 3.3% in FY2024 and FY2025, respectively, compared to 3.3% in FY2023. Based on the World Bank's estimates, the global economy is on track to achieve a state of stability after three consecutive years of slowdown. This shift was supported by the decline in the inflation rate to its lowest level in three years, along with improvements in the fiscal situation.

- As a result, demand for fuel in the transportation and Manufacturing sector has increased.
- Preliminary estimates indicate that real GDP growth will be 4.6% for FY 2025, supported by the growth in the GDP of non-oil activities, with the expectation that the private sector will continue to lead economic growth. The Public Investment Fund (PIF) is also expected to continue to provide additional stimulus to the KSA economy.
- It is also expected that the Kingdom's trade balance will improve, and that Saudi Vision 2030 realization programs, initiatives, and regional and sectoral strategies will continue support positive growth rates during FY 2025 and in the medium term, in part due to reform efforts enacted since FY 2021.

The government is pressing forward with its reforms to meet the objectives of Saudi Vision 2030, which is reflected in the budget of FY2025 and over the medium term. It intends to maintain spending on essential services for citizens and residents, while also focusing on the implementation and the acceleration of spending on specific projects and strategies in targeted sectors.

(Source: IMF World Economic Outlook, October 2024 & Pre-Budget Statement FY 2024, Ministry of Finance KSA)

### 1. Maintenance of Capital Adequacy

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

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

### 2. Liquidity Management

One of the key risks emanating from the recent global events and their impact on the regional and local financial markets has been the generation of liquidity / funds at a cost that does not outweigh the inflow of economic benefits derived from the financed assets. BAJ's management is cognizant of its liquidity requirements after taking into consideration the current and planned business requirements. Therefore, the Bank has put in place a robust liquidity management framework which ensures a proactive identification of current and expected liquidity requirements and gauges the same against the cost of such liquidity. The Bank's ALCO remains focused on ensuring that funding / liquidity remains at reasonable costs while providing the Bank an opportunity to finance the growth of high yielding assets. The Bank has a comprehensive ILAAP (Internal Liquidity Adequacy Assessment Plan) regime in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with liquidity events.

### 3. Assets Quality/ Credit Risk

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

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

### 4. Market Risk Management

The Bank's willingness to accept risk is influenced by various factors including market volatility, business direction, macroeconomic and subjective factors. This is managed and contained through relevant market risk limits and policies governed under the approved risk management framework and regulatory compliance. The Bank continuously monitors its market risk by quantifying its capital requirement, profit rate risk, currency risk and by ensuring that its Treasury Business operates within its respective limits. Market Risk is subject to the following drivers:

- Maximum Cumulative Outflow of the Balance Sheet.
- Economic Value of Equity (EVE) and Stressed EVE ( $\Delta$ EVE).
- Liquid Assets Ratio (SAMA Liquidity Ratio).
- Net Stable Funding Ratio (NSFR).

- Liquidity Coverage Ratio (LCR).
- Loan-to-Deposit Ratio (LDR).
- Concentration of Funding Sources.
- Market Risk Factors.

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

### 5. Foreign Exchange Risks

Foreign Exchange risk is the risk that financial assets that are denominated in foreign currency lose value, or financial liabilities that are denominated in foreign currency gain value. The MRPC has set limits on Net Open Positions by currency. There are limits for USD, Other G10 Currencies, GCC Currencies, and currencies in other regions. The Bank has negligible exposure in foreign exchange because its assets and liabilities are mainly denominated in Saudi Riyals (ﷻ) and to a limited extent in United States Dollars (USD) or in USD-pegged currencies.

### 6. Equity Price Risk

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

### 7. Capital Treatment for Market Risk

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

### 8. Stress Testing

The Bank performs Stress Testing semi-annually to further evaluate potential losses. By evaluating the size of the unexpected losses, the Bank is able to understand the risk profiles and potential exposures to unlikely but plausible events in abnormal market conditions using multiple scenarios, and undertake the appropriate measures. Given the current economic environment, a broad spectrum of scenarios including liquidity and impact on sources of funding are considered in line with applicable regulatory guidelines. These scenarios are updated and may be redefined on an ongoing basis. The Stress Test results are reported to Senior Management, Board Risk Committee, Management Risk Committee, the Board and SAMA to facilitate and manage risk resilience with more transparency.

### 9. Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up. To mitigate this risk, management actively pursues the diversification of funding sources, assets are priced taking liquidity into consideration while the Bank maintains an adequate balance of cash and cash equivalents. The global financial crisis has resulted in a significant change in the regulation and supervision of liquidity risk in financial institutions. Arising from the Basel III liquidity risk management requirements, two ratios are used to manage liquidity risks: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

### 10. Liquidity Risk Management Approach

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

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

All liquidity policies and procedures are governed by the Market Risk Policy Manual which is subject to review and approval every year by the Market Risk Policy Committee. In accordance with Banking Control Law and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7% of total demand deposits and 4% of customers' time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of no less than 20% of its deposit liabilities in the form of cash and liquid assets which can be converted into cash within a period not exceeding 30 days. The bank is currently holding an investment portfolio, with a large portion of it comprising of SAMA Floating Rate Notes and Government Sukuk. This portfolio is considered high quality and liquid with availability of funding (up to 85-100% depending on instrument) through SAMA's repo window.

# Operational Risks

## Introduction

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

## Management of Operational Risks

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

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

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

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

### 1. Risk & Control Self-Assessment (RCSA)

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

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

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

### 2. Key Risk Indicators (KRIs)

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

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

### 3. Loss Data Management (LDM)

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

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

### 4. Business Continuity Management (BCM)

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

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

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

### 5. Anti-Fraud Management Program

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

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

### 6. Outsourcing

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

## 7. Insurance

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

## 8. Measurement of Operational Risk (OR) Capital Charge

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

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

## Capital Adequacy and Capital management

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

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

## Real Estate Finance Risk

The following table shows the outstanding balance of the Banks residential real estate finance portfolio as of 31 December 2024:

| ₪ '000                     | 31 Dec 2024   |
|----------------------------|---------------|
| Real Estate Financing, net | 21,746        |
| <b>Total</b>               | <b>21,746</b> |

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

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

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

## Accounting Standards

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

The accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2024, are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023. Based on the adoption of new standards, interpretations, amendments and in consideration of current economic environment, certain accounting policies as disclosed in the consolidated financial statements are applicable effective January 1, 2024, replacing, amending or adding to the corresponding accounting policies set out in 2023 annual consolidated financial statements.

## Appointment of External Auditors

The External Auditors are responsible for the annual audit and quarterly review of the bank's financial statements. The Bank's Extraordinary General Meeting held on 24 April 2024 (corresponding to 15/10/1445) approved the recommendation of the Board of Directors and the Audit Committee to reappoint Price Water House Coopers and Ernest & Young (EY) as the external Auditors of the Bank for the financial year ended 31 December 2024, and the first quarter of 2025.

## Statutory Payments

The statutory payments paid by the bank in the year 2024 consisted mainly from zakat, taxes and amounts payable to GOSI. The following table includes details of such payments.

| Type of Statutory Payments                      | ﷲ in million |
|---|--------------|
| Withholding Tax and VAT                         | 158.75       |
| Zakat for (2023)                                | 149.87       |
| Income Tax                                      | 1.92         |
| Additional (Zakat, VAT, WHT) for previous years | 2.15         |
| Advance Tax Payments                            | 9.25         |
| GOSI (including Bank and the employees)         | 86.24        |
| Visa, Iqama and related services, Municipality  | 4.51         |

## Penalties, fines and Regulatory Restrictions

The bank acknowledges its full commitment to enforce all banking instructions and systems and the regulatory rules and regulations issued by the supervisory authorities in the conduct of its daily business. The following tables reflect details of the penalties imposed against the bank:

### Saudi Central Bank penalties

| Subject of violation   | Fiscal year 2023    |                             | Fiscal year 2024    |                             |
|--|---------------------|-----------------------------|---------------------|-----------------------------|
|  | Number of Penalties | Total amount of Penalties ﷲ | Number of Penalties | Total amount of Penalties ﷲ |
| Violation of SAMA supervisory instructions   | 6                   | 1,270,600                   | 17                  | 27,263,250                  |
| Violation of SAMA instructions for protecting customers  | Nil                 | –                           | Nil                 | –                           |
| Violation of SAMA instructions related due diligence   | 2                   | 615,500                     | Nil                 | –                           |
| Violation of SAMA instructions regarding the level of performance of ATMs and point of sale machines     | Nil                 | –                           | Nil                 | –                           |
| Violation of SAMA instructions for due diligence in Anti money laundering and the financing of terrorism | Nil                 | –                           | Nil                 | –                           |

## Other Penalties, fines and Regulatory Restrictions

Some Municipalities and other government related entities have imposed fines on the Bank with a total of ﷲ 511 thousand during 2024 most of them are related to the municipals regulations in regard to the Bank ATMs and branches as specified below. The Bank has taken care to enhance the handling of various aspects of regulations.

| Name of Authority   | 000 ﷲ      |
|---------------------|------------|
| Riyadh Municipality | 471        |
| CMA                 | 40         |
| <b>Total</b>        | <b>511</b> |

## Related Party Transactions

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

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

|   | 2024<br>ﷲ'000 | 2023<br>ﷲ'000 |
|---|---------------|---------------|
| <b>Subsidiary companies</b>   |               |               |
| Investments   | 500,980       | 501,480       |
| Customer deposits   | 2,389,506     | 2,642,995     |
| Due from banks and other financial institutions   | 2,023,568     | 1,837,301     |
| Due to banks and other financial institutions   | 291,019       | 290,909       |
| Receivables and other assets  | 161,081       | 233,777       |
| Payables and liabilities  | 30,623        | 75,544        |
| Commitments and contingencies   | 98            | 30,173        |
| Notional values of outstanding Shariah compliant contracts                                | 3,675,436     | 4,134,582     |
| Outstanding Sukuk liability   | 1,875,000     | 1,875,000     |
| <b>Associate and affiliate entities with significant influence</b>                        |               |               |
| Investments   | 323,716       | 243,011       |
| Customer deposits   | 305,417       | 157,908       |
| Contingencies and commitments   | 7,280         | 7,280         |
| Sukuk liability   | 150,000       | 150,000       |
| <b>Directors, key management personnel, other major shareholders and their affiliates</b> |               |               |
| Financing   | 327,474       | 136,203       |
| Customers' deposits   | 119,835       | 541,269       |
| Contingencies and commitments   | 35,835        | 29,840        |

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

|  | 2024<br>#'000 | 2023<br>#'000 |
|--|---------------|---------------|
| <b>Mutual Funds under subsidiary's management</b>  |               |               |
| Investments  | 579,306       | 1,402,087     |
| Customers' deposits  | 111,785       | 233,361       |
| <b>Income, expenses and other transactions with related parties included in the consolidated financial statements:</b> |               |               |
| Income from investments and financing  | 304,253       | 301,492       |
| Return on deposits and financial liabilities   | 311,134       | 327,183       |
| Fee income   | 395           | 302           |
| Fee expense  | 12,697        | 13,327        |
| Exchange gain  | -             | 515           |
| Insurance premium paid include advance   | 131,247       | 67,926        |
| Claims received  | 26,505        | 38,997        |
| Directors' remuneration  | 17,049        | 10,332        |
| Income under shared service agreements   | 1,150         | 1,150         |
| Operating expenses   | 5,432         | 28,429        |
| Reimbursement of expense to a subsidiary   | 39            | 38            |
| Reimbursement of building related expense  | 4,005         | 3,065         |
| Rent expense for branches  | 765           | 768           |
| Investment in the sukuku issued by BAJ   | -             | 150,000       |
| Profit paid on the sukuk issued  | 9,000         | 4,500         |
| Face value of bonus shares received  | -             | 24,540        |
| Dividend received  | 5,813         | -             |
| Participation in DMO sukuk auction for an associate  | 33,516        | -             |
| Investment in mutual funds   | 144,716       | -             |
| Purchase of shares of associate (ATT)  | 76,218        | -             |
| <b>Total amount of remunerations paid to directors and key management personnel during the year:</b>                   |               |               |
| Short-term employee benefits   | 133,687       | 123,019       |
| Termination benefits   | 28,608        | 32,537        |

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

The contracts and dealings between the Bank and AlJazira Takaful Ta'awuni Company (AJT) in the year 2024 amounted to # 290.2 million. Whereas,

- Eng. Abdulmajeed Al Sultan had an indirect interest in these as he was Deputy Chairman of Bank AlJazira Board of Directors and the Chairman of the Board of Directors of AJT
- Mr. Naif AlAbdulkareem has an indirect interest in these as he is the CEO & Managing Director of Bank AlJazira and the Deputy Chairman of Board of Directors of AJT.

| Nature of Contract                         | Period of the Contract | Transaction amount in 2024<br>#'000 |
|--|------------------------|-------------------------------------|
| Personal Dinar Insurance Policy            | One Year               | 42,684                              |
| Mortgage Insurance Policy                  | One Year               | 79,830                              |
| Group Life Insurance Policy                | One Year               | 1,785                               |
| Staff Credit Cover Policy                  | One Year               | 382                                 |
| Property All Risk                          | One Year               | 56                                  |
| Banker Blanket bond                        | One Year               | 5,408                               |
| Directors and Officers Liability Insurance | One Year               | 1,102                               |
| Return on time deposits investments        | Dealings               | 7,779                               |
| Claims received                            | One Year               | 26,505                              |
| Commission received                        | One Year               | 113                                 |
| Dividends received                         | Dealings               | 5,813                               |
| Profit on the sukuku issued by BAJ         | Dealings               | 9,000                               |
| Purchase of MoF sukuku through BAJ         | Dealings               | 33,516                              |
| Additional investment in AJT shares        | Dealings               | 76,218                              |
| <b>Total</b>                               | -                      | <b>290,191</b>                      |

The contracts and dealings between the Bank and AlJazira Capital (AJC) in the year 2024 amounted to # 157.2 million. Whereas:

- Eng. Tarek bin Othman Al-Kasabi has an indirect interest in these transactions as he was the Chairman of Bank AlJazira Board of Directors and the Chairman of the Board of Directors of AJC during 2024.
- Mr. Naif AlAbdulkareem has an indirect interest in these transactions as he is the CEO & Managing Director of Bank AlJazira and the Deputy Chairman of Board of Directors of AJC.

| Nature of Contract                                  | Period of the Contract       | Transaction amount in 2024<br>#'000 |
|---|------------------------------|-------------------------------------|
| Financing income earned on money market placements  | One Year                     | 111,195                             |
| Return on deposits                                  | 2 years / Dealings           | 27,828                              |
| Service Level Agreement                             | Effective, unless terminated | 1,150                               |
| Fees and commission income                          | One Year                     | 281                                 |
| Custody fee expense                                 | Effective, unless terminated | 6,043                               |
| Asset management and investment advisory fee        | Effective, unless terminated | 1,292                               |
| Transaction advisory for acquisition of investments | One-time transaction         | 5,362                               |
| Rent and building related expense                   | Effective, unless terminated | 4,005                               |
| <b>Total</b>  | -                            | <b>157,156</b>                      |

The contracts and dealings between the Bank and SIMAH in the year 2024 amounted to ₪ 5.4 million. Whereas:

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

| Nature of Contract                     | Period of the Contract | Transaction amount in 2024<br>₪'000 |
|--|------------------------|-------------------------------------|
| Registration and service usage charges | Dealings               | 5,432                               |
| <b>Total</b>                           | –                      | <b>5,432</b>                        |

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

| Contractor                         | Name of the Related Party               | Relationship  | Nature of Contract                | Term of Contract | Amount in 2024 |
|------------------------------------|---|---|-----------------------------------|------------------|----------------|
| Mr. Ahmed bin Othman Al-Kasabi     | Eng. Tarek bin Othman Al-Kasabi         | Brother of Mr. Ahmed bin Othman Al-Kasabi                 | Rental for Al-Hassan Bin Ali Road | 10 years         | 316            |
| Dallah Health Care Holding Company | Eng. Tarek bin Othman Al-Kasabi         | Board member in Dallah Health Care Holding Company        | Rental for ATM in Riyadh          | 5 years          | 35             |
| Consolidated Brothers Company      | Eng. Abdul Majeed bin Ibrahim Al-Sultan | Board member & Owns part of Consolidated Brothers Company | Rental for Al-Rehab Branch        | 5 years          | 414            |
| <b>Total</b>                       |   |   |                                   |                  | <b>765</b>     |

**Note:** The amounts above also include VAT where applicable.

### Board of Directors assurance

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

- Proper books of account have been maintained.
- The system of internal control is sound in design and has been effectively implemented.
- There are no significant doubts concerning the bank ability to continue as a going concern.
- There are no business or contracts in which the bank is a party, or in which any board member, the CEO, Managing Director, Senior Financial Officer, or senior executives of the bank, or any party directly related to them, hold large interests, except as otherwise disclosed in the (Related Parties Transactions) herein and in the Note (37–Transactions with related parties) of the audited financial statements for 2024.
- The Board of Directors did not recommend replacement of the bank's auditors prior to their term of appointment, and there was no contradiction between the recommendations of the Audit Committee and the Board resolutions.

### Dividend Distribution Policy

In line with the bank's updated Articles of Association as approved at the General Assembly Meeting held on Wednesday, 15 Jummada I, 1442H (30 Dec 2020G) and BAJ Governance document, the bank's dividends policy complies with the Banking Control Law and the rules and regulations issued by the regulatory authorities. The Bank pays approved dividends to shareholders, after deduction of overheads and other expenses, formation of reserves as necessary to meet doubtful debts, investment losses and contingent liabilities as deemed necessary by the board of directors and required under the banking control law provisions, as follows:

- Sums required for payment of the Zakat due on Saudi shareholders and the tax due on non-Saudi shareholders shall be calculated according to the laws and regulations in force in Kingdom of Saudi Arabia. Such sums shall be paid by the bank to the competent authorities. Zakat paid on behalf of Saudi shareholders shall be deducted from their share in the net profits, and tax paid on behalf of non-Saudi shareholders will be deducted from their share in the net profits.
- 25% of the remainder of annual net profits, after deduction of zakat, will be transferred to statutory reserve until this reserve is equal to the paid-up capital of the bank, at least.

- Out of the remainder of the profit after deduction of the statutory reserve and Zakat and tax, a sum of not less than 2.5% of the paid-up capital shall be allocated for distribution to Saudi and non-Saudi shareholders in proportion to the paid-up part of the shares of the Saudi and non-Saudi shareholders as recommended by the Board of Directors and endorsed by General Meeting. In case the remainder of the profits payable to the shareholders concerned is not sufficient for paying such dividend, shareholders may not be entitled to claim the payment thereof in the following year or years. The General Meeting may not resolve to pay a percentage of the dividends which exceeds the percentage that is recommended by the Board of Directors.
- The remainder after the sums set forth in paragraph (a), (b), (c) herein have been allocated shall be utilized in the manner recommended by the Board of Directors and approved by the General Meeting.
- The respective percentage of shareholding of each of the Saudi and non-Saudi shareholders shall be maintained (observed) when calculating the sum to be allocated as statutory reserve and other reserves out of the net profit (after Zakat and Tax). Each of the two categories of shareholders shall participate in the transfer to such reserves on a pro-rata basis of their shareholding in the capital provided their contributions will be deducted from their shares in the net profits.
- Without prejudice to (a), (b), (c), (d) and (e) hereof, the bank may, after having obtained the Saudi Central Bank's (SAMA) no-objection, and in line with the relevant regulatory rules, may pay provisional dividends to shareholders, half-yearly or quarterly, if any

### Credit Ratings

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

| Rating                          | Moody's 4-Dec-2024                  | Fitch Rating May-9-2024                 |
|---------------------------------|-------------------------------------|---|
| Credit Rating – Long Term       | Baseline Credit Assessment BCA BAA3 | Issuer Default Rating IDR A-            |
| Outlook                         | Stable                              | Stable                                  |
| Deposits Rating                 | A3/P-2*                             | Issuer Default Rating IDR F2 Short Term |
| International Scale             | –                                   | –                                       |
| National scale                  | –                                   | –                                       |
| Counterparty Risk Assessment CR | A2(cr)/P-1(cr)                      | –                                       |
| Overall Fiduciary Rating Score  | –                                   | –                                       |
| Long Term Local Currency IDR    | –                                   | A-                                      |
| Long – Term IDR (xgs)           | –                                   | BB+                                     |
| Viability Rating                | –                                   | BB+                                     |
| National Long Term Rating       | –                                   | AA (sau)                                |

### Local regulatory and supervisory requirements and international standards:

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

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

## Board of Directors General Secretariat and Governance Group:

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

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

### Principles of Corporate Governance

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

<https://www.bankAlJazira.com/ar-sa/About-Us/Shareholders-Services/UnclaimedDividendList>

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

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

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

The corporate Governance department has reviewed Governance Policies after they were aligned with the Key Principles of Governance

in Financial Institutions under the Control and Supervision of the Saudi Central Bank (SAMA) and Corporate Governance Amended Regulations issued by Capital Market Authority. These policies included, for example, Remuneration and Compensation of Members of the Board of Directors, Committees and Executive Management Policy, the Governance Manual, Charters of the Board and its Subcommittee's including for example, Executive Committee Charter which have been approved by the board.

The Bank's shareholders Extraordinary general assembly, at its meeting held on 11 December 2024, approved the updated and amended Charter of the Audit Committee, the Policies and Procedural Standards for Membership in the Board of Directors and its Committees, and Remuneration and Compensation of Members of the Board of Directors, Committees and Executive Management Policy.

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

As per the supervisory directives contained in the Governance Principles document, the Corporate Governance Rules and Bank AlJazira Governance document, the board of directors evaluates, on an annual basis, the effectiveness of its members and the level of their participation in its business, both individually and as a group, as well as the effectiveness of the board sub-committees. During the third quarter of 2024 under the directives of the Remunerations and Nominations Committee, the Bank led by Human Capital and Corporate Support Group the assessment, and the results along with recommendations of this assessment were conveyed to the Remunerations and Nominations Committee then raise it to Board of Directors. The bank aims to conduct this assessment annually to ensure raising effectiveness of the board to support the bank strategic direction.

#### c. Training courses to board and sub-committee members:

In its keenness to enhance the skills of the members of the board and its subcommittees member in all aspects of banking industry, direct training and physical learning programs were designed for the

whole board during the term (Jan 2022 – Dec 2024). These programs cover all members of the board, in 2024 all members of the Board have virtually attended a session in line with Saudi Central Bank (SAMA) requirements, sessions were reviewed by the members and subsequently confirmed covering the following points:

- Corporate Governance
- Compliance
- Shariah Governance
- Business Continuity
- Data Privacy
- Personal Data Protection Law
- Whistleblowing
- Cyber Security
- Operational Risk Management
- Fraud
- Money Laundering

#### d. Shareholders rights

Under the related supervisory directives, and as a general rule, the bank is keen to enable shareholders to exercise their legal rights relating to the shares, including the submission of comments and suggestions regarding the bank and performance. To this effect, the Phone number **012 609-8394** or **011 215-7325** and e-mail

address ([SSU@bankAlJazira.com](mailto:SSU@bankAlJazira.com)) were assigned to receive inquiries from all shareholders, and the board was informed of all such inquiries and feedback. In addition, and as per the Bank's practices, the board addressed all questions and inquiries of shareholders raised at the bank's general meetings held in the year 2024 and through the shareholders unit. The board reviews such comments and reacts appropriately to them.

### Shareholders registry submissions

In 2024, submissions to shareholders registry were made as per following details:

| No. of Submissions made to Shareholders Register | Submission Date | Reasons          |
|--|-----------------|------------------|
| (1)  | 2024/02/28      | Others           |
| (2)  | 2024/04/17      | Others           |
| (3)  | 2024/04/24      | General Assembly |
| (4)  | 2024/08/27      | Others           |
| (5)  | 2024/12/01      | Others           |
| (6)  | 2024/12/12      | Others           |
| (7)  | 2024/12/30      | Others           |

### Notification relating to shareholding of major shareholders:

The Bank did not receive any notifications from shareholders and related parties regarding change of their shareholding in the bank as per the provisions of article 68 of the requirements for securities issuance and continuous liabilities issued by the Capital Market Authority. The following tables include description of the interests of major shareholders, board directors and senior executives and their spouses and children in the bank's shares or debt instruments:

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

| Name of interested person                       | Beginning of the year 2024 |                  | End of the year 2024 |                  | Net Change | % Change |
|---|----------------------------|------------------|----------------------|------------------|------------|----------|
|   | No. of Shares              | Debt Instruments | No. of Shares        | Debt Instruments |            |          |
| 1. Mr. Ibrahim Abdulrahman Mohammed Al Qunaibet | 48,672,485                 | –                | 61,503,975           | –                | 12,831,490 | 26.36%   |
| 2. Consolidated Brothers Development Company    | 41,000,000                 | –                | 51,250,000           | –                | 10,250,000 | 25.00%   |

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

| Name                                      | Relationship           | Shares Balance Beginning of the year 2024 | Shares Balance End of the year 2024 | Net Change | % Change |
|---|------------------------|---|-------------------------------------|------------|----------|
| Eng. Tarek bin Othman Al Kasabi           | Self                   | 1,000                                     | 1,250                               | 250        | 25.00%   |
| Mrs. Manal Tarek bin Othman Al Kasabi     | Board Member Daughter  | 28,000                                    | 35,000                              | 7,000      | 25.00%   |
| Eng. Abdulmajeed bin Ibrahim Al Sultan    | Self                   | 2,731                                     | 3,412                               | 681        | 24.97%   |
| Consolidated Brothers Development Company | Board Member Partner   | 41,000,000                                | 51,250,000                          | 10,250,000 | 25.00%   |
| Mr. Saad Ibrahim Al Mushawah              | Self                   | 2,000                                     | 2,500                               | 500        | 25.00%   |
| Mr. Abdulwahab Abdulkareem Al Betari      | Self                   | 65,000                                    | 48,125                              | -16,875    | -25.96%  |
| Mrs. Fahdah Fayz Fahad Al Gusaabi         | Board Member Wife      | 2,500                                     | 3,125                               | 625        | 25.00%   |
| Mr. Ibrahim bin Abdulaziz Al Shaia        | Self                   | 30,000                                    | 70,000                              | 40,000     | 133.33%  |
| General Organization for social Insurance | Representative         | 40,180,000                                | 50,225,000                          | 10,045,000 | 25.00%   |
| Mr. Abdullatif bin Khalifa Al Mulhem      | Self                   | 3,799,040                                 | 4,748,799                           | 949,759    | 25.00%   |
| Mr. Khalifa Al Mulhem                     | Father of Board Member | 115,000                                   | 886,856                             | 771,856    | 671.18%  |
| Mr. Naif bin Abdulkareem Al Abdulkareem   | Self                   | 1,000                                     | 1,250                               | 250        | 25.00%   |

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

| Name  | Relationship          | Shares Balance Beginning of the year 2024 | Shares Balance End of the year 2024 | Net Change | % Change |
|---|-----------------------|---|-------------------------------------|------------|----------|
| Mr. Naif bin Abdulkareem Al Abdulkareem<br>CEO & Managing Director  | Self                  | 1,000                                     | 1,250                               | 250        | 25.00%   |
| Dr. Fahad bin Ali Al Elayan<br>Senior Vice President and Head of Shariah Group and Sustainability & Social Responsibility Group | Self                  | 30,000                                    | 20,500                              | -9,500     | -31.67%  |
| Mrs. Sadeem Fahad bin Ali Al Elayan   | Daughter of Executive | 137                                       | 220                                 | 83         | 60.58%   |
| Mrs. Haneen Fahad bin Ali Al Elayan   | Daughter of Executive | 800                                       | 1,000                               | 200        | 25.00%   |
| Mr. Osama Al Ibrahim<br>Senior Vice President & Group Head of Risk Management   | Self                  | 5,102                                     | 6,377                               | 1,275      | 24.99%   |
| Lamees Mohammed Saleh Al Jarboua  | Wife of Executive     | 1,000                                     | 0                                   | -1,000     | -100.00% |
| Mr. Faisal Mashhour Al-Mansour<br>Senior Vice President and Head of Human Capital and Corporate Support Group                   | Self                  | 0   | 2,900                               | 2,900      | 100%     |

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

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

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

| Board Member                          | Competing Businesses   | Main Activity  |
|---------------------------------------|------------------------|--|
| 1. Mr. Abdulwahab Abdulkarim Albetari | Pinnacle Capital       | A Company Specialized arrangement in the securities investments management |
| 2. Mr. Mohammed Saad BinDawood        | Dar Al Tamleek Company | A Company Specialized in providing housing finance consumer finance.       |

## Composition of the board of directors and membership categories

As per the provisions of the Bank's articles of association, the board of directors of Bank AlJazira consists of 9 members. On 15 November 2021, the bank's general meeting convened to select and elect the board directors for a new term from 01 January 2022 to 31 Dec 2024 based on the accumulative voting method. In accordance with the supervisory directives and after having obtained the consent of the regulatory

authorities, a Chairman, Deputy Chairman and a managing director were elected from among the board members.

The Board of directors has also selected and appointed the chairmen and members of the board sub-committees for the board term starting from 01 Jan 2022 to 31 Dec 2024, as follows:

| SN | Director's name                          | Membership Classification (Executive – Non-Executive – Independent) |
|----|--|---|
| 1  | Eng. Tarek bin Othman Al Kasabi          | Non-Executive – Chairman  |
| 2  | Eng. Abdul Majeed bin Ibrahim Al Sultan  | Non-Executive – Deputy Chairman                                     |
| 3  | Mr. Naif bin Abdulkareem Al Abdulkareem  | Executive – Managing Director and Chief Executive Officer           |
| 4  | Mr. Abdulwahab bin Abdulkareem Al Betari | Non-Executive   |
| 5  | Mr. Adil bin Saud Dahlawi                | Non-Executive   |
| 6  | Mr. Mohammed bin Saad BinDawood          | Non-Executive   |
| 7  | Mr. Abdullatif bin Khalifa Al Mulhem     | Independent   |
| 8  | Mr. Ibrahim bin Abdulaziz Al Shaia       | Independent   |
| 9  | Mr. Saad bin Ibrahim Al Mushawah         | Independent   |

The Board of Directors also took into account the selection and appointment of the chairmen and members of the Board sub-committees for the Board term starting from 01 January 2022 to 31 December 2024, which were formed as follows:

### Executive Committee Members:

| Name                                    | Membership Classification |
|---|---------------------------|
| Eng. Tarek bin Othman Al Kasabi         | (Chairman) Non-Executive  |
| Eng. Abdul Majeed bin Ibrahim Al Sultan | Non-Executive             |
| Mr. Naif bin Abdulkareem Al Abdulkareem | Executive                 |
| Mr. Mohammed bin Saad BinDawood         | Non-Executive             |
| Mr. Ibrahim bin Abdulaziz Al Shaia      | Independent               |

### Risk Committee members:

| Name                                     | Membership Classification |
|--|---------------------------|
| Mr. Adil bin Saud Dahlawi                | (Chairman) Non-Executive  |
| Mr. Abdullatif bin Khalifa Al Mulhem     | Independent               |
| Mr. Abdulwahab bin Abdulkareem Al Betari | Non-Executive             |
| Mr. Wael bin Ahmed Fattouh               | Non-Executive             |

### Members of the Audit Committee

(which was approved by the Bank's General Assembly in its 63rd meeting held on November 15, 2021 to form and appoint its members):

| Name                             | Membership Classification                |
|----------------------------------|--|
| Mr. Saad bin Ibrahim Al Mushawah | (Chairman) Independent                   |
| Mr. Fawzi bin Ibrahim Al Hobayb  | Independent Member from outside of Board |
| Dr. AbuBaker bin Ali BaGabir     | Independent Member from outside of Board |

### Nomination & Remuneration Committee Members

| Name                                   | Membership Classification                |
|--|--|
| Mr. Ibrahim bin Abdulaziz Al Shaia     | (Chairman) Independent                   |
| Eng. Abdulmajeed bin Ibrahim Al Sultan | Non-Executive                            |
| Mr. Abdullatif bin Khalifa Al Mulhem   | Independent                              |
| Mr. Abdullah bin Ibrahim Al Hagbani    | Independent Member from outside of Board |

### Sustainability & Social Responsibility Committee Members:

| Name                                   | Membership Classification                          |
|--|--|
| Eng. Abdulmajeed bin Ibrahim Al Sultan | (Chairman) Non-Executive                           |
| Mr. Abdulaziz bin Ibrahim Al Hadlaq    | Independent Member from outside of Board Executive |
| Dr. Fahd bin Ali Al Elayan             | Executive  |

### Shariah Committee Members (Independent):

| Name                               | Membership Classification                           |
|------------------------------------|---|
| Dr. Mohammed bin Waleed Al Swaidan | (Chairman) Independent Member from outside of Board |
| Dr. Raja bin Menahi Al Marzoqi     | Independent Member from outside of Board            |
| Dr. Mohammed bin Khalid Al Nashwa  | Independent Member from outside of Board            |
| Mr. Lahem bin Hamad Al-Nasser      | Executive Member                                    |

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

### a. Board directors:

| S | Name   | Present Positions  | Past Positions  | Qualifications  | Experience  |
|---|--|--|---|---|---|
| 1 | <b>Eng. Tarek bin Othman Al Kasabi</b>         | No current positions   | <ol style="list-style-type: none"> <li>(1976-1977) Project Engineer of Kara Contracting Establishment.</li> <li>(1978-1981) Project Manager – King Faisal Bridge in Muzdalifah (of Kara Contracting Establishment.</li> <li>(1981-1989) Vice President of Kara Contracting Establishment.</li> <li>(1988-1990) General Manager of Makkah Company for Reconstruction and Development.</li> <li>(1990-2012) Vice President – Dallah Al Baraka Holding Company.</li> </ol>   | <ul style="list-style-type: none"> <li>Bachelor of Civil Engineering, King Saud University – 1976.</li> </ul>   | Over 42 years of experience in various sectors, including banking, investment, health, education, and contracting.  |
| 2 | <b>Eng. Abdul Majeed bin Ibrahim Al Sultan</b> | <ol style="list-style-type: none"> <li>(1993) Member of the Board of Directors of the Brothers Union Company.</li> <li>(1993) Chief Executive Officer of the Brothers Union Company.</li> <li>(2004) Member of the Board of Directors of Bank AlJazira.</li> <li>(2009) Member of the Board of Directors of Olat Development Company.</li> <li>(2013) Chairman of the Board of Directors of AlJazira Takaful Taawuni Company.</li> <li>(2013) Chairman of the Board of Directors of Al-Durra Development Company.</li> <li>(2022) Chairman of Sustainability and Social Responsibility Committee of Bank AlJazira.</li> <li>(2010) Board Member of Ibrahim Al-Sultan Charitable foundation.</li> <li>(2021) Board Member of Al Thuriah Co.</li> <li>(2020-2024) Member of the Nomination and Remuneration Committee of Bank AlJazira.</li> <li>Member of Investment Committee. of AlJazira Takaful Taawuni Company.</li> <li>Chairman of Executive Committee of AlJazira Takaful Taawuni Company.</li> </ol> | <ol style="list-style-type: none"> <li>(1990-1993) Corporate Account Management at the National Commercial Bank.</li> <li>(1991-2007) Chairman of the Board of Directors of the Marafeq Construction Company.</li> <li>(1991-2007) Member of the Board of Directors of the Packaging Materials Manufacturing Company – FIPCO.</li> <li>(1993-2000) General Manager of the Construction Facilities Company.</li> <li>(1998-2018) Member of the Board of Directors of Qassim Cement Company.</li> </ol>   | <ul style="list-style-type: none"> <li>(1989) Bachelor of Engineering – King Saud University, Riyadh</li> </ul>   | Member of the Board of BAJ since 2004, Chairman of AlJazira Takaful Taawuni Company, In addition to participating in the board memberships in various investment companies both within and outside the Kingdom of Saudi Arabia. |
| 3 | <b>Mr. Naif bin Abdulkareem Al Abdulkareem</b> | <ol style="list-style-type: none"> <li>(2020) Chief Executive Officer of Bank AlJazira.</li> <li>(2021) Member of the Nomination and Remuneration Committee – Member of the Executive Committee – Board Member of AlJazira Capital Company.</li> <li>(2021) Managing Director of Bank AlJazira.</li> <li>(2021) Member of the Executive Committee of Bank AlJazira.</li> <li>(2022) Board Member – Member of the Executive Committee and Member of the Investment Committee of AlJazira Takaful Taawuni Company.</li> <li>(2023) Chairman of the Board of Directors of Saudi Credit Bureau (SIMAH).</li> </ol>   | <ol style="list-style-type: none"> <li>(2001-2004) Credit Relations Manager – Riyad Bank.</li> <li>(2004-2011) Regional Manager of Retail Banking – Ahli Bank.</li> <li>(2012-2012) Head of Private Banking – SABB Bank.</li> <li>(2012-2013) Head of Private Banking &amp; Wealth Management – SABB Bank.</li> <li>(2014-2014) General Manager of Branches &amp; Wealth Management – SABB Bank.</li> <li>(2015-2019) General Manager Retail Banking &amp; Wealth Management – SABB Bank.</li> <li>(2012-2018) Chairman of the Board of Directors – SABB Insurance Agency.</li> <li>(2014-2017) Member of the Board of Directors – Member of the Executive Committee – SANID.</li> <li>(2016-2018) Board Member – Executive Committee Member – SABB Takaful.</li> <li>(2017-2019) Member of the Board of Directors – HSBC Saudi Arabia.</li> <li>(2017-2020) Member of the Board of Directors of Saudi Credit Bureau (SIMAH).</li> <li>(2019-2020) Deputy General Manager of Retail Banking and Wealth Management – SABB Bank.</li> <li>(2020-2023) Member of Executive Committee- Member of the Nomination and Remuneration Committee of Saudi Credit Bureau (SIMAH).</li> </ol> | <ul style="list-style-type: none"> <li>(1995) Bachelor of Finance – King Saud University.</li> <li>(2001) Master of Business Administration – University of Illinois, USA.</li> </ul> | Past and present experiences in commercial banks.   |

| S | Name  | Present Positions  | Past Positions   | Qualifications   | Experience   |
|---|---|--|--|--|--|
| 4 | <b>Mr. Abdulwahab bin Abdulkareem Al Betari</b> | <ol style="list-style-type: none"> <li>(2004) Member of the Board of Directors – Manafez Company for Ambulance Vehicles and Disabled.</li> <li>(2013) Member of the Board of Directors – Alhimmah Partnership Company Ltd.</li> <li>(2015) Vice Chairman – Alujain Company.</li> <li>(2015) Member of the Board of Directors – Sunbulah Group.</li> <li>(2019) Member of the Board of Directors – Riyadh Cable Group Company.</li> <li>(2020) Vice Chairman of the Board of Directors – National Petrochemical Industries Company (NATPET).</li> <li>(2022-2024) Board Member and Member of the Risk Committee, Bank AlJazira.</li> <li>(2020) Member of the Board of Directors of Saudi Airlines Catering Company.</li> <li>(2022) Member of the Board of Directors of Tarabot Company.</li> <li>(2022) Board Member of AlHoshan Group.</li> <li>(2024) Vice Chairman of the Board of Directors of United International Transportation Co. (Budget Saudi).</li> <li>(2023) Chief Executive Officer of Pinnacle Capital</li> </ol> | <ol style="list-style-type: none"> <li>(1999-2004) Investment Portfolio Manager – Saudi American Bank (SAMBA).</li> <li>(2004-2014) Co-founder / Member of the Executive Committee – Family Office Company – Wealth Management / Bahrain.</li> <li>(2014-2023) Chairman of the Board of Directors of Osool &amp; Bakheet Investment Company.</li> <li>(2018-2020) Vice Chairman of the Advisory Committee – Capital Market Authority.</li> <li>(2023) Member of the Investment and Securities Committee in the Riyadh Chamber of Commerce.</li> </ol>  | <ul style="list-style-type: none"> <li>(2000) Bachelor in Finance – King Fahd University of Petroleum and Minerals.</li> <li>(2010) Masters of Business Administration, London Business School.</li> <li>Capital Market Authority Exam CME-1, CME-4, – CME5- Capital Market Authority.</li> <li>Financial Advisor (for non-securities) – Ministry of Commerce and Investment.</li> </ul> | Various past experiences in accounting and auditing in various financial and investment companies within and outside the Kingdom of Saudi Arabia.  |
| 5 | <b>Mr. Ibrahim bin Abdulaziz Al Shaia</b>       | <ol style="list-style-type: none"> <li>(2016) Member of the Board of Directors of Bank AlJazira.</li> <li>(2016) Chairman of the Audit Committee from outside the Board of Hassana Investment Company.</li> <li>(2020) Member of the Executive Committee – Bank AlJazira.</li> <li>(2020-2024) Chairman of the Nomination and Remuneration Committee – Bank AlJazira.</li> <li>(2022) Chairman of the Audit Committee from outside the Board of Premium Residency Portal.</li> <li>(2024) Chief Financial Officer of Center for National Health Insurance.</li> </ol>  | <ol style="list-style-type: none"> <li>(2002-2004) External Auditor – Al-Rashed Consultants and Accountants.</li> <li>(2010-2013) Member of the Audit Committee – Allianz Saudi Fransi Cooperative Insurance Company.</li> <li>(2011-2014) Head of Budget Department – General Organization for Social Insurance.</li> <li>(2011-2015) Member of the Board of Directors of Al-Safwa Cement Company.</li> <li>(2013-2015) Chairman of the Audit Committee – Al-Safwa Cement Company.</li> <li>(2014-2024) General Manager of the Financial Affairs Department – General Organization for Social Insurance.</li> <li>(2018-2020) Member of the Risk Committee – Bank AlJazira.</li> <li>(2021-2024) Chairman of the Audit Committee – Raidah Investment Company.</li> <li>(2019-2024) Member of the Board of Directors – Masdr Data Solutions.</li> </ol>  | <ul style="list-style-type: none"> <li>(2004) Bachelor of Accounting, King Saud University.</li> <li>(2008) Master of Professional Advanced Accounting, University of Queensland For Technology, Australia.</li> </ul>   | Diverse previous and current experiences in financial and investment institutions in the fields of accounting and auditing.                        |
| 6 | <b>Mr. Adil bin Saud Dahlawi</b>                | <ol style="list-style-type: none"> <li>(2017) Founding Director and Managing Director of Mauthouq Financial Consultancy.</li> <li>(2019-2024) Member of the Board of Directors of Bank AlJazira.</li> <li>(2022-2024) Chairman of Risk Committee of Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>(1994-2002) Corporate Banking Relations Officer – Saudi Fransi Bank.</li> <li>(2002-2006) Team Leader Samba Corporate &amp; Investment Services – Samba Financial Group.</li> <li>(2006-2011) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.</li> <li>(2011-2017) Managing Director and CEO – Itqan Capital.</li> <li>(2018-2020) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.</li> <li>(2020-2022) Managing Director – Dallah Investment Holding Company.</li> <li>(2019-2021) Member of the Board of Directors, Executive Committee, and Chairman of the Audit Committee – Bank AlJazira.</li> <li>(2019-2021) Member of the Board of Directors – Dallah Health Services Company.</li> <li>(2019-2021) General Manager and Board Member of Qasr El Wurud Agadir Palace Company.</li> <li>(2022) CEO Counsel – Dallah Al Baraka Investment Holding Company.</li> </ol> | <ul style="list-style-type: none"> <li>(1993) Bachelor of Medical Science, King Saud University</li> </ul>   | Past and present varied experiences in Commercial banks, Corporate Credit – Investment Management, Banking Investment, and Financial Consultation. |

| S | Name  | Present Positions  | Past Positions   | Qualifications   | Experience   |
|---|---|--|--|--|--|
| 7 | <b>Mr. Saad bin Ibrahim Al Mushawah</b>     | <ol style="list-style-type: none"> <li>(2010) Member and Chairman of the Audit Committee in Qassim Cement Company.</li> <li>(2016) Member of the Board of Directors of Qassim Cement.</li> <li>(2021) Member of Executive Committee – Qassim Cement Company.</li> <li>(2023) Member of Audit Committee – Methanol Chemicals Company.</li> <li>(2021) Member of Audit Committee – Durra Sugar Co.</li> <li>(2022) Board Member and Chairman of the Audit Committee of Bank AlJazira.</li> <li>(2021) Member of the Board of Directors &amp; Nomination and Remuneration Committee at Abdullah Al Othaim Markets Company.</li> <li>(2023) Member of the Board of Directors, Member of the Audit Committee at Alwatania Agricultural Company (Al Rajhi Endowments).</li> <li>(2023) Member of Nomination Committee – King Abdullah Humanitarian Foundation.</li> <li>(2023) Board Member – Soybean Crushing Company and Derivatives Limited- Soya.</li> <li>(2019) Member of the Audit Committee for AL Aseel Company.</li> <li>(2024) Member of the Board of Directors &amp; Member of the Audit Committee at Al Watania Poultry.</li> </ol> | <ol style="list-style-type: none"> <li>(1985-2003) Head of the lending team of the Saudi Industrial Development Fund.</li> <li>(2003-2019) Chief Executive Officer of Gulf Union Foods Company.</li> <li>(2013-2016) Member of the Board of Directors, Chairman of the Audit Committee of AlJazira Takaful Company.</li> <li>(2014-2016) Member of the Audit Committee of Alissa Industries.</li> <li>(2017-2023) Member of the Supervisory Board – Audit Committee Member of the Center for Building Productive Families (Jana) – one of the branches of Sulaiman Al-Rajhi Finance Corporations.</li> <li>(2019-2023) Member of Audit Committee of Fawaz AlHokair Company.</li> <li>(2019-2024) Member of the Board of Directors of Creative Closets Company.</li> <li>(2020-2021) Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.</li> <li>(2020-2022) Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.</li> <li>(2022-2023) Board Member of National Food Industries Company Limited.</li> </ol>  | <ul style="list-style-type: none"> <li>(1985) Bachelor of Industrial Engineering King Fahd University</li> <li>For Petroleum and Minerals.</li> <li>(1987) Specialized course in financial management and investment – Chase Manhattan Bank – United States of America.</li> <li>(1990) Specialized Course – Economics – United States / Harvard.</li> </ul> | Previous and current experiences in joint stock companies and management in several fields, including banking, finance, auditing, and industry.  |
| 8 | <b>Mr. Abdullatif bin Khalifa Al Mulhem</b> | <ol style="list-style-type: none"> <li>(2019) Member of the Board of Directors, Member of the Remuneration and Nominations Committee of the National Industrialization Company.</li> <li>(2022 -2024) Member of the Board of Directors , Member of Risk Committee and Member of Nomination and Remuneration Committee – Bank AlJazira.</li> <li>(2022) Member of the Board of Directors, Member of the Remuneration and Nominations Committee- and Member of the Executive Committee- Walaa Cooperative Insurance Company.</li> <li>Managing Director at Khlifah Abdullatif Al-mulhem Holding Company.</li> </ol>  | <ol style="list-style-type: none"> <li>(2013-2015) Construction Engineer at Flour company, Saudi Arabia.</li> <li>(2016-2021) credit department at Saudi Industrial Development Fund.</li> </ol>   | <ul style="list-style-type: none"> <li>(2013) Bachelor – Civil Engineering – Concordia University- Montreal.</li> <li>(2016) Mini MBA – Queens University – Canada.</li> </ul>   | Experiences in risk assessment and projects financing.   |
| 9 | <b>Mr. Mohammed bin Saad BinDawood</b>      | <ol style="list-style-type: none"> <li>Board member, ExCom Committee – Bank AlJazira. Chairman of the Board of Directors – Aqalat Real Estate Company.</li> <li>Risk Committee Member, ExCom member – Dar Al Tamleek Co.</li> <li>Ektefaa Charitable.</li> <li>The Founder and Chairman of the Board of Directors – Investor’s Vision Company.</li> <li>Risk and Compliance Committee – Zakat, Tax, and Customs Authority.</li> <li>(2018) Mohammed bin Saad BinDawood Financial and Management Consulting Office.</li> </ol>  | <ol style="list-style-type: none"> <li>Investment Committee of Real Estate Development Fund.</li> <li>Member of the Audit Committee of Al Rajhi Steel Industries Company (Rajhi Steel).</li> <li>Industrial Committee of the Riyadh Chamber.</li> <li>Al-Araby Investment Company.</li> <li>Falcon Plastic Industries.</li> <li>International Refreshments Company.</li> <li>Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).</li> <li>Vice Chairman of the Board of Directors, Member of the Executive Committee, and Chairman of Nominations Committee of Abdullah Al-Othaim Investment Company.</li> <li>Chairman of the Board of Directors of Alpha Capital.</li> <li>Saudi Tourism Development Company.</li> <li>Member of the Audit Committee of Mohammed Abdulaziz Al-Rajhi &amp; Sons Investment Company.</li> <li>Vice Chairman of the Board of Directors, Member of the Investment Committee of Abdullatif Alissa Holding Group Company.</li> <li>Member of the Executive Committee Al Akaria.</li> <li>Al-Araby Heavy Equipment Company.</li> <li>AlJazirah Home Appliance Company.</li> <li>SABB Takaful Company.</li> <li>Saudi Home loans Company.</li> <li>Fiberglass Oasis Company.</li> <li>Member of Risk Committee of Saudi Ground Services Co.</li> <li>Manafa Investment Co.</li> <li>Governance Committee Thiqah owned by Public Investment Fund (PIF).</li> <li>Executive Committee, Risk &amp; Governance Committee of Saudi Chemical.</li> <li>(2018-2018) Managing Director of Manafa Investment Co.</li> <li>(2014-2018) Chief Executive Officer of Directors of Mohammed Abdulaziz Al-Rajhi &amp; Sons Investment Company.</li> <li>(2013-2014) General Manager of Corporate Banking Services at The Saudi British Bank.</li> <li>(2004-2013) Deputy General Manager of Corporate Banking at Arab National Bank.</li> <li>(2002-2004) Manager of commercial banking in Central Region at The Saudi British Bank.</li> <li>(1998-2002) Senior Corporate Relations Manager at Arab National Bank.</li> <li>(1996-1998) Corporate Relations Manager at The Saudi British Bank.</li> </ol> | <ul style="list-style-type: none"> <li>(1996) Bachelor – Accounting – King Saud University.</li> </ul>   | Over thirty years of experience in banking, capital markets, investment, strategic planning, and executive and financial management. Currently, he holds membership on several corporate boards. |

## b. Board subcommittee members:

| S | Name                                    | Present Positions   | Past Positions   | Qualifications   | Experience  |
|---|---|---|--|--|---|
| 1 | Eng. Tarek bin Othman Al Kasabi         | <ol style="list-style-type: none"> <li>1. Bank AlJazira.</li> <li>2. Dallah Health Care Company.</li> <li>3. Ataa Educational Company.</li> <li>4. Dar'a AlRiyah Holding Co.</li> <li>5. Rozam Investment Company.</li> <li>6. International Medical Center Company.</li> <li>7. Dallah Pharma Company.</li> <li>8. AlJazira Capital.</li> <li>9. NEBA Company.</li> <li>10. Kingdom University Company.</li> </ol>   | <ol style="list-style-type: none"> <li>1. (1976-1977) Project Engineer of Kara Contracting Establishment.</li> <li>2. (1978-1981) Project Manager (King Faisal Bridge in Muzdalifah) of Kara Contracting Establishment.</li> <li>3. (1981-1988) Vice President of Kara Contracting Establishment.</li> <li>4. (1988-1990) General Manager of Makkah Company for Reconstruction and Development.</li> <li>5. (1990-2012) Vice President of Dallah Al Baraka Holding Company.</li> <li>6. (15/12/2007 – 26/10/2019) Vice Chairman of the Board of Directors of Aseer Company for Trade, Tourism and Industry.</li> <li>7. (26/09/2012 – 21/02/2021) Chairman of the Board of Directors of Cerb Real Estate Investment Co.</li> <li>8. (23/07/2018 – 21/02/2021) Member of the Board of Directors of Al-balad Al-Ameen Property Development Company.</li> <li>9. (06/12/2018 – 21/02/2021) Member of the Board of Directors of Dahiat Sumou Co.</li> <li>10. (02/07/2019 – 01/08/ 2021) General Organization for Social Insurance.</li> </ol>   | <ul style="list-style-type: none"> <li>• Bachelor of Civil Engineering, King Saud University – 1976.</li> </ul>  | Over 42 years of experience in various sectors, including banking, investment, health, education, and contracting.  |
| 2 | Eng. Abdul Majeed bin Ibrahim Al Sultan | <ol style="list-style-type: none"> <li>1. (1993) Member of the Board of Directors of the Brothers Union Company.</li> <li>2. (1993) Chief Executive Officer of the Brothers Union Company.</li> <li>3. (2004) Member of the Board of Directors of Bank AlJazira.</li> <li>4. (2009) Member of the Board of Directors of Olat Development Company.</li> <li>5. (2013) Chairman of the Board of Directors of AlJazira Takaful Taawuni Company.</li> <li>6. (2013) Chairman of the Board of Directors of Al-Durra Development Company.</li> <li>7. (2022) Chairman of Sustainability and Social Responsibility Committee of Bank AlJazira.</li> <li>8. (2010) Board Member of Ibrahim Al-Sultan Charitable Foundation.</li> <li>9. (2021) Board Member of Al Thuriah Co.</li> <li>10. (2020-2024) Member of the Nomination and Remuneration Committee of Bank AlJazira.</li> <li>11. Member of Investment Committee. of AlJazira Takaful Taawuni Company.</li> <li>12. Chairman of Executive Committee of AlJazira Takaful Taawuni Company.</li> </ol> | <ol style="list-style-type: none"> <li>1. (1990-1993) Corporate Account Management at the National Commercial Bank.</li> <li>2. (1991-2007) Chairman of the Board of Directors of the Marafeq Construction Company.</li> <li>3. (1991-2007) Member of the Board of Directors of the Packaging Materials Manufacturing Company – FIPCO.</li> <li>4. (1993-2000) General Manager of the Construction Facilities Company.</li> <li>5. (1998-2018) Member of the Board of Directors of Qassim Cement Company.</li> </ol>   | <ul style="list-style-type: none"> <li>• (1989) Bachelor of Engineering – King Saud University.</li> </ul>   | Member of the Board of BAJ since 2004, Chairman of AlJazira Takaful Taawuni Company, In addition to participating in the board memberships in various investment companies both within and outside the Kingdom of Saudi Arabia. |
| 3 | Mr. Naif bin Abdulkareem Al Abdulkareem | <ol style="list-style-type: none"> <li>1. (2020) Chief Executive Officer of Bank AlJazira.</li> <li>2. (2021) Member of the Nomination and Remuneration Committee –Member of the Executive Committee – Board Member of AlJazira Capital Company.</li> <li>3. (2021) Managing Director of Bank AlJazira.</li> <li>4. (2021) Member of the Executive Committee of Bank AlJazira.</li> <li>5. (2022) Board Member – Member of the Executive Committee and Member of the Investment Committee of AlJazira Takaful Taawuni Company.</li> <li>6. (2023) Chairman of the Board of Directors of Saudi Credit Bureau (SIMAH).</li> </ol>   | <ol style="list-style-type: none"> <li>1. (2001-2004) Credit Relations Manager – Riyadh Bank.</li> <li>2. (2004-2011) Regional Manager of Retail Banking – Ahli Bank.</li> <li>3. (2012-2012) Head of Private Banking – SABB Bank.</li> <li>4. (2012-2013) Head of Private Banking &amp; Wealth Management– SABB Bank.</li> <li>5. (2014-2014) General Manager of Branches &amp; Wealth Management – SABB Bank.</li> <li>6. (2015-2019) General Manager Retail Banking &amp; Wealth Management – SABB Bank.</li> <li>7. (2012-2018) Chairman of the Board of Directors – SABB Insurance Agency.</li> <li>8. (2014-2017) Member of the Board of Directors – Member of the Executive Committee – SANID.</li> <li>9. (2016-2018) Board Member – Executive Committee Member – SABB Takaful.</li> <li>10. (2017-2019) Member of the Board of Directors – HSBC Saudi Arabia.</li> <li>11. (2017-2020) Member of the Board of Directors of Saudi Credit Bureau (SIMAH).</li> <li>12. (2019-2020) Deputy General Manager of Retail Banking and Wealth Management – SABB Bank.</li> <li>13. (2020-2023) Member of Executive Committee- Member of the Nomination and Remuneration Committee of Saudi Credit Bureau (SIMAH).</li> </ol> | <ul style="list-style-type: none"> <li>• 1995 Bachelor of Finance- King Saud University.</li> <li>• 2001 Master of Business Administration – University of Illinois, USA.</li> </ul> | Past and present experiences in commercial banks  |

| S | Name                                      | Present Positions  | Past Positions  | Qualifications  | Experience   |
|---|---|--|---|---|--|
| 4 | <b>Mr. Saad bin Ibrahim Al Mushawah</b>   | <ol style="list-style-type: none"> <li>(2010) Member and Chairman of the Audit Committee in Qassim Cement Company.</li> <li>(2016) Member of the Board of Directors of Qassim Cement.</li> <li>(2021) Member of Executive Committee – Qassim Cement Company.</li> <li>(2023) Member of Audit Committee – Methanol Chemicals Company.</li> <li>(2021) Member of Audit Committee – Durra Sugar Co.</li> <li>(2022) Board Member and Chairman of the Audit Committee of Bank AlJazira.</li> <li>(2021) Member of the Board of Directors &amp; Nomination and Remuneration Committee at Abdullah Al Othaim Markets Company.</li> <li>(2023) Member of the Board of Directors, Member of the Audit Committee at Alwatania Agricultural Company (Al Rajhi Endowments).</li> <li>(2023) Member of Nomination Committee – King Abdullah Humanitarian Foundation.</li> <li>(2023) Board Member – Soybean Crushing Company and Derivatives Limited- Soya.</li> <li>(2019) Member of the Audit Committee for AL Aseel Company.</li> <li>(2024) Member of the Board of Directors &amp; Member of the Audit Committee at Al Watania Poultry.</li> </ol> | <ol style="list-style-type: none"> <li>(1985-2003) Head of the lending team of the Saudi Industrial Development Fund.</li> <li>(2003-2019) Chief Executive Officer of Gulf Union Foods Company.</li> <li>(2013-2016) Member of the Board of Directors, Chairman of the Audit Committee of AlJazira Takaful Company.</li> <li>(2014-2016) Member of the Audit Committee of Alissa Industries.</li> <li>(2017-2023) Member of the Supervisory Board – Audit Committee Member of the Center for Building Productive Families (Jana) – one of the branches of Sulaiman Al-Rajhi Finance Corporations.</li> <li>(2019-2023) Member of Audit Committee of Fawaz AlHokair Company.</li> <li>(2019-2024) Member of the Board of Directors of Creative Closets Company.</li> <li>(2020-2021) Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.</li> <li>(2020-2022) Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.</li> <li>(2022-2023) Board Member of National Food Industries Company Limited.</li> </ol> | <ul style="list-style-type: none"> <li>(1985) Bachelor of Industrial Engineering King Fahd University For Petroleum and Minerals.</li> <li>(1987) Specialized course in financial management and investment – Chase Manhattan Bank – United States of America.</li> <li>(1990) Specialized Course – Economics – United States / Harvard.</li> </ul> | Previous and current experiences in joint stock companies and management in several fields, including banking, finance, auditing, and industry.    |
| 5 | <b>Mr. Ibrahim bin Abdulaziz Al Shaia</b> | <ol style="list-style-type: none"> <li>(2016) Member of the Board of Directors of Bank AlJazira.</li> <li>(2016) Chairman of the Audit Committee from outside the Board of Hassana Investment Company.</li> <li>(2020) Member of the Executive Committee – Bank AlJazira.</li> <li>(2020-2024) Chairman of the Nomination and Remuneration Committee – Bank AlJazira.</li> <li>(2022) Chairman of the Audit Committee from outside the Board of Premium Residency Portal.</li> <li>(2024) Chief Financial Officer of Center for National Health Insurance.</li> </ol>  | <ol style="list-style-type: none"> <li>(2002-2004) External Auditor – Al-Rashed Consultants and Accountants.</li> <li>(2010-2013) Member of the Audit Committee – Allianz Saudi Fransi Cooperative Insurance Company.</li> <li>(2011-2014) Head of Budget Department – General Organization for Social Insurance.</li> <li>(2011-2015) Member of the Board of Directors of Al-Safwa Cement Company.</li> <li>(2013-2015) Chairman of the Audit Committee – Al-Safwa Cement Company.</li> <li>(2014-2024) General Manager of the Financial Affairs Department – General Organization for Social Insurance.</li> <li>(2018-2020) Member of the Risk Committee – Bank AlJazira.</li> <li>(2021-2024) Chairman of the Audit Committee – Raidah Investment Company.</li> <li>(2019-2024) Member of the Board of Directors – Masdr Data Solutions.</li> </ol>   | <ul style="list-style-type: none"> <li>(2004) Bachelor of Accounting, King Saud University.</li> <li>(2008) Master of Professional Advanced Accounting, University of Queensland For Technology, Australia.</li> </ul>  | Diverse previous and current experiences in financial and investment institutions in the fields of accounting and auditing.                        |
| 6 | <b>Mr. Adil bin Saud Dahlawi</b>          | <ol style="list-style-type: none"> <li>(2017) Founding Director and Managing Director of Mauthouq Financial Consultancy.</li> <li>(2019-2024) Member of the Board of Directors of Bank AlJazira.</li> <li>(2022-2024) Chairman of Risk Committee of Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>(1994-2002) Corporate Banking Relations Officer – Saudi Fransi Bank.</li> <li>(2002-2006) Team Leader Samba Corporate &amp; Investment Services – Samba Financial Group.</li> <li>(2006-2011) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.</li> <li>(2011-2017) Managing Director and CEO – Itqan Capital.</li> <li>(2018-2020) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.</li> <li>(2020-2022) Managing Director – Dallah Investment Holding Company.</li> <li>(2019-2021) Member of the Board of Directors, Executive Committee, and Chairman of the Audit Committee – Bank AlJazira.</li> <li>(2019-2021) Member of the Board of Directors – Dallah Health Services Company.</li> <li>(2019-2021) General Manager and Board Member of Qasr El Wurud Agadir Palace Company.</li> <li>(2022) CEO Counsel – Dallah Al Baraka Investment Holding Company.</li> </ol>  | <ul style="list-style-type: none"> <li>(1993) Bachelor of Medical Science, King Saud University</li> </ul>  | Past and present varied experiences in Commercial banks, Corporate Credit – Investment Management, Banking Investment, and Financial Consultation. |

| S | Name  | Present Positions   | Past Positions  | Qualifications  | Experience  |
|---|---|---|---|---|---|
| 7 | <b>Dr. Abubaker bin Ali BaGabir</b>         | <ol style="list-style-type: none"> <li>(2022) Member of the Audit Committee – Bank AlJazira.</li> <li>(2015) Member of the Audit Committee of Abdullatif Jameel Finance.</li> </ol>   | <ol style="list-style-type: none"> <li>(1981-2012) Head of Accounting and Financial Management, along with several progressive positions at the National Commercial Bank.</li> <li>(2006-2012) Member of the Audit Committee at SNB Capital.</li> <li>(2013-2023) Member of Audit Committee of Cisco Co.</li> <li>(2015-2022) Member of the Audit Committee of SABB Takaful.</li> <li>(2013-2018) Chairman and Board Member at Anfal Company.</li> <li>(2013-2018) Member of the Audit Committee at Baeshen Tea Company.</li> <li>(2013-2024) Member of the Audit Committee at Nahdi Medical Company.</li> <li>(2019-2021) Member of the Audit Committee at the Islamic Corporation for the Development of the Private Sector.</li> <li>(2015-2018) Member of the Audit Committee at Rolaco Trading and Contracting Company.</li> </ol> | <ul style="list-style-type: none"> <li>(1972) Bachelor of Accounting – University of Khartoum – Sudan.</li> <li>(1976) Master of Accounting – University of Birmingham – Britain.</li> <li>(1984) PhD in Accounting and Financial Management – University of Straslyde – Britain.</li> <li>(1989) Certified Chartered Accountants Fellowship – Association of Chartered Certified Accountants, United Kingdom.</li> <li>(1984) Membership Certificate of Chartered Accountants – Association of Chartered Certified Accountants, United Kingdom.</li> </ul> | Current and previous experiences in the fields of auditing, finance and commercial banks in the Kingdom of Saudi Arabia.                                      |
| 8 | <b>Mr. Fawzi bin Ibrahim Al Hobayb</b>      | <ol style="list-style-type: none"> <li>(2022) member of the Audit Committee of Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>(1989- 1992) Progression in auditing of Ernst &amp; Young.</li> <li>(1993-2002) Head of Internal Audit Department of Arab National Bank.</li> <li>(2004-2015) Head of Follow-up and Enforcement Department – Head of Internal Audit Department – Capital Market Authority.</li> <li>(2016-2023) Founding and managing WACAD Financial Consulting Office (non-securities).</li> <li>Chairman of the Audit Committee of the Packaging Materials Manufacturing Company (FIPCO).</li> <li>Member of the Audit Committee of Qassim Cement Company.</li> </ol>   | <ul style="list-style-type: none"> <li>(1989) Bachelor of Accounting, King Abdulaziz University- Kingdom of Saudi Arabia.</li> <li>(1993) Fellowship of Chartered Accountants (CPA) – USA.</li> <li>(1997) Advanced Management Program – Wharton – University of Pennsylvania- USA.</li> </ul>  | Membership in audit committees, and has experience in account management, internal audits, and financial advisory for banks and the Capital Market Authority. |
| 9 | <b>Mr. Abdullatif bin Khalifa Al Mulhem</b> | <ol style="list-style-type: none"> <li>(2019) Member of the Board of Directors, Member of the Remuneration and Nominations Committee of the National Industrialization Company.</li> <li>(2022-2024) Member of the Board of Directors , Member of Risk Committee and Member of Nomination and Remuneration Committee – Bank AlJazira.</li> <li>(2022) Member of the Board of Directors, Member of the Remuneration and Nominations Committee- and Member of the Executive Committee – Walaa Cooperative Insurance Company.</li> <li>Managing Director at Khlifah Abdullatif Al-mulhem Holding Company.</li> </ol> | <ol style="list-style-type: none"> <li>(2013-2015) Construction Engineer at Flour company, Saudi Arabia.</li> <li>(2016-2021) credit department at Saudi Industrial Development Fund.</li> </ol>  | <ul style="list-style-type: none"> <li>(2013) Bachelor – Civil Engineering – Concordia University – Montreal.</li> <li>(2016) Mini MBA – Queens University – Canada.</li> </ul>   | Multi experiences in different administrative sectors.  |

| S  | Name                                       | Present Positions   | Past Positions  | Qualifications  | Experience   |
|----|--|---|---|---|--|
| 10 | <b>Mr. Mohammed bin Saad BinDawood</b>     | <ol style="list-style-type: none"> <li>1. Board member, ExCom Committee – Bank AlJazira.</li> <li>2. Chairman of the Board of Directors – Aqalat Real Estate Company.</li> <li>3. Risk Committee Member, ExCom member – Dar Al Tamleek Co.</li> <li>4. Ektefaa Charitable.</li> <li>5. The Founder and Chairman of the Board of Directors – Investor’s Vision Company.</li> <li>6. Risk and Compliance Committee – Zakat, Tax, and Customs Authority.</li> <li>7. (2018) Mohammed bin Saad BinDawood Financial and Management Consulting Office.</li> </ol> | <ol style="list-style-type: none"> <li>1. Investment Committee of Real Estate Development Fund.</li> <li>2. Member of the Audit Committee of Al Rajhi Steel Industries Company (Rajhi Steel).</li> <li>3. Industrial Committee of the Riyadh Chamber.</li> <li>4. Al-Araby Investment Company.</li> <li>5. Falcon Plastic Industries.</li> <li>6. International Refreshments Company.</li> <li>7. Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).</li> <li>8. Vice Chairman of the Board of Directors, Member of the Executive Committee, and Chairman of Nominations Committee of Abdullah Al-Othaim Investment Company.</li> <li>9. Chairman of the Board of Directors of Alpha Capital.</li> <li>10. Saudi Tourism Development Company.</li> <li>11. Member of the Audit Committee of Mohammed Abdulaziz Al-Rajhi &amp; Sons Investment Company.</li> <li>12. Vice Chairman of the Board of Directors, Member of the Investment Committee of Abdullatif Alissa Holding Group Company.</li> <li>13. Member of the Executive Committee Al Akaria.</li> <li>14. Al-Araby Heavy Equipment Company.</li> <li>15. AlJazirah Home Appliance Company.</li> <li>16. SABB Takaful Company.</li> <li>17. Saudi Home loans Company.</li> <li>18. Fiberglass Oasis Company.</li> <li>19. Member of Risk Committee of Saudi Ground Services Co.</li> <li>20. Manafa Investment Co.</li> <li>21. Governance Committee Thiqah owned by Public Investment Fund (PIF).</li> <li>22. Executive Committee, Risk &amp; Governance Committee of Saudi Chemical.</li> <li>23. (2018-2018) Managing Director of Manafa Investment Co.</li> <li>24. (2014-2018) Chief Executive Officer of Directors of Mohammed Abdulaziz Al-Rajhi &amp; Sons Investment Company.</li> <li>25. (2013- 2014) General Manager of Corporate Banking Services at The Saudi British Bank.</li> <li>26. (2004-2013) Deputy General Manager of Corporate Banking at Arab National Bank.</li> <li>27. (2002- 2004) Manager of commercial banking in Central Region at The Saudi British Bank.</li> <li>28. (1998- 002) Senior Corporate Relations Manager at Arab National Bank.</li> <li>29. (1996-1998) Corporate Relations Manager at The Saudi British Bank.</li> </ol> | <ul style="list-style-type: none"> <li>• (1996) Bachelor – Accounting – King Saud University.</li> </ul>  | Over thirty years of experience in banking, capital markets, investment, strategic planning, and executive and financial management. Currently, he holds membership on several corporate boards. |
| 11 | <b>Mr. Abdullah bin Ibrahim Al Hagbani</b> | <ol style="list-style-type: none"> <li>1. (2022) Member of the Nomination and Remuneration Committee – Bank AlJazira.</li> <li>2. (2021) Chief Partnership &amp; Executive affairs – Saudi Tourism Authority.</li> </ol>  | <ol style="list-style-type: none"> <li>1. (2001-2004) Training &amp; Development Officer- Silki La Silki.</li> <li>2. (2005-2018) Director, Human Resources- Capital Market Authority “CMA”.</li> <li>3. (2018-2021) Senior Human Capital Advisor – Executive Office of H.E Minister Ahmed Alkhateeb.</li> <li>4. (2018-2021) Chief Human Capital – Ministry of Tourism.</li> <li>5. (2020) Chairman of the Remuneration and Nomination Committee at the Health Cluster (Riyadh).</li> <li>6. Remuneration and Nomination Committee Member in Health Cluster (Jeddah – Al-Jouf).</li> <li>7. Remuneration and Nomination Committee of Smart Marinas Company for Development and Management.</li> <li>8. Remuneration and Nomination Committee Member of Saudi Post (SPL).</li> <li>9. (2023) Member of the Nomination and Remuneration Committee of SPL.</li> <li>10. (2023) Chairman of Nomination and Remuneration Committee of SMDM (PIF).</li> <li>11. (2020) Member of the Nomination and Remuneration Committee of Health Cluster (Riyadh).</li> <li>12. Member of the Nomination and Remuneration Committee of King Salman Airport.</li> </ol>   | <ul style="list-style-type: none"> <li>• (2001) Bachelor – Human Resource Management &amp; General Management – Eastern Washington University – USA.</li> <li>• (2005) Master of Business Administration – Lebanese American University – Lebanon.</li> <li>• (2008) Diploma – Training and Development – Lengavin Services, United States of America.</li> </ul> | More than 18 years of experience in human Resources  |

| S  | Name                                     | Present Positions  | Past Positions  | Qualifications  | Experience   |
|----|--|--|---|---|--|
| 12 | Mr. Abdulwahab bin Abdulkareem Al Betari | <ol style="list-style-type: none"> <li>(2004) Member of the Board of Directors – Manafez Company for Ambulance Vehicles and Disabled.</li> <li>(2013) Member of the Board of Directors – Alhimmah Partnership Company Ltd.</li> <li>(2015) Vice Chairman – Alujain Company.</li> <li>(2015) Member of the Board of Directors – Sunbulah Group.</li> <li>(2019) Member of the Board of Directors – Riyadh Cable Group Company.</li> <li>(2020) Vice Chairman of the Board of Directors – National Petrochemical Industries Company (NATPET).</li> <li>(2022-2024) Board Member and Member of the Risk Committee, Bank AlJazira.</li> <li>(2022) Member of the Board of Directors of Saudi Airlines Catering Company.</li> <li>(2022) Member of the Board of Directors of Tarabot Company.</li> <li>(2022) Board Member of AlHoshan Group.</li> <li>(2024) Board Member of Saudi Investment Company.</li> <li>(2024) Vice Chairman of the Board of Directors of United International Transportation Co. (Budget Saudi).</li> </ol> | <ol style="list-style-type: none"> <li>(1999-2004) Investment Portfolio Manager – Saudi American Bank (SAMBA).</li> <li>(2004-2014) Co-founder / Member of the Executive Committee – Family Office Company – Wealth Management / Bahrain.</li> <li>(2014-2023) Chairman of the Board of Directors of Osool &amp; Bakheet Investment Company.</li> <li>(2018-2020) Vice Chairman of the Advisory Committee – Capital Market Authority.</li> <li>(2023) Member of the Investment and Securities Committee in the Riyadh Chamber of Commerce.</li> </ol>   | <ul style="list-style-type: none"> <li>(2000) Bachelor in Finance – King Fahd University of Petroleum and Minerals.</li> <li>(2010) Masters of Business Administration, London Business School.</li> <li>Capital Market Authority Exam CME-1, CME-4, -CME5- Capital Market Authority.</li> <li>Financial Advisor (for non-securities) – Ministry of Commerce and Investment.</li> </ul> | Various past experiences in accounting and auditing in various financial and investment companies within and outside the Kingdom of Saudi Arabia.                                      |
| 13 | Mr. Abdulaziz bin Ibrahim Al Hadlaq      | <ol style="list-style-type: none"> <li>(2013) Member of Sustainability and Social Responsibility Committee (Khair AlJazira Program for AlJazira's People) – Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>Member of the Standing Committee – Ministry of Foreign Affairs.</li> <li>(1994) Member of the National Committee in the Kingdom of Saudi Arabia for the Family International Year.</li> <li>(1995) Member of the National Committee in charge of preparing the national report of the World Summit for Social Development – Copenhagen, Denmark.</li> <li>(1996-1998) Assistant General Manager – International Organizations Affairs- Ministry of Labour and Social Affairs.</li> <li>(1998-2005) General Manager – International Organizations Affairs, Ministry of Labour and Social Affairs.</li> <li>(1996-2005) Member of the Board – International Work Organization.</li> <li>(2005-2006) General Supervisor of Public Affairs and Social Media Department – Ministry of Social Affairs.</li> <li>(2005-2007) Director of International Cooperation – Ministry of Social Affairs for Social Development.</li> <li>(2007-2011) Deputy Assistant Minister – Ministry of Social Affairs For Social Development.</li> <li>(2001-2013) Deputy Minister – Ministry of Social Affairs for Social Development.</li> <li>(2014-2015/2015-2016) Chairman of the Social Affairs, Family and Youth Committee in the Shura Council.</li> <li>(2016-2017) Deputy Chairman of the Social Affairs, Family and Youth Committee in the Shura Council.</li> </ol> | <ul style="list-style-type: none"> <li>(1982) Bachelor of Social Services, King Saud University.</li> <li>(1984) Diploma of Community Development, Research and Training Center.</li> <li>(1991) Diploma of International Development, Missouri Columbia University, USA.</li> <li>(1992) Masters of Community Development, Missouri Columbia University, USA.</li> </ul>               | Extensive experience in various departments within the Ministry of Social Affairs, in addition to membership in numerous international organizations related to community development. |
| 14 | Dr. Fahd bin Ali Al Elayan               | <ol style="list-style-type: none"> <li>(2018) Member of the Social Responsibility Committee (Khair AlJazira le ahl AlJazira Program) – Bank AlJazira.</li> <li>(2021) Member of the Sustainability Committee – General Council for Islamic Financial Institutions.</li> <li>Member of the Board of Directors – Awareness and Rehabilitation Association (WAIE)</li> <li>Member of the Board of Directors of Tayiba Educational City for Special Education.</li> <li>Member of the Board of Directors of National Center for Social Studies (NCSS)</li> <li>Member of the Board of Trustees of King Salman Center for Disability Research.</li> <li>Vice Chairman of the Board of Trustees – Abq Arabia.</li> <li>Member of the Advisory Committee – General Authority for Awqaf.</li> <li>Board Member – Namal Impact Investment Company (Non-Profit).</li> </ol>  | <ol style="list-style-type: none"> <li>Member of the Social Responsibility Committee of the Chamber of Commerce in Riyadh.</li> <li>Faculty member, Education and Social Science College – Al Imam Mohammed Bin Saud Islamic University, Kingdom of Saudi Arabia.</li> <li>Vice Dean of the University Center for Community Service and Continuing Education – Al Imam Mohammed bin Saud Islamic University, Kingdom of Saudi Arabia.</li> <li>Part time consultant – Ministry of Education.</li> <li>Member of the Board of Directors – AlShabab Club.</li> </ol>  | <ul style="list-style-type: none"> <li>(2001) Ph.D. Philosophy in Education and Curriculum – Ohio University, USA.</li> </ul>   | Experience in social responsibility with numerous contributions to related programs.   |

| S  | Name                                   | Present Positions   | Past Positions  | Qualifications   | Experience   |
|----|--|---|---|--|--|
| 15 | <b>Mr. Wael bin Ahmed Fattouh</b>      | <ol style="list-style-type: none"> <li>(2024) Chief Advisory Officer (CAO) of Saudi Information Technology Company (SITE).</li> <li>(2024) Member of the Risk Committee at Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>(2011-2013) Senior Manager at PricewaterhouseCoopers (PwC).</li> <li>(2013-2015) Director at PricewaterhouseCoopers (PwC).</li> <li>(2015-2020) Partner at PricewaterhouseCoopers (PwC).</li> <li>(2020-2024) VP, Chief Information Security Officer (CISO) of Bank AlJazira.</li> </ol>   | <ul style="list-style-type: none"> <li>(2004) Bachelor's Degree in Information Systems from Portland State University, USA.</li> <li>(2004) Bachelor's Degree in Business Administration from Portland State University, USA.</li> </ul>   | Experience in Information Security.  |
| 16 | <b>Mr. Lahem Hamad Al Nasser</b>       | <ol style="list-style-type: none"> <li>Deputy Head of Shariah Group – Bank AlJazira.</li> <li>Member of the Shariah Advisory Committee – Tadawul (Saudi Stock Exchange).</li> <li>Member of Shariah Committee – AlJazira Capital.</li> <li>Member of Shariah Committee – Bank AlJazira.</li> </ol>  | <ol style="list-style-type: none"> <li>Member of Shariah Committee – Al Khalijiah Investments Company.</li> <li>Member of Shariah Committee – Sanad cooperative Insurance &amp; Reinsurance Company.</li> <li>Member of Shariah Committee – the Investor for Securities Company.</li> <li>Shariah Advisor – Ithraa Capital Company.</li> <li>Board Member – KSB Capital Company.</li> <li>Board Member – King Faisal Specialist Hospital International (Holding Company).</li> <li>Head of Shariah Compliance Department – Bank AlJazira.</li> </ol>  | <ul style="list-style-type: none"> <li>Bachelor's Degree in Shariah – Imam Muhammad ibn Saud Islamic University, Saudi Arabia.</li> </ul>  | Extensive expertise in Shariah and Islamic finance, with numerous contributions to related programs.   |
| 17 | <b>Dr. Mohammed Waleed Al Suwaidan</b> | <ol style="list-style-type: none"> <li>Managing Director and Partner – The House of ETF Brokerage Company.</li> <li>Managing Director and Partner – International Investment Gate (IIG).</li> <li>CEO of Saudi ETFB.</li> <li>Partner – Orlando Reid- Real Estate Asset Management.</li> <li>Board Member of Multiple Real Estate Funds – Bloom Investment Company.</li> <li>Chairman of Shariah Committee – Bank AlJazira.</li> <li>Member of the Investment Committee – Hefth Al-Neema Association.</li> <li>Executive Committee Member – Saudi-British Business Council, representing the Federation of Saudi Chambers.</li> <li>Member of the Investment Committee – Al-Yamamah Charity Association.</li> </ol> | <ol style="list-style-type: none"> <li>Investment Advisor and Development Consultant for Investor Relations, Legal Structuring of Real Estate Assets, and Board Memberships in Multiple Real Estate Funds with various institutions and companies in London and Riyadh, including: (Gatehouse Bank- MBU Capital- Ethical Asset Management Company – Bloom Investment Company)</li> <li>Shariah Consultant – Gatehouse Bank – London.</li> <li>Business Development Consultant at Symbly LTD, a consultancy firm in London.</li> <li>Senior Shariah Consultant – Alinma Bank, Riyadh.</li> <li>Member of Shariah Committee – Bank AlJazira.</li> </ol> | <ul style="list-style-type: none"> <li>PhD in Finance and Economics – University of Portsmouth, UK.</li> <li>Master of Business Administration (MBA) – University of Portsmouth, UK.</li> <li>Bachelor's degree in Shariah – Imam Muhammad Ibn Saud Islamic University, Saudi Arabia.</li> </ul> | <ul style="list-style-type: none"> <li>Yellow Belt Certification in Lean Six Sigma for Quality and Lean Management – University of Portsmouth, UK.</li> <li>PRINCE II Certification in Professional Project Management – University of Westminster, London.</li> <li>Consultancy License issued by the Advisory Professions Department, Saudi Ministry of Commerce (valid).</li> <li>Diploma in Financial Management – International Academy for Training and Development, London.</li> <li>Teaching Accreditation Certification – University of Portsmouth (GRPOF Program), UK.</li> <li>Certified Dialogue Trainer – King Abdulaziz Center for National Dialogue, Riyadh, Saudi Arabia.</li> <li>Bloomberg Financial Markets Practitioner Certification – University of Portsmouth, UK.</li> </ul> |

| S  | Name                                  | Present Positions  | Past Positions   | Qualifications   | Experience  |
|----|---------------------------------------|--|--|--|---|
| 18 | <b>Dr. Raja Menahi Al Marzoqi</b>     | <ol style="list-style-type: none"> <li>1. Faculty Member – Prince Saud Al-Faisal Institute of Diplomatic Studies, Saudi Arabia.</li> <li>2. Chief Economic Advisor – Ministry of Economy and Planning.</li> <li>3. Non-Resident Economic Expert – International Monetary Fund (IMF).</li> <li>4. Member of Shariah Committee – Bank AlJazira.</li> <li>5. GCC General Coordinator and Chief Negotiator – Secretariat General of the Gulf Cooperation Council.</li> <li>6. Member of the Advisory Committee – Euro-Mediterranean Network for Economic Studies (EMNES) in Brussel co-funded by European Commission.</li> <li>7. Member of the Advisory Council – Islamic Economics Institute.</li> <li>8. Member of the Advisory Council – King Khalid University.</li> <li>9. Board Member – Prince Sultan Bin Abdulaziz Fund for Women's Projects.</li> <li>10. Board Member – Al-Anoud Foundation for Endowments.</li> <li>11. Vice Chairman of the Board – Saudi Financial Association.</li> <li>12. Board Member – Al-Wadi Company (Established and owned by the PIF).</li> <li>13. Board Member – Social Economics Association.</li> </ol> | <ol style="list-style-type: none"> <li>1. Chief Executive Officer – Gulf Monetary Council.</li> <li>2. Advisor – International Monetary Fund (IMF).</li> <li>3. Chief Economist – Alkhabeer Capital.</li> <li>4. Member of the Advisory Board – Helt Investment Fund.</li> </ol> | <ul style="list-style-type: none"> <li>• PhD in Economics-Oklahoma State University, (1996-2000).</li> <li>• Master's degree in applied economics, University of Michigan (1994-1995).</li> <li>• Bachelor's degree in economics from King Saud University, Riyadh (1986-1990).</li> </ul> | <ul style="list-style-type: none"> <li>• GCC General Coordinator and Chief Negotiator-Secretariat General of the Gulf Cooperation Council (2023).</li> <li>• Faculty Member – Prince Saud Al-Faisal Institute of Diplomatic Studies, Ministry of Foreign Affairs (2011).</li> <li>• Chief Economic Advisor-Ministry of Economy and Planning (2018).</li> <li>• Non-Resident Economic Expert – International Monetary Fund (IMF).</li> </ul>   |
| 19 | <b>Dr. Mohammed Khalid Al Nashwan</b> | <ol style="list-style-type: none"> <li>1. Member of Shariah Committee – Bank AlJazira.</li> <li>2. Assistant Professor – Higher Institute of Judiciary.</li> <li>3. Shariah and Legal advisor.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Lecturer – Higher Institute of Judiciary.</li> <li>2. Teaching Assistant – Higher Institute of Judiciary.</li> <li>3. Deputy Head of Department – Higher Institute of Judiciary.</li> </ol>  | <ul style="list-style-type: none"> <li>• PhD in Comparative Fiqh.</li> <li>• Master's Degree in Comparative Fiqh.</li> <li>• Bachelor's Degree in Shariah.</li> </ul>  | <ul style="list-style-type: none"> <li>• Teaching various Shariah hand legal subjects to master's students at the Higher Institute of Judiciary, including financial transactions, judicial systems, Maqasid al-Shariah (objectives of Islamic law), jurisprudence, its principles, and rules.</li> <li>• Supervising and discussing numerous master's theses in legal systems, financial transactions, and judiciary for students at the Higher Institute of Judiciary.</li> <li>• Lecturing in specialized legal diplomas, such as "Diploma in Advocacy" and "Mediation and Arbitration."</li> <li>• Serving as chairman and member of various scientific and administrative committees in the Department of Shariah Policy.</li> <li>• Authored several scholarly papers in jurisprudence, its principles, legal systems, and Islamic finance, some of them published in peer-reviewed academic journals.</li> </ul> |

## 2. Executive Management:

**Name:** Mr. Naif A. Al Abdulkareem

**Position:** Chief Executive Officer and Managing Director

### Educational and Professional Qualifications

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

### Previous Positions

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

### Current Positions

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

**Name:** Mr. Mohammed Al-Mousa

**Position:** Head of Retail Banking Group

### Educational and Professional Qualifications

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

### Previous Positions

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

### Current Positions

| Sector  | Legal Entity       | Company/Organization          | Position                     | Appointment Date |
|---|--------------------|-------------------------------|------------------------------|------------------|
| Banks and Financial Services                  | Listed Joint-Stock | Bank AlJazira                 | Head of Retail Banking Group | 2023             |
| Information Technology Services and Solutions | Company            | Ejada Systems Limited Company | Board Member                 | 2024             |

**Name:** Mr. Sami J. Al-Mehaid**Position:** Head of Corporate and Institutional Banking Group**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

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

**Name:** Mr. Ibrahim A. Al-Omar**Position:** Chief Operating Officer**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

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

**Name:** Mr. Faisal M. Al-Mansour

**Position:** Head of Human Capital and Corporate Support Group

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

**Name:** Mr. Hani S. Noori

**Position:** Chief Financial Officer

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

**Name:** Dr. Fahad Al Elayan

**Position:** Head of Shariah, Sustainability & Social Responsibility Group

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

**Name:** Mr. Abdulaziz Al Zammam

**Position:** Chief Audit Executive

#### Educational and Professional Qualifications

| University                                 | Field of Specialty   | Qualifications     | Year |
|--|----------------------|--------------------|------|
| King Saud University                       | Computer Science     | Bachelor Degree    | 2001 |
| University of London – Royal Holloway – UK | Information Security | Masters of Science | 2007 |

#### Previous Positions

| Sector                         | Legal Entity               | Company/Organization             | Position                 | Duration of Service |
|--------------------------------|----------------------------|----------------------------------|--------------------------|---------------------|
| Government                     | Government                 | SAMA                             | Banking Inspector        | 2002-2010           |
| Semi Government                | Governmental Body          | Ministry of Communication and IT | Audit and Compliance     | 2010-2013           |
| Banking and Financial Services | Listed Joint Stock Company | Riyad Bank                       | VP – Audit Division Head | 2013-2019           |

#### Current Positions

| Sector                         | Legal Entity               | Company/Organization | Position              | Appointment Date |
|--------------------------------|----------------------------|----------------------|-----------------------|------------------|
| Banking and Financial Services | Listed Joint Stock Company | Bank AlJazira        | Chief Audit Executive | March 2019       |

**Name:** Mr. Hamad Al Essa**Position:** Chief Compliance & AML Officer**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

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

**Name:** Mr. Osama Al-Ibrahim**Position:** Chief Risk Officer**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

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

**Name:** Mr. Hani A. Araki**Position:** Head of Treasury Group**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

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

**Name:** Mr. Sultan S. Al-Qahtani**Position:** Board Secretary & Head of Corporate Governance Group**Educational and Professional Qualifications**

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

**Previous Positions**

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

**Current Positions**

| Sector                       | Legal Entity       | Company/Organization | Position  | Appointment Date |
|------------------------------|--------------------|----------------------|---|------------------|
| Banks and Financial Services | Listed Joint-Stock | Bank AlJazira        | Head of Corporate and Institutional Banking Group | 2021             |

**Name:** Mr. Nahim Y. Bassa

**Position:** Head of Strategy & Transformation Group

#### Educational and Professional Qualifications

| University                      | Field of Specialty  | Qualifications          | Year |
|---------------------------------|---------------------|-------------------------|------|
| University of Natal             | Commerce            | Bachelor                | 2001 |
| University of Kwazulu-Natal     | Economics           | Post-Graduate (Honors)  | 2003 |
| University of Kwazulu-Natal     | Business Management | Post-Graduate (Diploma) | 2004 |
| University of Witwatersrand     | Digital Business    | Masters                 | 2021 |
| Jack Welch Management Institute | Business Management | Masters                 | 2023 |

#### Previous Positions

| Sector                          | Legal Entity               | Company/Organization | Position   | Duration of Service |
|---------------------------------|----------------------------|----------------------|--|---------------------|
| Financial Consultations         | Private Company            | Accenture            | Management Consultant                                    | 2004-2012           |
| Financial Consultations         | Private Company            | Barclays Africa      | Strategy Lead  | 2013-2015           |
| Banks and Financial Institution | Listed Joint Stock Company | Absa Group           | Director: Strategic Initiatives & Digital Transformation | 2016-2019           |
| Banks and Financial Institution | Listed Joint Stock Company | Bank AlJazira        | Head of Digital Banking Division                         | 2020                |

#### Current Positions

| Sector                          | Legal Entity               | Company/Organization | Position                                | Appointment Date |
|---------------------------------|----------------------------|----------------------|---|------------------|
| Banks and Financial Institution | Listed Joint Stock Company | Bank AlJazira        | Head of Strategy & Transformation Group | 2021             |

**Name:** Mr. Yazid Almobyty

**Position:** Chief Credit Officer

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

**Name:** Mr. Badr A. Al-Rashodi

**Position:** Head of Customer Experience and Protection Division

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

**Name:** Mr. Bader Albagmi

**Position:** Head of Marketing and Customer Excellence Group

#### Educational and Professional Qualifications

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

#### Previous Positions

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

#### Current Positions

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

## 1. Board Executive Committee

As per the bank's articles of association and its terms of reference, the executive committee of Bank AlJazira consists of 5 board members chosen by the board of directors and chaired for the board term by the chairman of the board of directors. The board of directors determines the authorities and powers of this committee. It is the responsibility of the executive committee, in accordance with the delegated powers, to monitor the implementation of the strategy and policies set by the board of directors, risk management and control of the bank's performance, recommend the balance sheet and action plan submitted for the fiscal year, and ensure proper implementation of the policies of the board of

directors, in addition to monitoring the efficiency of internal control standards and policies implementation. The committee holds 6 meetings at least per year. The board of directors at its meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022) re-formed the executive committee for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Eng. Tarek bin Othman Al Kasabi (Chairman) and Eng. Abdulmajeed bin Ibrahim Al Sultan, Mr. Naif bin Abdulkareem Al Abdulkareem, Mr. Mohammed bin Saad BinDawood, Mr. Ibrahim bin Abdulaziz Al Shaia, (members).

The committee held 8 meetings during 2024 which were attended by members of the committee as described in the table below:

| Name                                       | Function | 1st<br>23/01 | 2nd<br>14/02 | 3rd<br>24/04 | 4th<br>22/05 | 5th<br>18/09 | 6th<br>17/11 | 7th<br>20/11 | 8th<br>18/12 | Attend-<br>ance<br>record |
|--|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| 1. Eng. Tarek bin Othman Al Kasabi         | Chairman | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 2. Eng. Abdul Majeed bin Ibrahim Al Sultan | Member   | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 3. Mr. Naif bin Abdulkareem Al Abdulkareem | Member   | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 4. Mr. Mohammed bin Saad BinDawood         | Member   | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 5. Mr. Ibrahim bin Abdulaziz Al Shaia      | Member   | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |

## 2. Audit Committee:

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

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

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

The audit committee membership consists of the chairman to be chosen from among the Independent members of the board of directors and two independent members at least from outside the board. The committee holds 4 meetings at least per year, and the meetings of audit committee are attended by the Chief Internal Audit and the Chief Financial Officer on a regular basis. The meetings are also attended by the CEO and senior executives as required. The audit committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Saad bin Ibrahim Al Mushawah (Chairman) and Mr. Fawzi bin Ibrahim Al Hobayb and Dr. AbuBaker bin Ali BaGabir (members) which composition was endorsed by General Assembly in its meeting held on 15 November 2021.

The committee held 7 meetings during 2024 which were attended by the chairman and members, as shown in the table below:

| Name                                | Function                                       | 1st<br>31/01 | 2nd<br>30/04 | 3rd<br>09/06 | 4th<br>25/07 | 5th<br>06/08 | 6th<br>24/10 | 7th<br>05/12 | Attend-<br>ance<br>record |
|-------------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| 1. Mr. Saad bin Ibrahim Al Mushawah | Chairman of Audit Committee                    | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 2. Mr. Fawzi bin Ibrahim Al Hobayb  | Audit Committee Member – External to the Board | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |
| 3. Dr. AbuBaker bin Ali BaGabir     | Audit Committee Member – External to the Board | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | ✓            | 100%                      |

## 3. Nomination and Remuneration Committee

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

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

The members of the Remuneration and Nomination Committee were appointed for the present board term at the board's meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022). The committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Ibrahim bin Abdulaziz Al Shaia (Chairman) and Eng. Abdulmajeed bin Ibrahim Al Sultan, Mr. Abdullatif bin Khalifa Al Mulhem and Mr. Abdullah bin Ibrahim Al Hagbani (members).

The Committee held 3 meetings during 2024 which were attended by the chairman and members of the committee as reflected in the table below:

| Name                                      | Function  | 1st meeting<br>30/07/2024 | 2nd meeting<br>31/10/2024 | 3rd meeting<br>19/12/2024 | Attendance<br>rate |
|---|---|---------------------------|---------------------------|---------------------------|--------------------|
| 1. Mr. Ibrahim bin Abdulaziz Al Shaia     | Chairman of the Nomination and Remuneration Committee                       | ✓                         | ✓                         | ✓                         | 100%               |
| 2. Eng. Abdulmajeed bin Ibrahim Al Sultan | Member of the Nomination and Remuneration Committee                         | ✓                         | ✓                         | ✓                         | 100%               |
| 3. Mr. Abdullatif bin Khalifa Al Mulhem   | Member of the Nomination and Remuneration Committee                         | ✓                         | ✓                         | ✓                         | 100%               |
| 4. Mr. Abdullah bin Ibrahim Al Hagbani    | Member of the Nomination and Remuneration Committee – External to the Board | ✓                         | ✓                         | ✓                         | 100%               |

#### 4. Board Risk Committee

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

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

The committee measures the exposures to financial risks and other significant exposures as well as the steps taken by the management to monitor, control and report cases of risks,

including, but not limited to, review of credits, market, liquidity, reputational, operational, fraud and strategic risks in addition to evaluating exposures, tolerance levels and approval of appropriate transactions or commercial restrictions. The Committee also reviews the scope of risk management, and the targeted activities related to the functions of the Bank's risk management.

The members of the board risk committee for the current term have been appointed at the board of directors' meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022). The committee was re-formed for the board term starting from 01 Jan 2022 to 31 Dec 2024, to consist of Mr. Adil bin Saud Dahlawi (chairman) and Mr. Abdullatif bin Khalifa Al Mulhem, and Mr. Abdulwahab bin Abdulkareem Al Betari (members). On April 2, 2024, Mr. Wael bin Ahmed Fattouh was appointed as member to the committee.

The Committee held 4 meetings during 2024 which were attended by the chairman and members as stated in the table below:

| Name  | Function   | 1st meeting<br>07/02/2024 | 2nd meeting<br>27/05/2024 | 3rd meeting<br>16/09/2024 | 4th meeting<br>24/12/2024 | Attendance<br>rate |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| 1. Mr. Adil bin Saud Dahlawi                | Chairman of the Board Risk Committee                       | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 2. Mr. Abdullatif bin Khalifa Al Mulhem     | Member of the Board Risk Committee                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 3. Mr. Abdulwahab bin Abdulkareem Al Betari | Member of the Board Risk Committee                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 4. Mr. Wael bin Ahmed Fattouh               | Member of the Board Risk Committee – External to the Board | ✗                         | ✓                         | ✓                         | ✓                         | 75%                |

#### 5. Sustainability & Social Responsibility Committee

As per its terms of reference, the Social Responsibility Committee of Bank AlJazira consists of 3-5 board members and holds 3 meetings at least per year. This committee plays an important role in assisting the board of directors in the fulfillment of its social responsibilities Related to the 'Khair AlJazira le Ahl AlJazira' program. It is responsible for the formulation of policies and procedures related to the activities and social responsibility programs, approval of the annual budget for 'Khair AlJazira le Ahl AlJazira' program, approval of the annual plan for the program, creating solutions for the obstacles that might hinder the social responsibility programs and review of the objectives of the program by highlighting the bank's role in the community service. It also contributes and participates actively in many social responsibility programs in the Kingdom, builds cooperation and communication between the bank and the authorities related to those programs and establishes specific partnerships with associations and

charities in the kingdom which contribute to highlighting the role of private sector in enhancing the process of social responsibility. The Committee also strives to create an appropriate environment to help the youth and rehabilitate them for the market, and it provides distinctive programs for rehabilitating disabled people. The committee of the 'Khair AlJazira le Ahl AlJazira' program reports annually to the Board of Directors about the activities and functions of Sustainability & Social Responsibility program.

The members of the social responsibility committee for the current term have been appointed at the board of directors' meeting No. 226 held on 29 Jumada I, 1443H (corresponding to January 02, 2022), to consist of Eng. Abdulmajeed bin Ibrahim Al Sultan (Chairman), Dr. Fahd bin Ali Al Elayan and Mr. Abdulaziz bin Ibrahim Al Hadlaq (members).

The committee held 4 meetings during 2024 which were attended by the chairman and members as stated in the table below:

| Name                                      | Function   | 1st meeting<br>19/01/2024 | 2nd meeting<br>12/05/2024 | 3rd meeting<br>12/09/2024 | 4th meeting<br>19/12/2024 | Attendance<br>rate |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| 1. Eng. Abdulmajeed bin Ibrahim Al Sultan | Chairman of the Sustainability & Social Responsibility Committee                       | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 2. Mr. Abdulaziz bin Ibrahim Al Hadlaq    | Member of the Sustainability & Social Responsibility Committee – External to the Board | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 3. Dr. Fahd bin Ali Al Elayan             | Member of the Sustainability & Social Responsibility Committee                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |

#### 6. Shariah Committee

According to Shariah Governance Framework for Local Banks Operating in Saudi Arabia issued by the Saudi Central Bank, the Shariah committee shall formed from three to five members. The Shariah committee's members in this have been appointed in term of current period from 01 January 2023 to 31 December 2024 by the board's decision based on recommendation of the nomination and remuneration committee, after obtaining SAMA's written non-objection. The Shariah committee is an independent

and report to the board directly. Its responsibilities are to supervise the compliance of Islamic banking transactions with the Shariah principles and rules, ensure that the Shariah policies and procedures developed by the bank are consistent with those principles, and issue decisions on Shariah matters so that the bank can comply with the Shariah principles. The Shariah committee issues an annual report shows the bank's compliance to the Shariah principles.

The committee held (5) meetings during the year 2024, attended by the Chairman and members of the committee, as shown in the following table:

| Name                               | Function  | 1st meeting<br>19/02/2024 | 2nd meeting<br>26/05/2024 | 3rd meeting<br>02/09/2024 | 4th meeting<br>19/11/2024 | 5th meeting<br>02/12/2024 | Attendance<br>rate |
|------------------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| 1. Dr. Mohammed Waleed Al Suwaidan | Chairman of the Committee Independent – Outside the Board | ✓                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 2. Dr. Mohammed Khalid Al Nashwan  | Independent Member – Outside the Board                    | ✓                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 3. Dr. Raja Menahi Al Marzoqi      | Independent Member – Outside the Board                    | ✓                         | ✓                         | ✓                         | ✓                         | ✗                         | 80%                |
| 4. Mr. Lahim Hamad Al Nasser       | Executive Member – Outside the Board                      | ✓                         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |

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

| Names of the companies in which members of the Bank Board hold present board membership or management positions | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc) | Names of companies in which members of the Bank Board held past board membership or management positions               | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|---|------------------------|---|--|------------------------|--|
| <b>ENG. TAREK BIN OTHMAN AL KASABI</b>  |                        |   |  |                        |  |
| 1. Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock  | 1. (1976-1977) Project Engineer of Kara Contracting Establishment.   | Inside the Kingdom     | Institution  |
| 2. Dallah Health Care Company.  | Inside the Kingdom     | Listed Joint Stock  | 2. (1978-1981) Project Manager (King Faisal Bridge in Muzdalifah) of Kara Contracting Establishment.                   | Inside the Kingdom     | Institution  |
| 3. Ataa Educational Company.  | Inside the Kingdom     | Listed Joint Stock  | 3. (1981-1988) Vice President of Kara Contracting Establishment.   | Inside the Kingdom     | Institution  |
| 4. Dar'a AlRiyah Holding Co.  | Inside the Kingdom     | Closed Joint Stock  | 4. (1988-1990) General Manager of Makkah Company for Reconstruction and Development.                                   | Inside the Kingdom     | Listed Joint Stock   |
| 5. Rozam Investment Company.  | Inside the Kingdom     | Closed Joint Stock  | 5. (1990-2012) Vice President of Dallah Al Baraka Holding Company.   | Inside the Kingdom     | Closed Joint Stock   |
| 6. International Medical Center Company.  | Inside the Kingdom     | Closed Joint Stock  | 6. (15/12/2007 – 26/10/2019) Vice Chairman of the Board of Directors of Aseer Company for Trade, Tourism and Industry. | Inside the Kingdom     | Listed Joint Stock   |
| 7. Dallah Pharma Company.   | Inside the Kingdom     | Limited Liability   | 7. (26/09/2012 – 21/02/2021) Chairman of the Board of Directors of Cerb Real Estate Investment Co.                     | Inside the Kingdom     | Closed Joint Stock   |
| 8. AlJazira Capital.  | Inside the Kingdom     | Closed Joint Stock  | 8. (23/07/2018 – 21/02/2021) Member of the Board of Directors of Al-balad Al-Ameen Property Development Company.       | Inside the Kingdom     | Closed Joint Stock   |
| 9. NEBA Company.  | Outside the Kingdom    | Closed Joint Stock  | 9. (06/12/2018 – 21/02/2021) Member of the Board of Directors of Dahiat Sumou Co.                                      | Inside the Kingdom     | Limited Liability  |
| 10. Kingdom University Company.   | Outside the Kingdom    | Closed Joint Stock  | 10. (02/07/2019 – 01/08/ 2021) General Organization for Social Insurance.  | Inside the Kingdom     | Government Institution   |
| <b>ENG. ABDULMAJEED BIN IBRAHIM AL SULTAN</b>   |                        |   |  |                        |  |
| 1. (1993) Member of the Board of Directors of the Brothers Union Company.                                       | Inside the Kingdom     | Closed Joint Stock  | 1. (1990-1993) Corporate Account Management at the National Commercial Bank.   | Inside the Kingdom     | Listed Joint Stock   |
| 2. (1993) Chief Executive Officer of the Brothers Union Company.  | Inside the Kingdom     | Closed Joint Stock  | 2. (1991-2007) Chairman of the Board of Directors of the Marafeq Construction Company.                                 | Inside the Kingdom     | Listed Joint Stock   |
| 3. (2004) Member of the Board of Directors of Bank AlJazira.  | Inside the Kingdom     | Listed Joint Stock  | 3. (1991-2007) Member of the Board of Directors of the Packaging Materials Manufacturing Company – FIPCO.              | Inside the Kingdom     | Listed Joint Stock   |
| 4. (2009) Member of the Board of Directors of Iat Development Company.  | Inside the Kingdom     | Limited Liability   | 4. (1993-2000) General Manager of the Construction Facilities Company.   | Inside the Kingdom     | Listed Joint Stock   |
| 5. (2013) Chairman of the Board of Directors of AlJazira Takaful Taawuni Company.                               | Inside the Kingdom     | Listed Joint Stock  | 5. (1998-2018) Member of the Board of Directors of Qassim Cement Company.  | Inside the Kingdom     | Listed Joint Stock   |
| 6. (2013) Chairman of the Board of Directors of Al-Durra Development Company.                                   | Inside the Kingdom     | Limited Liability   |  |                        |  |
| 7. (2022) Chairman of Sustainability and Social Responsibility Committee of Bank AlJazira.                      | Inside the Kingdom     | Listed Joint Stock  |  |                        |  |
| 8. (2010) Board Member of Ibrahim Al-Sultan Charitable Foundation.  | Inside the Kingdom     | Charitable Organization   |  |                        |  |
| 9. (2021) Board Member of Al Thuriah Co.  | Inside the Kingdom     | Limited Liability   |  |                        |  |
| 10. (2020-2024) Member of the Nomination and Remuneration Committee of Bank AlJazira.                           | Inside the Kingdom     | Listed Joint Stock  |  |                        |  |
| 11. Member of Investment Committee. of AlJazira Takaful Taawuni Company.  | Inside the Kingdom     | Listed Joint Stock  |  |                        |  |
| 12. Chairman of Executive Committee of AlJazira Takaful Taawuni Company.  | Inside the Kingdom     | Listed Joint Stock  |  |                        |  |

| Names of the companies in which members of the Bank Board hold present board membership or management positions                               | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc) | Names of companies in which members of the Bank Board held past board membership or management positions                             | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|---|------------------------|---|--|------------------------|--|
| <b>MR. NAIF BIN ABDULKAREEM AL ABDULKAREEM</b>  |                        |   |  |                        |  |
| 1. (2020) – Chief Executive Officer of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock  | 1. (2001 – 2004) Credit Relations Manager – Riyad Bank.  | Inside the Kingdom     | Listed Joint Stock   |
| 2. (2021) Member of the Nomination and Remuneration Committee – Member of the Executive Committee – Board Member of AlJazira Capital Company. | Inside the Kingdom     | Closed Joint Stock  | 2. (2004 – 2011) Regional Manager of Retail Banking – Ahli Bank.   | Inside the Kingdom     | Listed Joint Stock   |
| 3. (2021) Managing Director of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock  | 3. (2012 -2012) Head of Private Banking – SABB Bank.   | Inside the Kingdom     | Listed Joint Stock   |
| 4. (2021) Member of the Executive Committee of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock  | 4. (2012-2013) Head of Private Banking & Wealth Management– SABB Bank.   | Inside the Kingdom     | Listed Joint Stock   |
| 5. (2022) Board Member – Member of the Executive Committee and Member of the Investment Committee of AlJazira Takaful Taawuni Company.        | Inside the Kingdom     | Public Joint Stock  | 5. (2014-2014) General Manager of Branches & Wealth Management – SABB Bank.  | Inside the Kingdom     | Listed Joint Stock   |
| 6. (2023) Chairman of the Board of Directors of Saudi Credit Bureau (SIMAH).  | Inside the Kingdom     | Limited Liability   | 6. (2015 – 2019) General Manager Retail Banking & Wealth Management – SABB Bank.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |   | 7. (2012-2018) Chairman of the Board of Directors – SABB Insurance Agency.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |   | 8. (2014-2017) Member of the Board of Directors – Member of the Executive Committee – SANID.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |   | 9. (2016-2018) Board Member – Executive Committee Member – SABB Takaful.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |   | 10. (2017-2019) Member of the Board of Directors – HSBC Saudi Arabia.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |   | 11. (2017-2020) Member of the Board of Directors of Saudi Credit Bureau (SIMAH).   | Inside the Kingdom     | Limited Liability  |
|   |                        |   | 12. (2019-2020) Deputy General Manager of Retail Banking and Wealth Management – SABB Bank.  | Inside the Kingdom     | Public Joint Stock   |
|   |                        |   | 13. (2020- 2023) Member of Executive Committee – Member of the Nomination and Remuneration Committee of Saudi Credit Bureau (SIMAH). | Inside the Kingdom     | Limited Liability  |

| Names of the companies in which members of the Bank Board hold present board membership or management positions | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc | Names of companies in which members of the Bank Board held past board membership or management positions             | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|---|------------------------|--|--|------------------------|--|
| <b>MR. ABDULWAHAB BIN ABDULKAREEM AL BETARI</b>   |                        |  |  |                        |  |
| 1. (2004) Member of the Board of Directors – Manafez Company for Ambulance Vehicles and Disabled.               | Inside the Kingdom     | Mixed Limited Liability  | 1. (1999-2004) Investment Portfolio Manager – Saudi American Bank (SAMBA).   | Inside the Kingdom     | Listed Joint Stock   |
| 2. (2013) Member of the Board of Directors – Alhimmah Partnership Company Ltd.                                  | Inside the Kingdom     | Limited Liability  | 2. (2004-2014) Co-founder / Member of the Executive Committee – Family Office Company – Wealth Management / Bahrain. | Outside the Kingdom    | Closed Joint Stock   |
| 3. (2015) Vice Chairman – Alujain Company.  | Inside the Kingdom     | Closed Joint Stock   | 3. (2014-2023) Chairman of the Board of Directors of Osool & Bakheet Investment Company.                             | Inside the Kingdom     | Closed Joint Stock   |
| 4. (2015) Member of the Board of Directors – Sunbulah Group.  | Inside the Kingdom     | Closed Joint Stock   | 4. (2018-2020) Vice Chairman of the Advisory Committee – Capital Market Authority.                                   | Inside the Kingdom     | Government Entity  |
| 5. (2019) Member of the Board of Directors – Riyadh Cable Group Company.  | Inside the Kingdom     | Closed Joint Stock   | 5. (2023) Member of the Investment and Securities Committee in the Riyadh Chamber of Commerce.                       | Inside the Kingdom     | Government   |
| 6. (2020) Vice Chairman of the Board of Directors – National Petrochemical Industries Company (NATPET).         | Inside the Kingdom     | Listed Joint Stock   |  |                        |  |
| 7. (2022 -2024) Board Member and Member of the Risk Committee, Bank AlJazira.                                   | Inside the Kingdom     | Listed Joint Stock   |  |                        |  |
| 8. (2022) Member of the Board of Directors of Saudi Airlines Catering Company.                                  | Inside the Kingdom     | Listed Joint Stock   |  |                        |  |
| 9. (2022) Member of the Board of Directors of Tarabot Company.  | Inside the Kingdom     | Closed Joint Stock   |  |                        |  |
| 10. (2022) Board Member of AlHoshan Group.  | Inside the Kingdom     | Private Limited by Shares  |  |                        |  |
| 11. (2024) Board Member of Saudi Investment Company.  | Inside the Kingdom     | Limited Liability  |  |                        |  |
| 12. (2024) Vice Chairman of the Board of Directors of United International Transportation Co. (Budget Saudi).   | Inside the Kingdom     | Listed Joint Stock   |  |                        |  |
| <b>IBRAHIM BIN ABDULAZIZ AL SHAIA</b>   |                        |  |  |                        |  |
| 1. (2016) Member of the Board of Directors of Bank AlJazira   | Inside the Kingdom     | Listed Joint Stock   | 1. (2002-2004) External Auditor – Al-Rashed Consultants and Accountants.   | Inside the Kingdom     | Limited Liability  |
| 2. (2016) Chairman of the Audit Committee from outside the Board of Hassana Investment Company                  | Inside the Kingdom     | Closed Joint Stock   | 2. (2010-2013) Member of the Audit Committee – Allianz Saudi Fransi Cooperative Insurance Company.                   | Inside the Kingdom     | Closed Joint Stock   |
| 3. (2020) Member of the Executive Committee – Bank AlJazira   | Inside the Kingdom     | Listed Joint Stock   | 3. (2011-2014) Head of Budget Department – General Organization for Social Insurance.                                | Inside the Kingdom     | Government Institution   |
| 4. (2020-2024) Chairman of the Nomination and Remuneration Committee – Bank AlJazira.                           | Inside the Kingdom     | Listed Joint Stock   | 4. (2011-2015) Member of the Board of Directors of Al-Safwa Cement Company.  | Inside the Kingdom     | Closed Joint Stock   |
| 5. (2022) Chairman of the Audit Committee from outside the Board of Premium Residency Portal.                   | Inside the Kingdom     | Government Entity  | 5. (2013-2015) Chairman of the Audit Committee – Al-Safwa Cement Company.  | Inside the Kingdom     | Closed Joint Stock   |
| 6. (2024) Chief Financial Officer of Center for National Health Insurance.                                      | Inside the Kingdom     | Government Entity  | 6. (2014-2024) General Manager of the Financial Affairs Department – General Organization for Social Insurance.      | Inside the Kingdom     | Government Institution   |
|   |                        |  | 7. (2018-2020) Member of the Risk Committee – Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 8. (2021-2024) Chairman of the Audit Committee – Raidah Investment Company.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 9. (2019-2024) Member of the Board of Directors – Masdr Data Solutions.  | Inside the Kingdom     | Closed Joint Stock   |

| Names of the companies in which members of the Bank Board hold present board membership or management positions   | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc | Names of companies in which members of the Bank Board held past board membership or management positions                    | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|---|------------------------|--|---|------------------------|--|
| <b>MR. ADIL BIN SAUD DAHLAWI</b>  |                        |  |   |                        |  |
| 1. (2017) Founding Director and Managing Director of Mauthouq Financial Consultancy.  | Inside the Kingdom     | Licensed Office  | 1. (1994-2002) Corporate Banking Relations Officer –Saudi Fransi Bank.  | Inside the Kingdom     | Listed Joint Stock   |
| 2. (2019-2024) Member of the Board of Directors of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock   | 2. (2002-2006) Team Leader Samba Corporate & Investment Services – Samba Financial Group.                                   | Inside the Kingdom     | Listed Joint Stock   |
| 3. (2022-2024) Chairman of Risk Committee of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock   | 3. (2006-2011) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.                                       | Inside the Kingdom     | Holding  |
|   |                        |  | 4. (2012-2017) Managing Director and CEO – Itqan Capital.   | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 5. (2018-2020) Assistant Chief Investment Officer – Dallah Al Baraka Holding Company.                                       | Inside the Kingdom     | Holding  |
|   |                        |  | 6. (2020-2022) Managing Director – Dallah Investment Holding Company.   | Inside the Kingdom     | Holding  |
|   |                        |  | 7. (2019-2021) Member of the Board of Directors , Executive Committee, and Chairman of the Audit Committee – Bank AlJazira. | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 8. (2019-2021) Member of the Board of Directors – Dallah Health Services Company.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 9. (2019-2021) General Manager and Board Member of Qasr El Wurud Agadir Palace Company.                                     | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 10. (2022) CEO Counsel – Dallah Al Baraka Investment Holding Company  | Inside the Kingdom     | Holding  |
| <b>MR. ABDULATIF BIN KHALIFAH AL MULHEM</b>   |                        |  |   |                        |  |
| 1. (2019) Member of the Board of Directors, Member of the Remuneration and Nominations Committee of the National Industrialization Company.                                   | Inside the Kingdom     | Listed Joint Stock   | 1. (2013-2015) Construction Engineer at Flour company, Saudi Arabia.  | Inside the Kingdom     | Limited Liability  |
| 2. (2022-2024) Member of the Board of Directors, Member of Risk Committee and Member of Nomination and Remuneration Committee – Bank AlJazira.                                | Inside the Kingdom     | Listed Joint Stock   | 2. (2016-2021) credit department at Saudi Industrial Development Fund.  | Inside the Kingdom     | Government Fund  |
| 3. (2022) Member of the Board of Directors, Member of the Remuneration and Nominations Committee- and Member of the Executive Committee – Wala Cooperative Insurance Company. | Inside the Kingdom     | Listed Joint Stock   |   |                        |  |
| 4. Managing Director at Khlifah Abdullatif Al-Mulhem Holding Company.   | Inside the Kingdom     | Limited Liability Company  |   |                        |  |

| Names of the companies in which members of the Bank Board hold present board membership or management positions | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc | Names of companies in which members of the Bank Board held past board membership or management positions   | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|---|------------------------|--|--|------------------------|--|
| <b>MR. MOHAMMED BIN SAAD BIN DAWOOD</b>   |                        |  |  |                        |  |
| 1. Board member, ExCom Committee – Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock   | 1. Investment Committee of Real Estate Development Fund.   | Inside the Kingdom     | Government   |
| 2. Chairman of the Board of Directors – Aqalat Real Estate Company.   | Inside the Kingdom     | Closed Joint Stock   | 2. Member of the Audit Committee of Al Rajhi Steel Industries Company (Rajhi Steel).   | Inside the Kingdom     | Listed Joint Stock   |
| 3. Risk Committee Member, ExCom member – Dar Al Tamleek Co.   | Inside the Kingdom     | Closed Joint Stock   | 3. Industrial Committee of the Riyadh Chamber.   | Inside the Kingdom     | Government   |
| 4. Ektefaa Charitable.  | Inside the Kingdom     | Charitable   | 4. Al-Araby Investment Company.  | Inside the Kingdom     | Listed Joint Stock   |
| 5. The Founder and Chairman of the Board of Directors – Investor’s Vision Company.                              | Inside the Kingdom     | Limited Liability  | 5. Falcon Plastic Industries.  | Inside the Kingdom     | Limited Liability  |
| 6. Risk and Compliance Committee – Zakat, Tax, and Customs Authority.   | Inside the Kingdom     | Government   | 6. International Refreshments Company.   | Inside the Kingdom     | Closed Joint Stock   |
| 7. (2018) Mohammed bin Saad BinDawood Financial and Management Consulting Office.                               | Inside the Kingdom     | Private Institution  | 7. Chairman of the Investment Committee of the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Med Gulf Insurance).                      | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 8. Vice Chairman of the Board of Directors, Member of the Executive Committee, and Chairman of Nominations Committee of Abdullah Al-Othaim Investment Company. | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 9. Chairman of the Board of Directors of Alpha Capital.  | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 10. Saudi Tourism Development Company.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 11. Member of the Audit Committee of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 12. Vice Chairman of the Board of Directors, Member of the Investment Committee of Abdullatif Alissa Holding Group Company.                                    | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 13. Member of the Executive Committee Al Akaria.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 14. Al-Araby Heavy Equipment Company.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 15. AlJazirah Home Appliance Company.  | Inside the Kingdom     | Limited Liability  |
|   |                        |  | 16. SABB Takaful Company.  | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 17. Saudi Home loans Company.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 18. Fiberglass Oasis Company.  | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 19. Member of Risk Committee of Saudi Ground Services Co.  | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 20. Manafa Investment Co.  | Inside the Kingdom     | Limited Liability  |
|   |                        |  | 21. Governance Committee Thiqah owned by Public Investment Fund (PIF).   | Inside the Kingdom     | Limited Liability  |
|   |                        |  | 22. Executive Committee, Risk & Governance Committee of Saudi Chemical.  | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 23. (2018-2018) Managing Director of Manafa Investment Co.   | Inside the Kingdom     | Limited Liability  |
|   |                        |  | 24. (2014-2018) Chief Executive Officer of Directors of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company.   | Inside the Kingdom     | Closed Joint Stock   |
|   |                        |  | 25. (2013-2014) General Manager of Corporate Banking Services at The Saudi British Bank.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 26. (2004-2013) Deputy General Manager of Corporate Banking at Arab National Bank.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 27. (2002-2004) Manager of commercial banking in Central Region at The Saudi British Bank.   | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 28. (1998-2002) Senior Corporate Relations Manager at Arab National Bank.  | Inside the Kingdom     | Listed Joint Stock   |
|   |                        |  | 29. (1996-1998) Corporate Relations Manager at The Saudi British Bank.   | Inside the Kingdom     | Listed Joint Stock   |

| Names of the companies in which members of the Bank Board hold present board membership or management positions                    | In /out of the Kingdom | Company type (Listed joint-stock/ unlisted joint-stock/ limited liability, etc | Names of companies in which members of the Bank Board held past board membership or management positions   | In /out of the Kingdom | Company type (Listed joint stock/unlisted joint-stock/ limited liability, etc. |
|--|------------------------|--|--|------------------------|--|
| <b>MR. SAAD BIN IBRAHIM AL MUSHAWAH</b>  |                        |  |  |                        |  |
| 1. (2010) Member and Chairman of the Audit Committee in Qassim Cement Company.   | Inside the Kingdom     | Listed Joint Stock   | 1. (1985-2003) Head of the lending team of the Saudi Industrial Development Fund.  | Inside the Kingdom     | Government   |
| 2. 2016) Member of the Board of Directors of Qassim Cement.  | Inside the Kingdom     | Listed Joint Stock   | 2. (2003-2019) Chief Executive Officer of Gulf Union Foods Company.  | Inside the Kingdom     | Closed Joint Stock   |
| 3. (2021) Member of Executive Committee – Qassim Cement Company.   | Inside the Kingdom     | Listed Joint Stock   | 3. (2013-2016) Member of the Board of Directors, Chairman of the Audit Committee of AlJazira Takaful Company.  | Inside the Kingdom     | Listed Joint Stock   |
| 4. (2023) Member of Audit Committee – Methanol Chemicals Company.  | Inside the Kingdom     | Listed Joint Stock   | 4. (2014-2016) Member of the Audit Committee of Alissa Industries.   | Inside the Kingdom     | Listed Joint Stock   |
| 5. (2021) Member of Audit Committee – Durra Sugar Co.  | Inside the Kingdom     | Closed Joint Stock   | 5. (2017-2023) Member of the Supervisory Board – Audit Committee Member of the Center for Building Productive Families (Jana) – one of the branches of Sulaiman Al-Rajhi Finance Corporations. | Inside the Kingdom     | Private  |
| 6. (2022) Board Member and Chairman of the Audit Committee of Bank AlJazira.   | Inside the Kingdom     | Listed Joint Stock   | 6. (2019-2023) Member of Audit Committee of Fawaz AlHokair Company.  | Inside the Kingdom     | Listed Joint Stock   |
| 7. (2021) Member of the Board of Directors & Nomination and Remuneration Committee at Abdullah Al Othaim Markets Company.          | Inside the Kingdom     | Listed Joint Stock   | 7. (2019-2024) Member of the Board of Directors of Creative Closets Company.   | Inside the Kingdom     | Limited Liability  |
| 8. (2023) Member of the Board of Directors, Member of the Audit Committee at Alwatania Agricultural Company (Al Rajhi Endowments). | Inside the Kingdom     | Private  | 8. (2020-2021) Member and Chairman of the Nomination and Remuneration Committee at Qassim Cement Company.  | Inside the Kingdom     | Listed Joint Stock   |
| 9. (2023) Member of Nomination Committee – King Abdullah Humanitarian Foundation.  | Inside the Kingdom     | Private  | 9. (2020-2022) Member of the Nomination and Remuneration Committee at Raza Company, an institution affiliated to the Pension and Retirement Authority.   | Inside the Kingdom     | Government   |
| 10. (2023) Board Member – Soybean Crushing Company and Derivatives Limited –Soya.  | Inside the Kingdom     | Limited Liability  | 10. (2022-2023) Board Member of National Food Industries Company Limited.  | Inside the Kingdom     | Closed Joint Stock   |
| 11. (2019) Member of the Audit Committee for AL Aseel Company.   | Inside the Kingdom     | Listed Joint Stock   |  |                        |  |
| 12. (2024) Member of the Board of Directors & Member of the Audit Committee at Al Watania Poultry.                                 | Inside the Kingdom     | Sole Proprietorship  |  |                        |  |

## 4. Statement of Shareholders General meetings held during the fiscal year 2024 and the names of attending directors:

During the year 2024, the bank held two meetings for the General Assembly of Shareholders on April 24, 2024, and on December 11, 2024. The agenda items for each assembly included the following:

### 1. Extraordinary General Assembly on April 24, 2024:

1. Reviewing and discussing the Board of Directors Annual Report for the fiscal year ending 31 December 2023.
2. Reviewing and discussing the Financial Statements for the year ending 31 December 2023.
3. Voting on the External Auditor's Report for the year ending 31 December 2023.
4. Voting on releasing the Board members from their liability for the fiscal year ending 31 December 2023.
5. Voting on appointing the Bank's External Auditors among the candidates based on the Audit Committee recommendation as to examine, review and audit the financial statements for the second, third quarter along with 2024-year end financials and the first quarter for the year 2025 and determining their fees.
6. Voting on the Board of Directors' recommendation to increase the Bank's capital by Granting Bonus Shares according to the following:
  - The Bank's capital before the increase is (8,200,000,000) million Saudi riyals, divided into (820,000,000) ordinary shares.
  - The Bank's capital after the increase is (10,250,000,000) million Saudi riyals, divided into (1,025,000,000) ordinary shares.
  - The total amount of the increase is (2,050,000,000) million Saudi Riyals.
  - Percentage of Capital Increase: 25%.
  - **The reason for the capital increase:** The increase is aimed to strengthen the Bank's financial position which will contribute to enable the bank to achieve its strategic goals.
  - **Method of capital increase:** The increase will be made by capitalizing an amount of (2,050) million Saudi riyals from the statutory reserve account, by granting 1 share for every 4 shares.
  - **Eligibility Date:** If the clause is approved, the eligibility date for the bonus shares for the bank's shareholders who own the shares will be on the day of the extraordinary general assembly registered in the bank's shareholder register with the Securities Depository Center Company (the Depository Center) at the end of the second trading day following the entitlement date. In the event that there are fractional shares, they will be collected in one portfolio for all shareholders, sold at the market price, and then their value distributed to the shareholders entitled to the grant, each according to his share, within a period not exceeding 30 days from the date of determining the shares owed to each shareholder.
  - Voting on amending Article (7) of the Bank's bylaws related to increasing the capital.
7. Voting on the payment of (4,630,000) million ₪ as remunerations and compensations to the Members of the Board of Directors for the period from 1st January 2023 to 31st December 2023.

8. Voting to authorize the Board of Directors to distribute interim dividends to the shareholders on semi-annual or quarterly basis, against the fiscal year 2024.
9. Voting on Senior Management Compensation and Benefits Policy.
10. Voting to delegate the Board of Directors with the authority of the Extraordinary General Assembly with the license mentioned in Section (1) of Article (27) of the Companies Law, for a one-year period effective upon the AGM approval date or up to ending of the authorized Board term, whichever is earlier, in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
11. Voting on the participation of the Board Member Mr. Abdulwahab Abdulkarim Albetari in a business competing with the bank's business .
12. Voting on the participation of the Board Member Mr. Mohammed Saad BinDawood in a business competing with the bank's business .
13. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Personal Dinar Insurance Policy. These transactions in 2023 amounted to 24,715,375 million ₪ and was done without any preferential treatment.
14. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Mortgage Insurance Policy. These transactions in 2023 amounted to 32,477,083 million ₪ and was done without any preferential treatment.
15. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Group Life Insurance Policy. These transactions in 2023 amounted to 1,718,822 million ₪ and was done without any preferential treatment.
16. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the

board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Staff Credit Cover Policy. These transactions in 2023 amounted to 404,607 thousand ₪ and was done without any preferential treatment.

17. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Property All Risk- Mortgage Employee. These transactions in 2023 amounted to 57,337 thousand ₪ and was done without any preferential treatment.
18. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Property All Risk- Mortgage Customer. These transactions in 2023 amounted to 2,089,526 million ₪ and was done without any preferential treatment.
19. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Property All Risk – Own Property. These transactions in 2023 amounted to 414,103 thousand ₪ and was done without any preferential treatment.
20. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Banker Blanket bond. These transactions in 2023 amounted to 5,692,529 million ₪ and was done without any preferential treatment.
21. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Directors and Officers Liability Insurance. These transactions in 2023 amounted to 276,029 thousand ₪ and was done without any preferential treatment.
22. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr.

Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These insurance contracts are against Sabotage & Terrorism – S&T. These transactions in 2023 amounted to 80,749 thousand ₪ and was done without any preferential treatment.

23. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Return on time deposits investments. These transactions in 2023 amounted to 4,368,695 million ₪ and was done without any preferential treatment.
24. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Claims received. These transactions in 2023 amounted to 38,997,456 million ₪ and was done without any preferential treatment.
25. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Face value of bonus shares received. These transactions in 2023 amounted to 24,539,790 million ₪ and was done without any preferential treatment.
26. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Investment in the sukuks issued by BAJ. These transactions in 2023 amounted to 150,000,000 million ₪ and was done without any preferential treatment.
27. Voting on the businesses and contracts that will take place between the Bank and AlJazira Cooperative Takaful Company which is considered a Related Party as Eng. Abdulmajeed Al-Sultan a BAJ member of the board of directors, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank have an indirect interest in it being members of the board of directors of AlJazira Cooperative Takaful Company. These contracts are related to Profit on the sukuks issued by BAJ. These transactions in 2023 amounted to 4,500,000 million ₪ and was done without any preferential treatment.
28. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is

considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Financing income earned on money market placements. There transactions in 2023 amounted to 103,613,445 million ₪ and was done without any preferential treatment.

29. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Return on time deposits investments. There transactions in 2023 amounted to 361,087 thousand ₪ and was done without any preferential treatment.
30. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Service Level Agreement. There transactions in 2023 amounted to 1,150,000 million ₪ and was done without any preferential treatment.
31. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Income on foreign exchange contracts. There transactions in 2023 amounted to 515,428 thousand ₪ and was done without any preferential treatment.
32. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Fees and commission income. There transactions in 2023 amounted to 302,471 thousand ₪ and was done without any preferential treatment.
33. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related Custody fee expense. There transactions in 2023 amounted to 6,427,490 million ₪ and was done without any preferential treatment.
34. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Asset management and investment

advisory fee. There transactions in 2023 amounted to 2,899,017 million ₪ and was done without any preferential treatment.

35. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Lead manager fee for Tier 1 Sukuk issuance. There transactions in 2023 amounted to 4,000,000 million ₪ and was done without any preferential treatment.
36. Voting on the businesses and contracts that will take place between the Bank and AlJazira Capital Company which is considered a Related Party as Eng. Tariq O. Alkassabi the chairman of the bank, and Mr. Naif Al-Abdulkareem the CEO & MD of the bank, have an indirect interest in it being members of the board directors of AlJazira Capital Company. These contracts are related to Rent and building related expense. There transactions in 2023 amounted to 3,065,437 million ₪ and was done without any preferential treatment.

## 2. The Bank took into account announcing the General Assembly Meeting results on Tadawul & the Bank's websites on 16, Shawwal 1445 H corresponding 25 April 2024.

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

| Name  | 1st. EOGM<br>24.04.2024 |
|---|-------------------------|
| 1. Eng. Tarek bin Othman Al Kasabi          | ✓                       |
| 2. Eng. Abdul Majeed bin Ibrahim Al Sultan  | ✓                       |
| 3. Mr. Naif bin Abdulkareem Al Abdulkareem  | ✓                       |
| 4. Mr. Abdulwahab bin Abdulkareem Al Betari | ✓                       |
| 5. Mr. Ibrahim bin Abdulaziz Al Shaia       | ✗                       |
| 6. Mr. Adil bin Saud Dahlawi                | ✓                       |
| 7. Mr. Saad bin Ibrahim Al Mushawah         | ✓                       |
| 8. Mr. Mohammed bin Saad BinDawood          | ✓                       |
| 9. Mr. Abdullatif bin Khalifa Al Mulhem     | ✓                       |

## 3. Extraordinary General Assembly on December 11, 2024:

- Voting to elect members of the board for the next term which will start on January 01, 2025 for a period of three years until December 31, 2027.
- Voting on the amendments of the Policies and Procedural Standards for Membership in the Board of Directors and its Committees.
- Voting on the amendments of Remuneration and Compensation of Members of the Board of Directors, Committees and Executive Management Policy.
- Voting on the amendments of Sustainability and Social Responsibility Policy.

- Voting on the amendments of Senior Management Compensation & Benefits Policy for Bank AlJazira.
- Voting on the Employee Shares Plan and authorizing Board of Directors on specifying the current and future terms of the program including allocation price, and this is in the event of approval of item No. (23) related to the Purchase or Pledge Own Shares.
- Voting on the purchase of (4,500,000) shares from its shares and keep them as treasury shares, for the purpose of allocating them to the Employee Share Plan as per regulations, provided that financing the purchase is from the bank's own resources, and authorizing the Board of Directors to complete the purchase within a maximum period of 6 months from the date of the Extraordinary General Assembly's decision, and that the purchased shares are kept for a period not exceeding (10) years from the date of the Extraordinary General Assembly's approval. After the expiration of this period, the bank will follow the procedures and controls stipulated in relevant laws and regulations, and this is in the event of approval of item No. (6) and approval of item No. (23) related to the Purchase or Pledge Own Shares.
- Voting on the amendments of Audit Committee Charter.
- Voting on the amendments of Article (1) of the Bank's Articles of Association, related to the Establishment.
- Voting on the amendments of Article (2) of the Bank's Articles of Association, related to the Company's Name.
- Voting on the amendments of Article (3) of the Bank's Articles of Association, related to the Company's Objects.
- Voting on the amendments of Article (4) of the Bank's Articles of Association, related to the Participation in and Holding of Companies.
- Voting on the amendments of Article (5) of the Bank's Articles of Association, related to the Head Office and Subsidiaries.
- Voting on the amendments of Article (6) of the Bank's Articles of Association, related to the Company Duration.
- Voting on the amendments of Article (7) of the Bank's Articles of Association, related to the Capital.
- Voting on the amendments of Article (8) of the Bank's Articles of Association, related to the Issue of Shares at Premium-Jointly Held Shares.
- Voting on the deletion of Article (9) of the Bank's Articles of Association, related to the Share Trading.
- Voting on the amendments of Article (10) of the Bank's Articles of Association, related to the Shareholders' Register.
- Voting on the amendments of Article (11) of the Bank's Articles of Association, related to the Share Trading Manner.
- Voting on the amendments of Article (12) of the Bank's Articles of Association, related to the Seizure and Sale of Seized Shares.
- Voting on the amendments of Article (13) of the Bank's Articles of Association, related to the Capital Increase.
- Voting on the amendments of Article (14) of the Bank's Articles of Association, related to the Capital Decrease.
- Voting on the amendments of Article (15) of the Bank's Articles

- of Association, related to the Purchase or Pledge Own Shares.
- Voting on the amendments of Article (16) of the Bank's Articles of Association, related to the Debt Instruments.
- Voting on the amendments of Section (4) of the Bank's Articles of Association, related to the Management of Company.
- Voting on the amendments of Article (17) of the Bank's Articles of Association, related to the Board of Directors.
- Voting on the amendments of Article (18) of the Bank's Articles of Association, related to the End of Board Membership.
- Voting on the amendments of Article (19) of the Bank's Articles of Association, related to the Power of Board of Directors.
- Voting on the amendments of Article (20) of the Bank's Articles of Association, related to the Executive Committee.
- Voting on the amendments of Article (21) of the Bank's Articles of Association, related to the Audit Committee.
- Voting on the amendments of Article (22) of the Bank's Articles of Association, related to the Board Member Attendance Fees.
- Voting on the amendments of Article (23) of the Bank's Articles of Association, related to the Appointment of Chairman/Deputy Chairman/CEO/MGD/Secretary.
- Voting on the amendments of Article (24) of the Bank's Articles of Association, related to the Board Meetings.
- Voting on the amendments of Article (25) of the Bank's Articles of Association, related to the Quorum and Resolutions of Board.
- Voting on the amendments of Article (26) of the Bank's Articles of Association, related to the Disclosure of Personal Interest and Competing with Company.
- Voting on the addition of new Article Number (27) in the Bank's Articles of Association, related to the Issuing Board Decision on Urgent Matters.
- Voting on the amendments of Article (27) of the Bank's Articles of Association, related to the Board and Executive Committee Meetings Register.
- Voting on the amendments of Article (28) of the Bank's Articles of Association, related to the Shareholders General Meeting.
- Voting on the amendments of Article (29) of the Bank's Articles of Association, related to the Attendance of General Meetings.
- Voting on the amendments of Article (30) of the Bank's Articles of Association, related to the Constituent General Meeting.
- Voting on the amendments of Article (31) of the Bank's Articles of Association, related to the Ordinary General Meeting.
- Voting on the amendments of Article (32) of the Bank's Articles of Association, related to the Extra-Ordinary General Meetings.
- Voting on the amendments of Article (33) of the Bank's Articles of Association, related to the Convening of General Meetings.
- Voting on the amendments of Article (34) of the Bank's Articles of Association, related to the General Meeting Attendance Register.
- Voting on the amendments of Article (35) of the Bank's Articles of Association, related to the Ordinary General Meeting Quorum.

46. Voting on the amendments of Article (36) of the Bank's Articles of Association, related to the Extra-Ordinary General Meeting Quorum.
47. Voting on the amendments of Article (37) of the Bank's Articles of Association, related to the Voting Rights.
48. Voting on the amendments of Article (38) of the Bank's Articles of Association, related to the Resolutions of General Meetings.
49. Voting on the amendments of Article (39) of the Bank's Articles of Association, related to the Shareholders Right to Raise Questions at the General Meeting.
50. Voting on the amendments of Article (40) of the Bank's Articles of Association, related to the General Meeting Deliberations.
51. Voting on the amendments of Section (6) of the Bank's Articles of Association, related to the Auditors.
52. Voting on the amendments of Article (41) of the Bank's Articles of Association, related to the Auditors.
53. Voting on the amendments of Article (42) of the Bank's Articles of Association, related to the Auditors Powers.
54. Voting on the amendments of Article (43) of the Bank's Articles of Association, related to the Auditors' Report.
55. Voting on the amendments of Section (7) of the Bank's Articles of Association, related to the Company Account and Dividend Distribution.
56. Voting on the amendments of Article (44) of the Bank's Articles of Association, related to the Fiscal Year.
57. Voting on the amendments of Article (45) of the Bank's Articles of Association, related to the Annual Reports.
58. Voting on the amendments of Article (46) of the Bank's Articles of Association, related to the Dividend Distribution.
59. Voting on the amendments of Article (47) of the Bank's Articles of Association, related to the Dividends.
60. Voting on the amendments of Article (48) of the Bank's Articles of Association, related to the Disputes.
61. Voting on the amendments of Section (9) of the Bank's Articles of Association, related to the Liquidation and Dissolution of the Company.
62. Voting on the amendments of Article (49) of the Bank's Articles of Association, related to the Liquidation and Dissolution of the Company.
63. Voting on the amendments of Section (10) of the Bank's Articles of Association, related to the Miscellaneous Provisions.
64. Voting on the amendments of Article (50) of the Bank's Articles of Association, related to the Administrative Staff and Others.
65. Voting on the amendments of Article (51) of the Bank's Articles of Association, related to the Board Members and Staff Undertaking to Maintain Confidentiality.
66. Voting on the amendments of Article (52) of the Bank's Articles of Association, related to the Miscellaneous Provisions.
67. Voting on the addition of new Article Number (53) in the Bank's Articles of Association, related to the Concluding Provisions.

68. Voting on the addition of new Article, related to the Expiry of the Term of the Board of Directors, the Retirement of its Members, or the Vacancy of Membership.

#### 4. The Bank took into account announcing the General Assembly Meeting results on Tadawul and the Bank's websites on Jumada Al-Thani 11, 1446 H, corresponding to December 12, 2024

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

| Name  | EOGM<br>11.12.2024 |
|---|--------------------|
| 1. Eng. Tarek bin Othman Al Kasabi          | ✗                  |
| 2. Eng. Abdul Majeed bin Ibrahim Al Sultan  | ✓                  |
| 3. Mr. Naif bin Abdulkareem Al Abdulkareem  | ✓                  |
| 4. Mr. Abdulwahab bin Abdulkareem Al Betari | ✓                  |
| 5. Mr. Ibrahim bin Abdulaziz Al Shaia       | ✓                  |
| 6. Mr. Adil bin Saud Dahlawi                | ✓                  |
| 7. Mr. Saad bin Ibrahim Al Mushawah         | ✓                  |
| 8. Mr. Mohammed bin Saad BinDawood          | ✓                  |
| 9. Mr. Abdullatif bin Khalifa Al Mulhem     | ✓                  |

#### 5. Management Committees

The governance framework of Bank AlJazira is based on the structure of the board of directors, 5 board sub-committees and 14 management committees. The governance structure is also based on a series of governance empowerment factors which ensure achievement of required clarity and good discipline of governance, namely: Institutional values, design of organizational structure, Procedures and policies, bank's matrix of authorities as well as effective communication at internal and external levels. Bank AlJazira formed the following management committees to undertake specific tasks and responsibilities. Membership of these committees is restricted to the bank's employees and officials who are directly involved in the business of these committees:

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

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

As per the bank's articles of association, the board shall hold 4 meetings per year at least. In the year 2024, the Board held 4 meetings. The table below reflects the meetings held and member's attendance record:

| Name  | 1st meeting<br>07/02/2024 | 2nd meeting<br>27/05/2024 | 3rd meeting<br>16/09/2024 | 4th meeting<br>24/12/2024 | Attendance<br>rate |
|---|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| 1. Eng. Tarek bin Othman Al Kasabi          | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 2. Eng. Abdul Majeed bin Ibrahim Al Sultan  | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 3. Mr. Naif bin Abdulkareem Al Abdulkareem  | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 4. Mr. Abdulwahab bin Abdulkareem Al Betari | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 5. Mr. Adil bin Saud Dahlawi                | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 6. Mr. Mohammed bin Saad BinDawood          | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 7. Mr. Abdullatif bin Khalifa Al Mulhem     | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 8. Mr. Ibrahim bin Abdulaziz Al Shaia       | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |
| 9. Mr. Saad bin Ibrahim Al Mushawah         | ✓                         | ✓                         | ✓                         | ✓                         | 100%               |

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

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

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

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

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

In line with the relevant supervisory directives, and as a general rule, the bank is keen to facilitate shareholders exercise of their statutory rights relating to shares, including submission of suggestions and feedback regarding the bank and its performance. In line with the bank's practices, the board answered shareholders inquiries raised at the General Assembly meetings held in 2024, or through the shareholders' unit of the bank. The board reviews such feedback and comments and takes the appropriate actions in this regard.

#### Directors and Senior Executives Remunerations

##### Compensation Policy:

The General Assembly approved on 11th of December 2024, the update of Remuneration and Compensation of Members of the Board of Directors, Committees and Executive Management Policy that sets the framework of rewards and compensations payable to board and non-board members in line with the supervisory authorities guidelines and shall generally be subject to the provisions of the Companies Act, Key Principles of Governance for Banks operating in the Kingdom of Saudi Arabia and the compensation and Remuneration rules issued by the Saudi Central Bank (SAMA), and Corporate Governance rules and organizational procedures issued in enforcement Companies Act relating to listed joint-stock companies issued by CMA, in line with the Bank's Articles of Association. In the year 2023, none of the members of the board or subcommittees have performed any work of technical or advisory nature, and therefore they did not get any consideration or special benefits in respect thereof. The table below shows the remunerations and compensations paid to the members of the Board of Directors, members of its committees and senior executives of the Bank during the year.

## Board Remuneration

For the year ending 31, Dec 2024

| Name                                       | FIXED REMUNERATIONS  |   |  |                       |  |   |                  | VARIABLE REMUNERATIONS    |                        |                            |                           |                                   |            |                      |                       |                         |
|--|----------------------|---|--|-----------------------|--|---|------------------|---------------------------|------------------------|----------------------------|---------------------------|-----------------------------------|------------|----------------------|-----------------------|-------------------------|
|  | Specific Amount<br>ﷲ | Allowance for attending Board meetings<br>ﷲ | Total allowance for attending committee meetings<br>committee<br>ﷲ | In-kind benefits<br>ﷲ | Remunerations for technical, managerial and consultative work<br>ﷲ | Remunerations of the chairman, Managing Director or Secretary, if a member<br>ﷲ | Total<br>ﷲ       | Percentage of the profits | Periodic remunerations | Short-term incentive plans | Long-term incentive plans | Granted shares (insert the value) | Total<br>ﷲ | End-of-service award | Aggregate amount<br>ﷲ | Expenses Allowance<br>ﷲ |
| <b>FIRST:<br/>INDEPENDENT DIRECTORS</b>    |                      |   |  |                       |  |   |                  |                           |                        |                            |                           |                                   |            |                      |                       |                         |
| Mr. Saad bin Ibrahim Al Mushawah*          | 900,000              | 50,000                                      | 30,000   | -                     | -  | -   | 980,000          | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| Mr. Ibrahim bin Abdulaziz Al Shaya         | 1,050,000            | 50,000                                      | 55,000   | -                     | -  | -   | 1,155,000        | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| Mr. Abdullatif bin Khalifa Al Mulhem       | 1,050,000            | 50,000                                      | 35,000   | -                     | -  | -   | 1,135,000        | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | 11,796.40               |
| <b>Total</b>                               | <b>3,000,000</b>     | <b>150,000</b>                              | <b>120,000</b>   | -                     | -  | -   | <b>3,270,000</b> | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| <b>SECOND:<br/>NON-EXECUTIVE DIRECTORS</b> |                      |   |  |                       |  |   |                  |                           |                        |                            |                           |                                   |            |                      |                       |                         |
| Eng. Tarek bin Othman Al Kasabi            | 1,050,000            | 50,000                                      | 40,000   | -                     | -  | -   | 1,200,000        | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| Eng. Abdul Majeed bin Ibrahim Al Sultan    | 1,250,000            | 50,000                                      | 75,000   | -                     | -  | -   | 1,200,000        | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| Mr. Adel bin Saud Abdulhameed Dahlawi      | 850,000              | 50,000                                      | 20,000   | -                     | -  | -   | 920,000          | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | 29,508.08               |
| Mr. Mohammed bin Saad BinDawood            | 850,000              | 50,000                                      | 40,000   | -                     | -  | -   | 940,000          | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| Mr. Abdulwahab bin Abdulkareem Al Betari   | 850,000              | 50,000                                      | 20,000   | -                     | -  | -   | 920,000          | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| <b>Total</b>                               | <b>4,850,000</b>     | <b>250,000</b>                              | <b>195,000</b>   | -                     | -  | -   | <b>5,180,000</b> | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| <b>THIRD:<br/>EXECUTIVE DIRECTORS</b>      |                      |   |  |                       |  |   |                  |                           |                        |                            |                           |                                   |            |                      |                       |                         |
| Mr. Naif bin Abdulkareem Al Abdulkareem    | 850,000              | 50,000                                      | 40,000   | -                     | -  | -   | 940,000          | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |
| <b>Total</b>                               | <b>850,000</b>       | <b>50,000</b>                               | <b>40,000</b>  | -                     | -  | -   | <b>940,000</b>   | -                         | -                      | -                          | -                         | -                                 | -          | -                    | -                     | -                       |

\* This amount also contains the amount received for his membership in the Audit Committee

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

## Committees Members Remuneration

For the year ending 31, Dec 2024

| Name   | Fixed Remuneration<br>(Except for the allowance for<br>attending Board meetings)<br>ﷲ | Allowance for attending<br>Board meetings<br>ﷲ | Total<br>ﷲ       |
|--|---|--|------------------|
| <b>EXECUTIVE COMMITTEE MEMBERS</b>                   |   |  |                  |
| Eng. Tarek Bin Othman Al Kasabi                      | 200,000   | 40,000   | 240,000          |
| Eng. Abdul Majeed Bin Ibrahim Al Sultan              | 200,000   | 40,000   | 240,000          |
| Mr. Naif Bin Abdulkareem Al Abdulkareem              | 200,000   | 40,000   | 240,000          |
| Mr. Mohammed Bin Dawood                              | 200,000   | 40,000   | 240,000          |
| Mr. Ibrahim Bin Abdulaziz Al Shaya                   | 200,000   | 40,000   | 240,000          |
| <b>Total</b>   | <b>1,000,000</b>  | <b>200,000</b>                                 | <b>1,200,000</b> |
| <b>AUDIT COMMITTEE MEMBERS</b>                       |   |  |                  |
| Mr. Saad Al Mushawah                                 | 250,000   | 30,000   | 280,000          |
| Dr. Abubaker Bagabir                                 | 200,000   | 35,000   | 235,000          |
| Mr. Fawzi Al Hobayb                                  | 200,000   | 35,000   | 235,000          |
| <b>Total</b>   | <b>650,000</b>  | <b>100,000</b>                                 | <b>750,000</b>   |
| <b>REMUNERATION AND NOMINATION COMMITTEE MEMBERS</b> |   |  |                  |
| Mr. Ibrahim Bin Abdulaziz Al Shaya                   | 200,000   | 15,000   | 215,000          |
| Eng. Abdul Majeed Bin Ibrahim Al Sultan              | 200,000   | 15,000   | 215,000          |
| Mr. Abdullah Al Hagbani                              | 200,000   | 15,000   | 215,000          |
| Mr. Abdullatif Bin Khalifa Al Mulhem                 | 200,000   | 15,000   | 215,000          |
| <b>Total</b>   | <b>800,000</b>  | <b>60,000</b>                                  | <b>860,000</b>   |

| Name   | Fixed Remuneration<br>(Except for the allowance for<br>attending Board meetings)<br>ﷲ | Allowance for attending<br>Board meetings<br>ﷲ | Total<br>ﷲ       |
|--|---|--|------------------|
| <b>RISK COMMITTEE MEMBERS</b>  |   |  |                  |
| Mr. Adel Bin Saud Abdulhameed Dahlawi  | 200,000   | 20,000   | 220,000          |
| Mr. Abdullatif Bin Khalifa Al Mulhem   | 200,000   | 20,000   | 220,000          |
| Mr. Abdulwahab Bin Abdulkareem Al Betairi  | 200,000   | 20,000   | 220,000          |
| Mr. Wael Bin Ahmed Fattouh   | 143,013   | 15,000   | 158,013          |
| <b>Total</b>   | <b>743,013</b>  | <b>75,000</b>                                  | <b>818,013</b>   |
| <b>SUSTAINABILITY AND SOCIAL RESPONSIBILITY COMMITTEE MEMBERS (KHAIR ALJAZIRA LE AHL ALJAZIRA)</b> |   |  |                  |
| Eng. Abdul Majeed Bin Ibrahim Al Sultan  | 200,000   | 20,000   | 220,000          |
| Mr. Abdulaziz Bin Ibrahim Bin Saad Al Hadlaq   | 200,000   | 20,000   | 220,000          |
| Dr. Fahd Bin Ali Al Elayan   | 200,000   | 20,000   | 220,000          |
| <b>Total</b>   | <b>600,000</b>  | <b>60,000</b>                                  | <b>660,000</b>   |
| <b>SHARIAH COMMITTEE MEMBERS</b>   |   |  |                  |
| Dr. Mohammed Bin Waleed AlSwaidan  | 300,000   | 15,000   | 315,000          |
| Dr. Raja Bin Manahi Almarzoqi  | 300,000   | 12,000   | 312,000          |
| Dr. Mohammed Bin Khalid Al-Nashwan   | 300,000   | 15,000   | 315,000          |
| Mr. Lahem Bin Hamad Al-Nasser  | 300,000   | 15,000   | 315,000          |
| <b>Total</b>   | <b>1,200,000</b>  | <b>57,000</b>                                  | <b>1,257,000</b> |

\*The Audit Committee, Remuneration and Nomination Committee, Sustainability and Social Responsibility Committee, and Risk Committee include members who are not Directors of the Board, while all Shariah Committee Members are not Directors of the Board.

## Remunerations of Senior Executives

For the year ending 31, Dec 2024

|  | FIXED REMUNERATIONS |                 |                       |            | VARIABLE REMUNERATIONS      |              |                                 |                                |  |            | End-of-service award<br>ﷲ | Total remunerations for Board executives, if any<br>ﷲ | Aggregate amount<br>ﷲ |
|--|---------------------|-----------------|-----------------------|------------|-----------------------------|--------------|---------------------------------|--------------------------------|--|------------|---------------------------|---|-----------------------|
|  | Salaries<br>ﷲ       | Allowances<br>ﷲ | In-kind benefits<br>ﷲ | Total<br>ﷲ | Periodic remunerations<br>ﷲ | Profits<br>ﷲ | Short-term incentive plans<br>ﷲ | Long-term incentive plans<br>ﷲ | Granted shares (insert the value)<br>ﷲ | Total<br>ﷲ |                           |   |                       |
| Senior executives including CEO and Senior Finance Officer | 13,263,752          | 290,000         | –                     | 13,553,752 | 1,900,647                   | –            | 9,390,695                       | –                              | –                                      | 11,291,342 | 1,657,734                 | –   | 26,502,827            |

### Internal Audit Group

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

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

The Internal Audit Group maintains a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activities in addition to an external assessment conducted by an independent qualified body on a periodic basis for conformance with the Institute of Internal Auditors standards. During 2024, a qualified external quality assurance assessor was appointed to perform a review on Internal Audit Group Operations in line with the Institute of Internal Auditors mandatory guidance. The assessment resulted in a rating of (generally conforms with mandatory guidance) which is the highest rating that can be achieved.

#### Appointment of External Auditors

The External Auditors are responsible for the annual audit and quarterly review of the bank's financial statements. The Bank's Annual General Meeting held on 24 April 2024 (corresponding to 15/10/1445) approved the recommendation of the Board of Directors and the Audit Committee to re-appoint Price Water House Coopers and Ernest & Young (EY) as the external Auditors of the Bank for the financial year ended 31 December 2024.

#### Annual Review of the Effectiveness of Internal Control Procedures

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

At the Bank, effective internal control procedures are in place across the organization by applying the principle of three lines of defense.

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

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

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

#### Audit Committee review of the adequacy of the bank's internal control systems.

During 2024, the Audit Committee reviewed various reports to assess and measure the adequacy of internal controls and systems, including the financial statements and risk reports.

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

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

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

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

### Retail Banking Group

The Retail Banking Group continues to redefine banking services and reinforces BAJ position within the Saudi banking industry by offering innovative products. Our products and services are designed to meet the end-to-end needs of all customers from account opening to time deposits, savings account, debit and credit cards to personal finance and auto lease in addition to a wide range of mortgage finance products which contributed to portfolio growth of 21% at the end of 2024 compared 2023 closure.

The bank continued to provide the best services via a nationwide distribution network of 69 branches, 587 ATMs, and 25,193 Point of Sale terminals. Furthermore, the bank has enhanced the digital banking experience by launching a new smartphone application, introducing Samsung Pay, providing five self-service devices for issuing Mada cards, and launching a digital credit card application service.

### Private Banking and Wealth Management

The Private Banking and Wealth Management Division serves the high net worth Individuals with a full range of Shariah-compliant banking services. The Division serves its customers through 3 centers located in Riyadh, Jeddah and Al Khobar, and staffed by highly qualified Saudi cadres.

To expand its client base amid local competition, the Division partners with AlJazira Capital to enhance its wealth management offerings, including specialized Shariah-compliant investment funds in alternative assets, supporting portfolio diversification and growth.

### FAWRI

With the rise of fintech and digital financial products, the landscape of money transfer business in Saudi Arabia has become highly competitive. Despite of all these challenges, FAWRI Division has successfully repositioned and aligned itself and continued to be one of the most trusted Remittance Service Providers in the Kingdom of Saudi Arabia. In 2024, FAWRI achieved commendable success by enhancing digital Channels and exerting continuous efforts to enhance customer experience through digital channels.

Meanwhile, Fawri centers maintained a strong presence with 38 locations, strategically merging 14 centers to improve operational efficiency.

### Enterprise Risk Management Group

During the year 2024 Bank AlJazira continued its drive to focus on strengthening the Risk Management culture and ensuring the same is institutionalized at an enterprise wide basis. With this objective set forth, the management remained committed to ensure that the bank adopts best in class risk management practices supported by necessary infrastructure, in terms of people, operations, processes and systems.

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

1. Building a robust architecture and risk strategy to facilitate not only the current business strategy but also to adapt to the changing business landscape and environment.
2. Continuous Investments in and development of risk analytics capabilities and technology to lay a strong foundation for the Risk Data Warehouse. In this regard, the bank has upgraded its continues to invest in relevant technology infrastructure in line with Basel Committee on Banking Supervision (BCBS) 239 guidelines. The ultimate vision of the bank is aimed at developing a state-of-the-art Risk Data Warehouse serving as the single source of truth for all risk data and analytics needs.
3. Delineation of the approvals and review processes, ensuring that Risk Approvers and Reviewers remain independent with an objective of strict adoption to Credit Committee Culture and minimum four eyes principle.

4. Enterprise Information Security Function, in line with the banks mission and strategy and also SAMA's Cyber Security Framework, continued its effort to strengthen, protect information and information systems to ensure that the confidentiality, integrity and availability of all information, is commensurate with mission needs, information value, and associated threats.
5. Alignment and strategizing Capital Adequacy process in sync with bank's strategic direction. The Internal Capital Adequacy Assessment plan (ICAAP) goals are being continually rationalized in accordance with the existing strategic focus and the business plan on an annual basis. Capital adequacy assessment has been carried out in accordance with the nature, size and complexity of the Bank's Business Model along with detailed documentation.
6. The Bank has also developed its Internal Liquidity Adequacy Assessment Plan (ILAAP) Framework in accordance with regulatory mandate. ILAAP primarily focuses on the Bank's Liquidity Risk Assessment, Governance structure, associated strategies and contingency arrangements to deal with both, foreseeable and unforeseen liquidity events.
7. Risk appetite is set by the Board as the degree and type of risk that the Bank is prepared to accept in pursuit of its strategy, giving consideration to the interests of its stakeholders. Board-approved Risk Appetite Statement (RAS) defines the overarching risk-taking settings through risk appetite and risk tolerances. As part of the Annual Strategy Review and Capital Planning process, ERMG undertakes an independent review of Bank's strategy and considers how risks identified could individually or in aggregate impact Bank's risk profile and risk appetite.
8. Refining and Strengthening the Stress Testing framework, prepared in light of best practices, SAMA and Basel guidelines enabling the bank to conduct Regulatory stress testing across various risk parameters and scenarios. Results of the stress testing are taken as valuable feedback for business and capital planning purposes on a forward-looking basis.
9. Ensuring that the bank remains compliant as Financial Institution under IFRS-9. Risk Management, as a key stakeholder, controls the policies established for financing and are tasked with the responsibility of regularly reviewing, and revising the Bank's credit policies, guidelines and processes, to ensure that credits risk is managed and controlled within the Risk Appetite Criteria of the Bank and credit related losses are minimized.
10. Implementation of an Operational Risk Policy/ Framework that is compliant with the recommendations of the Basel Committee and SAMA. This framework aims to promote and encourage a culture of risk awareness and loss prevention across the Bank. It lays down the principles of how operational risks are identified, assessed, mitigated, monitored & reported within the Bank.
11. Ensuring thorough validation and calibration of Bank's credit risk rating models and score cards to maintain their forecasting power to assess the risk associated with default of a prospective and / or existing customer. The bank has been at the forefront in successfully validating and implementing its recalibrated risk rating models.

### Strategy And Transformation Group:

The Strategy & Transformation Group plays a pivotal role within Bank AlJazira. This group, Comprising various functions such as the Strategy Division, the Fintech & Strategic Partnerships unit and the Transformation Division. These are at the forefront of shaping our bank's future and driving our mission of enriching lives through financial well-being.

**The Strategy Division** is the cornerstone of Bank AlJazira's forward-looking agenda, driving the bank's mission to enrich lives through financial well-being. It is structured into two specialized units: the Corporate Strategy Unit and the Fintech & Strategic Partnerships Unit, each playing a unique yet complementary role in ensuring the bank's sustained growth and competitive positioning.

**The Fintech & Strategic Partnerships Unit** drives the bank's innovation agenda by building financial ecosystem, integrating emerging technologies, and expanding market reach through fintech collaborations. The unit ensures regulatory compliance while fostering strategic alliances that enhance products and customer experiences.

**The Transformation Division** is tasked with catalyzing & enabling the change needed to achieve the strategic goals across the organization. It oversees, plan and comprehensive transformations initiatives, encompassing people, processes, and technology. Its agile approach ensures that the bank remains adaptable in a fast moving and regulated environment. This division has been instrumental in improving operational efficiency and customer experience.

### Corporate and Institutional Banking Group (CIBG)

The implementation of Vision 2030 in Saudi Arabia brought about a substantial transformation to the economy, presenting considerable prospects for the Financial Services Industry through its Vision Realization Program "VRPs", which is designed to be a crucial participant in this evolution. The impact of the pandemic accelerated the push for change, emphasized by the rise of Fintech and the widespread adoption of digital banking services.

CIBG has successfully navigated the challenges arising from the global economic disruptions as well as geo-political tensions to exceed its strategic objectives and initiatives through expanding its customer base and offering distinctive Shariah-compliant products and services that significantly enhanced the customer experience. Additionally, the strategic partnerships formed through innovative banking propositions also played a crucial role in our success. This has resulted in enriching customer experience, maximizing our Share of Wallet "SOW", reflected in the increased profitability, and a satisfactory Risk vs. Return-on-Assets (ROA) position.

Vision 2030 and its realization programs is an integral part of CIBG strategies which continues to drive its growth trajectory, and strengthen its presence in the market while offering its existing and new Shariah-compliant products & services to play a key role across Vision 2030 pillars: A vibrant society, a thriving economy, and an ambitious nation.

The Group comprises of the following divisions:

#### Corporate Banking Group (CBG)

In 2024, CBG achieved a 20% growth in total assets supported by a strong performance in Trade Finance, boosting fees, strengthening market presence, and meeting client's aspirations. The significant factors driving the growth includes new customer acquisition, seizing new financing opportunities, introducing new and innovative products to the market as well as through cross-selling products and services. The portfolio is well diversified due to a careful and selective approach that considers the overall macro-economic environment and developments as well as sectorial risk appetite. This approach ensures that asset quality is consistently maintained and the risk of impairment is minimized.

#### Specialized Finance Division (SFD)

The Specialized Finance Division provides tailored financing solutions to the large corporate clients and participates in selected syndicated deals. They actively cater to a diverse client base and partner with top banks on large-scale syndicated transactions for corporate and sovereign clients, while also capitalizing on Vision 2030 VRPs. Additionally, SFD utilizes their expertise to offer project finance solutions and agency functions to large corporate clients as well as playing key roles in syndications.

#### Commercial Banking Services (CBS)

MSMEs are a vital driver of economic development and the foundation of the Kingdom's economy and Bank AlJazira is committed to promoting the growth and success of Micro, Small & Medium Enterprises (MSMEs) through Commercial Banking Services by offering a comprehensive array of banking solutions and products tailored to the special needs of MSMEs operating in all industries and sectors.

#### Financial Institution (FI)

The Financial Institutions is dedicated to managing BAJ's relationships with domestic and international banks, as well

as other financial institutions. With a strong focus on trade and cash management needs, FI is striving to position BAJ as the preferred partner bank in the Kingdom. Through close collaboration with stakeholders, FI played a major role in enhancing the bank's capabilities to meet customer requirements and facilitate remittances and commercial transactions, effectively serving BAJ core clients worldwide.

In addition, FI plays a crucial role in serving other business stakeholders within the bank, including CIBG, Retail, Private Banking and Treasury. FI also achieved a 170% increase in fees income growth across various business streams.

#### Public Sector Unit (PS)

Public sector unit is dedicated to support the delivery of vision 2030 initiatives by exploring strategic business opportunities with all Government and Semi-Government entities, as well as development funds, in addition to the Public Investment Fund "PIF", and its subsidiaries. Public Sector Unit provides tailored packages of products and services to create a total value proposition, having a considerable/significant presence in the market and play a role in supporting this segment to achieve their goals.

#### Global Transaction Services (GTS)

Global Transaction Services "GTS" provides state-of-the-art technological platforms to support and enhance the operations of CIBG clientele across the Kingdom with a focus on delivering innovative and cost-effective banking solutions. GTS offers a range of services including online corporate banking channels such as Corporate online "E-Corp" & M-Corp", E-trade", payroll services "Rawatebcom" as well as cash pick-up and delivery services.

In addition to its core services, GTS also supports all available products for CIBG segments in collaboration with stakeholders, such as business to business (B2B), point of sale (POS), payment gateway, and corporate credit cards.

### Micro, Small and Medium size Enterprises (MSMEs)

**MSME clients are categorized in line with the regulatory guidance and internal policy of the Bank, and are segmented as follows:**

| Entity Type | Annual Revenues (Sales) ₪ MM | Number of Employees (Full Time)* |
|-------------|------------------------------|----------------------------------|
| Micro Small | 0 to 3                       | 01 to 05                         |
| Small       | 3 to 40                      | 06 to 49                         |
| Medium      | 40 to 200                    | 50 to 249                        |

\*Bank AlJazira considers Annual revenue as the main criteria, however, if this criterion is not available, then the number of full-time employees becomes the main criteria for segmenting MSME clients.

## Initiatives for MSMEs taken by the Bank

- 3 regional customer service units in each region (central, western & eastern)
- Setting special criteria for accepting credit grants for small and medium enterprises in order to speed up the approval process.
- A dedicated call center (toll free number) to serve small and medium enterprises for existing customers and answer inquiries from new customers.
- A new sales unit that acts as a central unit for receiving and reviewing all referrals of SME clients and following up on NTB leads provided by the bank's external partners such as industrial fund, real estate fund and tourism fund.
- Applying specific fields in the bank's core operating system to distinguish and classify customer segments, banking relationships and SME customers.
- Review and discuss the overall performance of micro, small and medium enterprises on a monthly basis through a committee headed by the CEO.
- Continuous development of special training programs for relationship managers, specialized in customer relationship management and credit risk.
- Continue to offer the credit card product for SMEs.
- The launch of the Point of Sale Financing Program, targeting small and medium enterprises in general.
- In the final stages of launching the new "Aamal" program, which is a set of integrated banking and financial solutions that specifically meet the needs of SME clients.

### MSMEs unit and staff

MSMEs are managed by our Commercial Banking Services division within the Corporate & Institutional Banking Group (CIBG). Currently, CBS has more than 45 dedicated staff members serving our valued MSME clients.

| Number of training and workshop for staff and customers: |     |
|--|-----|
| Number of trainings for Staff                            | 185 |
| Number of trainings for Customer                         | -   |

### Loans, Commitments and Contingencies granted to micro, small and medium enterprises:

|  | Micro<br>#'000 | Small<br>#'000 | Medium<br>#'000 | Total<br>#'000   |
|--|----------------|----------------|-----------------|------------------|
| <b>2024</b>  |                |                |                 |                  |
| Loans to MSMEs on BS                                     | 798,274        | 1,037,951      | 4,361,989       | <b>6,198,214</b> |
| Loans to MSMEs off BS                                    | 82,700         | 1,432,587      | 918,103         | <b>2,433,390</b> |
| On BS MSMEs Loans as a % on Total BS Loans               | 0.8%           | 1.1%           | 4.5%            | <b>6.4%</b>      |
| Off BS MSMEs Loans as a % on Total BS Loans              | 0.1%           | 1.5%           | 0.9%            | <b>2.5%</b>      |
| Number of Loans on and Off                               | 316            | 1262           | 549             | <b>2127</b>      |
| Number of Customers for Loans                            | 245            | 809            | 204             | <b>1258</b>      |
| Number of Loans guaranteed by Kafalah program (on & off) | 4              | 36             | 12              | <b>52</b>        |
| Amount of Loans guaranteed by Kafalah program (on & off) | 898            | 50,578         | 30,110          | <b>81,586</b>    |
| <b>2023</b>  |                |                |                 |                  |
| Loans to MSMEs on BS                                     | 710,218        | 885,669        | 3,839,368       | <b>5,435,255</b> |
| Loans to MSMEs off BS                                    | 92,854         | 599,713        | 681,891         | <b>1,374,458</b> |
| On BS MSMEs Loans as a % on Total BS Loans               | 0.9%           | 1.1%           | 4.8%            | <b>7.7%</b>      |
| Off BS MSMEs Loans as a % on Total BS Loans              | 0.1%           | 0.7%           | 0.8%            | <b>1.9%</b>      |
| Number of Loans on and Off                               | 278            | 1048           | 565             | <b>1891</b>      |
| Number of Customers for Loans                            | 198            | 673            | 195             | <b>1066</b>      |
| Number of Loans guaranteed by Kafalah program (on & off) | 5              | 19             | 9               | <b>33</b>        |
| Amount of Loans guaranteed by Kafalah program (on & off) | 1,106          | 15,717         | 20,649          | <b>37,472</b>    |

## Treasury Group:

Treasury Group plays a critical role in managing the Bank's overall liquidity and market risk exposures, it is also responsible of the bank's investment portfolio and ALM through aligning maturities and profit rates of assets and liabilities to optimize the balance sheet positions. This balanced approach preserves capital, enhance returns, and ensures compliance with regulatory requirements. Meanwhile, Treasury business serves corporate, institutional, wealth, and private banking clients with a comprehensive range of treasury and capital markets solutions – covering foreign exchange, interest rate, and structured products. These offerings help clients manage market and liquidity risks effectively.

The Bank's financial position continued to be robust, reflecting disciplined balance sheet management and a conservative risk stance. By maintaining adequate liquidity levels to meet regulatory standards and client needs, we safeguarded our operations against potential disruptions. A diversified funding approach – including short-term interbank facilities, term deposits, and wholesale funding-provided flexibility and stability, while focused on reducing cost of funds.

Our investment strategy prioritizes capital preservation, liquidity, and yield enhancement. We concentrate on high-quality government and corporate securities while selectively expanding into equity investments in both primary and secondary markets. Ongoing position reviews and portfolio rebalancing minimize the impact of interest rate fluctuations, allowing us to capture opportunities for improved performance.

Treasury actively supports Vision 2030 and contributes to the Financial Sector Development Program's goals. As one of the primary dealers appointed by the National Debt Management Center (NDMC), we broadened our client base this year by collaborating with AlJazira Capital, running targeted marketing campaigns, and upgrading our Online Subscription system – leading to a notable increase in primary market share. Enhanced market-making capabilities and deeper relationships with brokers and institutional investors also boosted liquidity in the secondary market and further developed the repo market. Throughout these initiatives, we upheld NDMC guidelines with robust internal controls.

## Human Capital and Corporate Support Group

### Human Capital Group

The Human Capital and Corporate Support Group initiated a comprehensive and tangible course of action with the objective of enhancing the organization's culture and encouraging a more beneficial work environment by empowering personnel with the necessary competencies to support Bank AlJazira's strategy.

In 2024, the Human Capital and Corporate Support Group at Bank AlJazira reinforced its commitment to developing Saudi talent as a cornerstone of the bank's strategic vision. Through targeted initiatives like the "Future Leaders Program" and the "techMal Program," we attracted, nurtured, and advanced national talent to build a strong foundation for the bank's future. This year, our employees collectively completed an impressive 15,483 training man-days, underscoring our dedication to fostering a culture of continuous learning. Flagship programs delivered in partnership

with globally renowned institutions, such as INSEAD Business School's Elevate Program and Thunderbird International College of Management's Design Thinking Program, have empowered our leadership cadres to drive the bank's strategic objectives with innovation and agility.

Furthermore, we launched the pioneering "Links" Business Mentorship Program, enabling employees to benefit from senior management's expertise, and continued our "Badge Your Expertise" (BYE) initiative, supporting employees in obtaining specialized professional certifications. To strengthen our frontline Retail Banking Group (RBG) leaders, we introduced the "Leadership for Transformation" program, equipping them with critical leadership skills for dynamic market environments.

Additionally, strategic partnerships with esteemed entities such as the Saudi Industrial Development Fund (SIDF), Al Faisal University, and the Financial Academy were formalized to align educational initiatives with the bank's vision. These efforts not only reinforce Bank AlJazira's position as a preferred employer for top talent but also ensure we remain at the forefront of industry excellence.

The human capital system (HCS) was implemented to enhance productivity and work environment for bank employees by facilitating information access and automation, as well as serving as a secure cloud platform accessible from any location and at any time. Its additional objectives are to provide employees with greater flexibility in their work schedules and to facilitate the provision of superior services.

### Staff ethical and professional principles:

All employees have a high sense of responsibility towards their work in accordance with the bank's values. This matter is not limited to the bank's employees only, as all customers, shareholders, and regulatory authorities appreciate Bank AlJazira's high professionalism in all their dealings. This is in accordance with the regulatory frameworks that aim to maintain a high level of professionalism and lay the foundations according to which Bank AlJazira employees perform their duties. This makes the bank safe from financial crimes, bribery and corruption.

Bank AlJazira is eager to keep up with all of its policies and procedures because it recognizes the significance of demonstrating the work frameworks for its employees in order to prevent any penalties or violations that could be imposed against the bank or the employee. This policy established the bank's values and standards for internal and external transactions under a variety of conditions and occasion-specific frameworks, including but not limited to the "Code of Conduct." This is due to Bank AlJazira's strong commitment to safeguarding the interests and assets of its stakeholders.

### Logistics Services

A specialized department responsible for providing all services and logistical support to Bank AlJazira, including ensuring security standards, a clean environment, and facility services for employees and customers across all bank buildings. Additionally, it ensures the safety and security of employees, customers, and assets while guaranteeing business continuity.

### Properties Management

Properties Management Division, with mandatory specialization, provides all needed technical services that contribute to achieve strategic goals and aspirations of the various bank businesses in the field of Real Estate, its management, the preservation of the bank's rights therein, matters related to Real Estate Affairs in general and Mortgages in particular, including Clearing, Updating, valuation, Liquidation process, and what requires to follow-up with the judicial authorities and working to comply with them. "AMAN – Real estate Investment & Development".

In addition to Design and Engineering management, which deals with engineering surveys, site selection, design, and supervision of their implementation according to engineering specifications that comply with the bank's requirements and creating the appropriate environment for use through its buildings and branches.

### Procurement and Contract Management:

The Procurement and Contracts Management Department underwent a reorganization of its administrative structure to cover four main divisions: Vendor Management, Procurement Management, Technical Contracts Management, and Lease Contracts Management. This restructuring played a pivotal role in achieving many of the bank's objectives in financial year 2024.

### Shariah Group:

#### Shariah Quality:

Keeping in mind the satisfaction and expectations of customers and shareholders, the Shariah Group focuses on the Shariah quality control of Bank AlJazira services and products by conducting intensive review and audit of the bank's transactions to ensure all activities of the Bank and its subsidiaries are compliant with the Islamic Shariah rules. The group submits quarterly reports to the bank's Shariah Committee, and its review of the bank's transactions and criteria for selection of samples is based on the international audit criteria for sample selection.

#### Governance:

During the year, the Shariah Group continued to implement the latest developments in Shariah governance framework issued by the Saudi Central Bank within the bank to ensure full compliance with regulatory requirements.

The Charter of Shariah Committee and the Shariah group's policy & Procedures has been amended in accordance with Central Bank Circular No. 45068000 dated 29/10/1445 AH regarding updating the main principles of governance in financial institutions subject to the control and supervision of the Saudi Central Bank, in addition to Central Bank Circular No. 45075579 dated 17/12/1445 AH related to shariah governance related disclosure requirements for the banks conducting shariah compliant banking.

The following list of products and services approved by the Shariah Committee:

1. E-commerce Store Service.
2. Samsung Pay Service.
3. Electronic Account Membership Opening Service via Fawri Online.

4. Self-service Kiosks for Fawri Money Transfer Services.
5. Sukuk Structuring Based on Ijara Formula with a Promise of Gift.
6. Enabling Program for Bank Customers (Individuals) to Access All Their Bank Accounts Across All Banks in Saudi Arabia Through the Bank AlJazira Digital Channel.
7. Google Pay Service.

#### Services and Products:

The Shariah Group believes that innovation and development derived from the Islamic Shariah Rules is an essential requirement to promote the Islamic banking industry so as to be able to grow, compete and meet the accelerating and renewable market requirements. To this effect, the group permanently cooperates with other business groups within the bank to innovate and develop their tools and services and helps in the automation of a lot of their processes to facilitate customer's transactions and enable them to achieve utmost investment of their time and avoid human errors as far as possible.

#### Research:

The group is aware that maintaining the Bank's leading position in the Islamic banking industry, requires collection of information and preparation of reports and surveys about Islamic banking market and products, extent of customers' satisfaction and aspects of competition, points of strength and weaknesses and customers' expectations.

The Research Department of Shariah Group continued to collect and analyze data and information, prepare various reports, particularly on Islamic finance in the Kingdom of Saudi Arabia. In this context, three reports on Islamic finance activity in the Saudi market have been updated and prepared on the Islamic finance activities in the Saudi market, namely:

1. Islamic banking in the Saudi market,
2. Sukuk in the Saudi Market,
3. Finance Trends in Banking Sector.

#### Publication of Books and Academic Research Papers:

The Shariah Group has adopted a plan to spread knowledge through publishing and distribution of books and academic research papers which cater for the financial aspects, particularly the Islamic finance issues. Such published books and academic research papers are distributed to Specialists, interested people, educational and financial institutions free of charge, namely:

1. Refinance,
2. Reinsurance,
3. AAOIFI's Standards: from Competitions and Prizes to Repurchase.

As part of its cooperation with scientific bodies, the Shariah Group concluded a scientific partnership with the Association for Social Economics which resulted in the publishing a book named: "The Social Investment Funds", as a contribution to enhancing the knowledge in the financial sector.

### Support to Islamic financial Industry:

The Bank, through its Shariah Group, continues its support to infra-structure organizations of Islamic Financial Industry, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Council General of Islamic Banks and Financial Institutions (CIBAFI), Council of Islamic Financial Services (IFSB), based on the bank's belief in the importance of supporting such institutions to enable them to develop Islamic Financial Industry and achieve standardization. The Shariah Group participated in many of the conferences and workshops that were organized by such entities remotely via the electronic channels to cope with the latest developments in the Islamic finance industry,

The efforts of the Bank's Shariah Group have reflected positively on how the community and customers look at the bank and have also enhanced the level of confidence in the bank as an Islamic bank.

Our excellence and leadership in the Islamic banking industry is due to the Bank's compliance, in all its businesses aspects, with the principles and rules of Islamic Shariah as well as with the decisions and advice of their honor the scholars, members of the bank's Shariah Board.

### Technology & Operations Group

In 2024, the Technology & Operations Group played a pivotal role in driving digital transformation, enhancing operational resilience, and fostering innovation. The techMAL Graduates Program empowered young fintech talent, while the launch of in-house AlJazira Mobile apps and B2B services elevated digital capabilities. The Best Data Modern Architecture award recognized excellence in data transformation, and the private cloud bolstered business continuity. Additionally, the group's exceptional collection performance positioned Bank AlJazira as the leader in NPL management among Saudi banks. These achievements reinforce the bank's commitment to technological leadership and operational excellence.

- **techMAL Graduates Program:** Bank AlJazira's first-of-its-kind program, developed with the Technology & Operations and Human Capital and Corporate Support groups, focuses on training a select group of technical graduates, equipping them with the skills and knowledge needed to drive the bank's technological transformation and strengthen its digital capabilities.
- **Best Data Modern Architecture:** Bank AlJazira received the "Best Data Modern Architecture" award in the Middle East from Cloudera, highlighting the bank's leadership in data transformation. This honor underscores our commitment to impactful data strategies and innovation.
- **The new AlJazira Mobile app:** Bank AlJazira launched its first fully in-house developed retail banking app via techMAL Garage, showcasing its commitment to digital innovation. techMAL Garage enables the FinTechs to collaborate with the bank, validate their propositions, and gain insights into the financial services industry. Through this partnership, techMAL Garage helps refine digital solutions, driving the transformation of the banking sector.
- **B2B Services for Corporate Clients:** Bank AlJazira has launched a suite of B2B services to meet the specialized needs of banks

and corporate clients, enhancing financial operations and streamlining payment processes. Key offerings include detailed account information and balance updates, as well as bulk and payroll upload functions to simplify high-volume transactions. Additionally, the bank offers secure solutions for single transfer and Sadad payments, ensuring efficient management of individual and government-related payments.

- **Private Cloud for Enhanced Business Continuity and Faster Time-to-Market:** The Bank has completed the first phase of its private cloud journey by selecting Nutanix as the foundation for its digital transformation. Leveraging Nutanix's robust, hyper-converged infrastructure, the bank has established a highly scalable platform that enables optimized resource utilization and reduced operational complexity. With built-in resilience and disaster recovery features, Nutanix supports Bank AlJazira's commitment to uninterrupted service and business continuity. This flexible infrastructure also allows for rapid deployment of new services, enhancing time-to-market. This milestone aligns with the bank's vision of a future-ready digital ecosystem capable of evolving with business demands.
- **Bank AlJazira Leads with Best Collection Results:** Bank AlJazira's Collection Department, within the Bank Operations Division, successfully achieved its 2024 non-performing loans (NPL) recovery targets in 2024. The department's proactive efforts and commitment were instrumental in helping Bank AlJazira maintain healthy recovery pipelines. This achievement underscores the bank's strong credit risk management and operational excellence, reinforcing its position as a leader in financial stability and efficiency within the industry.

### PMO & Performance Division

In 2024, a new PMO operating model was developed and implemented, enhancing the stakeholder coordination and delivery mechanism. This model governs the operations and interactions between key stakeholders, including Business, IT, Digital, Data Management, Strategy, Enterprise PMO, and Technology & Operations PMO. It includes a comprehensive Project Management Book, standardized templates, structured business cases, well-defined processes, and detailed operating models. The operating model Established a robust tracking mechanism to monitor the progress of Digital Transformation and Technology & Operations Group projects, ensuring timely reporting to senior management, KPI alignment, and risk mitigation.

### Technology & Operations Governance

The Technology & Operations Governance Team has significantly strengthened the bank's governance framework, compliance, and operational oversight by establishing standardized policies, enhancing risk management, and implementing structured performance measurement. The team has played a critical role in improving IT governance compliance, ensuring regulatory alignment, and optimizing change management processes. Through close collaboration with cybersecurity, risk, and compliance teams, the governance framework has been fortified to support business resilience and regulatory excellence.

The bank's Business Continuity Management (BCM) operates continuously and is regularly reviewed by internal and external stakeholders to ensure resilience and regulatory compliance.

This program enhances the bank's preparedness to respond to emergencies, maintain critical operations, and minimize disruptions.

#### techMAL Garage Division

In 2024, techMAL Garage led Bank AlJazira's digital innovation, pioneering in-house mobile app development for retail and corporate banking. The techMAL Graduates Program nurtured fintech talent, while the agile, DevOps-driven approach enhanced delivery speed and efficiency. The Jira-based collaboration platform streamlined project execution, and team expansion ensured seamless onshore-offshore synergy.

- **The new AlJazira Mobile app:** Launching new AlJazira Mobile applications for retail and corporate. Both apps are significant achievements, as they mark the first time Bank AlJazira has designed and developed mobile applications entirely in-house through the techMAL Garage.
- **techMAL Garage Team Building:** Successfully established a high-caliber onsite core team while building a strong offshore team, ensuring seamless synergy between them. Overcame local market challenges, effectively set stakeholder expectations, and delivered high-impact solutions within an extremely tight timeline.
- **Digital Collaboration Platform:** Led the successful rollout of a digital collaboration platform based on Jira, facilitating integration across Technology & Operations teams and external teams. This initiative enhanced communication streamlined project discussions, and improved collaboration between stakeholders. The adoption of Jira has significantly increased transparency and efficiency, providing a centralized and structured approach to managing project progress.
- **Agile Delivery Capabilities (Based on DevOps):** techMAL Garage successfully implemented DevOps, focusing on mindset, practices, and advanced toolsets. This transformation started with the establishment of a robust digital workspace, incorporating cutting-edge technologies to drive agility and operational efficiency.

#### Data Management Division

In 2024, the Data Management Team played a key role in Bank AlJazira's digital transformation, establishing a modern data lake to optimize storage, reduce costs, and enhance transaction processing. Self-service reporting tools empowered business units with real-time insights, while AI-driven automation introduced intelligent solutions. The team's excellence was recognized with the Best Modern Data Architecture Award in the Middle East, reinforcing Bank AlJazira's leadership in data innovation and strategic execution.

#### Data Lake Implementation

As part of the digital transformation, data management team successfully established a new data lake built on cutting-edge modern technology. As part of this implementation, large datasets were migrated from traditional storage to a more cost-efficient and scalable platform.

#### Reporting Self-Service Enablement

Empowered business teams with modern reporting tools, frameworks, and structured data, enabling self-service reporting capabilities. The rollout began with Retail in 2024, with plans to extend the initiative to other business units in 2025.

#### Establishing the AI Practice

Launched an AI-driven Q&A chatbot for HR policies, leveraging the latest generative AI technology. The AI practice will continue to evolve in 2025, focusing on building advanced AI capabilities to enhance automation and intelligence across the organization.

#### Information Technology Division

The information technology division has been a key enabler of the bank's business growth and financial success, delivering strategic technology initiatives that have enhanced operational efficiency, expanded digital capabilities, optimized costs, and strengthened business alignment. By introducing cutting-edge digital solutions, modernizing integration layers, and improving system resilience, the team has played a pivotal role in accelerating revenue generation, increasing customer acquisition, and streamlining operations. These achievements have positioned the bank as a leader in digital financial services, driving sustained financial outperformance and market competitiveness.

#### Banking Operations Division

The Bank Operations Division has made significant strides in enhancing financial recovery, improving collections, automating processes, and ensuring regulatory compliance. Alongside this success, the team streamlined corporate and retail operations, automated key financial and compliance processes, and enhanced digital banking capabilities, reinforcing operational excellence and business growth.

#### Digital Transformation program

The Digital Transformation Program has been a cornerstone of Bank AlJazira's technological evolution, ensuring that innovation, agility, and scalability drive business growth. The journey began in 2023 with a strong focus on architecting and designing the digital platforms, laying the foundational technology and enterprise architecture. In 2024, the focus shifted to execution, building the digital platform across seven transformation pillars and launching key business-enabling products. 2025 will be a pivotal year, where the bank will fully capitalize on these investments by launching business-driven products that unlock the true value of digital transformation.

In addition to enabling digital capabilities, the Digital Transformation Office (DTO) has played a vital role in aligning technology and operations with the bank's strategic goals. By ensuring that program and project outcomes are directly mapped to bank-wide KPIs, and by selecting technologies that adhere to enterprise architecture principles, digital transformation is not just a technical evolution—it is a business transformation initiative.

With the expertise of Deloitte, the bank has refreshed its IT strategy, formalized enterprise architecture practices, detailed the target operating model, and built a strong PMO governance framework. The DTO has successfully integrated execution of the seven streams into business-as-usual (BAU) processes, ensuring sustainability and long-term impact.

#### Core Banking:

All preparatory activities for the core banking upgrade and loan product enhancements were completed in 2024. The upgrade is on track for early 2025 completion, setting the stage for the launch of new business-driven financial products that will streamline banking operations and improve customer engagement.

#### Payment Systems Consolidation

The new Payments Hub is designed to unify all siloed payment components, enabling faster time-to-market for innovative payment solutions, enhanced operational efficiency, and a smarter, customer-centric payment ecosystem. In 2024, the full development and testing phases were completed, and in 2025, the phased rollout will commence, bringing seamless, intelligent payment solutions to customers.

#### Customer Relationship Management (CRM)

The CRM platform was successfully launched in December 2024 across pilot branches. In 2025, the focus will be on expanding business services for retail, corporate, and branch operations, enhancing customer engagement, and creating a 360-degree customer view that drives personalization and business growth.

#### System Integration – Building a Future-Proof API Ecosystem

A modern integration layer was successfully established, enabling real-time connectivity and enhanced B2B service capabilities. In 2024, seven key B2B services were launched, with additional services planned for 2025, ensuring frictionless digital transactions and seamless business-to-business banking.

#### Sustainability & Social Responsibility Group

Based on the bank role as a responsible economic institution, that works on effective plans and projects that contribute to achieving a positive impact in economic, environmental, and social aspects. Bank AlJazira continues its journey in promoting sustainability principles and social responsibility through ongoing support for diverse projects and partnerships with the government sector, private sector, non-profit entities, and charitable associations, by implementing impactful community service projects and meeting the aspirations of society across all regions of the Kingdom.

During this year, the Bank issued its second sustainability report for 2023, which highlighted the bank's commitment to sustainability disclosure and transparency. The sustainability and social responsibility group at Bank AlJazira worked on designing a set of comprehensive surveys to cover aspects of sustainability-related work across the bank's departments. Additionally, they analyzed the gaps and requirements arising from the first sustainability report and worked to address them as much as possible, implementing solutions in accordance with the required international standards.

Enhancing communication with stakeholders and engaging them in addressing key issues of interest played a crucial role in the success of the report, contributing to the bank's credibility and reputation among both customers and shareholders.

As part of internal awareness efforts on sustainability, the bank's sustainability and social responsibility group collaborated with the training department to offer training programs introducing sustainability to all employees. This included seminars and informational sessions on the latest developments in Environmental,

Social, and Governance (ESG) practices. The team also worked on spreading the culture of sustainability within the bank through various awareness messages, such as posters promoting water and paper conservation and email communications. Additionally, the gifts accompanying the sustainability awareness campaign under the slogan "Think Sustainability" had a significant impact in reinforcing sustainability principles among bank staff. The team also provided recycling bins in the main buildings, contributing to a shift and enhancement of employee behavior toward sustainability.

The bank also participated as a member in the working team formed by the EBAC Committee at SAMA, which is responsible for Environmental, Social, and Governance (ESG) standards, further strengthening its national role in the field of sustainability.

The bank has implemented numerous programs aimed at raising community awareness about environmental conservation and preservation. It sponsored the "Tree Planting" initiative at the Umm Al-Shuqouq National Park and the "Nursery Care" initiative in collaboration with Jazan University, in addition to the "Ahd wa Waad" initiative in the Asir region, all aimed at enhancing environmental protection and contributing to the preservation of vegetation cover. Furthermore, the bank organized several workshops titled "Sustainability Dialogue," promoting the concept of sustainability and fostering a broader understanding within the community.

As part of its social responsibility, the bank has continuously supported individuals with disabilities, their families, and those working with them by implementing numerous specialized programs for people with various disabilities, including hearing, visual, and mobility impairments, among others. These programs focus on training, rehabilitation, awareness, and empowerment. The bank has been keen to establish exceptional partnerships in this area, such as sponsoring the third edition of the Bank AlJazira Award for Special Education in Al-Qassim and collaborating with Al-Majmaah University to offer a diploma in management for individuals with disabilities. Additionally, the bank has supported the establishment of specialized clinics, such as the early intervention clinic for children with autism and the high-pressure oxygen therapy clinic. The bank has also contributed to many other impactful programs and projects.

Through its commitment to rehabilitation and community empowerment, the bank plays an active role in improving income levels, living conditions, and educational opportunities for productive families through its "Good Loans Portfolio," thus contributing to social stability. These efforts have enhanced the social well-being of these families and increased their contribution to driving the nation's economic development.

In its support for entrepreneurial projects and fostering creative and innovative thinking, the bank has made efforts to extend the successful "Mubtakirun" program beyond Riyadh. The ninth edition of the program, focused on "Technology and Industry," was held in Jazan in collaboration with Jazan University, having a significant positive impact on entrepreneurs in the region. Additionally, the bank launched the "Mubdi'un" program for children aged 8-15, focused on solar and renewable energy, continuing its commitment to supporting innovation for this age group. The bank has also established several innovation labs across the Kingdom and organized numerous training and rehabilitation programs.

Recognizing the crucial role that youth play in the development of society and the prosperity of the nation, as well as in achieving Vision 2030, the bank remains highly dedicated to this group through knowledge-based training and professional empowerment. The bank offers various programs aimed at preparing them for the workforce and equipping them with essential skills. Special initiatives, such as the "Uloom" project, help empower young men and women in the field of scientific research. Given the important role of media, the bank also launched the "Shabab Tech" project, which trains youth in modern media technologies and the creation of news and content.

Given the key role of the non-profit sector in achieving sustainable development goals, the bank has been actively involved in forming strategic partnerships to enhance leadership, human resource development, and financial sustainability in this sector. In addition, the bank has partnered with platforms like "Ihsan" and launched initiatives such as "Development Project Managers Training" and "Governance Development in Charitable Associations." These efforts include improving work environments and equipping training facilities to help organizations meet their goals. The bank has also supported research, including studies on "Endowment and Family Businesses" and the translation of "Essentials of Social Finance," to further strengthen the sector's impact.

The bank also present on the days and occasions , as it held many events on the Social Responsibility Day on March 23, such as communicating with all success partners, interacting on social media, holding a Ramadan Suhoor meeting for beneficiaries of the disabled category, in addition to many other events.

Finally, Bank AlJazira has contributed to the establishment of more than (100) community projects in more than (50) cities and governorates, benefiting more than (23,000) beneficiaries during 2024. For this distinction, the Bank received the CSR Award in the Arab States for the year 2024 from the Regional Network for Social Responsibility in cooperation with the United Nations Development Organization, and the Bank was honored among the top 20 institutions in social responsibility for this year from the Arab Organization for Social Responsibility.

### Credit Management Group

The Credit Management Group plays a critical role in maintaining the bank's credit quality and risk oversight by implementing robust credit policies, monitoring portfolio performance, and ensuring compliance with regulatory requirements. It assesses credit risk at both individual and portfolio levels, overseeing underwriting standards, loan approvals, and risk mitigation strategies. The group also focuses on early warning mechanisms to identify potential delinquencies and takes proactive measures to manage non-performing exposures. Through these efforts, the Credit Management Group supports sustainable loan growth while safeguarding the bank's financial stability and capital integrity.

The group oversees and consists of the following areas:

- 1. Wholesale Credit** – Oversees all credit related to the Corporate Banking Group (Large Corporates, Syndication, Financial Institutions, Public Sector, etc.) and the Private Banking Group.
- 2. MSME Credit** – Oversees all credit related to the MSME segment and its associated products.

- 3. Retail Credit** – Involved in assessing, approving, and managing retail-related products, as well as policy management.
- 4. Special Assets Management** – Responsible for handling distressed or non-performing loans, restructuring debt, and maximizing recovery.
- 5. Quality Assurance** – Monitors the overall credit portfolio to ensure alignment with the set credit policy. It also includes a technical team to monitor financed projects and an Early Warning System (EWS) unit.

Over the past few years, the group has accomplished several initiatives, including:

- Diversification of the loan portfolio, introduction of credit dashboards/reporting, and improvement in turnaround time for approvals.
- Leveraging technical expertise to monitor and assess financed projects.
- Strengthening the EWS function to adopt a "Worry, Watch & Good" strategy.
- Activating the restructuring unit to ensure the timely transfer of troubled accounts.
- Introducing the Internal Control Forum to monitor and manage exceptions.

Ensuring that credit decision systems are continuously updated and upgraded, leveraging existing data to improve credit decisions

### AlJazira Capital (AJC)

AlJazira Capital (AJC), a leading investment bank licensed by the Saudi Capital Markets Authority, provides a comprehensive suite of investment services, including brokerage, asset and wealth management, investment banking and custody services to retail and institutional clients.

In 2024, AJC made significant strides in its strategic objective to become the leading wealth management house in Saudi Arabia. This strategy focuses on building sustainable income streams through the growth in wealth and asset management business, while strategically deploying AJC capital in lucrative investment opportunities. Concurrently, AJC is committed to maintaining its leading position in the brokerage sector by adapting to evolving market dynamics and meeting the diverse needs of AJC's target client segments.

The successful execution of strategic initiatives is clearly reflected in the Company's strong financial performance for 2024. AJC achieved ₪ 571.1 million revenue in 2024 which reflects 11% increase compared to the previous year, driven by robust growth across multiple business lines. Net income before Zakat and income tax reached ₪ 261.1 million, a remarkable 53% increase over 2023.

The capital markets saw increased stability in 2024, with a general trend toward lower interest rates. This positive environment contributed to a significant rise in trading volumes, with the daily average traded value in the TASI reaching ₪ 7,506 million, a 39% increase year-over-year. As a result, brokerage business experienced 13% growth, generating ₪ 93.0 million in revenue compared to ₪ 82.2 million in 2023. Margin finance portfolio also demonstrated strong utilization, contributing ₪ 174.2 million

in revenue. To further strengthen AJC's leading position in brokerage, The company is implementing strategic initiatives to enhance the customer digital experience and introduce innovative products and services.

Asset and wealth Management business also continued its growth trajectory, achieving an 8% increase in revenue to ₪ 168.9 million from ₪ 156.7 million in 2023. This growth was primarily fueled by expansion in Discretionary Portfolio Management Assets under Management (AuMs), the successful launch of several Real Estate offerings with diverse objectives, and the introduction of unique alternative investment products.

Investment banking division successfully completed number of equity and debt issuance deals, contributing ₪ 18.5 million to the Company's topline. Furthermore, investment of AJC capital in high-yielding asset classes generated ₪ 68.9 million in revenue from principal investments. This strong performance across various business segments underscores the success of AJC's income diversification strategy.

Further to business achievements, AJC received number of awards and recognitions in various securities business aspects in 2024 including:

- 1. Most Innovative Equity Research Team** – Saudi Arabia 2024 (International Finance Magazine).
- 2. Most Innovative Shariah-Compliant Fund 2024** – AlJazira Evergreen Private Equity Fund – Saudi Arabia 2024 (International Finance Magazine).
- 3. Most Innovative Islamic Brokerage Service Provider** – Saudi Arabia 2024 (The Global Economics).
- 4. Private Equity Company of the Year** – Saudi Arabia 2024 (Global Banking & Finance Review).

The effective implementation of AJC's strategic vision is driving AJC's steady progress toward becoming a recognized and prominent asset and wealth manager. Simultaneously, we are committed to maintaining our position as the broker of choice by providing superior trading experience for our valued clients.

### Future Plans

Bank AlJazira is focused on enriching lives through financial wellbeing. To enable us to deliver on this purpose, we have set ourselves a set of key priorities that include:

- 1. Creating Distinctive Value Propositions by:**
  - Being a boutique bank that is retail affluent focused.
  - Focus on smart growth and targeted sectors for CIBG
  - Bringing together the power of One Bank AlJazira
- 2. Building a Thriving Organization by:**
  - Operating with excellence.
  - Positively impacting our planet and communities through our ESG and CSR agenda.
  - Building a learning organization.

### 3. Growing Digitally by:

- Increasing our digital transformation investments and upgrading our offerings to improve customer experience.
- Targeted Partnerships with Fintech's to differentiate our value propositions and distribution models.
- Commercializing our efforts through customer acquisition and retention.

### Overall, these priorities will drive a set of outcomes which are to:

- Improve our economic health – bringing our financial ratios (C/I, CoF, RoA, RoE and Cross-Sell) in-line with peers.
- Address our organizational health (Culture, Values and being the Preferred Employer of Top Talents); and
- Drive an improved customer experience (Net Promoter Score – NPS) through our brand, customer journeys and digital experiences.

### Awards and Certifications

During 2024, BAJ has received the following awards and recognitions locally and Internationally which reflects the banks integrity, professionalism and efforts in providing its valuable clients an exceptional products and services:

- Recognition of BAJ by Kafalah in 2024 as a Success Partner under their "100Bn Guarantees" program
- Most Innovative Equity Research Team – Saudi Arabia 2024 (International Finance Magazine)
- Most Innovative Shariah-Compliant Fund 2024 – AlJazira Evergreen Private Equity Fund – Saudi Arabia 2024 (International Finance Magazine)
- Most Innovative Islamic Brokerage Service Provider – Saudi Arabia 2024 (The Global Economics)
- Private Equity Company of the Year Saudi Arabia 2024 (Global Banking & Finance Review)
- In 2024, BAJ was honored among the top 20 institutions in social responsibility Arab Organization for Social Responsibility, Dubai
- In 2024 BAJ received the social responsibility award in Arab Countries Regional Network for Social Responsibility – Kingdom of Bahrain
- In September 2024, the Technology and Operations Group was honored with the Best Data Lake Architecture Award by Cloudera. This prestigious recognition highlights the department's exceptional efforts in designing and implementing a cutting-edge data lake architecture that drives innovation, enhances data-driven decision-making, and supports the bank's strategic objectives.
- Bank AlJazira has been awarded the Best Workplace Environment in the Banking sector of Kingdom of Saudi Arabia for the year 2024 by the International Finance Award company.

## Gratitude

The Board of Directors of Bank AlJazira takes this opportunity to express their thanks and gratitude to our wise government under the leadership of the Custodian of the two Holy Mosques, King Salman bin Abdul Aziz Al Saud, HRH Prince Mohammad bin Salman Abdulaziz Al Saud, the Crown Prince, Prime Minister, also serves as the chairman of the Council of Economic and Development Affairs and chairman of the Council of Political and Security Affairs. And all Ministers for their continued support.

We are also grateful for the continued support and guidance of the Ministry of Finance, the Ministry of Commerce, Saudi Central Bank and Capital Market Authority.

The Board also want to take this opportunity to express its sincere thanks and appreciation to the Bank's Shareholders and customers for their confidence and continued support and to the Bank's management and all staff members for their performance and achievements.



# 13

## Internal Control Statement





## Internal Control Statement

### Management Responsibility

Management is responsible for establishing and maintaining an adequate and effective internal control system. An Internal control system includes the policies, procedures and processes, which are designed under supervision of the Board of Directors (the Board) to achieve the strategic objectives of the Bank.

### Scope of Internal Audit Department

The scope of Internal Audit department, independent from line management, includes the assessment of the adequacy and effectiveness of the internal control system across the Bank, as well as to provide reasonable assurance on the implementation of all prescribed policies and procedures. All significant and material findings of Internal Audit assessments are reported to the Board audit committee of the Bank. The audit committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are controlled to safeguard the interest of the Bank.

Concerted and integrated efforts are made by all functions of the Bank to improve the control environment at grass root level through continuous reviewing and streamlining of procedures to prevent and rectify any control deficiencies. Each function, under the supervision of the senior executive management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by internal and external auditors. The Compliance function, through internal review procedures and branches physical inspections, ensures that the Bank is adhering to regulatory mandates and reflecting them into its policies and procedures.

### Evaluation and Assessment of the Effectiveness of the Internal Controls

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

Management has adopted Internal Controls integrated framework as recommended by SAMA through its guidelines on Internal Controls.

The assessment of internal controls does not contain material weaknesses in the Bank's internal control framework which has not been adequately addressed by the management.

### Management Response on the Evaluation of Internal Controls

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

### Board of Directors Response on the Evaluation of Internal Controls

Based on the above, the Board of Directors has duly endorsed Managements' evaluation of the internal control system, as prescribed by SAMA.



14

Shariah Supervisory  
Board's Annual  
Report

## The Shariah Committee's Annual Report on the Bank's Activities for the Fiscal Year 2024

Praise be to Allah, the Almighty, and Peace be upon Allah's Messenger Prophet Mohammed, his companions and all his followers.

### The Shareholders of Bank AlJazira,

The Shariah committee in bank AlJazira has reviewed and discussed the Audit report prepared by the Shariah Audit Division in Bank's Shariah Group which include, the results of auditing and inspection of the procedures used by the Bank based on randomly selected samples from all types of operations.

The Shariah committee has also reviewed the principles followed and contracts relating to the transactions, applications and products launched by the Bank during the fiscal year 2024 to give the Shariah opinion and issue the necessary fatwas, directions and decisions.

The responsibility for ensuring the Bank is operating in accordance with the Shariah rules and principles is rely on the bank's executive management, whereas the Shariah committee's

responsibility is restricted to providing an independent opinion based on its monitoring of the Bank's operations and presenting of this report to you.

We have done our monitoring after obtained all information and explanations which we considered necessary to provide reasonable assurance that the Bank did not violate the Shariah rules and principles.

### In our opinion:

The contracts, operations and transactions executed by the Bank during the period covered by the above-mentioned report are generally comply with the Shariah rules, and that some observations showed does not affect the integrity of operations from the Shariah point of view. These instances were rectified by the management of the Bank.

The Shariah committee would like to thank the Bank's Shariah Group and executive management for their concern and cooperation.

May Allah guide us to the right path.

Assalamu'alaikum warahmatullahi wabarakatuh

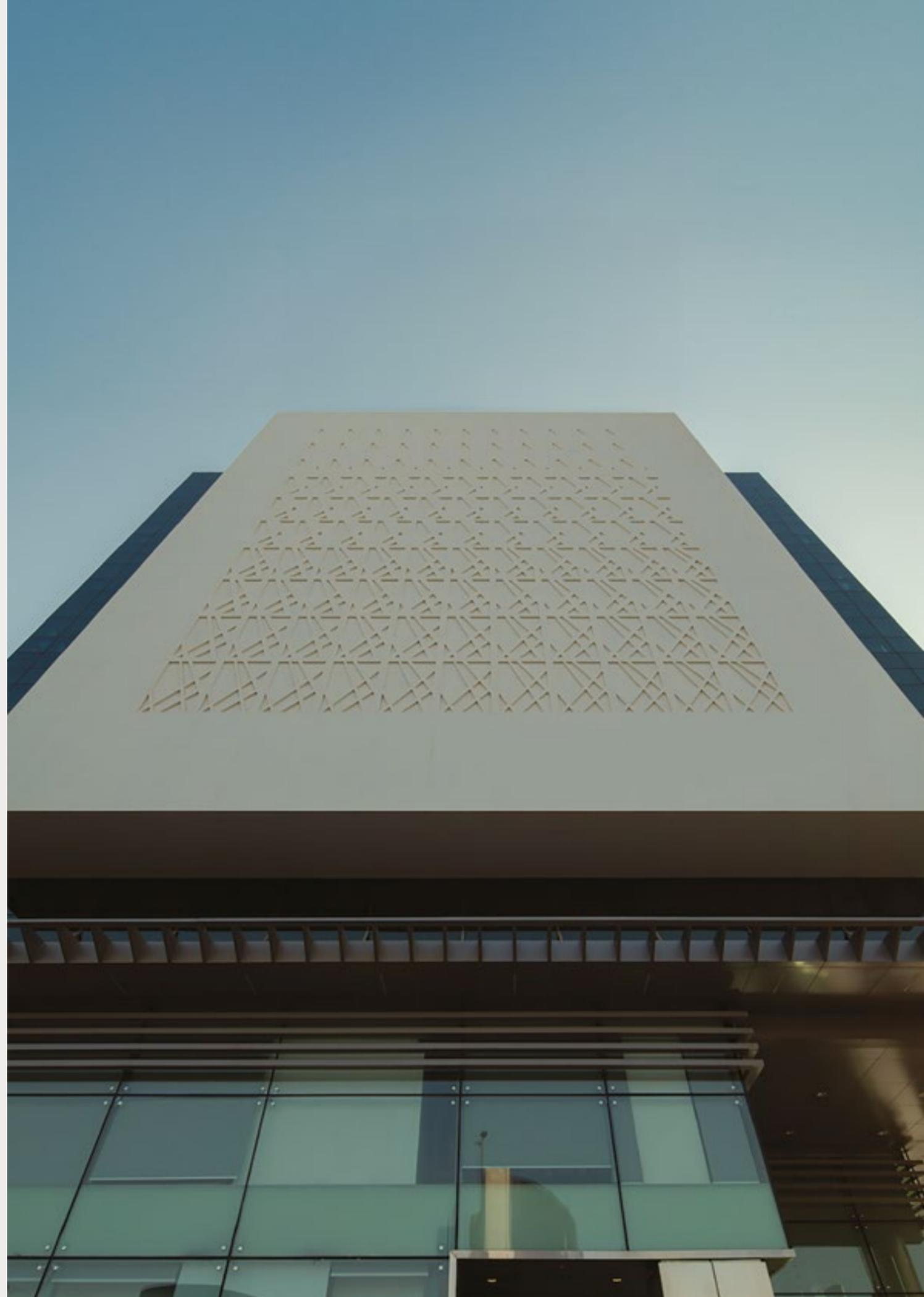
**Dr. Mohammed Bin Waleed AlSwaidan**  
Chairman

**Mr. Lahem Bin Hamad Al-Nasser**  
Member

**Dr. Raja Bin Munahi Almarzoqi**  
Member

**Dr. Fahad Bin Ali Al-Elayan**  
Rapporteur

**Dr. Mohammed Bin Khalid AlNashwan**  
Member



# 15

## Consolidated Financial Statements and Auditors' Report

For the year ended December 31, 2024



# Independent auditor's report to the Shareholders of Bank AlJazira

(A Saudi Joint Stock Company)

## Report on the audit of the financial statements

### Our opinion

We have audited the consolidated financial statements of Bank AlJazira (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which include material accounting policy information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs that are endorsed in the Kingdom of Saudi Arabia").

### Basis for opinion

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

### Key audit matters

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

## Key audit matter

### Expected credit loss allowance against financing:

As at 31 December, 2024, the gross financing of the Group was Saudi Riyals ("SAR") 99,441 million (2023: SAR83,573 million) against which an expected credit loss ("ECL") allowance of SAR 2,529 million (2023: SAR 2,793 million) was maintained.

We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgment and this has a material impact on the consolidated financial statements of the Group. The key areas of judgment include:

1. Categorisation of financing into stages 1, 2 and 3 based on the identification of:
  - exposures with a significant increase in credit risk ("SICR") since their origination;
  - individually impaired / defaulted exposures.

The Group has also applied additional judgments to identify and estimate the likelihood of borrowers that may have experienced SICR.

2. Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") including but not limited to assessment of financial condition of the counterparties, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages.
3. The need to apply post model overlays using expert credit judgment to reflect all relevant risk factors that might not have been captured by the ECL model.

Application of these judgments and estimates results in greater estimation uncertainty and the associated audit risk around ECL calculation as at 31 December 2024.

Refer to the material accounting policies note 3 (c)(v) for the impairment of financial assets; note 2 (c)(i) which contains the disclosure of critical accounting judgements, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Group; note 7 which contains the disclosure of impairment against financing; and note 32.2 for details of credit quality analysis and key assumptions and factors considered in determination of ECL.

### How our audit addressed the key audit matter

1. We obtained and updated our understanding of management's assessment of ECL allowance against financing including the Group's internal rating model, accounting policy, model methodology including any key changes made during the year, if any.
2. We compared the Group's accounting policy for ECL allowance and the ECL methodology with the requirements of IFRS 9.
3. We assessed the design and implementation, and tested the operating effectiveness of the key controls (including relevant "IT" general and application controls) over: the ECL model, including governance over the model, and any model updates performed during the period, including approval of the respective oversight committee of key inputs, assumptions and post model adjustments, if any.
  - the classification of financing into stages 1, 2 and 3 and timely identification of SICR and the determination of default / individually impaired exposures;
  - the IT systems and applications supporting the ECL model; and
  - the integrity of data inputs into the ECL model.
4. For a sample of customers, we assessed:
  - the internal ratings determined by management based on the Group's internal rating model and considered these assigned ratings in light of external market conditions and available industry information. We also assessed that these were consistent with the ratings used as input in the ECL model; and
  - managements computation of ECL.
5. For selected customers, we assessed management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any.
6. We assessed the appropriateness of the Group's criteria for the determination of SICR and identification of "default" or "individually impaired" exposures; and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the staging classification of the Group's financing portfolio.
7. We assessed the governance process implemented and the qualitative factors considered by the Group when applying any overlays, or making any adjustment to the output from the ECL model, due to data or model limitations or otherwise.
8. We assessed the reasonableness of the underlying assumptions used by the Group in the ECL model including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios.
9. We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2024.

10. Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights and of assumptions used in post model overlays.

11. We assessed the adequacy of disclosures in the consolidated financial statements.

### Other information included in the Group's 2024 annual report

Management is responsible for the other information in the Group's annual report. Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Group's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance i.e., the Audit Committee is responsible for overseeing the Group's financial reporting process.

### Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

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



Waleed A. Alhidiri  
Certified Public Accountant  
License Number 559



Hussain Saleh Asiri  
Certified Public Accountant  
License Number 414

## Financial statements

### Consolidated statement of financial position as at December 31, 2024 and 2023

| Assets  | Notes | 2024<br>SAR'000    | 2023<br>SAR'000    |
|---|-------|--------------------|--------------------|
| Cash and balances with Saudi Central Bank (SAMA)              | 4     | 6,118,369          | 5,840,693          |
| Due from banks and other financial institutions, net          | 5     | 6,697,117          | 5,691,774          |
| Investments, net  | 6     | 36,193,723         | 34,442,290         |
| Positive fair value of Shariah compliant derivatives          | 11    | 151,737            | 222,508            |
| Financing, net  | 7     | 96,912,496         | 80,780,901         |
| Other assets  | 8     | 1,111,117          | 719,449            |
| Investment in an associate                                    | 9     | 323,716            | 243,011            |
| Other real estate, net  | 7(h)  | 139,717            | 498,986            |
| Property, equipment, intangibles and right of use assets, net | 10    | 1,258,076          | 1,111,165          |
| <b>Total assets</b>   | –     | <b>148,906,068</b> | <b>129,550,777</b> |

| Liabilities and equity liabilities                                | Notes | 2024<br>SAR'000    | 2023<br>SAR'000    |
|---|-------|--------------------|--------------------|
| Due to banks, Saudi Central Bank and other financial institutions | 12    | 19,309,333         | 14,985,733         |
| Customers' deposits   | 13    | 108,186,514        | 94,054,401         |
| Negative fair value of Shariah compliant derivatives              | 11    | 164,999            | 147,061            |
| Subordinated Sukuk  | 14    | 2,005,918          | 2,004,346          |
| Other liabilities   | 15    | 2,037,607          | 1,943,742          |
| <b>Total liabilities</b>  | –     | <b>131,704,371</b> | <b>113,135,283</b> |

| Equity  | Notes | 2024<br>SAR'000    | 2023<br>SAR'000    |
|---|-------|--------------------|--------------------|
| Share capital   | 16    | 10,250,000         | 8,200,000          |
| Statutory reserve   | 17    | 1,707,276          | 3,449,537          |
| Other reserves  | 18    | (1,093,466)        | (844,399)          |
| Retained earnings   | –     | 2,462,887          | 1,735,356          |
| <b>Equity attributable to ordinary shareholders of the Bank</b> | –     | <b>13,326,697</b>  | <b>12,540,494</b>  |
| Tier 1 Sukuk  | 19    | 3,875,000          | 3,875,000          |
| <b>Total equity</b>   | –     | <b>17,201,697</b>  | <b>16,415,494</b>  |
| <b>Total liabilities and equity</b>                             | –     | <b>148,906,068</b> | <b>129,550,777</b> |

## Consolidated statement of income for the year ended December 31, 2024 and 2023

| Income                                       | Notes | 2024<br>SAR'000  | 2023<br>SAR'000  |
|--|-------|------------------|------------------|
| Income from investments and financing        | 21    | 7,978,793        | 6,264,694        |
| Return on deposits and financial liabilities | 21    | (5,344,371)      | (3,889,894)      |
| <b>Net financing and investment income</b>   | –     | <b>2,634,422</b> | <b>2,374,800</b> |

|  |    |                  |                  |
|--|----|------------------|------------------|
| Fees from banking services – income  | 22 | 1,085,666        | 968,521          |
| Fees from banking services – expense   | 22 | (481,605)        | (420,477)        |
| Fees from banking services, net  | –  | 604,061          | 548,044          |
| Exchange income, net   | –  | 224,066          | 208,792          |
| Net gain / (loss) on fair value through statement of income (FVIS) financial instruments                       | 23 | 44,641           | (3,447)          |
| Dividend income  | 24 | 192,681          | 153,352          |
| Net gains on derecognition of financial assets at fair value through other comprehensive income (FVOCI) – debt | –  | 3,457            | 3,604            |
| Net (loss) / gain on derecognition of financial assets at amortised cost                                       | –  | (6,464)          | 8,590            |
| Other operating income   | 25 | 82,533           | 40,917           |
| <b>Total operating income</b>  | –  | <b>3,779,397</b> | <b>3,334,652</b> |

|   |      |                  |                  |
|---|------|------------------|------------------|
| Salaries and employee-related expenses                          | 38   | 1,126,100        | 1,051,876        |
| Rent and premises-related expenses                              | –    | 57,861           | 53,834           |
| Depreciation and amortisation                                   | 10   | 183,815          | 182,119          |
| Other general and administrative expenses                       | 26   | 702,694          | 635,589          |
| Other operating expenses  | –    | 46,320           | 17,386           |
| <b>Total operating expenses before impairment charge</b>        | –    | <b>2,116,790</b> | <b>1,940,804</b> |
| Impairment charge for financing and other financial assets, net | 7(f) | 317,460          | 229,063          |
| Impairment reversal for other real estate                       | –    | (42,571)         | –                |
| <b>Total operating expenses</b>                                 | –    | <b>2,391,679</b> | <b>2,169,867</b> |

|   |    |                  |                  |
|---|----|------------------|------------------|
| <b>Net operating income</b>   | –  | <b>1,387,718</b> | <b>1,164,785</b> |
| Share in net income of an associate   | 9  | 16,901           | 16,066           |
| <b>Net income for the year before zakat and income tax</b>                          | –  | <b>1,404,619</b> | <b>1,180,851</b> |
| Zakat   | 28 | (165,281)        | (151,387)        |
| Income tax  | 28 | (8,384)          | (9,492)          |
| <b>Net income for the year</b>  | –  | <b>1,230,954</b> | <b>1,019,972</b> |
| <b>Basic and diluted earnings per share (expressed in SAR per share) – restated</b> | 27 | <b>1.01</b>      | <b>0.86</b>      |

|                         | Notes | 2024<br>SAR'000 | 2023<br>SAR'000 |
|-------------------------|-------|-----------------|-----------------|
| Net income for the year | –     | 1,230,954       | 1,019,972       |

|  |    |                  |                 |
|--|----|------------------|-----------------|
| <b>Other comprehensive loss:</b><br>Items that will be reclassified to consolidated statement of income in subsequent years: |    |                  |                 |
| <b>CASH FLOW HEDGES:</b>   |    |                  |                 |
| Effective portion of change in the fair value  | 18 | 17,178           | (41,828)        |
| Net amount reclassified to consolidated statement of income  | 18 | (10,149)         | (117)           |
| Net changes in fair value of investments classified as at FVOCI-debt   | 18 | (328,367)        | (70,379)        |
| <b>Items that will not be reclassified to consolidated statement of income in subsequent years:</b>                          |    |                  |                 |
| Net changes in fair value of investments classified as at FVOCI- equity  | 18 | 89,115           | 22,474          |
| Re-measurement (losses) / gains on employee benefit obligation   | 18 | (17,685)         | 7,076           |
| Share in other comprehensive income of an associate  | –  | 984              | 9,833           |
| <b>Total other comprehensive loss for the year</b>   | –  | <b>(248,924)</b> | <b>(72,941)</b> |
| <b>Total comprehensive income for the year</b>   | –  | <b>982,030</b>   | <b>947,031</b>  |

## Consolidated statement of changes in equity for the year ended December 31, 2024 and 2023

| 2024   | Notes | Share Capital<br>SAR'000 | Statutory Reserve<br>SAR'000 | Other Reserves<br>SAR'000 | Retained Earnings<br>SAR'000 | Total Shareholders'<br>Equity SAR'000 | Tier 1 Sukuk<br>SAR'000 | Total Equity<br>SAR'000 |
|--|-------|--------------------------|------------------------------|---------------------------|------------------------------|---------------------------------------|-------------------------|-------------------------|
| Balance at January 1, 2024   | –     | 8,200,000                | 3,449,537                    | (844,399)                 | 1,735,356                    | 12,540,494                            | 3,875,000               | 16,415,494              |
| Net income for the year  | –     | –                        | –                            | –                         | 1,230,954                    | 1,230,954                             | –                       | 1,230,954               |
| Other comprehensive loss for the year                                  | –     | –                        | –                            | (248,924)                 | –                            | (248,924)                             | –                       | (248,924)               |
| Transfers to retained earnings on disposal of FVOCI equity investments | 18    | –                        | –                            | (143)                     | 143                          | –                                     | –                       | –                       |
| Total comprehensive income for the year                                | –     | –                        | –                            | (249,067)                 | 1,231,097                    | 982,030                               | –                       | 982,030                 |
| Issue of bonus shares  | 16    | 2,050,000                | (2,050,000)                  | –                         | –                            | –                                     | –                       | –                       |
| Transfer to statutory reserve  | 17    | –                        | 307,739                      | –                         | (307,739)                    | –                                     | –                       | –                       |
| Tier 1 Sukuk related costs   | –     | –                        | –                            | –                         | (195,827)                    | (195,827)                             | –                       | (195,827)               |
| Balance at December 31, 2024   | –     | 10,250,000               | 1,707,276                    | (1,093,466)               | 2,462,887                    | 13,326,697                            | 3,875,000               | 17,201,697              |

| 2023   | Notes | Share Capital<br>SAR'000 | Statutory Reserve<br>SAR'000 | Other Reserves<br>SAR'000 | Retained Earnings<br>SAR'000 | Total Shareholders'<br>Equity SAR'000 | Tier 1 Sukuk<br>SAR'000 | Total Equity<br>SAR'000 |
|--|-------|--------------------------|------------------------------|---------------------------|------------------------------|---------------------------------------|-------------------------|-------------------------|
| Balance at January 1, 2023   | –     | 8,200,000                | 3,194,545                    | (755,297)                 | 1,094,793                    | 11,734,041                            | 1,875,000               | 13,609,041              |
| Net income for the year  | –     | –                        | –                            | –                         | 1,019,972                    | 1,019,972                             | –                       | 1,019,972               |
| Other comprehensive loss for the year                                  | –     | –                        | –                            | (72,941)                  | –                            | (72,941)                              | –                       | (72,941)                |
| Transfers to retained earnings on disposal of FVOCI equity investments | 18    | –                        | –                            | (16,161)                  | 16,161                       | –                                     | –                       | –                       |
| Total comprehensive income for the year                                | –     | –                        | –                            | (89,102)                  | 1,036,133                    | 947,031                               | –                       | 947,031                 |
| Transfer to statutory reserve  | 17    | –                        | 254,992                      | –                         | (254,992)                    | –                                     | –                       | –                       |
| Tier 1 Sukuk issued  | 19    | –                        | –                            | –                         | –                            | –                                     | 2,000,000               | 2,000,000               |
| Tier 1 Sukuk issuance cost   | –     | –                        | –                            | –                         | (2,812)                      | (2,812)                               | –                       | (2,812)                 |
| Tier 1 Sukuk related costs   | –     | –                        | –                            | –                         | (137,766)                    | (137,766)                             | –                       | (137,766)               |
| Balance at December 31, 2023   | –     | 8,200,000                | 3,449,537                    | (844,399)                 | 1,735,356                    | 12,540,494                            | 3,875,000               | 16,415,494              |

## Consolidated statement of cash flows for the year ended December 31, 2024 and 2023

|   | Notes | 2024<br>SAR'000  | 2023<br>SAR'000    |
|---|-------|------------------|--------------------|
| Net income for the year before zakat and income tax   | –     | 1,404,619        | 1,180,851          |
| <b>Operating activities</b>   |       |                  |                    |
| Adjustments to reconcile net income to net cash generated from / (used in) operating activities:        |       |                  |                    |
| Net gain on FVIS financial instruments  | –     | (42,915)         | (28,787)           |
| Depreciation and amortisation   | 10    | 183,815          | 182,119            |
| Dividend income   | 24    | (151,499)        | (103,008)          |
| Loss / (gain) on investments held at amortised cost and FVOCI, net                                      | –     | 3,007            | (12,194)           |
| Net loss / (gain) on disposal of property and equipment   | –     | 305              | (18,239)           |
| Provision for end of service benefit obligations  | 30    | 35,839           | 46,454             |
| Impairment charge for financing and other financial assets, net   | 7(f)  | 317,460          | 229,063            |
| Reversal of impairment charge for other real estate   | –     | (42,571)         | (736)              |
| Share in net income of an associate   | 9     | (16,901)         | (16,066)           |
| Return on subordinated sukuk  | –     | 157,645          | 151,536            |
| <b>Operating income before changes in operating assets and liabilities</b>                              | –     | <b>1,848,804</b> | <b>1,610,993</b>   |
| <b>Net increase / (decrease in) operating assets</b>  |       |                  |                    |
| Statutory deposit with SAMA   | –     | (756,321)        | (20,123)           |
| Due from banks and other financial institutions maturing after ninety days from the date of acquisition | –     | (925,785)        | (3,198,430)        |
| Investments held at FVIS  | –     | (267,575)        | (294,607)          |
| Positive fair value of Shariah compliant derivatives  | –     | 70,771           | 90,134             |
| Financing   | –     | (16,426,744)     | (10,415,183)       |
| Other real estate   | –     | 401,840          | 7,535              |
| Other assets  | –     | (391,668)        | (138,410)          |
| <b>Net increase / (decrease in) operating liabilities</b>   |       |                  |                    |
| Due to banks and other financial institutions   | –     | 4,323,600        | 2,869,046          |
| Customers' deposits   | –     | 14,132,113       | 8,031,562          |
| Negative fair value of Shariah compliant derivatives  | –     | 17,938           | (51,945)           |
| Other liabilities   | –     | 118,606          | 128,369            |
|   | –     | 2,145,579        | (1,381,059)        |
| Zakat and income tax paid   | –     | (191,447)        | (264,423)          |
| End of service benefits paid  | 30    | (37,157)         | (38,122)           |
| <b>Net cash generated from / (used in) operating activities</b>   | –     | <b>1,916,975</b> | <b>(1,683,604)</b> |

| <b>Investing activities</b>   |           |                    |                  |
|---|-----------|--------------------|------------------|
| Proceeds from sales and maturities of investments held at amortised cost and FVOCI                  | –         | 4,226,697          | 7,019,001        |
| Purchase of investments held at amortised cost and FVOCI  | –         | (5,910,158)        | (6,531,773)      |
| Dividend received   | –         | 151,499            | 103,008          |
| Additional investment in an associate   | 9         | (76,270)           | –                |
| Dividend received from an associate   | 9         | 6,549              | –                |
| Acquisition of property and equipment   | 10        | (252,641)          | (203,972)        |
| Proceeds from sale of property and equipment  | –         | 18                 | 56,806           |
| <b>Net cash (used in) / generated from investing activities</b>                                     | –         | <b>(1,854,306)</b> | <b>443,070</b>   |
| <b>Financing activities</b>   |           |                    |                  |
| Issue of Tier 1 Sukuk   | 19        | –                  | 2,000,000        |
| Payment of sukuk related transaction costs  | –         | –                  | (3,996)          |
| Payment of return on Tier 1 and Tier 2 sukuk  | –         | (359,508)          | (284,177)        |
| Dividends paid  | –         | (3,676)            | (120)            |
| Payment for principal portion of lease liabilities  | –         | (97,960)           | (86,133)         |
| <b>Net cash (used in) / generated from financing activities</b>                                     | –         | <b>(461,144)</b>   | <b>1,625,574</b> |
| <b>Net change in cash and cash equivalents</b>  | –         | <b>(398,475)</b>   | <b>385,040</b>   |
| Cash and cash equivalents at the beginning of the year  | –         | 2,722,860          | 2,337,820        |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>29</b> | <b>2,324,385</b>   | <b>2,722,860</b> |
| Income from investments and financing received during the year                                      | –         | 7,729,120          | 5,712,036        |
| Return on deposits and financial liabilities paid during the year                                   | –         | 5,313,334          | 3,619,707        |
| <b>Supplemental non-cash information</b>  |           |                    |                  |
| Net changes in fair value of cash flow hedges and transfers to the consolidated statement of income | –         | 7,029              | (41,945)         |

# Notes to the consolidated financial statements for the year ended December 31, 2024

## 1. General

These financial statements comprise the financial statements of Bank AlJazira (the "Bank") and its subsidiaries (collectively referred to as the "Group"). Bank AlJazira is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia and formed pursuant to Royal Decree number 46/M dated Jumad Al-Thani 12, 1395H (June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of The National Bank of Pakistan's branches in the Kingdom of Saudi Arabia under commercial registration number 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The Bank operates through its 73 branches (2023: 75 branches) and 38 Fawri Remittance Centres (2023: 52 Fawri Remittance Centres) in the Kingdom of Saudi Arabia and employed 2,326 staff as of December 31, 2024 (2023: 2,267 staff).

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

**Bank AlJazira**  
**7724 King Abdulaziz Road – Al-Shatea District**  
**Jeddah 23513 – 3551**  
**P.O. Box 6277, Jeddah 21442**  
**Kingdom of Saudi Arabia**

The objective of the Bank is to provide a full range of Shariah compliant (non-interest based) banking products and services comprising of Murabaha, Istisna'a, Ijarah, Tawaraq, Musharaka, Wa'ad Fx and Sukuk which are approved and supervised by an independent Shariah Board established by the Bank. The Bank's shares are listed on Saudi Exchange (Tadawul) in the Kingdom of Saudi Arabia.

| Subsidiaries   | Country of incorporation | Nature of business   | Ownership (direct and indirect) December 31 2024 | Ownership (direct and indirect) December 31 2023 |
|--|--------------------------|--|--|--|
| AlJazira Capital Company   | Kingdom of Saudi Arabia  | Brokerage, margin financing and asset management                       | 100%   | 100%   |
| Aman Development and Real Estate Investment Company                | Kingdom of Saudi Arabia  | Holding and managing real estate collaterals on behalf of the Bank     | 100%   | 100%   |
| Aman Insurance Agency Company (under liquidation – note (a) below) | Kingdom of Saudi Arabia  | Acting as an agent for bancassurance activities on behalf of the Bank  | 100%   | 100%   |
| AlJazira Securities Limited  | Cayman Islands           | Carry out Shariah compliant derivative and capital market transactions | 100%   | 100%   |
| BAJ Sukuk Tier 1 Limited   | Cayman Islands           | Trustee for issuance of Tier 1 capital certificates                    | 100%   | 100%   |

a. During financial year 2021, Aman Insurance Agency Company (the Company) applied for its license renewal from Saudi Central Bank ("SAMA"), however, it was not renewed, as SAMA had issued rules governing bancassurance activities during May 2020 which require the banks to carry out Bancassurance business directly. This, as a result, restricted the ability of the Company to carry out business activities and therefore, management of the Company decided to initiate the winding up procedures which are in process as at 31 December 2024.

b. The Group invests in structured entities with the objective to resell the investment in a short period after the establishment.

Structured entities are consolidated when the relationship between the Group and the structured entity indicates that the Group has power over the relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure. In other cases, the Group may sponsor or have exposure to such an entity but not consolidate the entities.

As at 31 December 2024, the Group has a substantial ownership in these entities amounting to SAR 1,072.68 million (31 December 2023: SAR 1,113.98 million). For all these investments, the Group analyses whether and to what extent it controls the investee and any underlying entities. A material

structured entity is consolidated into the Group's financial statements where the Group controls the structured entity, as per the determination above criteria. As at 31 December 2024, Group's investments in material structured entities

do not meet the above criteria of control. Accordingly, such investments are recorded as fair value through statement of income (FVIS) into these consolidated financial statements.

The details of the Bank's associate is as follows:

| Associate                         | Country of incorporation | Nature of business                                     | Ownership (direct and indirect) December 31 2024 | Ownership (direct and indirect) December 31 2023 |
|-----------------------------------|--------------------------|--|--|--|
| AlJazira Takaful Ta'awuni Company | Kingdom of Saudi Arabia  | Fully Shariah compliant protection and saving products | 33.08%*  | 26.03%   |

\*This includes the Bank's standalone shareholding of 29.36% (31 December 2023: 22.31%) and AJC's shareholding of 3.72% (31 December 2023: 3.72%)

## 2. Basis of preparation

### A. Basis of preparation

#### i. Statement of compliance

These consolidated financial statements of the Group as at and for the year ended 31 December 2024 and 31 December 2023, respectively, have been prepared;

- in accordance with the accordance with the IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and
- in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Bank.

#### ii. Basis of measurement and presentation

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held as Fair Value through Income Statement (FVIS), Fair Value through Other Comprehensive Income (FVOCI) and liabilities for employee benefit obligations carried at present values of future cashflows calculated using Projected Unit Credit Method. In addition, financial assets or liabilities that are hedged in a fair value hedging relationship, and otherwise carried at cost, are carried at fair value to the extent of the risk being hedged.

The consolidated statement of financial position is stated broadly in order of liquidity.

#### iii. Functional and presentation currency

- These consolidated financial statements are presented in Saudi Arabian Riyals (SAR), which is the Bank's functional and presentation currency. Except as otherwise indicated, financial information presented in SAR has been rounded off to the nearest thousand.

- Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of all the subsidiaries of the Bank is the Saudi Arabian Riyal (SAR) except for AlJazira Securities Limited whose functional currency is US Dollars.

### B. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries. The financial statements of subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies.

The consolidated financial statements have been prepared using uniform accounting policies and valuation methods for like transactions and other events in similar circumstances. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

#### i. Subsidiaries

Subsidiaries are entities which are controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To meet the definition of control, all the following three criteria must be met:

- the Group has power over an entity;
- the Group has exposure, or rights, to variable returns from its involvement with the entity;
- the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case

facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and cease to be consolidated from the date on which the control is transferred from the Bank. The results of subsidiaries acquired or disposed of during the year, if any, are included in the consolidated statement of income from the date of the acquisition or up to the date of disposal, as appropriate.

#### ii. Non-controlling interests

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the Bank in its subsidiaries and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the Bank's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Bank's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### iii. Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### iv. Investment in an associate

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

Equity-accounted value represents the cost-plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains / (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share in net income / (loss) of an associate' in the consolidated statement of income.

The previously recognized impairment loss in respect of investment in associate can be reversed through the consolidated statement of income, such that the carrying amount of the investment in the consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

### C. Critical accounting judgments, estimates and assumptions

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

The Group has made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 December 2024 about future events that the Group believe are reasonable in the circumstances. There is a considerable degree of judgment involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement and the assessment of the recoverable amount of non-financial assets.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions or exercised judgments are as follows:

1. Business model assessment (note 3(c)(i)(a))
2. Assessments whether contractual cash flows are solely payments of principal and profit (SPPI) (note 3(c)(i)(b))
3. Classification of financial assets (note 3(c)(ii))
4. Impairment losses on financial assets (note 2(c)(ii))
5. Fair value measurement (note 2(c)(ii))
6. Impairment of non-financial assets (note 2(c)(iii))
7. Determination of control over investees (note 2(c)(iv))
8. Provisions for liabilities and charges (note 2(c)(v))
9. Going concern (note 2(c)(vi))
10. Employee benefit obligation (note 2(c)(vii))
11. Depreciation and amortisation (note 3)(l))
12. Government grant (note 3(i))
13. Judgment of equity vs liability for Tier 1/2 Sukuk (note 2(c)(viii))
14. Lease liability (note 3)(p))

#### i. Impairment losses on financial assets

The measurement of expected credit loss (ECL) under IFRS 9 across all categories of financial assets requires judgment, in particular, for the estimation of the amount and timing of future cash flows

and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

1. the selection of an estimation technique or modelling methodology, covering below key judgments and assumptions:
  - The Group's internal credit grading model, which assigns probability of default (PDs) to the individual grades
  - The Group's criteria for assessing if there has been a significant increase in credit risk (SICR) and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
  - The segmentation of financial assets when their ECL is assessed on a collective basis
  - Development of ECL models, including the various formulas and the choice of inputs
  - Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
2. the selection of inputs for those models, and the interdependencies between those inputs such as macroeconomic scenarios and economic inputs.

#### ii. Fair value of financial instruments

The Group measures the financial instruments, such as derivatives, financial instruments held at fair value through income statement (FVIS) and fair value through other comprehensive income (FVOCI), at their fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortized cost are disclosed in note 6 (d) and note 36 (b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Group has access at that date. The Fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses the valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data
- **Level 3:** Inputs that are unobservable. This category include all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

#### iii. Impairment of non-financial assets

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

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

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

Other real estates are revalued through independent real estate evaluators on a periodic basis and any unrealised losses on revaluation are recognised in the consolidated statement of income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### iv. Determination of control over investment funds

The Group acts as Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

#### v. Provisions for liabilities and charges

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

#### vi. Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group and the Bank have the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

#### vii. Employee Benefit Obligation

The Group operates an end of service benefit plan (the plan) for its employees based on the prevailing Saudi Labour laws. The liability for the plan is estimated in accordance with International Accounting Standard (IAS) 19 – Employee Benefits as endorsed in the Kingdom of Saudi Arabia, by a qualified actuary based on various assumptions. The key assumptions used to estimate the plan liability at the year end, are disclosed in note 30 to these consolidated financial statements.

#### viii. Judgment of equity vs liability for Tier 1/2 Sukuk

The determination of equity classification of Tier 1 Sukuk requires significant judgment as certain clauses of the Offering Circular require interpretation. The Group classifies as part of equity the Tier 1 Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit upon the occurrence of a non-payment event or non-payment election by the Bank subject to certain terms and conditions that are under the control of the Bank. The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity under retained earnings.

## 3. Summary of material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

### A. Change in accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023. Based on the adoption of new standard, interpretations and in consideration of current economic environment, the following accounting policies and treatments are applicable effective 1 January 2024 replacing, amending or adding to the corresponding accounting policies set out in 2023 annual consolidated financial statements.

#### i. New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, the management has assessed that the amendments have no significant impact on the Group's consolidated financial statements.

#### i. New standards, interpretations and amendments adopted by the Group

| Standard, interpretation, amendments   | Description   | Effective date                                   |
|--|---|--|
| <b>Accounting standards</b>  |   |  |
| <b>Amendment to IFRS 16 – Leases on sale and leaseback</b>   | These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.                            | 1 January 2024                                   |
| <b>Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements</b>   | These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. | 1 January 2024                                   |
| <b>Amendment to IAS 1 – Non-current liabilities with covenants and Classification of liabilities as current or non-current</b> | These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.  | 1 January 2024                                   |
| <b>Other standards</b>   |   |  |
| <b>IFRS S1, 'General requirements for disclosure of sustainability-related financial information'</b>                          | This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.   | 1 January 2024 subject to endorsement from SOCPA |
| <b>IFRS S2, 'Climate-related disclosures'</b>  | This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.   | 1 January 2024 subject to endorsement from SOCPA |

#### ii. Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments and revisions which are not yet effective. The Group has opted not to early adopt these pronouncements and the management does not expect these to have a significant impact on the consolidated financial statements of the Group.

| Standard, interpretation, amendments   | Description  | Effective date                       |
|--|--|--------------------------------------|
| <b>Amendment to IFRS 21 – Lack of exchangeability</b>  | IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.   | 1 January 2025                       |
| <b>Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</b> | Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.  | Effective date deferred indefinitely |
| <b>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures</b>                                | Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.  | 1 January 2026                       |
| <b>IFRS 18, Presentation and Disclosure in Financial Statements</b>  | IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. | January 2027                         |
| <b>IFRS 19, Subsidiaries without Public Accountability: Disclosures</b>  | IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.   | 1 January 2027                       |

## B. Trade date accounting

All regular-way purchases and sales of financial assets are initially recognised and derecognised on the trade date, i.e. the date that the Group becomes a party to the contractual provisions of the instrument. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

## C. Financial assets and financial liabilities

### i. Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVIS.

#### *Financial asset at amortised cost*

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

Income is recognised on an effective yield basis for debt instruments measured subsequently at amortised cost. Commission income is recognised in the consolidated statement of income.

Debt instruments that are measured at amortised cost are subject to impairment.

#### *Financial assets at FVOCI*

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

**Equity instruments:** On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in consolidated other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Investments in debt instruments as FVOCI are initially measured at fair value plus transaction costs. These are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and recycled to consolidated statement of income at the time of sale. Income from investments and financing and foreign exchange gains and losses are recognised in consolidated statement of income.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, these are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserves. Gains and losses on such equity instruments are never reclassified to the consolidated statement of income and no impairment is recognised in the consolidated statement of income. Investments in unquoted equity instruments are measured at fair value. The cumulative gains or losses will not be reclassified to the consolidated statement of income on disposal of the investments.

On initial recognition the Group designates all investments in equity instruments that are not FVIS as FVOCI.

Dividends on these investments in equity instruments are recognised in the consolidated statement of income when the Group's right to receive the dividend is established, unless the dividend clearly represent a recovery of part of the cost of the investment.

#### *Financial asset at FVIS*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVIS (for example: equity held for trading and debt securities classified neither as amortised cost nor FVOCI).

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVIS if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial assets at FVIS are measured at fair value at the end of each reporting period, with any gains or losses arising on measurement recognised in the consolidated statement of income.

Commission income on debt instruments as FVIS is included in the consolidated statement of income.

Dividend income on investments in equity instruments as FVIS is recognised in the consolidated statement of income when the Group's right to receive the dividend is established.

#### *a. Business model assessment*

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

#### *b. Assessments whether contractual cash flows are solely payments of principal and Profit (SPPI)*

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money- e.g. periodical reset of profit rates.

#### *Designation at fair value through income statement*

At initial recognition, the Group may designate certain financial assets at FVIS if this designation eliminates or significantly reduces an accounting mismatch, which would otherwise rise.

### ii. Classification of financial liabilities

Financial liabilities are classified as measured at amortized cost or FVIS. The Group classifies its financial liabilities, other than financial guarantees and credit related commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Yield Rate (EIR).

All money market deposits, customer deposits, term financing, subordinated sukus and other debt securities in issue are initially recognized at fair value less transaction costs.

Subsequently, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through income statement or the Group has opted to measure a liability at fair value through income statement as per the requirements of IFRS 9. A liability is classified at FVIS if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities classified as FVIS using fair value option, if any, after initial recognition, for such liabilities, changes in fair value related to changes in own credit risk are presented separately in OCI and all other fair value changes are presented in the consolidated statement of income.

Amounts in OCI relating to own credit are not recycled to the consolidated statement of income even when the liability is derecognized and the amounts are realized.

Financial guarantees and credit related commitments that Group choose to measure at fair value through income statement (FVIS) will have all fair value movements recognized in consolidated statement of income.

#### *Designation at fair value through income statement*

The Group may designate certain financial liabilities as FVIS in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### iii. Derecognition

#### *Financial assets*

The Group derecognises a financial asset, such as a financing to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financings are classified as Stage 1 for ECL measurement purposes, unless the new financing is deemed to be POCI.

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss. Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any interest

in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability.

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

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

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

#### Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire.

#### iv. Modifications of financial assets and financial liabilities

##### Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized with the difference recognized as a de-recognition gain or loss and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- a. Fees that are considered in determining the fair value of the new financial asset and fees that represents reimbursement of eligible transaction costs are included in the initial measurement of the asset;
- b. Other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset using the original effective profit rate of the asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of income. For floating-rate financial assets, the original effective profit rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs of fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

#### Financial liabilities

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

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective profit rate and the resulting gain or loss is recognized in consolidated statement of income. For financial liabilities, the Group considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

#### v. Impairment

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVIS:

- financial assets that are debt instruments;
- lease / Ijarah receivables;
- financial guarantee contracts issued;
- credit related commitments issued.
- bank balances

No impairment loss is recognized on FVOCI equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date;
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognized are referred to as 'Stage 1' financial instruments. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to stage 2 are those that have experienced a significant

increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which the lifetime ECL are recognized and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn credit related commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive;
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and Ijarah receivables: the original effective profit rate or an approximation thereof;
- POCI assets: a credit-adjusted effective profit rate
- Ijarah receivables: the discount rate used in measuring Ijarah receivables.
- undrawn credit related commitments: the effective profit rate, or an approximation thereof, that will be applied to the financial asset resulting from the credit related commitment;
- financial Guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

#### Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective yield rate of the existing financial asset.

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and finance lease receivables are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the sukuk yields.
- the rating agencies' assessments of creditworthiness.
- the country's ability to access the capital markets for new debt issuance.
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfill the required criteria.

#### POCI financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective profit rate on initial recognition. Consequently, POCI assets do not carry impairment allowance on initial recognition. The amount recognized as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

#### Credit cards and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. ECL estimation is based on expectations of customer behaviour, the likelihood of default and its future risk mitigation procedures, which

could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Group calculates the ECL for facilities within these products as per the actual remaining maturity of the facilities for stage 2 and 3 customers, and capped to twelve month maturity for stage 1 customers. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products, primarily based on delinquency-based criteria.

The profit rate used to discount the ECL for credit cards is based on the average effective profit rate that is expected to be charged over the expected period of exposure to the facilities. The calculation of ECL, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for commercial and consumer products.

#### **Presentation of allowance for ECL in the consolidated statement of financial position**

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- credit related commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the credit related commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision under "other liabilities"; and
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve. Impairment losses are recognised in consolidated statement of income and changes between the amortised cost of the assets and their fair value are recognised in OCI.

#### **Write-off**

Financing and debt securities are written off (either partially or fully) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual assets level. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

Recoveries of amounts previously written off are recognised when the cash is received and are included in "Impairment charge for financing and other financial assets, net" in the statement of income

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due."

#### **Collateral valuation**

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as professional evaluators or based on housing price indices.

#### **D. Financial guarantees, letters of credit and financing commitments**

'Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

The premium received is recognised in the income statement in Fees from banking services, net on a straight line basis over the life of the guarantee.

'Financing commitments and letters of credit' are firm commitments under which, over the duration of the commitments, the Group is required to provide credit under pre-specified terms and conditions. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and financing commitments, where the financing agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL is recorded.

Financial guarantees issued or commitments to provide loan at a below market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principle of ISFRS 15. Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognized.

The Group has issued no credit related commitments that are measured at FVIS. For other credit related commitments the Group recognizes loss allowance as a provision under "other liabilities".

#### **E. Derivative financial instruments and hedge accounting**

Derivative financial instruments including forward rate agreements, profit rate swaps and profit rate options (both written and purchased) are initially measured at their fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value in the consolidated statement of financial position. The transaction costs associated with these agreements are recognised in the consolidated statement of income.

All derivatives are carried at their fair value as assets, where the fair value is positive, and as liabilities, where the fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow models and pricing models, as appropriate.

The treatment of changes in their fair value depends on their classification into the following categories:

##### **i. Derivatives held for trading**

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to the consolidated statement of income and disclosed in "Gain / (Loss) on FVIS Financial Instruments, net". Derivatives held for trading also includes those derivatives, which do not qualify for hedge accounting.

##### **ii. Embedded derivatives**

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value with all changes in fair value recognized in consolidated statement of income unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

##### **iii. Hedge Accounting**

As permitted by the IFRS 9, the Group has elected to continue to apply the hedge accounting requirements of IAS 39.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships to manage exposures to profit rates and foreign currencies. In order to manage risks, the Group applies hedge accounting for transactions that meet specific criteria.

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

- Fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, (or assets or liabilities in case of portfolio hedging), or an unrecognised firm commitment or an identified portion of such an asset, liability or

firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss;

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

In order to qualify for hedge accounting, the hedge should be expected to be highly effective, i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objective and strategy are documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Group will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an on-going basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognized in the statement of income in 'net gain on FVIS financial instruments'. For situations where the hedged item is a forecast transaction, the Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of income.

##### **iv. Fair Value Hedges**

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect the consolidated statement of income, changes in fair value of the derivative are recognised immediately in the consolidated statement of income together with change in the fair value of the hedged item attributable to the hedged risk under non-trading gains / losses in the consolidated statement of income.

For hedged items measured at amortised cost, where the fair value hedge of a profit bearing financial instrument ceases to meet the criteria for hedge accounting or is sold, exercised or terminated, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the effective yield rate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated statement of income.

##### **Cash Flow Hedges**

For designated and qualifying cash flow hedging, the portion of the gain or loss on the hedging instrument that is determined to be an

effective portion is recognised directly under "other reserve" in consolidated statement of comprehensive income and the ineffective portion, if any, is recognised in the consolidated statement of income. For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves, are transferred to the consolidated statement of income in the same period in which the hedged item affects the consolidated statement of income. However, if the Group expects that all or a portion of a loss recognized in other comprehensive income will not be recovered in one or more future periods, it reclassifies into the consolidated statement of income as a reclassification adjustment the amount that is not to be recognized.

When the hedging instrument is expired or sold, terminated or exercised, or no longer qualifies for hedge accounting, or the forecast transaction is no longer expected to occur or the Group revokes the designation, then hedge accounting is discontinued prospectively. At that point of time, any cumulative gain or loss on the cash flow hedging instrument that was recognised in other comprehensive income from the period when the hedge was effective is transferred from equity to statement of income when the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur and affects the statement of income, the net cumulative gain or loss recognised in consolidated statement of comprehensive income is transferred immediately to the consolidated statement of income.

In accordance with risk management policies, the Group manages its cash flow profit rate risk on an entity-wide basis as well as variability of profit rate on Wakala floating rates notes. The Group designate profit rate swaps as hedging instrument against the cash flow risk resulting from a change in profit rates that occurs up to the repricing of the swap.

The Group first assesses forecasting of the "net cash flow" exposures from existing yield bearing assets and liabilities, including the rollover of short-term assets and short-term liabilities. This is mainly achieved through yield sensitivity gap. During forecasting of the net cash flows, the Group take into account historic information and market trends for withdrawal of deposits, yield rates and refinancing's and repricing's. The net cash flows are then compared with existing hedging positions to provide a basis for considering whether adjustment of the hedging relationship should be made.

The notional amounts of the profit rate swaps that are outstanding at the analysis date are included in each of the periods in which the profit rate swaps are outstanding to assess the impact of the outstanding profit rate swaps on the identified cash flow exposures. While a portion of the forecast transaction is no longer being hedged, the profit rate swap is not de-designated, and it continues to be a hedging instrument for the remaining transactions in the series that have not occurred. However, if the next forecast transaction does not occur until specified period, the remaining after the repricing of the profit rate swap, is not hedged.

The Group designates the hedging relationship in a manner that also consider the extent to which ineffectiveness is expected to be recognised for accounting purposes. The hedged exposure percentage is computed as the ratio of the notional amount of the receive-fixed, pay-variable swaps that are outstanding divided

by the gross exposure. The effective portion of the gain or loss on the hedging instrument is initially recognized directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in "trading income, net". For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves are transferred to the consolidated statement of income in the same period in which the hedge transactions affect the consolidated statement of income.

## F. Foreign Currencies

Transactions in foreign currencies are translated into Saudi Arabian Riyals (SAR) at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities at the year-end (other than monetary items that form part of the net investment in a foreign operation), denominated in foreign currencies, are translated into SAR at exchange rates prevailing at the reporting date.

Foreign exchange gains or losses from settlement of transactions and translation of year end monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Translation gains or losses on non-monetary items carried at fair value are included as part of the fair value adjustment either in the consolidated statement of income or in other comprehensive income depending on the underlying financial asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

## G. Offsetting financial instruments

Financial assets and financial liabilities are offset and reported net in the consolidated statement of financial position when there is a legally currently enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are not set off in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

## H. Revenue / expense recognition

### *Income from investments and financing and Return on deposits and financial liabilities*

Revenue and expenses related to profit bearing financial instruments are recognized in consolidated statement of income using the effective yield method. The 'effective yield rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective yield rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective yield rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective yield rate includes transaction costs and fees and points paid or received that are an integral part of the effective yield rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

### *Measurement of amortized cost*

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective yield method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating revenue and expenses related to profit bearing financial instruments, the effective yield rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, income from investments and financing income is calculated by applying the effective yield rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of income from investments and financing income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, income from investments and financing is calculated by applying the credit-adjusted effective yield rate to the amortized cost of the asset. The calculation of profit does not revert to a gross basis, even if the credit risk of the asset improves.

When the Group enters into a profit rate swap to change profit from fixed to floating (or vice versa), the amount of revenue and expenses related to profit bearing financial instruments is adjusted by the net profit on the swap to the extent the hedge is considered to be effective.

### *Exchange income / (loss)*

Exchange income / (loss) is recognised when earned / incurred as disclosed in note 3(f).

### *Fees from banking services*

Fee income and expense from banking services that are integral to the effective yield rate on a financial asset or financial liability are included in the effective yield rate.

Other fee income from banking services – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. If a credit related commitment is not expected to result in the draw-down of a financing, then the related credit related commitment fee is recognised on a straight-line basis over the commitment period.

Other fee expense on banking services relate mainly to transaction and service fees, which are expensed as the services are received.

### *Rendering of services*

The Group provides various services to its customers. These services are either rendered separately or bundled together with rendering of other services.

The Group has concluded that revenue from rendering of various services related to share trading and fund management, trade finance, corporate finance and advisory, remittance and other banking services, should be recognized at the point when services are rendered i.e. when performance obligation is satisfied. Whereas for free services related to credit card, the Group recognizes revenue over the period of time.

### *Customer Loyalty Program*

The Bank offers customer loyalty program (reward points / air miles herein referred to as "reward points"), which allows card members to earn points that can be redeemed for certain partner outlets. The Bank allocates a portion of transaction price (interchange fee) to the reward points awarded to card members, based on the relative standalone selling price. The amount of revenue allocated to reward points is deferred and released to the income statement when reward points are redeemed.

The cumulative amount of contract liability related to unredeemed reward points is adjusted over time based on actual experience and current trends with respect to redemption.

### *Trading income / (loss), net*

Net income from other financial instruments at FVIS relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships, financial assets and financial liabilities designated as at FVIS and non-trading assets mandatorily measured at FVIS. The line item includes fair value changes, financing and investment income, dividends and foreign exchange differences.

### *Dividend income*

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of net trading income, net income from FVIS financial instruments or other operating income based on the underlying classification of the equity instrument.

Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

## I. Government grant

The Group recognizes a government grant related to income, if there is a reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant. The benefit of a government deposit at a below-market rate of profit is treated as a government grant related to income. The below-market rate deposit is recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the deposit determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. Government grant is recognised in statement of consolidated income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant is intended to compensate. The grant income is only recognised when the ultimate beneficiary is the Group. Where the customer is the ultimate beneficiary, the Group only records the respective receivable and payable amounts.

## J. Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated statement of financial position as the Group retains substantially all the risk and rewards of the ownership and are measured in accordance with related accounting policies for investments designated as FVIS, FVOCI and amortised cost, whichever is applicable. The transactions are treated as collateralised borrowings and counterparty liabilities and amounts received under these agreements are included in "Due to banks and other financial institutions", or "customers' deposits", as appropriate. The difference between the sale and repurchase price is treated as Return on deposits and financial liabilities and is accrued over the life of the repo agreement using the effective yield rate.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in "cash and balances with SAMA", "due from banks and other financial institutions" or "financing", as appropriate. The difference between the purchase and resale price is treated as income from investments and financing and is accrued over the life of the reverse repo agreement using the effective yield rate.

## K. Other real estate and repossessed assets

The Group, in the ordinary course of business, acquires certain real estate against settlement of due financing. Such real estate are considered as assets held for sale and are initially stated at the lower of the net realizable value of due financing and the current fair value of related properties, less any costs to sell. No depreciation is charged on such real estate. Rental income from other real estate is recognised in the consolidated statement of income.

Subsequent to the initial recognition, such real estate is revalued on a periodic basis. Any unrealised losses on revaluation, realized losses or gains on disposal and rental income are recognised in the consolidated statement of income. Any subsequent revaluation gain in the fair value less costs to sell of these assets to the extent this does not exceed the cumulative write down is recognised in the consolidated statement of income. Gains or losses on disposal are recognised in the consolidated statement of income.

## L. Property and equipment

Property and equipment are measured at cost less accumulated depreciation / amortisation and accumulated impairment loss. Changes in the expected useful life are accounted by changing the period or method, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the group. On-going repairs and maintenance are expensed as incurred.

Freehold land is not depreciated. The cost of property and equipment is depreciated / amortised using the straight-line method over the estimated useful lives of the assets as follows:

### Buildings:

33 to 40 years

### Leasehold improvements:

10 to 24 years or over the lease period, whichever is shorter

### Furniture, equipment and vehicles:

4 to 10 years

### Computer softwares and automation projects:

4 to 10 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in consolidated statement of income.

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## M. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Bank purchases the Bank's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity

attributable to the owners of the Bank as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the owners of the Bank.

Shares held by the Bank are disclosed as treasury shares and deducted from contributed equity.

## N. Deposits, debt securities issued and subordinated liabilities

When the Group designates a financial liability as at FVIS, the amount of change in the fair value of the liability that is attributable to changes in its own credit risk is presented in consolidated other comprehensive income (OCI) as a liability credit reserve. On initial recognition of the financial liability, the Group assesses whether presenting the amount of change in the fair value of the liability that is attributable to credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. This assessment is made by using a regression analysis to compare:

- the expected changes in the fair value of the liability related to changes in the credit risk; with
- the impact on profit or loss of expected changes in fair value of the related instruments.

## O. Provisions

Provisions (other than provisions for credit losses) are recognised when a reliable estimate can be made by the Group for a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources, embodying economic benefits will be required to settle the obligation.

## P. Accounting for leases

### i. Where the Group is the lessee

#### Right of use asset / lease liabilities

On initial recognition, at inception of the contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Group and the Group can direct the usage of such assets.

#### Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities for lease modifications. The cost of right-of-use assets includes the amount of lease liabilities

recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. Right-of-use assets are subject to impairment.

#### Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### ii. Where the Group is the lessor

When assets are transferred under a finance lease, including assets under Islamic lease arrangement (Ijarah) the present value of the lease payments is recognised as a receivable and disclosed under "financing, net". The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets subject to operating leases are included in the consolidated financial statements as property and equipment. Income from operating lease is recognised on a straight-line (or appropriate) basis over the period of the lease.

## Q. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents includes notes and coins on hand, balances with SAMA excluding statutory deposits, and due from banks and other financial institutions with original maturity of three months or less which are subject to insignificant risk of changes in their fair values. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position

## R. Employees' benefits

### Defined unfunded benefit plan

End-of-service benefits as required by Saudi Arabia Labour Law, are required to be provided based on the employees' length of service.

The Group's net obligations in respect of defined unfunded benefit plan ("the obligations") is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognized past service costs. The discount rate used is the market yield on high quality corporate sukuks at the reporting date that have maturity dates approximating the terms of the Group's obligations. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method to determine the Group's present value of the obligations.

The defined benefit liability comprises the present value of defined benefit obligations as adjusted for any past service cost not yet recognized and any unrecognized actuarial gains/losses. The liability is included in 'other liabilities' in the consolidated statement of financial position.

### Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## S. Zakat and income tax

### Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Bank and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to

interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Adjustments arising from the final income tax assessments are recorded in the period in which such assessments are made.

### Withholding tax

Withholding tax is withheld from payments made to non-resident vendors for services rendered and goods purchased according to the tax law applicable in Saudi Arabia and are directly paid to the ZATCA on a monthly basis.

### Value Added Tax (VAT)

Output VAT related to revenue is payable to tax authorities on the earlier of:

- collection of receivables from customers or
- delivery of services to customers.

Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

VAT that is not recoverable is charged to the statement of income as expense

### Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized.

## Zakat

The Group is subject to Zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Zakat is charged to the consolidated statement of income. Zakat is not accounted for as income tax and as such no deferred tax is calculated relating to Zakat.

## T. Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and, accordingly, are not included in the consolidated financial statements.

The financial statements of investment management mutual funds are not included in these consolidated financial statements of the Group. Transactions with the Funds' are disclosed under related party transactions. The Group's share of these Funds', if any, are included in FVIS investments.

## U. Profit sharing investment account (PSIA)

The Bank offers Unrestricted and Restricted Investment Accounts based on fully Shariah compliant concept.

In Mudaraba, the Bank (Mudarib) manages Investment Account Funds (IAH) along with its own share of investment, to an unrestricted joint investment pool. Funds from this unrestricted joint investment pool are utilized to provide financing to customers under Islamic modes and to invest in other Shariah compliant investments opportunities. Such information is available for all customers at Bank's website, branches, and call centre.

Under Wakala arrangement, Bank accepts funds from investors as Wakeel and invests in Shariah compliant assets. Wakeel is entitled to a fixed fee as a lump sum or percentage of fund provided. Expected profit pay-out is mentioned to investors upfront while any return generated in excess of expected profit is retained by the Bank as Wakeel. Wakeel should bear the loss in case of Wakeel's default, negligence or violation of any terms and conditions of the Wakala agreement, otherwise the loss would be borne by the investor or Muwakil.

The Bank maintains necessary reserves as required by SAMA.

Any profits accrued out of the investment are shared between the two parties on a pre-agreed basis, while loss (if any) is borne by the Investor (Rab-ul-Maal). Operating expenses incurred by the Bank are not charged to investment account. In case of the loss resulting from the transactions in a jointly financed investment, such loss shall first be deducted from undistributed profits, if any. Any excess of such loss shall be deducted from Investment Risk Reserve (IRR).

Any remaining of such loss shall be deducted from the total balance of fund available in the pool, as at that date, in the respective ratio of the Bank's and IAH's respective contribution to the fund.

The investment risk reserve is deducted from customer's share after allocating the Mudarib share of profit as per the approved

policy in order to cater against future losses of equity of unrestricted investment account holders. Investment risk reserve will revert to the investment account holders as per terms and conditions of Mudaraba contract.

The profit equalization reserve is the amount the Bank appropriates in excess of the profit to be distributed to equity of unrestricted account holders before allocating the Mudarib share of income to maintain a certain level of return. Profit equalization reserve will revert to owner equity and unrestricted investment account holders. Unrestricted investment account holders are commingled with Bank funds for investment, no priority is granted to any party for the purpose of investments and distribution of profits. The administration expenses are only charged on the Bank expenses.

## V. Shariah compliant (non-interest based) banking products

The Bank offers its customers Shariah compliant (non-interest based) banking products, which are approved by its Shariah Board, as follows:

**Murabaha** is an agreement whereby the Bank sells to a customer a commodity or an asset, which the Bank has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.

**Ijarah** is an agreement whereby the Bank, acting as a lessor, purchases or constructs an asset for lease according to the customer request (lessee), based on the customer's promise to lease the asset for an agreed rent and specific period that could end by transferring the ownership of the leased asset to the lessee.

**Musharaka** is an agreement between the Bank and a customer to contribute to a certain investment enterprise or the ownership of a certain property resulting in the acquisition by the customer of the full ownership. The profit or loss is shared as per the terms of the agreement.

**Tawaraq** is a form of Murabaha transactions where the Bank purchases a commodity and sells it to the customer. The customer sells the underlying commodity at spot and uses the proceeds for financing requirements.

**Wa'ad Fx** is an agreement whereby a client in consideration for the payment of a fee agrees to enter into one or series of trades. One party (promisor) gives a commitment as unilateral undertaking to a second party (promisee).

**Istisna'a** is an agreement between the Bank and a customer whereby the Bank sells to the customer a developed asset according to agreed upon specifications, for an agreed upon price.

**Sukuk** are Islamic instruments which represents an individual proportionate ownership interest in an asset and corresponding right to the income streams generated by the asset.

All Shariah compliant (non-interest based) products are accounted for using International Financial Reporting Standards and in conformity with the accounting policies described in these consolidated financial statements.

#### 4. Cash and balances with SAMA

|   | 2024<br>SAR'000  | 2023<br>SAR'000  |
|---|------------------|------------------|
| Cash in hand                            | 688,914          | 747,623          |
| Wakala placement with SAMA              | –                | 419,936          |
| Cash and caslogoh equivalents (note 29) | 688,914          | 1,167,559        |
| Statutory deposit with SAMA             | 5,429,455        | 4,673,134        |
| <b>Total</b>                            | <b>6,118,369</b> | <b>5,840,693</b> |

In accordance with the Article 7 of the Banking Control Law and regulations issued by the Saudi Central Bank (SAMA), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its demand, time and other deposit liabilities, calculated on monthly averages at the end of each reporting period (see note 35). The statutory deposit with SAMA is not available to finance the Bank's day-to-day operations and therefore is not part of cash and cash equivalents.

#### 5. Due from banks and other financial institutions, net

|  | 2024<br>SAR'000  | 2023<br>SAR'000  |
|--|------------------|------------------|
| Current accounts                               | 404,794          | 504,708          |
| Money market placements                        | 6,300,560        | 4,236,417        |
| Reverse repo (note (i) below)                  | –                | 958,275          |
|  | 6,705,354        | 5,699,400        |
| Less: impairment allowance (note (b) opposite) | (8,237)          | (7,626)          |
| <b>Total</b>                                   | <b>6,697,117</b> | <b>5,691,774</b> |

- i. Reverse repo appearing in comparative period included funds placed under Shariah compliant arrangement carrying a profit @5.55% with maturity due on 10 April 2024. The Bank had the right to dispose the pledged assets in the event of default.

The money market placements and reverse repo represent funds placed on Shariah compliant (non-interest based) basis as follows.

|  | 2024<br>SAR'000  | 2023<br>SAR'000  |
|--|------------------|------------------|
| Money market placements – Commodity murabaha | 3,534,191        | 2,669,749        |
| Money market placements – Wakala             | 2,766,369        | 1,566,668        |
| Reverse repos – Wa'ad                        | –                | 958,275          |
| <b>Total</b>                                 | <b>6,300,560</b> | <b>5,194,692</b> |

5a. The following table explains changes in gross carrying amount of the due from banks and other financial institutions to help explain their significance to the changes in the loss allowance for the same portfolio.

(SAR'000)

|   | 12 month ECL<br>(Stage 1) | Life time ECL not<br>credit impaired<br>(Stage 2) | Lifetime ECL<br>credit impaired<br>(Stage 3) | Total            |
|---|---------------------------|---|--|------------------|
| <b>2024</b>   |                           |   |  |                  |
| Gross carrying amount as at 1 January 2024                            | 5,565,366                 | 134,034   | –  | 5,699,400        |
| Transfer to lifetime ECL not credit-impaired                          | (521)                     | 521   | –  | –                |
| New financial assets originated                                       | 3,434,430                 | 186   | –  | 3,434,616        |
| Financial assets derecognised during the period other than write-offs | (350)                     | –   | –  | (350)            |
| Changes in accrued profit   | (5,313)                   | 1,181   | –  | (4,132)          |
| Other movements   | (2,464,093)               | 39,913  | –  | (2,424,180)      |
| <b>Gross carrying amount as at 31 December 2024</b>                   | <b>6,529,519</b>          | <b>175,835</b>                                    | <b>–</b>                                     | <b>6,705,354</b> |
| <b>2023</b>   |                           |   |  |                  |
| Gross carrying amount as at 1 January 2023                            | 1,693,280                 | –   | –  | 1,693,280        |
| Transfer to lifetime ECL not credit-impaired                          | (58,665)                  | 58,665  | –  | –                |
| New financial assets originated                                       | 2,793,488                 | –   | –  | 2,793,488        |
| Financial assets derecognised during the period other than write-offs | (233,510)                 | –   | –  | (233,510)        |
| Changes in accrued profit   | 102,614                   | 2,625   | –  | 105,239          |
| Other movements   | 1,268,159                 | 72,744  | –  | 1,340,903        |
| <b>Gross carrying amount as at 31 December 2023</b>                   | <b>5,565,366</b>          | <b>134,034</b>                                    | <b>–</b>                                     | <b>5,699,400</b> |

## 5b. An analysis of changes in loss allowance for due from banks and other financial institutions is, as follows:

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>2024</b>                                   |                                      |  |   |                  |
| Loss allowance as at 1 January 2024           | 2,907                                | 4,719  | –   | <b>7,626</b>     |
| Transfer to lifetime ECL not credit –impaired | (2)                                  | 2  | –   | –                |
| Net re-measurement of loss allowance          | (1,867)                              | 1,463  | –   | <b>(404)</b>     |
| New financial assets originated               | 1,016                                | –  | –   | <b>1,016</b>     |
| Financial assets that have been derecognized  | (1)                                  | –  | –   | <b>(1)</b>       |
| <b>Loss allowance as at 31 December 2024</b>  | <b>2,053</b>                         | <b>6,184</b>   | <b>–</b>  | <b>8,237</b>     |
| <b>2023</b>                                   |                                      |  |   |                  |
| Loss allowance as at 1 January 2023           | 4,477                                | –  | –   | <b>4,477</b>     |
| Transfer to lifetime ECL not credit –impaired | (134)                                | 134  | –   | –                |
| Net re-measurement of loss allowance          | (1,610)                              | 4,585  | –   | <b>2,975</b>     |
| New financial assets originated               | 1,149                                | –  | –   | <b>1,149</b>     |
| Financial assets that have been derecognized  | (975)                                | –  | –   | <b>(975)</b>     |
| <b>Loss allowance as at 31 December 2023</b>  | <b>2,907</b>                         | <b>4,719</b>   | <b>–</b>  | <b>7,626</b>     |

The credit quality of due from banks and other financial institutions is managed using reputable external credit rating agencies. For credit quality of outstanding exposure by rating category refer note 32.2.

## 6. Investments, net

## 6a. As of 31 December 2024 and 2023, investments were classified as follows:

|                             | 2024<br>SAR'000   | 2023<br>SAR'000   |
|-----------------------------|-------------------|-------------------|
| Held at FVIS                | <b>1,794,618</b>  | 1,484,128         |
| Held at FVOCI               | <b>13,317,085</b> | 12,440,107        |
| Allowance for impairment    | <b>(1,847)</b>    | (1,624)           |
| Held at FVOCI, net          | <b>13,315,238</b> | 12,438,483        |
| Held at Amortised Cost      | <b>21,093,972</b> | 20,529,749        |
| Allowance for impairment    | <b>(10,105)</b>   | (10,070)          |
| Held at Amortized Cost, net | <b>21,083,867</b> | 20,519,679        |
| <b>Total</b>                | <b>36,193,723</b> | <b>34,442,290</b> |

## 6b. As of 31 December 2024, details of investments by type are as follows:

|                                | Domestic<br>SAR'000 | International<br>SAR'000 | Total<br>SAR'000  |
|--------------------------------|---------------------|--------------------------|-------------------|
| <b>FVIS</b>                    |                     |                          |                   |
| Mutual funds                   | 166,845             | 1,581,302                | <b>1,748,147</b>  |
| Equities – quoted              | 17,264              | –                        | <b>17,264</b>     |
| Equities – unquoted            | –                   | 22,589                   | <b>22,589</b>     |
| Convertible debt instrument    | –                   | 6,618                    | <b>6,618</b>      |
| <b>Total</b>                   | <b>184,109</b>      | <b>1,610,509</b>         | <b>1,794,618</b>  |
| <b>FVOCI</b>                   |                     |                          |                   |
| Equities – unquoted            | 529,845             | 1,429                    | <b>531,274</b>    |
| Fixed rate Sukuk – equities    | 2,093,206           | 206,172                  | <b>2,299,378</b>  |
| Floating rate Sukuk – equities | 700,000             | –                        | <b>700,000</b>    |
| Fixed rate Sukuks              | 9,496,067           | –                        | <b>9,496,067</b>  |
| Floating rate Sukuks           | 290,366             | –                        | <b>290,366</b>    |
|                                | 13,109,484          | 207,601                  | <b>13,317,085</b> |
| Allowance for impairment       | (1,847)             | –                        | <b>(1,847)</b>    |
|                                | 13,107,637          | 207,601                  | <b>13,315,238</b> |
| <b>Amortised cost</b>          |                     |                          |                   |
| Fixed rate Sukuks              | 16,187,728          | 382,707                  | <b>16,570,435</b> |
| Floating rate Sukuks           | 3,412,116           | –                        | <b>3,412,116</b>  |
| Wakala floating rate notes     | 1,111,421           | –                        | <b>1,111,421</b>  |
|                                | 20,711,265          | 382,707                  | <b>21,093,972</b> |
| Allowance for impairment       | (9,733)             | (372)                    | <b>(10,105)</b>   |
|                                | <b>20,701,532</b>   | <b>382,335</b>           | <b>21,083,867</b> |
| <b>Total</b>                   | <b>33,993,278</b>   | <b>2,200,445</b>         | <b>36,193,723</b> |

## 6b. As of 31 December 2023, details of investments by type are as follows:

|                                | Domestic SAR'000  | International SAR'000 | Total SAR'000     |
|--------------------------------|-------------------|-----------------------|-------------------|
| <b>FVIS</b>                    |                   |                       |                   |
| Mutual funds                   | 63,560            | 1,400,081             | 1,463,641         |
| Equities – unquoted            | –                 | 20,487                | 20,487            |
| <b>Total</b>                   | <b>63,560</b>     | <b>1,420,568</b>      | <b>1,484,128</b>  |
| <b>FVOCI</b>                   |                   |                       |                   |
| Equities – unquoted            | 4,143             | 1,120                 | 5,263             |
| Fixed rate Sukuk – equities    | 1,941,792         | 197,080               | 2,138,872         |
| Floating rate Sukuk – equities | 500,000           | –                     | 500,000           |
| Fixed rate Sukuks              | 9,505,587         | –                     | 9,505,587         |
| Floating rate Sukuks           | 290,385           | –                     | 290,385           |
|                                | 12,241,907        | 198,200               | 12,440,107        |
| Allowance for impairment       | (1,624)           | –                     | (1,624)           |
|                                | 12,240,283        | 198,200               | 12,438,483        |
| <b>Amortised cost</b>          |                   |                       |                   |
| Fixed rate Sukuks              | 14,343,218        | 382,707               | 14,725,925        |
| Floating rate Sukuks           | 2,280,415         | –                     | 2,280,415         |
| Wakala floating rate notes     | 3,523,409         | –                     | 3,523,409         |
|                                | 20,147,042        | 382,707               | 20,529,749        |
| Allowance for impairment       | (9,721)           | (349)                 | (10,070)          |
|                                | 20,137,321        | 382,358               | 20,519,679        |
| <b>Total</b>                   | <b>32,441,164</b> | <b>2,001,126</b>      | <b>34,442,290</b> |

## 6c. The composition of investments net of related ECL, if any, as quoted and unquoted is as follows:

|  | Quoted SAR'000    | Unquoted SAR'000 | Total SAR'000     |
|--|-------------------|------------------|-------------------|
| <b>2024</b>                                |                   |                  |                   |
| Sukuk investments-debt – Fixed rate        | 23,957,012        | 2,102,661        | 26,059,673        |
| Sukuk investments-debt – Floating rate     | 2,117,839         | 1,580,388        | 3,698,227         |
| Wakala floating rate notes                 | 1,110,553         | –                | 1,110,553         |
| Sukuk investments – Equities-fixed rate    | 836,124           | 1,463,254        | 2,299,378         |
| Sukuk investments – Equities-Floating rate | –                 | 700,000          | 700,000           |
| Equities                                   | 17,264            | 553,863          | 571,127           |
| Mutual funds                               | 166,845           | 1,581,302        | 1,748,147         |
| Convertible debt instrument                | –                 | 6,618            | 6,618             |
| <b>Total investments</b>                   | <b>28,205,637</b> | <b>7,988,086</b> | <b>36,193,723</b> |
| <b>2023</b>                                |                   |                  |                   |
| Sukuk investments-debt – Fixed rate        | 22,282,097        | 1,944,016        | 24,226,113        |
| Sukuk investments-debt – Floating rate     | 1,828,291         | 738,790          | 2,567,081         |
| Wakala floating rate notes                 | 3,520,833         | –                | 3,520,833         |
| Sukuk investments – Equities-fixed rate    | 698,043           | 1,440,829        | 2,138,872         |
| Sukuk investments – Equities-Floating rate | 500,000           | –                | 500,000           |
| Equities                                   | –                 | 25,750           | 25,750            |
| Mutual funds                               | 111,563           | 1,352,078        | 1,463,641         |
| Convertible debt instrument                | –                 | –                | –                 |
| <b>Total investments</b>                   | <b>28,940,827</b> | <b>5,501,463</b> | <b>34,442,290</b> |

## 6d. The analysis of unrealized gains and losses and the fair values of investments carried at amortised cost are as follows:

|                            | Carrying Value SAR'000 | Gross Unrealized Gains SAR'000 | Gross Unrealized Losses SAR'000 | Fair Value SAR'000 |
|----------------------------|------------------------|--------------------------------|---------------------------------|--------------------|
| <b>2024</b>                |                        |                                |                                 |                    |
| Sukuk investments          | 19,973,314             | 19,608                         | (970,676)                       | 19,022,246         |
| Wakala floating rate notes | 1,110,553              | –                              | (1,211)                         | 1,109,342          |
| <b>Total</b>               | <b>21,083,867</b>      | <b>19,608</b>                  | <b>(971,887)</b>                | <b>20,131,588</b>  |
| <b>2023</b>                |                        |                                |                                 |                    |
| Sukuk investments          | 16,998,846             | 40,754                         | (651,911)                       | 16,387,689         |
| Wakala floating rate notes | 3,520,833              | 36,977                         | –                               | 3,557,810          |
| <b>Total</b>               | <b>20,519,679</b>      | <b>77,731</b>                  | <b>(651,911)</b>                | <b>19,945,499</b>  |

**6e. The analysis of the Group's investments by nature of counterparty is as follows:**

|  | 2024<br>SAR'000   | 2023<br>SAR'000   |
|--|-------------------|-------------------|
| Government and quasi Government        | 28,386,256        | 28,492,710        |
| Corporate                              | 4,047,082         | 2,975,253         |
| Banks and other financial institutions | 3,760,385         | 2,974,327         |
| <b>Total</b>                           | <b>36,193,723</b> | <b>34,442,290</b> |

Certain sukuk investments (disclosed in note 6(c)) are quoted in different markets but are not actively traded.

Mutual funds domiciled in the Kingdom of Saudi Arabia (disclosed in note 6(b)) with underlying investments outside the Kingdom of Saudi Arabia are classified under the "International" category.

Sukuk and wakala floating rate investments include SAR 10.83 billion (2023: SAR 10.40 billion), which have been pledged under repurchase agreements with other banks. The market value of such investments is SAR 9.89 billion (2023: SAR 9.84 billion).

**6f. An analysis of changes in loss allowance for debt instruments carried at amortised cost is as follows:**

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|--|--------------------------------------|--|---|------------------|
| <b>2024</b>                                  |                                      |  |   |                  |
| Loss allowance as at 1 January 2024          | 10,070                               | –  | –   | <b>10,070</b>    |
| Net re-measurement of loss allowance         | 551                                  | –  | –   | <b>551</b>       |
| New financial assets originated              | 2,106                                | –  | –   | <b>2,106</b>     |
| Financial assets that have been derecognized | (2,622)                              | –  | –   | <b>(2,622)</b>   |
| <b>Loss allowance as at 31 December 2024</b> | <b>10,105</b>                        | <b>–</b>   | <b>–</b>  | <b>10,105</b>    |
| <b>2023</b>                                  |                                      |  |   |                  |
| Loss allowance as at 1 January 2023          | 13,020                               | –  | –   | <b>13,020</b>    |
| Net re-measurement of loss allowance         | (3,814)                              | –  | –   | <b>(3,814)</b>   |
| New financial assets originated              | 1,577                                | –  | –   | <b>1,577</b>     |
| Financial assets that have been derecognized | (713)                                | –  | –   | <b>(713)</b>     |
| <b>Loss allowance as at 31 December 2023</b> | <b>10,070</b>                        | <b>–</b>   | <b>–</b>  | <b>10,070</b>    |

**6g. An analysis of changes in loss allowance for debt instruments carried at FVOCI is as follows:**

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL credit<br>impaired (Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|--|--------------------------------------|--|--|------------------|
| <b>2024</b>                                  |                                      |  |  |                  |
| Loss allowance as at 1 January 2024          | 1,624                                | –  | –  | <b>1,624</b>     |
| Net re-measurement of loss allowance         | 116                                  | –  | –  | <b>116</b>       |
| New financial assets originated              | 107                                  | –  | –  | <b>107</b>       |
| Financial assets that have been derecognized | –                                    | –  | –  | <b>–</b>         |
| <b>Loss allowance as at 31 December 2024</b> | <b>1,847</b>                         | <b>–</b>   | <b>–</b>   | <b>1,847</b>     |
| <b>2023</b>                                  |                                      |  |  |                  |
| Loss allowance as at 1 January 2023          | 6,457                                | –  | –  | <b>6,457</b>     |
| Net re-measurement of loss allowance         | (4,951)                              | –  | –  | <b>(4,951)</b>   |
| New financial assets originated              | 118                                  | –  | –  | <b>118</b>       |
| Financial assets that have been derecognized | –                                    | –  | –  | <b>–</b>         |
| <b>Loss allowance as at 31 December 2023</b> | <b>1,624</b>                         | <b>–</b>   | <b>–</b>   | <b>1,624</b>     |

**7. Financing, net**

**Consumer** includes financing related to individuals for personal needs.

**Commercial** include financing to corporate, medium and small sized business and institutional customers.

**Others** include financing to staff.

**7a. Financing, net comprised the following:**

|                          | Credit cards<br>SAR'000 | Consumer<br>SAR'000 | Commercial<br>SAR'000 | Others<br>SAR'000 | Total<br>SAR'000   |
|--------------------------|-------------------------|---------------------|-----------------------|-------------------|--------------------|
| <b>2024</b>              |                         |                     |                       |                   |                    |
| Performing financing     | 787,212                 | 34,211,203          | 62,952,157            | 288,854           | <b>98,239,426</b>  |
| Non-performing financing | 50,724                  | 231,581             | 910,885               | 8,887             | <b>1,202,077</b>   |
| <b>Gross financing</b>   | <b>837,936</b>          | <b>34,442,784</b>   | <b>63,863,042</b>     | <b>297,741</b>    | <b>99,441,503</b>  |
| Allowance for impairment | (71,896)                | (239,431)           | (2,213,105)           | (4,575)           | <b>(2,529,007)</b> |
| <b>Financing, net</b>    | <b>766,040</b>          | <b>34,203,353</b>   | <b>61,649,937</b>     | <b>293,166</b>    | <b>96,912,496</b>  |
| <b>2023</b>              |                         |                     |                       |                   |                    |
| Performing financing     | 770,715                 | 29,172,310          | 51,799,465            | 295,058           | <b>82,037,548</b>  |
| Non-performing financing | 53,873                  | 303,447             | 1,171,180             | 7,385             | <b>1,535,885</b>   |
| <b>Gross financing</b>   | <b>824,588</b>          | <b>29,475,757</b>   | <b>52,970,645</b>     | <b>302,443</b>    | <b>83,573,433</b>  |
| Allowance for impairment | (73,429)                | (214,083)           | (2,501,057)           | (3,963)           | <b>(2,792,532)</b> |
| <b>Financing, net</b>    | <b>751,159</b>          | <b>29,261,674</b>   | <b>50,469,588</b>     | <b>298,480</b>    | <b>80,780,901</b>  |

Financing, net represents Shariah compliant products in respect of Murabaha agreements, Ijarah, Istisnaa'a, Musharaka and Tawarraq. The above comprise of Shariah approved balances as follows:

|                          | Credit cards<br>SAR'000 | Consumer<br>SAR'000 | Commercial<br>SAR'000 | Others<br>SAR'000 | Total<br>SAR'000   |
|--------------------------|-------------------------|---------------------|-----------------------|-------------------|--------------------|
| <b>2024</b>              |                         |                     |                       |                   |                    |
| Tawarraq                 | 837,936                 | 614,198             | 51,602,493            | 14                | <b>53,054,641</b>  |
| Murabaha                 | –                       | 28,522,379          | 8,033,550             | –                 | <b>36,555,929</b>  |
| Ijarah                   | –                       | 5,290,288           | 1,882,293             | –                 | <b>7,172,581</b>   |
| Qard Alhasan             | –                       | –                   | –                     | 297,727           | <b>297,727</b>     |
| Others                   | –                       | 15,919              | 2,344,706             | –                 | <b>2,360,625</b>   |
| Gross financing          | 837,936                 | 34,442,784          | 63,863,042            | 297,741           | <b>99,441,503</b>  |
| Allowance for impairment | (71,896)                | (239,431)           | (2,213,105)           | (4,575)           | <b>(2,529,007)</b> |
| <b>Financing, net</b>    | <b>766,040</b>          | <b>34,203,353</b>   | <b>61,649,937</b>     | <b>293,166</b>    | <b>96,912,496</b>  |
| <b>2023</b>              |                         |                     |                       |                   |                    |
| Tawarraq                 | 824,588                 | –                   | 41,798,965            | –                 | <b>42,623,553</b>  |
| Murabaha                 | –                       | 24,522,390          | 7,197,738             | –                 | <b>31,720,128</b>  |
| Ijarah                   | –                       | 4,947,977           | 1,739,952             | –                 | <b>6,687,929</b>   |
| Qard Alhasan             | –                       | –                   | –                     | 302,443           | <b>302,443</b>     |
| Others                   | –                       | 5,390               | 2,233,990             | –                 | <b>2,239,380</b>   |
| Gross financing          | 824,588                 | 29,475,757          | 52,970,645            | 302,443           | <b>83,573,433</b>  |
| Allowance for impairment | (73,429)                | (214,083)           | (2,501,057)           | (3,963)           | <b>(2,792,532)</b> |
| <b>Financing, net</b>    | <b>751,159</b>          | <b>29,261,674</b>   | <b>50,469,588</b>     | <b>298,480</b>    | <b>80,780,901</b>  |

**7b. The following table explains changes in gross carrying amount of the financing to help explain their significance to the changes in the loss allowance.**

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000   |
|--|--------------------------------------|--|---|--------------------|
| <b>Financing 2024</b>  |                                      |  |   |                    |
| <b>Gross carrying amount as at 1 January 2024</b>                  | <b>76,337,327</b>                    | <b>3,332,655</b>   | <b>3,903,451</b>  | <b>83,573,433</b>  |
| Transfer to 12-month ECL   | 889,925                              | (796,507)  | (93,418)  | –                  |
| Transfer to lifetime ECL not credit impaired                       | (779,324)                            | 834,861  | (55,537)  | –                  |
| Transfer to lifetime ECL credit impaired                           | (46,661)                             | (673,580)  | 720,241   | –                  |
| Other movements  | 2,313,941                            | (145,714)  | (85,369)  | <b>2,082,858</b>   |
| New financial assets originated                                    | 22,900,247                           | 187,320  | 16,506  | <b>23,104,073</b>  |
| Financial assets that have been derecognized other than write-offs | (8,412,339)                          | (167,211)  | (388,475)   | <b>(8,968,025)</b> |
| Changes in profit accrual  | 234,669                              | –  | –   | <b>234,669</b>     |
| Write-offs   | –                                    | –  | (585,505)   | <b>(585,505)</b>   |
| <b>Gross carrying amount as at 31 December 2024</b>                | <b>93,437,785</b>                    | <b>2,571,824</b>   | <b>3,431,894</b>  | <b>99,441,503</b>  |
| <b>Financing 2023</b>  |                                      |  |   |                    |
| <b>Gross carrying amount as at 1 January 2024</b>                  | <b>66,966,856</b>                    | <b>2,840,214</b>   | <b>3,510,584</b>  | <b>73,317,654</b>  |
| Transfer to 12-month ECL   | 118,568                              | (115,551)  | (3,017)   | –                  |
| Transfer to lifetime ECL not credit impaired                       | (925,722)                            | 983,692  | (57,970)  | –                  |
| Transfer to lifetime ECL credit impaired                           | (249,853)                            | (637,837)  | 887,690   | –                  |
| Other movements  | 302,782                              | 240,055  | (223,925)   | <b>318,912</b>     |
| New financial assets originated                                    | 16,623,150                           | 365,719  | 17,530  | <b>17,006,399</b>  |
| Financial assets that have been derecognized other than write-offs | (6,992,517)                          | (343,637)  | (35,334)  | <b>(7,371,488)</b> |
| Changes in profit accrual  | 494,063                              | –  | –   | <b>494,063</b>     |
| Write-offs   | –                                    | –  | (192,107)   | <b>(192,107)</b>   |
| <b>Gross carrying amount as at 31 December 2023</b>                | <b>76,337,327</b>                    | <b>3,332,655</b>   | <b>3,903,451</b>  | <b>83,573,433</b>  |

## 7c. An analysis of changes in ECL for financing is as follows:

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>Financing 2024</b>   |                                      |  |   |                  |
| ECL as at 1 January 2024  | 256,078                              | 250,907  | 2,285,547   | 2,792,532        |
| Transfer to 12-month ECL  | 56,291                               | (41,764)   | (14,527)  | –                |
| Transfer to lifetime ECL not credit – impaired                        | (2,119)                              | 8,446  | (6,327)   | –                |
| Transfer to lifetime ECL credit impaired                              | (372)                                | (33,317)   | 33,689  | –                |
| Net re-measurement of loss allowance                                  | (57,563)                             | 99,797   | 283,921   | 326,155          |
| New financial assets originated                                       | 93,837                               | 2,012  | 7,982   | 103,831          |
| Financial assets that have been derecognized<br>other than write-offs | (28,770)                             | (4,069)  | (75,167)  | (108,006)        |
| Write-offs  | –                                    | –  | (585,505)   | (585,505)        |
| <b>ECL as at 31 December 2024</b>                                     | <b>317,382</b>                       | <b>282,012</b>   | <b>1,929,613</b>  | <b>2,529,007</b> |
| <b>Financing 2023</b>   |                                      |  |   |                  |
| ECL as at 1 January 2023  | 248,641                              | 305,843  | 2,164,161   | 2,718,645        |
| Transfer to 12-month ECL  | 2,922                                | (1,460)  | (1,462)   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (6,920)                              | 12,428   | (5,508)   | –                |
| Transfer to lifetime ECL credit impaired                              | (921)                                | (208,571)  | 209,492   | –                |
| Net re-measurement of loss allowance                                  | (21,355)                             | 149,851  | 111,555   | 240,051          |
| New financial assets originated                                       | 59,261                               | 1,156  | 7,568   | 67,985           |
| Financial assets that have been derecognized<br>other than write-offs | (25,550)                             | (8,340)  | (8,152)   | (42,042)         |
| Write-offs  | –                                    | –  | (192,107)   | (192,107)        |
| <b>ECL as at 31 December 2023</b>                                     | <b>256,078</b>                       | <b>250,907</b>   | <b>2,285,547</b>  | <b>2,792,532</b> |

## 7d. An analysis of changes in ECL by each class of financial instrument is as follows:

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>Credit Cards 2024</b>  |                                      |  |   |                  |
| ECL as at 1 January 2024  | 22,036                               | 829  | 50,564  | 73,429           |
| Transfer to 12-month ECL  | 1,320                                | (364)  | (956)   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (217)                                | 339  | (122)   | –                |
| Transfer to lifetime ECL credit impaired                              | (258)                                | (236)  | 494   | –                |
| Net re-measurement of loss allowance                                  | (4,706)                              | 106  | 7,973   | 3,373            |
| New financial assets originated                                       | 7,911                                | 219  | 530   | 8,660            |
| Financial assets that have been derecognized<br>other than write-offs | (2,816)                              | (162)  | (4,007)   | (6,985)          |
| Write-offs  | –                                    | –  | (6,581)   | (6,581)          |
| <b>ECL as at 31 December 2024</b>                                     | <b>23,270</b>                        | <b>731</b>   | <b>47,895</b>   | <b>71,896</b>    |
| <b>Credit Cards 2023</b>  |                                      |  |   |                  |
| ECL as at 1 January 2023  | 25,261                               | 1,479  | 54,982  | 81,722           |
| Transfer to 12-month ECL  | 892                                  | (351)  | (541)   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (299)                                | 408  | (109)   | –                |
| Transfer to lifetime ECL credit impaired                              | (420)                                | (193)  | 613   | –                |
| Net re-measurement of loss allowance                                  | (5,860)                              | 158  | 12,779  | 7,077            |
| New financial assets originated                                       | 5,686                                | 174  | 881   | 6,741            |
| Financial assets that have been derecognized<br>other than write-offs | (3,224)                              | (846)  | (3,596)   | (7,666)          |
| Write-offs  | –                                    | –  | (14,445)  | (14,445)         |
| <b>ECL as at 31 December 2023</b>                                     | <b>22,036</b>                        | <b>829</b>   | <b>50,564</b>   | <b>73,429</b>    |

## 7d. An analysis of changes in ECL by each class of financial instrument is as follows (continued):

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>Consumer Financing 2024</b>  |                                      |  |   |                  |
| ECL as at 1 January 2024  | 62,585                               | 1,624  | 149,874   | 214,083          |
| Transfer to 12-month ECL  | 11,102                               | (402)  | (10,700)  | –                |
| Transfer to lifetime ECL not credit – impaired                        | (201)                                | 1,795  | (1,594)   | –                |
| Transfer to lifetime ECL credit impaired                              | (62)                                 | (102)  | 164   | –                |
| Net re-measurement of loss allowance                                  | 6,305                                | (1,350)  | 21,002  | 25,957           |
| New financial assets originated                                       | 48,856                               | 923  | 4,477   | 54,256           |
| Financial assets that have been derecognized<br>other than write-offs | (12,394)                             | (516)  | (19,844)  | (32,754)         |
| Write-offs  | –                                    | –  | (22,111)  | (22,111)         |
| ECL as at 31 December 2024  | 116,191                              | 1,972  | 121,268   | 239,431          |
| <b>Consumer Financing 2023</b>  |                                      |  |   |                  |
| ECL as at 1 January 2023  | 53,134                               | 1,714  | 165,913   | 220,761          |
| Transfer to 12-month ECL  | 1,329                                | (408)  | (921)   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (122)                                | 1,176  | (1,054)   | –                |
| Transfer to lifetime ECL credit impaired                              | (74)                                 | (135)  | 209   | –                |
| Net re-measurement of loss allowance                                  | (3,231)                              | (580)  | 35,436  | 31,625           |
| New financial assets originated                                       | 22,503                               | 446  | 5,250   | 28,199           |
| Financial assets that have been derecognized<br>other than write-offs | (10,954)                             | (589)  | (850)   | (12,393)         |
| Write-offs  | –                                    | –  | (54,109)  | (54,109)         |
| ECL as at 31 December 2023  | 62,585                               | 1,624  | 149,874   | 214,083          |

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>Commercial Financing 2024</b>                                      |                                      |  |   |                  |
| ECL as at 1 January 2024  | 170,933                              | 248,423  | 2,081,701   | 2,501,057        |
| Transfer to 12-month ECL  | 43,869                               | (40,998)   | (2,871)   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (1,696)                              | 6,307  | (4,611)   | –                |
| Transfer to lifetime ECL credit impaired                              | (47)                                 | (32,970)   | 33,017  | –                |
| Net re-measurement of loss allowance                                  | (59,156)                             | 101,016  | 253,540   | 295,400          |
| New financial assets originated                                       | 36,936                               | 865  | 2,975   | 40,776           |
| Financial assets that have been derecognized<br>other than write-offs | (13,490)                             | (3,369)  | (50,456)  | (67,315)         |
| Write-offs  | –                                    | –  | (556,813)   | (556,813)        |
| ECL as at 31 December 2024  | 177,349                              | 279,274  | 1,756,482   | 2,213,105        |
| <b>Commercial Financing 2023</b>                                      |                                      |  |   |                  |
| ECL as at 1 January 2023  | 169,866                              | 302,609  | 1,939,564   | 2,412,039        |
| Transfer to 12-month ECL  | 701                                  | (701)  | –   | –                |
| Transfer to lifetime ECL not credit – impaired                        | (6,495)                              | 10,352   | (3,857)   | –                |
| Transfer to lifetime ECL credit impaired                              | (426)                                | (208,236)  | 208,662   | –                |
| Net re-measurement of loss allowance                                  | (12,336)                             | 150,734  | 63,198  | 201,596          |
| New financial assets originated                                       | 30,952                               | 536  | 1,260   | 32,748           |
| Financial assets that have been derecognized<br>other than write-offs | (11,329)                             | (6,871)  | (3,573)   | (21,773)         |
| Write-offs  | –                                    | –  | (123,553)   | (123,553)        |
| ECL as at 31 December 2023  | 170,933                              | 248,423  | 2,081,701   | 2,501,057        |

## 7d. An analysis of changes in ECL by each class of financial instrument is as follows (continued):

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|--|--------------------------------------|--|---|------------------|
| <b>Others 2024</b>   |                                      |  |   |                  |
| ECL as at 1 January 2024   | 524                                  | 31   | 3,408   | 3,963            |
| Transfer to lifetime ECL not credit – impaired                     | (5)                                  | 5  | –   | –                |
| Transfer to lifetime ECL credit impaired                           | (5)                                  | (9)  | 14  | –                |
| Net re-measurement of loss allowance                               | (6)                                  | 25   | 1,406   | 1,425            |
| New financial assets originated                                    | 134                                  | 5  | –   | 139              |
| Financial assets that have been derecognized other than write-offs | (70)                                 | (22)   | (860)   | (952)            |
| <b>ECL as at 31 December 2024</b>                                  | <b>572</b>                           | <b>35</b>  | <b>3,968</b>  | <b>4,575</b>     |
| <b>Others 2023</b>   |                                      |  |   |                  |
| ECL as at 1 January 2023   | 380                                  | 41   | 3,702   | 4,123            |
| Transfer to lifetime ECL not credit – impaired                     | (4)                                  | 492  | (488)   | –                |
| Transfer to lifetime ECL credit impaired                           | (1)                                  | (7)  | 8   | –                |
| Net re-measurement of loss allowance                               | 72                                   | (461)  | 142   | (247)            |
| New financial assets originated                                    | 120                                  | –  | 177   | 297              |
| Financial assets that have been derecognized other than write-offs | (43)                                 | (34)   | (133)   | (210)            |
| <b>ECL as at 31 December 2023</b>                                  | <b>524</b>                           | <b>31</b>  | <b>3,408</b>  | <b>3,963</b>     |

## 7e. Movements in allowance for impairment are as follows:

|   | Credit cards<br>SAR'000 | Consumer<br>SAR'000 | Commercial<br>SAR'000 | Others<br>SAR'000 | Total<br>SAR'000 |
|---|-------------------------|---------------------|-----------------------|-------------------|------------------|
| <b>2024</b>   |                         |                     |                       |                   |                  |
| Opening ECL allowance as at 1 January 2024            | 73,429                  | 214,083             | 2,501,057             | 3,963             | 2,792,532        |
| Impairment charge for the year                        | 5,048                   | 121,101             | 394,848               | 5,384             | 526,381          |
| Bad debts written off during the year                 | (6,581)                 | (22,111)            | (556,813)             | –                 | (585,505)        |
| Recoveries / reversals of amounts previously provided | –                       | (73,642)            | (125,987)             | (4,772)           | (204,401)        |
| <b>Balance at the end of the year</b>                 | <b>71,896</b>           | <b>239,431</b>      | <b>2,213,105</b>      | <b>4,575</b>      | <b>2,529,007</b> |
| <b>2023</b>   |                         |                     |                       |                   |                  |
| Opening ECL allowance as at 1 January 2024            | 81,722                  | 220,761             | 2,412,039             | 4,123             | 2,718,645        |
| Impairment charge for the year                        | 6,152                   | 113,704             | 257,423               | 1,805             | 379,084          |
| Bad debts written off during the year                 | (14,445)                | (54,109)            | (123,553)             | –                 | (192,107)        |
| Recoveries / reversals of amounts previously provided | –                       | (66,273)            | (44,852)              | (1,965)           | (113,090)        |
| <b>Balance at the end of the year</b>                 | <b>73,429</b>           | <b>214,083</b>      | <b>2,501,057</b>      | <b>3,963</b>      | <b>2,792,532</b> |

The contractual amount outstanding on financial assets that were written off during the year ended December 31, 2024 and that are still subject to enforcement activity is SAR 572.97 million (2023: SAR 47.87 million).

## 7f. Net impairment charge for financing and other financial assets for the year in the consolidated statement of income is as follows:

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| Impairment charge for financing for the year  | 526,381         | 379,084         |
| (Recoveries) / (reversals) of amounts previously provided                                       | (204,401)       | (113,090)       |
| (Recoveries) from debts previously written off  | (26,830)        | (32,702)        |
| Net charge for impairment in respect of due from banks and other financial institutions         | 611             | 3149            |
| Net impairment charge/ (reversal) for ECL in respect of investments                             | 258             | (7,783)         |
| Net impairment charge for ECL in respect of non-funded financing and credit related commitments | 21,441          | 405             |
| <b>Impairment charge for financing and other financial assets, net</b>                          | <b>317,460</b>  | <b>229,063</b>  |

## 7g. Economic sector risk concentrations for the financing and allowance for impairment are as follows:

|   | Performing<br>SAR'000 | Non<br>performing<br>SAR'000 | Allowance for<br>impairment<br>SAR'000 | Financing, net<br>SAR'000 |
|---|-----------------------|------------------------------|--|---------------------------|
| <b>2024</b>                                 |                       |                              |  |                           |
| Government and quasi Government             | 7,641,829             | –                            | (9,435)                                | 7,632,394                 |
| Banks and other financial institutions      | 3,585,753             | –                            | (5,850)                                | 3,579,903                 |
| Agriculture and fishing                     | 255,521               | –                            | (176)                                  | 255,345                   |
| Manufacturing                               | 2,991,456             | 54,189                       | (567,769)                              | 2,477,876                 |
| Mining and quarrying                        | 1,134,220             | –                            | (107)                                  | 1,134,113                 |
| Electricity, water, gas and health services | 42,838                | 2,920                        | (592)                                  | 45,166                    |
| Building and construction                   | 2,673,745             | 488,125                      | (449,106)                              | 2,712,764                 |
| Commerce                                    | 21,182,522            | 214,926                      | (523,947)                              | 20,873,501                |
| Transportation and communication            | 544,366               | –                            | (466)                                  | 543,900                   |
| Services                                    | 3,706,872             | 79,908                       | (304,320)                              | 3,482,460                 |
| Consumer financing and credit cards         | 34,998,415            | 282,305                      | (311,327)                              | 34,969,393                |
| Share trading                               | 2,189,175             | –                            | –                                      | 2,189,175                 |
| Others                                      | 17,292,714            | 79,704                       | (355,912)                              | 17,016,506                |
| <b>Total</b>                                | <b>98,239,426</b>     | <b>1,202,077</b>             | <b>(2,529,007)</b>                     | <b>96,912,496</b>         |
| <b>2023</b>                                 |                       |                              |  |                           |
| Government and quasi Government             | 6,681,677             | –                            | (9,086)                                | 6,672,591                 |
| Banks and other financial institutions      | 2,054,070             | –                            | (13,973)                               | 2,040,097                 |
| Agriculture and fishing                     | 70,000                | –                            | (59)                                   | 69,941                    |
| Manufacturing                               | 4,477,118             | 193,442                      | (741,128)                              | 3,929,432                 |
| Mining and quarrying                        | 951,000               | –                            | (487)                                  | 950,513                   |
| Electricity, water, gas and health services | 42,589                | 4,000                        | (445)                                  | 46,144                    |
| Building and construction                   | 4,554,351             | 274,487                      | (560,254)                              | 4,268,584                 |
| Commerce                                    | 14,787,471            | 473,195                      | (674,447)                              | 14,586,219                |
| Transportation and communication            | 619,102               | –                            | (548)                                  | 618,554                   |
| Services                                    | 3,623,807             | 109,419                      | (238,447)                              | 3,494,779                 |
| Consumer financing and credit cards         | 29,943,025            | 357,320                      | (287,512)                              | 30,012,833                |
| Share trading                               | 2,121,492             | –                            | –                                      | 2,121,492                 |
| Others                                      | 12,111,846            | 124,022                      | (266,146)                              | 11,969,722                |
| <b>Total</b>                                | <b>82,037,548</b>     | <b>1,535,885</b>             | <b>(2,792,532)</b>                     | <b>80,780,901</b>         |

## 7h. Other real estate

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Balance at the beginning of the year                         | 542,004         | 549,539         |
| Additions during the year                                    | 991             | 1,118           |
| Disposals during the year                                    | (403,025)       | (8,653)         |
| Gross balance at the end of the year                         | 139,970         | 542,004         |
| Provision for unrealised revaluation losses (note (i) below) | (253)           | (43,018)        |
| <b>Net balance at the end of the year</b>                    | <b>139,717</b>  | <b>498,986</b>  |

- i. This represents impairment charge booked in respect of unrealised losses on certain properties which were acquired by the Bank in prior years in satisfaction of claims against the financing customers. The amount was calculated based on revaluations conducted by the independent real estate evaluators. During the current year an impairment loss of SAR 42.8 million which was booked in prior years has been reversed mainly as a result of changes in fair value and disposal of certain properties with sale proceeds more than the book value.

## 8. Other assets

|   | 2024<br>SAR'000  | 2023<br>SAR'000 |
|---|------------------|-----------------|
| Advances, prepayments and other receivables   | 224,595          | 116,569         |
| Margin deposits against financial instruments | 2,028            | –               |
| VAT and tax related receivables               | 77,199           | 157,704         |
| Cash held with cash management companies      | 465,421          | 280,436         |
| Others  | 341,874          | 164,740         |
| <b>Total</b>                                  | <b>1,111,117</b> | <b>719,449</b>  |

## 9. Investment in an Associate

Investment in an associate represents the investment made by the Group in AlJazira Takaful Ta'awuni Company ("ATT"). The Group effectively holds 33.08% (31 December 2023: 26.03%) shareholding in ATT.

The share of total comprehensive income in an associate represents the Group's share in the total comprehensive income of ATT and was based on the latest available financial information of ATT for the period ended 30 September 2024. ATT is listed with Saudi Stock Exchange (Tadawul) and the market value of the investment in ATT as of 31 December 31, 2024 was SAR 359.34 million (31 December 2023: SAR 292.02 million) based on Tadawul market price.

During the second quarter of 2024, the Group made an additional investment of SAR 76.22 million in ATT, representing 7.05% of ATT's capital. This investment was executed through a private (off-market) transaction after obtaining non-objection from the Saudi Central Bank. Following this purchase, the ownership interest of BAJ Group in ATT increased to 33.08%. The additional investment has been recorded using the cost accumulation approach. The increase in the carrying amount of the investment in the associate is reflected in the "Investment in an associate" on the Statement of Financial Position. The Group's share in the net income of the associate resulting from this additional investment after date of acquisition has been recognized in the consolidated statement of income.

9a. The following table summarises the latest available financial information of ATT based on latest available financial statements:

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| Total assets  | 3,062,708       | 2,705,934       |
| Total liabilities                                     | (2,109,102)     | (1,771,854)     |
| Total shareholders' equity                            | 953,690         | 933,687         |
| Proportion of the Group's ownership                   | 33.08%          | 26.03%          |
| Carrying amount of the investment                     | 323,716         | 243,011         |
| Revenue (underwriting, investment and other income)   | 76,788          | 85,437          |
| Other operating expenses                              | (14,975)        | (37,129)        |
| Total profit for the year before zakat and income tax | 61,813          | 48,308          |
| The Group's share of profit for the year              | 16,901          | 16,066          |

9b. The following table summarises the movement of the investment in associate during the year:

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Balance at the beginning of the year                     | 243,011         | 217,871         |
| Share in profit for the year before zakat and income tax | 16,901          | 16,066          |
| Share of zakat and income tax                            | (6,901)         | (759)           |
| Share of other comprehensive income                      | 984             | 9,833           |
| Additional Investment during the year                    | 76,270          | -               |
| Divided received   | (6,549)         | -               |
| <b>Balance at the end of the year</b>                    | <b>323,716</b>  | <b>243,011</b>  |

## 10. Property, Equipment, Intangibles and Right of Use Assets, net

|                                      | 2024<br>SAR'000  | 2023<br>SAR'000  |
|--------------------------------------|------------------|------------------|
| Property and equipment, net (note a) | 758,346          | 648,636          |
| Right of use assets, net (note b)    | 206,953          | 222,088          |
| Intangible assets (note c)           | 292,777          | 240,441          |
| <b>Total</b>                         | <b>1,258,076</b> | <b>1,111,165</b> |

10a. Property and equipment, net

|                                 | Land and buildings<br>SAR'000 | Leasehold improvements<br>SAR'000 | Furniture, equipment and vehicles<br>SAR'000 | Capital work in progress<br>SAR'000 | Total<br>SAR'000 |
|---------------------------------|-------------------------------|-----------------------------------|--|-------------------------------------|------------------|
| <b>Cost</b>                     |                               |                                   |  |                                     |                  |
| At 1 January 2023               | 291,475                       | 544,962                           | 639,493                                      | 146,055                             | 1,621,985        |
| Additions during the year       | -                             | 4,898                             | 9,237  | 80,583                              | 94,718           |
| Transfers during the year       | -                             | 7,460                             | 20,909                                       | (28,369)                            | -                |
| Disposals during the year       | (37,447)                      | -                                 | (1,293)                                      | -                                   | (38,740)         |
| <b>At 31 December 2023</b>      | <b>254,028</b>                | <b>557,320</b>                    | <b>668,346</b>                               | <b>198,269</b>                      | <b>1,677,963</b> |
| Additions during the year       | -                             | 3,586                             | 7,180  | 159,519                             | 170,285          |
| Transfers during the year       | -                             | 28,204                            | 45,333                                       | (74,774)                            | (1,237)          |
| Disposals during the year       | -                             | -                                 | (977)  | -                                   | (977)            |
| <b>At 31 December 2024</b>      | <b>254,028</b>                | <b>589,110</b>                    | <b>719,882</b>                               | <b>283,014</b>                      | <b>1,846,034</b> |
| <b>Accumulated depreciation</b> |                               |                                   |  |                                     |                  |
| At 1 January 2023               | 8,911                         | 383,001                           | 582,151                                      | -                                   | 974,063          |
| Charge for the year             | 2,373                         | 27,928                            | 26,195                                       | -                                   | 56,496           |
| Disposals                       | -                             | -                                 | (1,232)                                      | -                                   | (1,232)          |
| <b>At 31 December 2023</b>      | <b>11,284</b>                 | <b>410,929</b>                    | <b>607,114</b>                               | <b>-</b>                            | <b>1,029,327</b> |
| Charge for the year             | 2,083                         | 29,895                            | 27,436                                       | -                                   | 59,414           |
| Disposals                       | -                             | -                                 | (932)  | -                                   | (932)            |
| Transfers/Adjustments           | -                             | (16)                              | (105)  | -                                   | (121)            |
| <b>At 31 December 2024</b>      | <b>13,367</b>                 | <b>440,808</b>                    | <b>633,513</b>                               | <b>-</b>                            | <b>1,087,688</b> |
| <b>Net book value</b>           |                               |                                   |  |                                     |                  |
| <b>At 31 December 2024</b>      | <b>240,661</b>                | <b>148,302</b>                    | <b>86,369</b>                                | <b>283,014</b>                      | <b>758,346</b>   |
| At 31 December 2023             | 242,744                       | 146,391                           | 61,232                                       | 198,269                             | 648,636          |

**10b. Right of use assets, net**

|                                 | Land and buildings<br>SAR'000 | Office Equipment<br>SAR'000 | Vehicles<br>SAR'000 | Total<br>SAR'000 |
|---------------------------------|-------------------------------|-----------------------------|---------------------|------------------|
| <b>Cost</b>                     |                               |                             |                     |                  |
| At 1 January 2023               | 617,940                       | 7,103                       | 1,541               | <b>626,584</b>   |
| Additions during the year       | 61,128                        | –                           | 377                 | <b>61,505</b>    |
| <b>At 1 January 2024</b>        | <b>679,068</b>                | <b>7,103</b>                | <b>1,918</b>        | <b>688,089</b>   |
| Additions during the year       | 63,801                        | 13,457                      | 1,150               | <b>78,408</b>    |
| <b>At 31 December 2024</b>      | <b>742,869</b>                | <b>20,560</b>               | <b>3,068</b>        | <b>766,497</b>   |
| <b>Accumulated depreciation</b> |                               |                             |                     |                  |
| At 1 January 2023               | 368,456                       | 6,997                       | 1,349               | <b>376,802</b>   |
| Charge for the year             | 88,807                        | 105                         | 287                 | <b>89,199</b>    |
| <b>At 1 January 2024</b>        | <b>457,263</b>                | <b>7,102</b>                | <b>1,636</b>        | <b>466,001</b>   |
| Charge for the year             | 86,226                        | 6,729                       | 588                 | <b>93,543</b>    |
| <b>At 31 December 2024</b>      | <b>543,489</b>                | <b>13,831</b>               | <b>2,224</b>        | <b>559,544</b>   |
| <b>Net book value</b>           |                               |                             |                     |                  |
| <b>At 31 December 2024</b>      | <b>199,380</b>                | <b>6,729</b>                | <b>844</b>          | <b>206,953</b>   |
| At 31 December 2023             | 221,805                       | 1                           | 282                 | <b>222,088</b>   |

Majority of the Right of use assets comprise of rented branches and ATM locations which have been leased by the Group for varying terms from the landlords and will be vacated and handed over to the owners unless extended for another term based on mutual consent. The Group is responsible for maintenance and insurance of these assets during the lease term. The Group does not have any buy back option as part of the rental contracts to purchase these assets. The Group has the right to terminate some of these contracts by giving advance notice and in some cases may be required to pay part of remaining contractual payments as penalty.

**10c. Intangible assets**

|                                 | Computer softwares<br>SAR'000 | Work in progress<br>SAR'000 | Total<br>SAR'000 |
|---------------------------------|-------------------------------|-----------------------------|------------------|
| <b>Cost</b>                     |                               |                             |                  |
| At 1 January 2023               | 396,048                       | 115,784                     | <b>511,832</b>   |
| Additions during the year       | 407                           | 108,847                     | <b>109,254</b>   |
| Transfers during the year       | 22,936                        | (22,936)                    | <b>–</b>         |
| Disposals                       | (1,260)                       | (263)                       | <b>(1,523)</b>   |
| <b>At 1 January 2024</b>        | <b>418,131</b>                | <b>201,432</b>              | <b>619,563</b>   |
| Additions during the year       | 22                            | 82,334                      | <b>82,356</b>    |
| Transfers during the year       | 101,180                       | (101,180)                   | <b>–</b>         |
| Disposals                       | –                             | (276)                       | <b>(276)</b>     |
| Transfers/Adjustments           | –                             | 1,236                       | <b>1,236</b>     |
| <b>At 31 December 2024</b>      | <b>519,333</b>                | <b>183,546</b>              | <b>702,879</b>   |
| <b>Accumulated amortisation</b> |                               |                             |                  |
| Charge for the year             | 30,858                        | –                           | <b>30,858</b>    |
| Transfers/Adjustments           | 122                           | –                           | <b>122</b>       |
| <b>At 31 December 2024</b>      | <b>410,102</b>                | <b>–</b>                    | <b>410,102</b>   |
| <b>Net book value</b>           |                               |                             |                  |
| <b>At 31 December 2024</b>      | <b>109,231</b>                | <b>183,546</b>              | <b>292,777</b>   |
| At 31 December 2023             | 39,009                        | 201,432                     | <b>240,441</b>   |

## 11. Shariah Compliant Derivatives

In the ordinary course of business, the Group utilizes the following Shariah derivative financial instruments for both trading and strategic hedging purposes:

### 11.1 Nature/type of derivatives held Swaps

Swaps are commitments to exchange one set of cash flows for another. For profit rate swaps, counterparties generally exchange fixed and floating rate profit payments in a single currency without exchanging principal. For cross-currency profit rate swaps, principal, fixed and floating profit payments are exchanged in different currencies.

#### Options (Wa'ad Fx)

Foreign exchange options are transactions, whereby a client, in consideration for the payment of a fee agrees to enter into one or a series of trades in which one party (promisor) gives a commitment as a unilateral undertaking, to a second party (promisee).

An option can be a unilateral promise or combination of promises. The Group enters into the option depending on the client's risk profile, whereby the client may promise to buy, sell or buy and sell a currency with or without conditions for hedging its exposure.

### 11.2 Purpose of derivatives

#### a. Held for trading purposes

Most of the Group's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers in order, to enable them to transfer, modify or reduce current and future risks. Positioning involves

managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profiting from, price differentials between markets or products.

#### b. Held for hedging purposes

The Group uses Shariah compliant derivatives for hedging purposes in order to reduce its exposure to profit rate risk and foreign exchange risk.

The Group has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Group's exposure to fluctuations in foreign exchange and profit rates to reduce its exposure to currency and profit rate risks to acceptable levels as determined by the Board of Directors within the guidelines issued by SAMA.

As part of its asset and liability management, the Group uses derivatives for hedging purposes in order to adjust its own exposure to currency and profit rate risk. This is generally achieved by hedging specific transactions.

#### Cash flow hedges

The Group is exposed to variability in future cash flows on non-trading assets and liabilities which bear profit rate risk. The Group uses profit rate swaps as hedging instruments to hedge against these profit rate risks. Below is the schedule indicating as at December 31, the periods when the hedged cash flows (profit receipts / payments) are expected to occur and when they are expected to affect the consolidated statement of income:

|                             | Within 1 year<br>SAR'000 | 1-3 years<br>SAR'000 | 3-5 years<br>SAR'000 | Over 5 years<br>SAR'000 |
|-----------------------------|--------------------------|----------------------|----------------------|-------------------------|
| <b>2024</b>                 |                          |                      |                      |                         |
| Cash inflows (assets)       | 97,224                   | 162,917              | 62,440               | 61,940                  |
| Cash outflows (liabilities) | (96,192)                 | (160,682)            | (173,607)            | (409,029)               |
| <b>Net cash outflow</b>     | <b>1,032</b>             | <b>2,235</b>         | <b>(111,167)</b>     | <b>(347,089)</b>        |
| <b>2023</b>                 |                          |                      |                      |                         |
| Cash inflows (assets)       | –                        | –                    | –                    | –                       |
| Cash outflows (liabilities) | (217,476)                | (317,571)            | (180,168)            | (49,265)                |
| <b>Net cash outflow</b>     | <b>(217,476)</b>         | <b>(317,571)</b>     | <b>(180,168)</b>     | <b>(49,265)</b>         |

The gains on cash flow hedges on disposal / amortisation of previously discontinued hedging relationship, reclassified to the consolidated statement of income during the year are as follows:

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| Income from investments and financing   | 35,783          | 12,437          |
| Return on deposits and financial liabilities  | (25,634)        | (12,320)        |
| <b>Net gains on cash flow hedges reclassified to the consolidated statement of income</b>         | <b>10,149</b>   | <b>117</b>      |
| Balance at the beginning of the year  | 31,290          | 73,235          |
| Gains / (losses) from change in fair value recognised directly in equity, net (effective portion) | 17,178          | (41,828)        |
| Gains removed from equity and transferred to consolidated statement of income                     | (10,149)        | (117)           |
| <b>Balance at the end of the year</b>   | <b>38,319</b>   | <b>31,290</b>   |

Cashflow hedge reserve as of year-end include unrealised loss of SAR 16.56 million (2023: unrealised gain of SAR 72.67 million) on outstanding hedges and a realised gain of SAR 54.88 million (2023: loss of SAR 41.38 million) related to terminated hedges.

Fair value gain on cash flow hedges amounting to SAR 17.18 million (2023: loss of SAR 41.83 million) included in the consolidated statement of comprehensive income comprised of net unrealized loss of SAR 89.23 million (2023: unrealized loss of SAR 31.32 million) and realized gain of SAR 106.40 million (2023: net realised loss of SAR 10.51 million) on termination of hedge relationship.

During the current and prior years, the Group terminated certain of its profit rate swaps used for cash flows hedges. However, the gain / (loss) would continue to be classified in consolidated statement of comprehensive income as the related hedge items are still outstanding. In accordance with the IFRS as endorsed in KSA

requirements, the gain / (loss) will be reclassified to consolidated statement of income in the period when the cash flows pertaining to hedged items will affect the consolidated statement of income i.e. when profit receipts / payments impact the consolidated statement of income which is over the remaining maturity of financial instrument / hedge items.

### 11.3 Details of Shariah compliant derivatives

The table below sets out the positive and negative fair values of the Group's derivative financial instruments, together with their notional amounts. The notional amounts, which provide an indication of the volume of transactions outstanding at the year end, do not necessarily reflect the amount of future cash flows involved. The notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk.

## Notional amounts by term to maturity:

|                                  | Positive fair value SAR'000 | Negative fair value SAR'000 | Notional amount SAR'000 | Within 3 months SAR'000 | 3-12 months SAR'000 | 1-5 years SAR'000 | Over 5 years SAR'000 | Monthly average SAR'000 |
|----------------------------------|-----------------------------|-----------------------------|-------------------------|-------------------------|---------------------|-------------------|----------------------|-------------------------|
| <b>2024</b>                      |                             |                             |                         |                         |                     |                   |                      |                         |
| <b>Held for trading:</b>         |                             |                             |                         |                         |                     |                   |                      |                         |
| Options                          | 19,636                      | 19,636                      | 1,188,832               | –                       | 600,000             | 538,530           | 50,302               | 1,185,920               |
| Currency swaps                   | 1,175                       | 3,516                       | 3,168,750               | 1,331,250               | 1,837,500           | –                 | –                    | 3,418,760               |
| Currency forwards                | 199                         | 149                         | 82,529                  | 82,529                  | –                   | –                 | –                    | 249,919                 |
| Profit rate swaps                | 73,630                      | 65,104                      | 5,650,087               | –                       | 1,822,500           | 2,326,998         | 1,500,589            | 5,985,863               |
| Cross currency profit rate swaps | 411                         | 2,020                       | 1,875,000               | –                       | –                   | 1,875,000         | –                    | 1,875,000               |
| <b>Held as cash flow hedges:</b> |                             |                             |                         |                         |                     |                   |                      |                         |
| Profit rate swaps                | 56,686                      | 74,574                      | 5,137,500               | 500,000                 | –                   | 2,450,000         | 2,187,500            | 3,817,577               |
| <b>Total</b>                     | <b>151,737</b>              | <b>164,999</b>              | <b>17,102,698</b>       | <b>1,913,779</b>        | <b>4,260,000</b>    | <b>7,190,528</b>  | <b>3,738,391</b>     | <b>16,533,039</b>       |
| <b>2023</b>                      |                             |                             |                         |                         |                     |                   |                      |                         |
| <b>Held for trading:</b>         |                             |                             |                         |                         |                     |                   |                      |                         |
| Options                          | 35,198                      | 35,198                      | 1,174,611               | –                       | –                   | 1,140,372         | 34,239               | 626,431                 |
| Currency swaps                   | 2,134                       | 3,134                       | 3,063,044               | 2,200,544               | 862,500             | –                 | –                    | 3,415,765               |
| Currency forwards                | 4                           | 93                          | 7,245                   | 7,245                   | –                   | –                 | –                    | 441,784                 |
| Profit rate swaps                | 79,968                      | 78,710                      | 6,631,381               | 1,624,510               | 695,207             | 3,297,220         | 1,014,444            | 5,632,252               |
| Cross currency profit rate swaps | 411                         | 8,715                       | 1,875,000               | –                       | –                   | 1,875,000         | –                    | 1,875,000               |
| <b>Held as cash flow hedges:</b> |                             |                             |                         |                         |                     |                   |                      |                         |
| Profit rate swaps                | 104,793                     | 21,211                      | 3,600,000               | –                       | –                   | 2,300,000         | 1,300,000            | 5,400,000               |
| <b>Total</b>                     | <b>222,508</b>              | <b>147,061</b>              | <b>16,351,281</b>       | <b>3,832,299</b>        | <b>1,557,707</b>    | <b>8,612,592</b>  | <b>2,348,683</b>     | <b>17,391,232</b>       |

Held for trading profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to SAR 8.40 million (31 December 2023: SAR 11.29 million) and accrued payable amounting to SAR 8.40 million (31 December 2023: SAR 11.3 million) respectively. Held as cash flow hedge profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to SAR 35.26 million (31 December 2023: SAR 26.21 million) and accrued payable amounting to SAR 36.59 million (31 December 2023: SAR 15.30 million) respectively.

All the derivative products in the above table are Shariah approved.

During the years ended on December 31, 2024 and December 31, 2023, there was no ineffectiveness in the cash flow hedges.

The tables opposite show a summary of hedged items and portfolios, the nature of the risk being hedged, the hedging instrument and its fair value.

## Description of hedged items:

|                           | Hedge inception value SAR'000 | Risk SAR'000 | Hedging instrument SAR'000 | Positive fair value SAR'000 | Negative fair value SAR'000 |
|---------------------------|-------------------------------|--------------|----------------------------|-----------------------------|-----------------------------|
| <b>2024</b>               |                               |              |                            |                             |                             |
| Floating rate investments | 2,450,000                     | Cash flow    | Profit rate swap           | 20,932                      | 62,213                      |
| Floating rate deposits    | 2,687,500                     | Cash flow    | Profit rate swap           | 35,754                      | 12,361                      |
| <b>2023</b>               |                               |              |                            |                             |                             |
| Floating rate investments | –                             | Cash flow    | Profit rate swap           | –                           | –                           |
| Floating rate deposits    | 3,600,000                     | Cash flow    | Profit rate swap           | 104,793                     | 21,211                      |

Currently the Bank is exposed to SAIBOR and SOFR rates on its hedging positions.

## 12. Due to banks, Saudi Central Bank and other financial institutions

|   | 2024 SAR'000      | 2023 SAR'000      |
|---|-------------------|-------------------|
| Current accounts  | 296,103           | 210,444           |
| Money market deposits from banks and other financial institutions (refer note 12.1) | 8,440,523         | 4,308,082         |
| Repurchase agreement borrowings   | 10,572,707        | 10,467,207        |
| <b>Total</b>  | <b>19,309,333</b> | <b>14,985,733</b> |

This balance includes profit free deposits received during financial year 2020 from SAMA with gross amount of SAR 1.47 billion (31 December 2023: SAR 1.47 billion) with varying maturities in order to support the Bank in its implementation of various regulatory relief packages given by the government in response to COVID-19.

## The above comprise of Shariah approved balances as follows:

|                    | 2024 SAR'000      | 2023 SAR'000      |
|--------------------|-------------------|-------------------|
| Current accounts   | 296,103           | 210,444           |
| Commodity murabaha | 2,543,650         | 667,670           |
| Wakala             | 7,054,443         | 3,932,790         |
| Wa'ad              | 9,415,137         | 10,174,829        |
| <b>Total</b>       | <b>19,309,333</b> | <b>14,985,733</b> |

### 13. Customers' deposits

|                             | 2024<br>SAR'000    | 2023<br>SAR'000   |
|-----------------------------|--------------------|-------------------|
| Demand                      | 34,564,643         | 33,411,088        |
| Saving and call deposits    | 11,114,104         | 2,045,058         |
| Customers' time investments | 60,193,863         | 56,491,816        |
| Other                       | 2,313,904          | 2,106,439         |
| <b>Total</b>                | <b>108,186,514</b> | <b>94,054,401</b> |

The above comprise of Shariah approved customer deposits as follows:

|  | 2024<br>SAR'000    | 2023<br>SAR'000   |
|--|--------------------|-------------------|
| Demand – Qard                          | 34,564,643         | 33,411,088        |
| Saving and call deposits – Wakala      | 11,114,104         | 2,045,058         |
| Customers' time investments – Murabaha | 27,758,619         | 23,518,625        |
| Customers' time investments – Wakala   | 32,435,244         | 32,973,191        |
| Other – Qard                           | 2,313,904          | 2,106,439         |
| <b>Total</b>                           | <b>108,186,514</b> | <b>94,054,401</b> |

Other customers' deposits include SAR 1,075.45 million (2023: SAR 955.12 million) of margins held for irrevocable contingencies and commitments.

The above includes foreign currency deposits as follows:

|                             | 2024<br>SAR'000  | 2023<br>SAR'000  |
|-----------------------------|------------------|------------------|
| Demand                      | 987,952          | 1,316,859        |
| Customers' time investments | 5,346,221        | 5,808,499        |
| Other                       | 53,887           | 89,563           |
| <b>Total</b>                | <b>6,388,060</b> | <b>7,214,921</b> |

The foreign currency deposits are mainly in US Dollars to which the SAR is pegged. Accordingly, the sensitivity with respect to foreign currency risk is not material.

### 14. Subordinated Sukuk

On 8 December 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of SAR 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on 8 December and 8 June each year until 8 December 2031, on which date the Sukuk

will expire. The Bank has a call option which can be exercised on or after 8 December 2026 on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Exchange (Tadawul).

### 15. Other liabilities

|   | 2024<br>SAR'000  | 2023<br>SAR'000  |
|---|------------------|------------------|
| Accounts payable  | 678,982          | 481,682          |
| Employee benefit obligations (refer note 30)  | 309,433          | 293,066          |
| Lease Liability – discounted (note a below)   | 177,821          | 197,373          |
| Loss allowance for credit related commitments and contingencies (refer note 20(c)(iii)) | 351,252          | 329,811          |
| Dividend payable  | 62,934           | 66,610           |
| AlJazira Philanthropic Program (note b below)   | 4,953            | 4,711            |
| Others  | 452,232          | 570,489          |
| <b>Total</b>  | <b>2,037,607</b> | <b>1,943,742</b> |

15a. The maturity analysis of lease liabilities based on contractual undiscounted cash flows is as follows:

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Less than one year   | 65,957          | 67,707          |
| One to five years  | 108,494         | 129,691         |
| More than five years   | 26,902          | 23,280          |
| <b>Total undiscounted lease liabilities at December 31</b>   | <b>201,353</b>  | <b>220,678</b>  |
| <b>Lease liabilities included in the consolidated statement of financial position at December 31</b> | <b>177,821</b>  | <b>197,373</b>  |
| Current  | 58,082          | 60,115          |
| Non-Current  | 119,739         | 137,258         |

b. During 2006, Bank AlJazira announced the allocation of SAR 100 million to community services and charitable contributions directed to the local community throughout the Kingdom. The Bank's Board of Directors recognizes the importance of this vital role in serving the community and contributing to supporting this noble goal. The Bank allocated this amount to social responsibility programs, which contributes to sustainable development.

A committee emanating from the Board of Directors has been formed under the name of "Sustainability and Social Responsibility Committee" to develop, follow up and supervise the strategic plan for the Bank's social initiatives, and this committee consists of members from the Board of Directors and the executive management, also uses other independent members who are knowledgeable and experienced in social responsibility-related fields in order to enhance the quality of programs and offer strategic guidance.

## 16. Share capital

The shareholders of the Bank in their Extra Ordinary General Assembly Meeting held on April 24, 2024 approved the increase in the Bank's share capital from SAR 8.2 billion to SAR 10.25 billion through the issuance of bonus shares to shareholders of the Bank in the ratio of one share for every four shares held. The legal formalities relating to the increase in share capital completed during second quarter of the year. Accordingly, the authorized, issued and fully paid share capital of the Bank consists of 1,025 million shares of SAR 10 each (31 December 2023: 820 million shares of SAR 10 each).

The ownership of the Bank's share capital is as follows:

|   | 2024   | 2023   |
|---|--------|--------|
| Saudi shareholders                                      | 85.11% | 84.21% |
| Non-Saudi shareholder – National Bank of Pakistan (NBP) | 3.70%  | 3.70%  |
| Non-Saudi shareholders – others                         | 11.19% | 12.09% |

## 17. Statutory reserves

In accordance with Saudi Arabian Banking Control Law and the By-laws of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, SAR 307.74 million has been transferred from net income (2023: SAR 254.99 million). The statutory reserve is not available for distribution.

## 18. Other reserves

|   | Cash flow hedges<br>SAR'000 | Fair value reserve – FVOCI debt<br>SAR'000 | Fair value reserve – FVOCI equity<br>SAR'000 | Actuarial gains (note 30)<br>SAR'000 | Share in OCI of associate<br>SAR'000 | Total<br>SAR'000   |
|---|-----------------------------|--|--|--------------------------------------|--------------------------------------|--------------------|
| <b>2024</b>   |                             |  |  |                                      |                                      |                    |
| Balance at beginning of the year                                | 31,290                      | (859,574)                                  | (75,324)                                     | 49,376                               | 9,833                                | (844,399)          |
| Net change in fair value  | 17,178                      | (328,367)                                  | 89,115                                       | –                                    | 984                                  | (221,090)          |
| Transfers to retained earnings on disposal                      | –                           | –  | (143)  | –                                    | –                                    | (143)              |
| Reclassified to consolidated statement of income (note 11.2(b)) | (10,149)                    | –  | –  | –                                    | –                                    | (10,149)           |
| Actuarial losses on employee benefit obligation (note 30.1 (b)) | –                           | –  | –  | (17,685)                             | –                                    | (17,685)           |
| <b>Net movement during the year</b>                             | <b>7,029</b>                | <b>(328,367)</b>                           | <b>88,972</b>                                | <b>(17,685)</b>                      | <b>984</b>                           | <b>(249,067)</b>   |
| <b>Balance at the end of the year</b>                           | <b>38,319</b>               | <b>(1,187,941)</b>                         | <b>13,648</b>                                | <b>31,691</b>                        | <b>10,817</b>                        | <b>(1,093,466)</b> |
| <b>2023</b>   |                             |  |  |                                      |                                      |                    |
| Balance at beginning of the year                                | 73,235                      | (789,195)                                  | (81,637)                                     | 42,300                               | –                                    | (755,297)          |
| Net change in fair value  | (41,828)                    | (70,379)                                   | 22,474                                       | –                                    | 9,833                                | (79,900)           |
| Transfers to retained earnings on disposal                      | –                           | –  | (16,161)                                     | –                                    | –                                    | (16,161)           |
| Reclassified to consolidated statement of income (note 11.2(b)) | (117)                       | –  | –  | –                                    | –                                    | (117)              |
| Actuarial losses on employee benefit obligation (note 30.1 (b)) | –                           | –  | –  | 7,076                                | –                                    | 7,076              |
| <b>Net movement during the year</b>                             | <b>(41,945)</b>             | <b>(70,379)</b>                            | <b>6,313</b>                                 | <b>7,076</b>                         | <b>9,833</b>                         | <b>(89,102)</b>    |
| <b>Balance at the end of the year</b>                           | <b>31,290</b>               | <b>(859,574)</b>                           | <b>(75,324)</b>                              | <b>49,376</b>                        | <b>9,833</b>                         | <b>(844,399)</b>   |

## 19. Tier 1 Sukuk

During the year 2021, the Bank issued cross border Tier 1 Sukuk (the "Sukuk") through a Shariah compliant arrangement ("the arrangement") amounting to SAR 1.875 billion (denominated in US Dollars). This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 3.95% per annum from date of issue up to June 2026 and is subject to reset every 5 years.

In addition to the Tier 1 Sukuk issued above, during year 2023, the Bank completed the issuance of an SAR-denominated additional Tier 1 sukuk of SAR 2 billion (which is part of additional Tier 1 Capital Sukuk Programme of SAR 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6% per annum from date of issue up to June 2028 and is subject to reset every 5 years.

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

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

## 20. Commitments and contingencies

### a. Legal proceedings

As at December 31, 2023, there were legal proceedings of routine nature outstanding against the Group. No significant provision has been made as related professional legal advice indicated that it is unlikely that any significant loss will eventually arise.

### b. Capital commitments

As at December 31, 2024, the Group had capital commitments of SAR 276.22 million (2023: SAR 245.75 million) in respect of premises and IT related projects.

### c. Credit related commitments and contingencies

The primary purpose of these instruments is to ensure that funds are available to customers as required.

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as financing. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the related commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate and, therefore, have significantly less credit risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be presented before being reimbursed by customers.

Commitments to extend credit represent the unused portion of authorisations to extend credit, principally in the form of financing, guarantees and letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss, which cannot be readily quantified, is expected to be considerably less than the total unused commitments as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of the commitments could expire or terminate without being funded.

### i. The contractual maturity structure for the Group's credit related commitments and contingencies are as follows:

|  | Within 3 months<br>SAR'000 | 3-12 months<br>SAR'000 | 1-5 years<br>SAR'000 | Over 5 years<br>SAR'000 | Total<br>SAR'000  |
|--|----------------------------|------------------------|----------------------|-------------------------|-------------------|
| <b>2024</b>                              |                            |                        |                      |                         |                   |
| Letters of credit                        | 1,544,225                  | 792,054                | 543,839              | –                       | <b>2,880,118</b>  |
| Letters of guarantee                     | 9,471,687                  | 2,504,007              | 224,809              | 23,050                  | <b>12,223,553</b> |
| Acceptances                              | 1,108,259                  | –                      | –                    | –                       | <b>1,108,259</b>  |
| Irrevocable commitments to extend credit | –                          | 104,620                | 561,278              | 1,426,431               | <b>2,092,329</b>  |
| <b>Total</b>                             | <b>12,124,171</b>          | <b>3,400,681</b>       | <b>1,329,926</b>     | <b>1,449,481</b>        | <b>18,304,259</b> |
| Allowance for impairment                 | –                          | –                      | –                    | –                       | <b>(351,252)</b>  |
| <b>Net exposure</b>                      | <b>–</b>                   | <b>–</b>               | <b>–</b>             | <b>–</b>                | <b>17,953,007</b> |
| <b>2023</b>                              |                            |                        |                      |                         |                   |
| Letters of credit                        | 1,427,340                  | 679,292                | 901,516              | –                       | <b>3,008,148</b>  |
| Letters of guarantee                     | 6,406,621                  | 2,050,711              | 224,809              | 23,050                  | <b>8,705,191</b>  |
| Acceptances                              | 903,453                    | –                      | –                    | –                       | <b>903,453</b>    |
| Irrevocable commitments to extend credit | 297,053                    | 160,000                | 423,946              | 257,490                 | <b>1,138,489</b>  |
| <b>Total</b>                             | <b>9,034,467</b>           | <b>2,890,003</b>       | <b>1,550,271</b>     | <b>280,540</b>          | <b>13,755,281</b> |
| Allowance for impairment                 | –                          | –                      | –                    | –                       | <b>(329,811)</b>  |
| <b>Net exposure</b>                      | <b>–</b>                   | <b>–</b>               | <b>–</b>             | <b>–</b>                | <b>13,425,470</b> |

The outstanding unused portion of commitments as at December 31, 2024, which can be revoked unilaterally at any time by the Group, amounts to SAR 5.64 billion (2023: SAR 10.75 billion).

ii. The following table explains changes in gross carrying amount of the credit related commitments and contingencies to help explain their significance to the changes in the credit loss allowance for the same portfolio.

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL credit<br>impaired (Stage 3)<br>SAR'000 | Total<br>SAR'000   |
|---|--------------------------------------|--|--|--------------------|
| <b>Gross carrying amount as at 1 January 2024</b>   | 13,187,483                           | 48,116   | 519,682  | <b>13,755,281</b>  |
| Transfer to 12-month ECL                            | 46,078                               | (44,772)   | (1,306)  | –                  |
| Transfer to lifetime ECL not credit – impaired      | (127,236)                            | 127,236  | –  | –                  |
| Transfer to lifetime ECL credit – impaired          | (28,475)                             | (1,178)  | 29,653   | –                  |
| New financial assets originated                     | 5,148,474                            | 5,000  | –  | <b>5,153,474</b>   |
| Financial assets derecognised during the year       | (1,008,259)                          | (685)  | (14,078)   | <b>(1,023,022)</b> |
| Other movements                                     | 65,868                               | 352,664  | (6)  | <b>418,526</b>     |
| <b>Gross carrying amount as at 31 December 2024</b> | <b>17,283,933</b>                    | <b>486,381</b>   | <b>533,945</b>                                       | <b>18,304,259</b>  |

Other movements mainly represent changes in exposures for customers where there has been no change in the stage during the year.

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL credit<br>impaired (Stage 3)<br>SAR'000 | Total<br>SAR'000  |
|---|--------------------------------------|--|--|-------------------|
| <b>Gross carrying amount as at 1 January 2023</b>   | 8,818,321                            | 40,135   | 546,850  | <b>9,405,306</b>  |
| Transfer to 12-month ECL                            | 4,331                                | (4,331)  | –  | –                 |
| Transfer to lifetime ECL not credit – impaired      | (29,973)                             | 29,973   | –  | –                 |
| Transfer to lifetime ECL credit – impaired          | (6,681)                              | (5,367)  | 12,048   | –                 |
| New financial assets originated                     | 3,318,760                            | 21,684   | 300  | <b>3,340,744</b>  |
| Financial assets derecognised during the year       | (687,625)                            | (3,222)  | (16,366)   | <b>(707,213)</b>  |
| Other movements                                     | 1,770,350                            | (30,756)   | (23,150)   | <b>1,716,444</b>  |
| <b>Gross carrying amount as at 31 December 2023</b> | <b>13,187,483</b>                    | <b>48,116</b>  | <b>519,682</b>                                       | <b>13,755,281</b> |

iii. An analysis of changes in allowance for impairment for credit related commitments and contingencies is as follows:

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL credit<br>impaired (Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|--|--------------------------------------|--|--|------------------|
| <b>2024</b>                                    |                                      |  |  |                  |
| <b>ECL as at 1 January 2024</b>                | 44,753                               | 301  | 284,757  | <b>329,811</b>   |
| Transfer to 12-month ECL                       | 270                                  | (232)  | (38)   | –                |
| Transfer to lifetime ECL – not credit impaired | (344)                                | 344  | –  | –                |
| Transfer to lifetime ECL – credit impaired     | (196)                                | (6)  | 202  | –                |
| Net re-measurement of loss allowance           | (5,102)                              | 1,640  | 19,889   | <b>16,427</b>    |
| New financial assets originated                | 15,270                               | 38   | –  | <b>15,308</b>    |
| Financial assets that have been derecognized   | (2,164)                              | (26)   | (8,104)  | <b>(10,294)</b>  |
| <b>ECL as at 31 December 2024</b>              | <b>52,487</b>                        | <b>2,059</b>   | <b>296,706</b>                                       | <b>351,252</b>   |
| <b>2023</b>                                    |                                      |  |  |                  |
| <b>ECL as at 1 January 2023</b>                | 21,713                               | 174  | 307,519  | <b>329,406</b>   |
| Transfer to 12-month ECL                       | 17                                   | (17)   | –  | –                |
| Transfer to lifetime ECL – not credit impaired | (93)                                 | 93   | –  | –                |
| Transfer to lifetime ECL – credit impaired     | (24)                                 | (7)  | 31   | –                |
| Net re-measurement of loss allowance           | 9,811                                | (36)   | (14,865)   | <b>(5,090)</b>   |
| New financial assets originated                | 15,050                               | 98   | 179  | <b>15,327</b>    |
| Financial assets that have been derecognized   | (1,721)                              | (4)  | (8,107)  | <b>(9,832)</b>   |
| <b>ECL as at 31 December 2023</b>              | <b>44,753</b>                        | <b>301</b>   | <b>284,757</b>                                       | <b>329,811</b>   |

iv. The analysis of commitments and contingencies by counterparty is as follows:

|  | 2024<br>SAR'000   | 2023<br>SAR'000   |
|--|-------------------|-------------------|
| Government and quasi government        | <b>759,482</b>    | 694,382           |
| Corporate                              | <b>11,509,122</b> | 12,255,383        |
| Banks and other financial institutions | <b>6,035,655</b>  | 805,516           |
|  | <b>18,304,259</b> | 13,755,281        |
| Allowance for impairment               | <b>(351,252)</b>  | (329,811)         |
| <b>Total</b>                           | <b>17,953,007</b> | <b>13,425,470</b> |

## d. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases where the Group is the lessee are as follows:

|                  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|------------------|-----------------|-----------------|
| Less than 1 year | 23,742          | 3,397           |
| 1 to 5 years     | 68,142          | 1,309           |
| <b>Total</b>     | <b>91,884</b>   | <b>4,706</b>    |

## 21. Net financing and investment income

|   | 2024<br>SAR'000  | 2023<br>SAR'000  |
|---|------------------|------------------|
| <b>Income from investments and financing</b>        |                  |                  |
| Financing   | 5,856,180        | 4,613,893        |
| Investments held at amortised cost                  | 925,943          | 970,266          |
| Investments held at FVOCI                           | 380,506          | 310,401          |
| Shariah compliant derivatives                       | 376,579          | 214,407          |
| Due from banks and other financial institutions     | 439,585          | 155,727          |
| <b>Total</b>  | <b>7,978,793</b> | <b>6,264,694</b> |
| <b>Return on deposits and financial liabilities</b> |                  |                  |
| Customers' deposits                                 | 3,740,659        | 2,821,535        |
| Due to banks and other financial institutions       | 1,107,031        | 765,923          |
| Shariah compliant derivatives                       | 331,951          | 143,735          |
| Subordinated Sukuk                                  | 157,645          | 151,536          |
| Finance cost on leased assets                       | 11,591           | 9,758            |
| Others  | (4,506)          | (2,593)          |
| <b>Total</b>  | <b>5,344,371</b> | <b>3,889,894</b> |
| <b>Net financing and investment income</b>          |                  |                  |
| <b>Total</b>  | <b>2,634,422</b> | <b>2,374,800</b> |

All of the Group's income from investments and financing and return on deposits and financial liabilities is from Shariah approved products.

## 22. Fees from banking services, net

|   | 2024<br>SAR'000  | 2023<br>SAR'000  |
|---|------------------|------------------|
| <b>Fees from banking services – income</b>    |                  |                  |
| Local share trading                           | 171,684          | 143,544          |
| Cards business                                | 380,234          | 355,264          |
| Mutual funds fees                             | 188,095          | 163,951          |
| Investment banking and advisory fee           | 20,937           | 57,161           |
| Fees from remittance business                 | 71,803           | 55,750           |
| Trade finance                                 | 147,736          | 101,008          |
| Financing related fees                        | 35,555           | 28,754           |
| International share trading                   | 14,469           | 17,730           |
| Others  | 55,153           | 45,359           |
| <b>Total fees from banking services</b>       | <b>1,085,666</b> | <b>968,521</b>   |
| <b>Fees from banking services – expense</b>   |                  |                  |
| Brokerage fees                                | (90,478)         | (75,597)         |
| Cards related expenses                        | (348,936)        | (305,633)        |
| Mutual funds related expenses                 | (26,753)         | (28,402)         |
| International share trading                   | (2,616)          | (3,464)          |
| Remittance business fee expense               | (37)             | (139)            |
| Financing related expenses                    | (12,785)         | (7,242)          |
| <b>Total fees expense on banking services</b> | <b>(481,605)</b> | <b>(420,477)</b> |
| <b>Total</b>                                  |                  |                  |
| <b>Total</b>                                  | <b>604,061</b>   | <b>548,044</b>   |

## 23. Net gain / (loss) on FVIS financial instruments

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| Mutual funds                              | 44,647          | 23,968          |
| Equities and convertible debt instruments | (1,732)         | 4,819           |
| Derivatives                               | 1,726           | (32,234)        |
| <b>Total</b>                              | <b>44,641</b>   | <b>(3,447)</b>  |

Net (loss)/ gain on FVIS financial instruments includes net unrealized gain of SAR 19.45 million (2023: unrealised gain of SAR 6.16 million).

## 24. Dividend income

|                     | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---------------------|-----------------|-----------------|
| Investments – FVOCI | 151,499         | 103,008         |
| Investments – FVIS  | 41,182          | 50,344          |
| <b>Total</b>        | <b>192,681</b>  | <b>153,352</b>  |

## 25. Other operating income

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Gain on sale of other real estate      | 68,077          | 2,346           |
| Gain on sale of property and equipment | 14              | 19,355          |
| Others                                 | 14,442          | 19,216          |
| <b>Total</b>                           | <b>82,533</b>   | <b>40,917</b>   |

## 26. Other general and administrative expenses

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Non-claimable taxes                                  | 72,859          | 141,709         |
| Repair & maintenance, utilities and IT cost          | 342,138         | 294,979         |
| Insurance cost                                       | 39,351          | 40,041          |
| Legal, Professional and consultancy fee              | 77,291          | 46,143          |
| Communication, publication and advertisement charges | 53,248          | 37,284          |
| Stationery and supplies                              | 35,416          | 20,530          |
| Travel and entertainment                             | 14,235          | 11,618          |
| Others   | 68,156          | 43,285          |
| <b>Total</b>   | <b>702,694</b>  | <b>635,589</b>  |

### 26.1 Auditors' remuneration

Auditors' remuneration for the statutory audit of the Group's consolidated financial statements (including financial statements of the subsidiaries) for the year ended 31 December 2024 amounts to SAR 2.76 million (2023: SAR 2.69 million). Auditors' remuneration for the review of the Group's interim financial information for the year ended 31 December 2024 and provision of other statutory and related services amounts to SAR 1.03 million and SAR 0.42 million respectively. (2023: SAR 0.9 million and SAR 0.68 million respectively)

## 27. Earnings per share

Basic earnings per share for the current and prior year is calculated by dividing the net income for the year attributable to common equity holders of the Bank (adjusted for Tier 1 sukuk related costs) by the weighted average number of ordinary shares outstanding, as follows.

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| <b>Profit attributable to ordinary shareholders</b><br>(adjusted for Tier 1 sukuk related costs) |                 | <b>RESTATED</b> |
| For basic and diluted earnings per share   | 1,035,127       | 882,206         |
| <b>Weighted-average number of ordinary shares</b>  | <b>SHARES</b>   | <b>SHARES</b>   |
| For basic and diluted earnings per share   | 1,025,000,000   | 1,025,000,000   |
| Basic and diluted earnings per share (in SR)   | 1.01            | 0.86            |

The calculations of basic and diluted earnings per share are same for the Group.

## 28. Zakat and income tax

|                   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|-------------------|-----------------|-----------------|
| <b>Zakat</b>      |                 |                 |
| Current year      | 167,810         | 152,747         |
| Prior year        | (2,529)         | (1,360)         |
| <b>Total</b>      | <b>165,281</b>  | <b>151,387</b>  |
| <b>Income tax</b> |                 |                 |
| Current year      | 8,384           | 7,604           |
| Prior year        | –               | 1,888           |
| <b>Total</b>      | <b>8,384</b>    | <b>9,492</b>    |
| <b>Total</b>      |                 |                 |
| <b>Total</b>      | <b>173,665</b>  | <b>160,879</b>  |

### Status of assessments:

During the current year, the Bank received a Zakat assessment for the year 2019 with an additional Zakat amount of SAR 79.7 million. The Bank has already submitted its objection to the imposition of the additional Zakat to the General Secretariat of Tax Committees (GSTC) and is confident that the outcome will be in its favor.

As of December 31, 2024, the Bank has filed its Zakat and Income Tax returns with the Zakat, Tax, and Customs Authority (ZATCA) and has paid zakat and income tax for the years up to and including 2023. Zakat assessments have been finalized through FY 2018, and income tax assessments have been concluded till the FY 2017.

## 29. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

|  | 2024<br>SAR'000  | 2023<br>SAR'000  |
|--|------------------|------------------|
| Cash and balances with SAMA, excluding statutory deposit (note 4)  | 688,914          | 1,167,559        |
| Due from banks and other financial institutions with original maturity of 90 days or less from the date of acquisition | 1,635,471        | 1,555,301        |
| <b>Total</b>   | <b>2,324,385</b> | <b>2,722,860</b> |

29.1 Below is a reconciliation of liabilities arising from financing activities:

|  | Subordinated Sukuk<br>SAR'000 | Dividend payable<br>SAR'000 | Lease liabilities against<br>right of use assets<br>SAR'000 |
|--|-------------------------------|-----------------------------|---|
| <b>2024</b>                              |                               |                             |   |
| <b>Balances as at 1 January 2024</b>     | <b>2,004,346</b>              | <b>66,610</b>               | <b>197,373</b>  |
| <b>Changes from financing cash flows</b> |                               |                             |   |
| Payment of return on Subordinate Sukuk   | (156,073)                     | –                           | –   |
| Payment of leased liability – principal  | –                             | –                           | (97,960)  |
| Dividend paid                            | –                             | (3,676)                     | –   |
| <b>Other changes</b>                     |                               |                             |   |
| Increase due to additions                | –                             | –                           | 78,408  |
| Payment of leased liability – profit     | –                             | –                           | (11,591)  |
| Financing cost                           | 155,903                       | –                           | 11,591  |
| Amortisation of transaction cost         | 1,741                         | –                           | –   |
| Other adjustments                        | 1                             | –                           | –   |
| <b>Balances as at 31 December 2024</b>   | <b>2,005,918</b>              | <b>62,934</b>               | <b>177,821</b>  |
| <b>2023</b>                              |                               |                             |   |
| <b>Balances as at 1 January 2023</b>     | <b>2,002,819</b>              | <b>66,730</b>               | <b>222,001</b>  |
| <b>Changes from financing cash flows</b> |                               |                             |   |
| Payment of return on Subordinate Sukuk   | (150,114)                     | –                           | –   |
| Payment of leased liability – principal  | –                             | –                           | (86,133)  |
| Dividend paid                            | –                             | (120)                       | –   |
| <b>Other changes</b>                     |                               |                             |   |
| Increase due to additions                | –                             | –                           | 61,505  |
| Payment of leased liability – profit     | –                             | –                           | (9,758)   |
| Financing cost                           | 149,795                       | –                           | 9,758   |
| Amortisation of transaction cost         | 1,741                         | –                           | –   |
| Other adjustments                        | 105                           | –                           | –   |
| <b>Balances as at 31 December 2023</b>   | <b>2,004,346</b>              | <b>66,610</b>               | <b>197,373</b>  |

## 30. Employee benefit obligation

### 30.1. Defined Benefit obligation

#### a. General description

The Group operates an "End of Service Benefit Plan" for its employees based on the prevailing Saudi Labour Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

#### b. The amounts recognized in the consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| Defined benefit obligation at the beginning of the year  | 293,066         | 291,810         |
| Charge for the year                                      | 23,334          | 34,983          |
| Finance cost   | 12,505          | 11,471          |
| Benefits paid  | (37,157)        | (38,122)        |
| Re-measurements  | 17,685          | (7,076)         |
| <b>Defined benefit obligation at the end of the year</b> | <b>309,433</b>  | <b>293,066</b>  |

#### c. Amounts recognized in consolidated statement of income

|                      | 2024<br>SAR'000 | 2023<br>SAR'000 |
|----------------------|-----------------|-----------------|
| Current service cost | 33,277          | 34,983          |
| Past service cost    | (9,943)         | –               |
| <b>Total</b>         | <b>23,334</b>   | <b>34,983</b>   |

#### d. Re-measurement gain recognised in consolidated other comprehensive income

|                                    | 2024<br>SAR'000 | 2023<br>SAR'000 |
|------------------------------------|-----------------|-----------------|
| Changes in experience assumptions  | (5,849)         | (3,413)         |
| Changes in demographic assumptions | 569             | 2,807           |
| Changes in financial assumptions   | 22,965          | (6,470)         |
| <b>Total</b>                       | <b>17,685</b>   | <b>(7,076)</b>  |

#### e. Principal actuarial assumptions used in estimating the defined benefit obligation included:

|  | 2024                                    | 2023                                    |
|--|---|---|
| Discount rate                                | 5.35%                                   | 4.56%                                   |
| Expected rate of salary increase (long term) | 3.00%                                   | 3.00%                                   |
| Withdrawal rate                              | 13% up to 35 years<br>and 9% for others | 13% up to 35 years<br>and 9% for others |
| Average duration                             | 6.72 years                              | 6.41 years                              |
| Normal retirement age                        | 65 years                                | 60 years                                |

#### f. The table below illustrates the sensitivity of the defined benefit obligation due to changes in the key assumptions and holding all other variables constant:

|                                  | Change in assumption | Increase in assumption<br>SAR'000 | Decrease in assumption<br>SAR'000 |
|----------------------------------|----------------------|-----------------------------------|-----------------------------------|
| <b>2024</b>                      |                      |                                   |                                   |
| Discount rate                    | 1%                   | (20,710)                          | 23,570                            |
| Expected rate of salary increase | 1%                   | 24,910                            | (22,247)                          |
| Withdrawal rate                  | 10%                  | (624)                             | 776                               |
| <b>2023</b>                      |                      |                                   |                                   |
| Discount rate                    | 1%                   | (17,715)                          | 19,886                            |
| Expected rate of salary increase | 1%                   | 21,455                            | (19,422)                          |
| Withdrawal rate                  | 10%                  | (1,699)                           | 1,926                             |

#### g. Expected maturity analysis of undiscounted defined benefit obligation for the end of service plan is as follows:

|                   | Less than a year<br>SAR'000 | 1-2 years<br>SAR'000 | 2-5 years<br>SAR'000 | Over 5 years<br>SAR'000 | Total<br>SAR'000 |
|-------------------|-----------------------------|----------------------|----------------------|-------------------------|------------------|
| December 31, 2024 | 36,435                      | 32,153               | 85,354               | 334,046                 | 487,988          |
| December 31, 2023 | 35,077                      | 28,858               | 82,512               | 277,002                 | 423,449          |

h. The expected contribution for next year amounts to SAR 50.10 million (2023: SAR 43.72 million) comprising of service cost and finance cost.

### 30.2. Defined Contribution obligation

The Group makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SAR 45.54 million (2023: SAR 46 million).

## 31. Operating segments

The operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (Chief Executive Officer) in order to allocate resources to the segments and to assess their performance.

All of the Group's operations are based in the Kingdom of Saudi Arabia.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the consolidated statement of income. Segment assets and liabilities comprise operating assets and liabilities.

In the second quarter of the current financial year, the Bank updated its Funds Transfer Pricing (FTP) policy, resulting in modifications to segment performance reporting. This new FTP policy was implemented in response to the current rate environment, future outlook, and to align with best practices. Consequently, prior year comparatives have been restated to ensure comparability.

For management reporting purposes, the Group is organized into following main operating segments:

#### Personal banking

Deposit, credit and investment products for individuals.

#### Corporate banking

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

#### Treasury

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

#### Brokerage and asset management

Group provides shares brokerage and asset management services to customers (this segment includes the activities of the Bank's subsidiary AlJazira Capital Company).

#### Others

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

The Group's total assets and liabilities and its income from operations and net income for the year by operating segment are as follows:

|   | Personal banking<br>SAR'000 | Corporate banking<br>SAR'000 | Treasury<br>SAR'000 | Brokerage and asset management<br>SAR'000 | Others<br>SAR'000 | Total<br>SAR'000   |
|---|-----------------------------|------------------------------|---------------------|---|-------------------|--------------------|
| <b>2024</b>   |                             |                              |                     |   |                   |                    |
| <b>Total assets</b>   | <b>44,685,961</b>           | <b>50,552,799</b>            | <b>49,404,697</b>   | <b>3,938,976</b>                          | <b>323,635</b>    | <b>148,906,068</b> |
| <b>Total liabilities</b>  | <b>43,727,176</b>           | <b>52,491,559</b>            | <b>33,279,798</b>   | <b>2,205,919</b>                          | <b>(81)</b>       | <b>131,704,371</b> |
| Inter-segment profit / (loss)                                     | 582,223                     | 19,847                       | (558,203)           | –   | (43,867)          | –                  |
| <b>Total operating income</b>                                     | <b>2,081,817</b>            | <b>1,203,802</b>             | <b>404,576</b>      | <b>441,775</b>                            | <b>(352,573)</b>  | <b>3,779,397</b>   |
| <b>Of which:</b>  |                             |                              |                     |   |                   |                    |
| • Net financing and investment income                             | 1,643,417                   | 913,986                      | 22,171              | 98,714                                    | (43,866)          | <b>2,634,422</b>   |
| • Fees from banking services, net                                 | 232,490                     | 164,153                      | 87                  | 275,255                                   | (67,924)          | <b>604,061</b>     |
| • Net loss on FVIS financial instruments                          | –                           | –                            | 15,011              | 29,630                                    | –                 | <b>44,641</b>      |
| <b>Total operating expenses</b>                                   | <b>(1,530,824)</b>          | <b>(501,602)</b>             | <b>(162,867)</b>    | <b>(197,487)</b>                          | <b>1,101</b>      | <b>(2,391,679)</b> |
| <b>Of which:</b>  |                             |                              |                     |   |                   |                    |
| • Impairment charge for financing and other financial assets, net | (53,328)                    | (263,262)                    | (870)               | –   | –                 | <b>(317,460)</b>   |
| • Impairment reversal for other real estate                       | –                           | 42,571                       | –                   | –   | –                 | 42,571             |
| • Depreciation and amortisation                                   | (142,990)                   | (16,997)                     | (13,244)            | (10,584)                                  | –                 | (183,815)          |
| • Share in net income of an associate                             | –                           | –                            | –                   | 2,414                                     | 14,487            | <b>16,901</b>      |
| <b>Net income before zakat and income tax</b>                     | <b>550,993</b>              | <b>702,200</b>               | <b>241,709</b>      | <b>246,702</b>                            | <b>(336,985)</b>  | <b>1,404,619</b>   |
| <b>2023</b>   |                             |                              |                     |   |                   |                    |
| <b>Total assets</b>   | <b>37,282,400</b>           | <b>42,379,310</b>            | <b>46,036,164</b>   | <b>3,609,974</b>                          | <b>242,929</b>    | <b>129,550,777</b> |
| <b>Total liabilities</b>  | <b>44,402,369</b>           | <b>48,153,639</b>            | <b>18,516,718</b>   | <b>2,062,638</b>                          | <b>(81)</b>       | <b>113,135,283</b> |
| Inter-segment profit / (loss)                                     | 770,514                     | (15,336)                     | (722,551)           | 43,171                                    | (75,798)          | –                  |
| <b>Total operating income</b>                                     | <b>1,890,869</b>            | <b>942,742</b>               | <b>418,643</b>      | <b>396,333</b>                            | <b>(313,935)</b>  | <b>3,334,652</b>   |
| <b>Of which:</b>  |                             |                              |                     |   |                   |                    |
| • Net financing and investment income                             | 1,476,129                   | 773,504                      | 98,144              | 59,650                                    | (32,627)          | <b>2,374,800</b>   |
| • Fees from banking services, net                                 | 200,734                     | 120,933                      | 515                 | 274,923                                   | (49,061)          | <b>548,044</b>     |
| • Net loss on FVIS financial instruments                          | –                           | –                            | (7,507)             | 13,653                                    | (9,593)           | <b>(3,447)</b>     |
| <b>Total operating expenses</b>                                   | <b>(1,379,037)</b>          | <b>(415,002)</b>             | <b>(137,954)</b>    | <b>(238,660)</b>                          | <b>786</b>        | <b>(2,169,867)</b> |
| <b>Of which:</b>  |                             |                              |                     |   |                   |                    |
| • Impairment charge for financing and other financial assets, net | (47,003)                    | (186,694)                    | 4,634               | –   | –                 | <b>(229,063)</b>   |
| • Depreciation and amortisation                                   | (143,169)                   | (17,153)                     | (14,103)            | (7,694)                                   | –                 | (182,119)          |
| • Share in net income of an associate                             | –                           | –                            | –                   | 2,295                                     | 13,771            | <b>16,066</b>      |
| <b>Net income before zakat and income tax</b>                     | <b>511,832</b>              | <b>527,740</b>               | <b>280,689</b>      | <b>159,968</b>                            | <b>(299,378)</b>  | <b>1,180,851</b>   |

The Group's total assets and liabilities and its income from operations and net income for the year by operating segment are as follows:

|                               | Personal banking<br>SAR'000 | Corporate banking<br>SAR'000 | Brokerage and asset management<br>SAR'000 | Treasury<br>SAR'000 | Total<br>SAR'000   |
|-------------------------------|-----------------------------|------------------------------|---|---------------------|--------------------|
| <b>2024</b>                   |                             |                              |   |                     |                    |
| Assets                        | 44,379,691                  | 50,287,374                   | 2,257,913                                 | 37,553,088          | <b>134,478,066</b> |
| Commitments and contingencies | –                           | 15,608,803                   | –   | –                   | <b>15,608,803</b>  |
| Derivatives                   | –                           | –                            | –   | 664,660             | <b>664,660</b>     |
| <b>2023</b>                   |                             |                              |   |                     |                    |
| Assets                        | 36,738,330                  | 41,853,533                   | 2,202,618                                 | 35,992,221          | <b>116,786,702</b> |
| Commitments and contingencies | –                           | 11,568,113                   | –   | –                   | <b>11,568,113</b>  |
| Derivatives                   | –                           | –                            | –   | 597,062             | <b>597,062</b>     |

Credit exposure comprises the carrying value of the consolidated assets excluding cash, property and equipment, other real estate, investment in equities and mutual funds and certain other assets. Additionally, the credit equivalent values of commitments, contingencies and derivatives are also included in the credit exposure.

## 32. Financial risk management

### 32.1. Credit Risk

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has set up Board Risk Committee (BRC) which has the responsibility to monitor the overall risk process within the Bank.

The BRC has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The BRC is responsible for supervising risk management decisions and monitoring risk levels and reviewing Risk Management reports / Dashboards on a regular basis. BRC is mandated to escalate to the Board any risk management issue which warrants attention of the Board of Directors of the Bank.

The Group manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in lending activities that lead to financing, and investment activities. There is also credit risk in off-balance sheet financial instruments, such as credit related commitments.

The Group assesses the probability of default of counterparties using internal rating tools. Also, the Group uses the external ratings, of the major rating agency, where available.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are monitored daily. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation, and to control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group seeks to manage its credit risk exposure through diversification of financing activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or business. It also takes security when appropriate. The Group also seeks additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual financing.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement

and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

The Group regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The debt securities included in the investment portfolio are mainly sovereign risk. Analysis of investments by counter-party is provided in note 6. For details of the composition of financing refer to note 7. Information on credit risk relating to Shariah compliant derivative instruments is provided in note 11 and for commitments and contingencies in note 20. The information on Bank's maximum credit exposure by business segment is given in note 31.

The Group's internal credit rating grading is as follows:

| BAJ Internal Grade | Description                               | Band | PD Lower Bound | PD Upper Bound | Mapping to Moodys Master Scale | Moody's Master Scale Mid-Point PD |
|--------------------|---|------|----------------|----------------|--------------------------------|-----------------------------------|
| 1A                 | Superior                                  | 1    | 0.000%         | 0.010%         | A2                             | 0.0109%                           |
| 2A                 | Excellent                                 | 2    | 0.010%         | 0.015%         | A2                             | 0.0109%                           |
| 2B                 | Excellent                                 | 2    | 0.015%         | 0.023%         | A2                             | 0.0109%                           |
| 2C                 | Excellent                                 | 2    | 0.023%         | 0.035%         | A3                             | 0.0389%                           |
| 3A                 | Very Good                                 | 3    | 0.035%         | 0.053%         | A3                             | 0.0389%                           |
| 3B                 | Very Good                                 | 3    | 0.053%         | 0.080%         | Baa1                           | 0.0900%                           |
| 3C                 | Very Good                                 | 3    | 0.080%         | 0.120%         | Baa1                           | 0.0900%                           |
| 4A                 | Good                                      | 4    | 0.120%         | 0.190%         | Baa2                           | 0.1700%                           |
| 4B                 | Good                                      | 4    | 0.190%         | 0.280%         | Baa2                           | 0.1700%                           |
| 4C                 | Good                                      | 4    | 0.280%         | 0.430%         | Baa3                           | 0.4200%                           |
| 5A                 | Acceptable                                | 5    | 0.430%         | 0.700%         | Baa3                           | 0.4200%                           |
| 5B                 | Acceptable                                | 5    | 0.700%         | 1.000%         | Ba1                            | 0.8700%                           |
| 5C                 | Acceptable                                | 5    | 1.000%         | 1.500%         | Ba2                            | 1.5600%                           |
| 6A                 | Acceptable with Care                      | 6    | 1.500%         | 2.300%         | Ba2                            | 1.5600%                           |
| 6B                 | Acceptable with Care, Not Rated, Start Up | 6    | 2.300%         | 3.500%         | Ba3                            | 2.8100%                           |
| 6C                 | Acceptable with Care, Watch list          | 6    | 3.500%         | 5.000%         | B1                             | 4.6800%                           |
| 7A                 | Special Attention                         | 7    | 5.000%         | 8.000%         | B2                             | 7.1600%                           |
| 7B                 | Special Attention                         | 7    | 8.000%         | 12.000%        | B3                             | 11.6200%                          |
| 7C                 | Special Attention                         | 7    | 12.000%        | 100.000%       | Caa1                           | 17.3816%                          |
| 8A                 | Default -Sub-Standard                     | 8    | 100.000%       | 100.000%       | C                              | 100.0000%                         |
| 9A                 | Default -Doubtful                         | 9    | 100.000%       | 100.000%       | C                              | 100.0000%                         |
| 9B                 | Default – Loss                            | 9    | 100.000%       | 100.000%       | C                              | 100.0000%                         |

### 32.2. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortized cost and FVOCI sukuk investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For credit related commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000   |
|--|--------------------------------------|--|---|--------------------|
| <b>December 31, 2024</b>                               |                                      |  |   |                    |
| <b>Due from banks and other financial institutions</b> |                                      |  |   |                    |
| Investment grade                                       | 6,451,718                            | –  | –   | <b>6,451,718</b>   |
| Non-investment grade                                   | 7,490                                | 175,835  | –   | <b>183,325</b>     |
| Unrated  | 70,311                               | –  | –   | <b>70,311</b>      |
|  | 6,529,519                            | 175,835  | –   | <b>6,705,354</b>   |
| Allowance for ECL                                      | (2,053)                              | (6,184)  | –   | <b>(8,237)</b>     |
| <b>Carrying amount</b>                                 | <b>6,527,466</b>                     | <b>169,651</b>   | <b>–</b>  | <b>6,697,117</b>   |
| <b>Financing to customers at amortized cost</b>        |                                      |  |   |                    |
| Low – fair risk  | 93,437,785                           | –  | –   | <b>93,437,785</b>  |
| Watch list   | –                                    | 2,571,824  | 2,229,817   | <b>4,801,641</b>   |
| Default  | –                                    | –  | 1,202,077   | <b>1,202,077</b>   |
|  | 93,437,785                           | 2,571,824  | 3,431,894   | <b>99,441,503</b>  |
| Allowance for ECL                                      | (317,382)                            | (282,012)  | (1,929,613)   | <b>(2,529,007)</b> |
| <b>Carrying amount</b>                                 | <b>93,120,403</b>                    | <b>2,289,812</b>   | <b>1,502,281</b>  | <b>96,912,496</b>  |
| <b>December 31, 2023</b>                               |                                      |  |   |                    |
| <b>Due from banks and other financial institutions</b> |                                      |  |   |                    |
| Investment grade                                       | 5,505,545                            | –  | –   | <b>5,505,545</b>   |
| Non-investment grade                                   | 11,081                               | 134,034  | –   | <b>145,115</b>     |
| Unrated  | 48,740                               | –  | –   | <b>48,740</b>      |
|  | 5,565,366                            | 134,034  | –   | <b>5,699,400</b>   |
| Allowance for ECL                                      | (2,907)                              | (4,719)  | –   | <b>(7,626)</b>     |
| <b>Carrying amount</b>                                 | <b>5,562,459</b>                     | <b>129,315</b>   | <b>–</b>  | <b>5,691,774</b>   |
| <b>Financing to customers at amortized cost</b>        |                                      |  |   |                    |
| Low – fair risk  | 76,337,327                           | –  | –   | <b>76,337,327</b>  |
| Watch list   | –                                    | 3,332,655  | 2,367,566   | <b>5,700,221</b>   |
| Default  | –                                    | –  | 1,535,885   | <b>1,535,885</b>   |
|  | 76,337,327                           | 3,332,655  | 3,903,451   | <b>83,573,433</b>  |
| Allowance for ECL                                      | (256,078)                            | (250,907)  | (2,285,547)   | <b>(2,792,532)</b> |
| <b>Carrying amount</b>                                 | <b>76,081,249</b>                    | <b>3,081,748</b>   | <b>1,617,904</b>  | <b>80,780,901</b>  |

The following table sets out information about the credit quality of financing to customers at amortized cost on a product basis.

#### Credit cards

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>December 31, 2024</b>                        |                                      |  |   |                  |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                  |
| Low – fair risk                                 | 776,060                              | –  | –   | <b>776,060</b>   |
| Watch list                                      | –                                    | 11,152   | –   | <b>11,152</b>    |
| Default   | –                                    | –  | 50,724  | <b>50,724</b>    |
|   | 776,060                              | 11,152   | 50,724  | <b>837,936</b>   |
| Allowance for ECL                               | (23,270)                             | (731)  | (47,895)  | <b>(71,896)</b>  |
| <b>Carrying amount</b>                          | <b>752,790</b>                       | <b>10,421</b>  | <b>2,829</b>  | <b>766,040</b>   |
| <b>December 31, 2023</b>                        |                                      |  |   |                  |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                  |
| Low – fair risk                                 | 757,897                              | –  | –   | <b>757,897</b>   |
| Watch list                                      | –                                    | 12,818   | –   | <b>12,818</b>    |
| Default   | –                                    | –  | 53,873  | <b>53,873</b>    |
|   | 757,897                              | 12,818   | 53,873  | <b>824,588</b>   |
| Allowance for ECL                               | (22,036)                             | (829)  | (50,564)  | <b>(73,429)</b>  |
| <b>Carrying amount</b>                          | <b>735,861</b>                       | <b>11,989</b>  | <b>3,309</b>  | <b>751,159</b>   |

#### Consumer financing

|   |                   |                |                |                   |
|---|-------------------|----------------|----------------|-------------------|
| <b>December 31, 2024</b>                        |                   |                |                |                   |
| <b>Financing to customers at amortized cost</b> |                   |                |                |                   |
| Low – fair risk                                 | 33,976,578        | –              | –              | <b>33,976,578</b> |
| Watch list                                      | –                 | 234,625        | –              | <b>234,625</b>    |
| Default   | –                 | –              | 231,581        | <b>231,581</b>    |
|   | 33,976,578        | 234,625        | 231,581        | <b>34,442,784</b> |
| Allowance for ECL                               | (116,191)         | (1,972)        | (121,268)      | <b>(239,431)</b>  |
| <b>Carrying amount</b>                          | <b>33,860,387</b> | <b>232,653</b> | <b>110,313</b> | <b>34,203,353</b> |
| <b>December 31, 2023</b>                        |                   |                |                |                   |
| <b>Financing to customers at amortized cost</b> |                   |                |                |                   |
| Low – fair risk                                 | 28,964,953        | –              | –              | <b>28,964,953</b> |
| Watch list                                      | –                 | 207,357        | –              | <b>207,357</b>    |
| Default   | –                 | –              | 303,447        | <b>303,447</b>    |
|   | 28,964,953        | 207,357        | 303,447        | <b>29,475,757</b> |
| Allowance for ECL                               | (62,585)          | (1,624)        | (149,874)      | <b>(214,083)</b>  |
| <b>Carrying amount</b>                          | <b>28,902,368</b> | <b>205,733</b> | <b>153,573</b> | <b>29,261,674</b> |

## Commercial financing

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000   |
|---|--------------------------------------|--|---|--------------------|
| <b>December 31, 2024</b>                        |                                      |  |   |                    |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                    |
| Low – fair risk                                 | 58,399,170                           | –  | –   | <b>58,399,170</b>  |
| Watch list                                      | –                                    | 2,323,170  | 2,229,817   | <b>4,552,987</b>   |
| Default   | –                                    | –  | 910,885   | <b>910,885</b>     |
|   | 58,399,170                           | 2,323,170  | 3,140,702   | <b>63,863,042</b>  |
| Allowance for ECL                               | (177,349)                            | (279,274)  | (1,756,482)   | <b>(2,213,105)</b> |
| <b>Carrying amount</b>                          | <b>58,221,821</b>                    | <b>2,043,896</b>   | <b>1,384,220</b>  | <b>61,649,937</b>  |
| <b>December 31, 2023</b>                        |                                      |  |   |                    |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                    |
| Low – fair risk                                 | 46,322,028                           | –  | –   | <b>46,322,028</b>  |
| Watch list                                      | –                                    | 3,109,871  | 2,367,566   | <b>5,477,437</b>   |
| Default   | –                                    | –  | 1,171,180   | <b>1,171,180</b>   |
|   | 46,322,028                           | 3,109,871  | 3,538,746   | <b>52,970,645</b>  |
| Allowance for ECL                               | (170,933)                            | (248,423)  | (2,081,701)   | <b>(2,501,057)</b> |
| <b>Carrying amount</b>                          | <b>46,151,095</b>                    | <b>2,861,448</b>   | <b>1,457,045</b>  | <b>50,469,588</b>  |

## Others

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000 |
|---|--------------------------------------|--|---|------------------|
| <b>December 31, 2024</b>                        |                                      |  |   |                  |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                  |
| Low – fair risk                                 | 285,977                              | –  | –   | <b>285,977</b>   |
| Watch list                                      | –                                    | 2,877  | –   | <b>2,877</b>     |
| Default   | –                                    | –  | 8,887   | <b>8,887</b>     |
|   | 285,977                              | 2,877  | 8,887   | <b>297,741</b>   |
| Allowance for ECL                               | (572)                                | (35)   | (3,968)   | <b>(4,575)</b>   |
| <b>Carrying amount</b>                          | <b>285,405</b>                       | <b>2,842</b>   | <b>4,919</b>  | <b>293,166</b>   |
| <b>December 31, 2023</b>                        |                                      |  |   |                  |
| <b>Financing to customers at amortized cost</b> |                                      |  |   |                  |
| Low – fair risk                                 | 292,449                              | –  | –   | <b>292,449</b>   |
| Watch list                                      | –                                    | 2,609  | –   | <b>2,609</b>     |
| Default   | –                                    | –  | 7,385   | <b>7,385</b>     |
|   | 292,449                              | 2,609  | 7,385   | <b>302,443</b>   |
| Allowance for ECL                               | (524)                                | (31)   | (3,408)   | <b>(3,963)</b>   |
| <b>Carrying amount</b>                          | <b>291,925</b>                       | <b>2,578</b>   | <b>3,977</b>  | <b>298,480</b>   |

The following table sets out information about the credit quality of debt investments.

|   | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000  |
|---|--------------------------------------|--|---|-------------------|
| <b>December 31, 2024</b>                            |                                      |  |   |                   |
| <b>Debt investment securities at amortized cost</b> |                                      |  |   |                   |
| Low – fair risk                                     | 21,093,972                           | –  | –   | <b>21,093,972</b> |
| Allowance for ECL                                   | (10,105)                             | –  | –   | <b>(10,105)</b>   |
| <b>Carrying amount</b>                              | <b>21,083,867</b>                    | <b>–</b>   | <b>–</b>  | <b>21,083,867</b> |
| <b>Debt investment securities at FVOCI</b>          |                                      |  |   |                   |
| Low – fair risk                                     | 9,786,433                            | –  | –   | <b>9,786,433</b>  |
| Allowance for ECL                                   | (1,847)                              | –  | –   | <b>(1,847)</b>    |
| <b>Carrying amount</b>                              | <b>9,784,586</b>                     | <b>–</b>   | <b>–</b>  | <b>9,784,586</b>  |
| <b>December 31, 2023</b>                            |                                      |  |   |                   |
| <b>Debt investment securities at amortized cost</b> |                                      |  |   |                   |
| Low – fair risk                                     | 20,529,749                           | –  | –   | <b>20,529,749</b> |
| Allowance for ECL                                   | (10,070)                             | –  | –   | <b>(10,070)</b>   |
| <b>Carrying amount</b>                              | <b>20,519,679</b>                    | <b>–</b>   | <b>–</b>  | <b>20,519,679</b> |
| <b>Debt investment securities at FVOCI</b>          |                                      |  |   |                   |
| Low – fair risk                                     | 9,795,972                            | –  | –   | <b>9,795,972</b>  |
| Allowance for ECL                                   | (1,624)                              | –  | –   | <b>(1,624)</b>    |
| <b>Carrying amount</b>                              | <b>9,794,348</b>                     | <b>–</b>   | <b>–</b>  | <b>9,794,348</b>  |

The following table sets out information about the credit quality of Commitments and contingencies.

|  | 12 month ECL<br>(Stage 1)<br>SAR'000 | Life time ECL not<br>credit impaired<br>(Stage 2)<br>SAR'000 | Lifetime ECL<br>credit impaired<br>(Stage 3)<br>SAR'000 | Total<br>SAR'000  |
|--|--------------------------------------|--|---|-------------------|
| <b>December 31, 2024</b>                               |                                      |  |   |                   |
| <b>Commitments and contingencies</b>                   |                                      |  |   |                   |
| Low – fair risk  | 17,283,933                           | –  | –   | <b>17,283,933</b> |
| Watch list   | –                                    | 486,381  | 28,643  | <b>515,024</b>    |
| Default  | –                                    | –  | 505,302   | <b>505,302</b>    |
| Total  | 17,283,933                           | 486,381  | 533,945   | <b>18,304,259</b> |
| Allowance for ECL                                      | (52,487)                             | (2,059)  | (296,706)   | <b>(351,252)</b>  |
| <b>Carrying amount</b>                                 | <b>17,231,446</b>                    | <b>484,322</b>   | <b>237,239</b>  | <b>17,953,007</b> |
| <b>December 31, 2023</b>                               |                                      |  |   |                   |
| <b>Due from banks and other financial institutions</b> |                                      |  |   |                   |
| Investment grade                                       | 13,187,483                           | –  | –   | <b>13,187,483</b> |
| Non-investment grade                                   | –                                    | 48,116   | 419,042   | <b>467,158</b>    |
| Unrated  | –                                    | –  | 100,640   | <b>100,640</b>    |
| Total  | 13,187,483                           | 48,116   | 519,682   | <b>13,755,281</b> |
| Allowance for ECL                                      | (44,753)                             | (301)  | (284,757)   | <b>(329,811)</b>  |
| <b>Carrying amount</b>                                 | <b>13,142,730</b>                    | <b>47,815</b>  | <b>234,925</b>  | <b>13,425,470</b> |

### 32.3. Amounts arising from ECL – Significant increase in credit risk (“SICR”)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group classifies its financing into Stage 1, Stage 2, Stage 3 and POCI, as described below:

**Stage 1 (12 month ECL)** : When a financing is first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 financing also include facilities where the credit risk has improved and the financing has been reclassified from Stage 2.

**Stage 2 (Life time ECL not credit impaired)** : When a financing has shown a significant increase in credit risk (“SICR”) since origination, the Group records an allowance for the Lifetime ECL. Stage 2 financing also include facilities, where the credit risk has improved and the financing has been reclassified from Stage 3.

**Stage 3 (Lifetime ECL credit impaired)** : Financing considered credit-impaired. The Group records an allowance for the Lifetime ECL.

**POCI: Purchased or originated credit impaired (POCI) assets** are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit is subsequently recognised based on a credit-adjusted effective yield rate. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

#### a. Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Significant increase in credit risk is also evaluated based on the credit monitoring framework, including decrease in internal rating and macroeconomic factors and is subject to management overrides.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

Due dates are determined without considering any grace period that might be available to the borrower.

The Group monitors the effectiveness of the criteria used to identify SICR by regular reviews to confirm that:

- the criteria are capable of identifying SICR before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in ECL from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

#### Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each corporate exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of exposures involves use of the following data.

#### Corporate exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality management, and senior management changes.
- Data from credit reference agencies, press articles, changes in external credit ratings
- Quoted bond and credit default swap (CDS) prices for the borrower where available

- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

#### Retail exposures

- Internally collected data and customer behaviour – e.g. utilization of credit card facilities
- Affordability metrics
- External data from credit reference agencies including industry-standard credit scores

#### All exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilization of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

#### b. Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP growth, oil prices, real wages and unemployment rates. For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the credit risk managers and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

#### c. Definition of 'Default'

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default. The Group considers indicators that are:

- qualitative- e.g. breaches of covenant;
- quantitative- e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

#### d. Modified financial assets

The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized and the renegotiated financing recognized as a new financing at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in de-recognition, the

determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms;
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Group renegotiates financings to customers in financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Bank's forbearance policy, financing forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of profit payments and amending the terms of financing covenants. Both consumer and commercial financing are subject to the forbearance/remedial policy. The Bank Board Risk Committee regularly reviews reports on forbearance activities.

The following tables refer to modified financial assets where modification does not result in derecognition.

|  | 2024<br>SAR'000 | 2023<br>SAR'000 |
|--|-----------------|-----------------|
| <b>Financial assets (with loss allowance based on lifetime ECL) modified during the year</b>                               |                 |                 |
| Gross carrying amount before modification  | 97,098          | 344,870         |
| Loss allowance before modification   | (6,085)         | (24,828)        |
| Net amortised cost before modification   | 91,013          | 320,042         |
| Net modification gain  | -               | -               |
| <b>Net amortised cost after modification</b>   | <b>91,013</b>   | <b>320,042</b>  |
| <b>Financial assets modified since initial recognition at a time when loss allowance was based on lifetime ECL</b>         |                 |                 |
| Gross carrying amount of financial assets for which loss allowance has changed in the period from lifetime to 12-month ECL | 69,661          | 19,487          |

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect profit and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a SICR and an expectation of forbearance may constitute evidence that an exposure is credit-impaired/in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/ in default or the PD is considered to have decreased such that the ECL reverts to being measured at an amount equal to 12-month ECL.

#### e. Incorporation of forward looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Bank Market Risk Policy Committee, Asset and Liability Committee ("ALCO") and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Saudi Arabia and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at December 31, 2023 included the following key indicators.

- GDP
- Oil prices
- Unemployment rates
- Real wages / inflation rate

Predicted relationships between the key indicators and default / loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 10 to 15 years. The Group has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

| Economic Indicators | Forecast calendar years used in 2024 ECL model |          |          | Forecast calendar years used in 2023 ECL model |          |          |
|---------------------|--|----------|----------|--|----------|----------|
|                     | 2025   | 2026     | 2027     | 2024   | 2025     | 2026     |
| GDP                 | 3,636.36                                       | 3,730.11 | 2,588.65 | 2,913.47                                       | 3,115.55 | 3,214.70 |
| Brent oil prices    | 68.83  | 66.85    | 68.57    | 81.54  | 80.01    | 73.83    |

The table below shows the sensitivity of change in economic indicators to the ECL computed under three different scenarios used by Bank:

|                             | Due from Banks and investments<br>SAR'000 | Financing<br>SAR'000 | Credit related commitment and financial guarantees<br>SAR'000 | Total<br>SAR'000 |
|-----------------------------|---|----------------------|---|------------------|
| <b>2024</b>                 |   |                      |   |                  |
| Most likely                 | 20,189                                    | 2,529,007            | 351,252   | 2,900,448        |
| More optimistic (Baseline)  | 20,238                                    | 2,531,769            | 353,607   | 2,905,614        |
| More optimistic (Upside)    | 20,205                                    | 2,459,636            | 344,460   | 2,824,301        |
| More pessimistic (Downside) | 20,298                                    | 2,608,264            | 362,593   | 2,991,155        |
| <b>2023</b>                 |   |                      |   |                  |
| Most likely                 | 19,320                                    | 2,792,532            | 329,811   | 3,141,663        |
| More optimistic (Baseline)  | 19,343                                    | 3,015,960            | 332,897   | 3,368,200        |
| More optimistic (Upside)    | 19,203                                    | 2,791,184            | 326,848   | 3,137,235        |
| More pessimistic (Downside) | 19,363                                    | 3,076,876            | 345,592   | 3,441,831        |

The weightage for Baseline, Upside and Downside scenario is 40%, 30% and 30% respectively.

**f. Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

- i. probability of default (PD);
- ii. loss given default (LGD);
- iii. exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated, based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD for each line of business based on expert judgment and historical experience. The Group has made an assessment of the data driven approaches for LGD. However, on account of data limitations and associated challenges, the Group uses regulatory LGD benchmarks, based on Basel guidelines and LGD estimates determined in line with National Credit Data Pooling Consortium report.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed

The table below illustrates the sensitivity of ECL to key factors used in determining it as at the year-end:

| Assumptions sensitized                | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---------------------------------------|-----------------|-----------------|
| <b>Statement of income impact</b>     |                 |                 |
| Macro-economic factors:               |                 |                 |
| Decrease in \$10 oil price per barrel | 56,807          | 64,475          |
| Decrease in \$20 oil price per barrel | 68,758          | 79,349          |
| Decrease in GDP by 5%                 | 53,096          | 60,136          |
| Increase in inflation by 10%          | N/A             | N/A             |

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped based on shared risk characteristics that include:

under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a credit related commitment or guarantee.

However, for retail overdrafts and credit card facilities that include both a financing and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits. Cancellation of the facility and/or turning the outstanding balance into a financing with fixed repayment terms.

- instrument type
- credit risk grading
- collateral type
- LTV (financing to value) ratio for retail mortgages
- date of initial recognition
- remaining term to maturity
- industry
- geographic location of the borrower.

The Grouping is subject to regular review to ensure that exposures within a particular Group remain appropriately homogeneous.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows:

| Economic Indicators                             | Exposure<br>SAR'000 | Forecast calendar years used in 2023 ECL model  |     |
|---|---------------------|---|-----|
|   |                     | PD  | LGD |
| Due from Banks and other financial institutions | 6,705,354           | Moody's / FITCH / S&P – lower of the two ratings for each bank is considered for assignment of Risk Weights under Standardised Approach | N/A |

**32.4. Aging of financing (past due but not impaired)**

|                          | Credit Cards<br>SAR'000 | Consumer financing<br>SAR'000 | Commercial financing<br>SAR'000 | Total<br>SAR'000 |
|--------------------------|-------------------------|-------------------------------|---------------------------------|------------------|
| <b>2024</b>              |                         |                               |                                 |                  |
| From 1 day to 30 days    | 19,814                  | 849,098                       | 542,521                         | 1,411,433        |
| From 31 Days to 90 days  | 8,527                   | 307,900                       | 141,348                         | 457,775          |
| From 91 Days to 180 days | –                       | 5,354                         | 20,169                          | 25,523           |
| More than 180 days       | –                       | 8,627                         | 859,205                         | 867,832          |
| <b>Total financing</b>   | <b>28,341</b>           | <b>1,170,979</b>              | <b>1,563,243</b>                | <b>2,762,563</b> |
| <b>2023</b>              |                         |                               |                                 |                  |
| From 1 day to 30 days    | 15,783                  | 836,047                       | 22,657                          | 874,487          |
| From 31 Days to 90 days  | 9,620                   | 176,106                       | 10,432                          | 196,158          |
| From 91 Days to 180 days | –                       | –                             | 121,023                         | 121,023          |
| More than 180 days       | –                       | 3,823                         | 1,073,808                       | 1,077,631        |
| <b>Total financing</b>   | <b>25,403</b>           | <b>1,015,976</b>              | <b>1,227,920</b>                | <b>2,269,299</b> |

**32.5. Economic Sector risk concentration**

Economic Sector risk concentration for the financing and allowance for impairment has been disclosed in note 7(g).

### 32.6. Collateral

The Group in the ordinary course of financing activities holds collaterals as security to mitigate credit risk in the financing. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial and consumer financings and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

The amount of collateral held as security for financing along with financing to collateral value percentage that are credit-impaired are as follows:

|               | 2024<br>SAR'000 | 2023<br>SAR'000  |
|---------------|-----------------|------------------|
| Less than 50% | 28,965          | 104,339          |
| 51-70%        | 36,393          | 42,927           |
| More than 70% | 764,554         | 1,132,791        |
| <b>Total</b>  | <b>829,912</b>  | <b>1,280,057</b> |

### 32.7. Maximum credit exposure

Maximum exposure to credit risk without taking into account any collateral and other credit enhancements is as follows:

|   | 2024<br>SAR'000    | 2023<br>SAR'000    |
|---|--------------------|--------------------|
| <b>Assets</b>   |                    |                    |
| Due from banks and other financial institutions (note 5)              | 6,697,117          | 5,691,774          |
| Investments at FVOCI (note 6)   | 9,784,586          | 9,794,348          |
| Investments at amortised cost (note 6)                                | 21,083,867         | 20,519,679         |
| Financing, net (note 7)   | 96,912,496         | 80,780,901         |
| Other assets – margin deposits against financial instruments (note 8) | 2,028              | –                  |
| <b>Total assets</b>   | <b>134,480,094</b> | <b>116,786,702</b> |
| Contingencies and commitments, net (note 20)                          | 17,953,007         | 13,425,470         |
| Derivatives – positive fair value (note 11)                           | 151,737            | 222,508            |
| <b>Total maximum exposure</b>   | <b>152,584,838</b> | <b>130,434,680</b> |

### 33. Geographical concentration

a. The distribution by geographical region for major categories of financial assets, financial liabilities, commitments and contingencies, and credit exposure are as follows:

#### 2024

##### Financial assets 2024

|  | Kingdom of<br>Saudi Arabia<br>SAR'000 | GCC and<br>Middle East<br>SAR'000 | Europe<br>SAR'000 | North<br>America<br>SAR'000 | South<br>East Asia<br>SAR'000 | Other<br>countries<br>SAR'000 | Total<br>SAR'000   |
|--|---------------------------------------|-----------------------------------|-------------------|-----------------------------|-------------------------------|-------------------------------|--------------------|
| <b>Cash and balances with SAMA</b>                     |                                       |                                   |                   |                             |                               |                               |                    |
| Cash in hand   | 688,914                               | –                                 | –                 | –                           | –                             | –                             | 688,914            |
| Balances with SAMA                                     | 5,429,455                             | –                                 | –                 | –                           | –                             | –                             | 5,429,455          |
| <b>Due from Banks and other financial institutions</b> |                                       |                                   |                   |                             |                               |                               |                    |
| Current accounts                                       | 9                                     | 45,620                            | 167,654           | 164,623                     | 12,839                        | 13,773                        | 404,518            |
| Money market placements                                | 6,292,599                             | –                                 | –                 | –                           | –                             | –                             | –                  |
| Reverse repos  | –                                     | –                                 | –                 | –                           | –                             | –                             | –                  |
| <b>Investments</b>                                     |                                       |                                   |                   |                             |                               |                               |                    |
| Held as FVIS   | 607,238                               | 18,839                            | 1,875             | 1,166,666                   | –                             | –                             | 1,794,618          |
| Held as FVOCI  | 13,107,636                            | 206,360                           | 1,242             | –                           | –                             | –                             | 13,315,238         |
| Held at amortised cost                                 | 20,701,532                            | –                                 | 382,335           | –                           | –                             | –                             | 21,083,867         |
| <b>Positive fair value of derivatives</b>              |                                       |                                   |                   |                             |                               |                               |                    |
| Held for trading                                       | 53,064                                | 15,642                            | 26,345            | –                           | –                             | –                             | 95,051             |
| Held as cash flow hedges                               | 8,571                                 | 32,294                            | 15,821            | –                           | –                             | –                             | 56,686             |
| <b>Financing, net</b>                                  |                                       |                                   |                   |                             |                               |                               |                    |
| Credit Cards   | 766,040                               | –                                 | –                 | –                           | –                             | –                             | 766,040            |
| Consumer Financing                                     | 34,203,353                            | –                                 | –                 | –                           | –                             | –                             | 34,203,353         |
| Commercial Financing                                   | 60,420,703                            | 1,155,981                         | 73,253            | –                           | –                             | –                             | 61,649,937         |
| Others   | 293,166                               | –                                 | –                 | –                           | –                             | –                             | 293,166            |
| <b>Other assets</b>                                    |                                       |                                   |                   |                             |                               |                               |                    |
| Other assets   | 1,009,258                             | –                                 | 2,028             | –                           | –                             | –                             | 1,011,286          |
| Investment in an associate                             | 323,716                               | –                                 | –                 | –                           | –                             | –                             | 323,716            |
| <b>Total</b>   |                                       |                                   |                   |                             |                               |                               |                    |
| <b>Total</b>   | <b>143,905,254</b>                    | <b>1,474,736</b>                  | <b>670,553</b>    | <b>1,331,289</b>            | <b>12,839</b>                 | <b>13,773</b>                 | <b>147,408,444</b> |

## Financial liabilities 2024

|  | Kingdom of Saudi Arabia SAR'000 | GCC and Middle East SAR'000 | Europe SAR'000   | North America SAR'000 | South East Asia SAR'000 | Other countries SAR'000 | Total SAR'000      |
|--|---------------------------------|-----------------------------|------------------|-----------------------|-------------------------|-------------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                                 |                             |                  |                       |                         |                         |                    |
| Current accounts   | 182,955                         | 72,840                      | 15,397           | 214                   | 13                      | 24,684                  | <b>296,103</b>     |
| Money market deposits  | 6,981,592                       | 649,958                     | –                | –                     | 444,687                 | 364,286                 | <b>8,440,523</b>   |
| Repurchase agreement borrowing   | 9,415,137                       | –                           | 1,157,570        | –                     | –                       | –                       | <b>10,572,707</b>  |
| <b>Customer deposits</b>   |                                 |                             |                  |                       |                         |                         |                    |
| Demand   | 34,560,929                      | 3,560                       | 77               | –                     | –                       | 77                      | <b>34,564,643</b>  |
| Saving & call  | 11,114,104                      | –                           | –                | –                     | –                       | –                       | <b>11,114,104</b>  |
| Customers' time investments  | 60,193,863                      | –                           | –                | –                     | –                       | –                       | <b>60,193,863</b>  |
| Other  | 2,287,367                       | 10,309                      | 3,906            | –                     | –                       | 12,322                  | <b>2,313,904</b>   |
| <b>Negative fair value of derivatives</b>                                |                                 |                             |                  |                       |                         |                         |                    |
| Held for trading   | 40,160                          | 34,367                      | 15,898           | –                     | –                       | –                       | <b>90,425</b>      |
| Held as cash flow hedges   | 32,500                          | 23,250                      | 18,824           | –                     | –                       | –                       | <b>74,574</b>      |
| Subordinated Sukuk   | 2,005,918                       | –                           | –                | –                     | –                       | –                       | <b>2,005,918</b>   |
| Other liabilities  | 1,210,750                       | –                           | –                | –                     | –                       | –                       | <b>1,210,750</b>   |
| <b>Total</b>   | <b>128,025,275</b>              | <b>794,284</b>              | <b>1,211,672</b> | <b>214</b>            | <b>444,700</b>          | <b>401,369</b>          | <b>130,877,514</b> |
| <b>Commitments and contingencies</b>                                     |                                 |                             |                  |                       |                         |                         |                    |
| Letters of credit  | 2,149,331                       | 389,433                     | 4,448            | –                     | –                       | 336,906                 | <b>2,880,118</b>   |
| Letters of guarantee   | 7,076,916                       | 1,911,766                   | 1,534,219        | 26,240                | –                       | 1,674,412               | <b>12,223,553</b>  |
| Acceptances  | 950,028                         | 1,326                       | 5,128            | –                     | –                       | 151,777                 | <b>1,108,259</b>   |
| Irrevocable commitments to extend credit                                 | 1,950,510                       | –                           | 141,819          | –                     | –                       | –                       | <b>2,092,329</b>   |
| <b>Total</b>   | <b>12,126,785</b>               | <b>2,302,525</b>            | <b>1,685,614</b> | <b>26,240</b>         | <b>–</b>                | <b>2,163,095</b>        | <b>18,304,259</b>  |

## Credit exposure (credit equivalent) 2024

|  | Kingdom of Saudi Arabia SAR'000 | GCC and Middle East SAR'000 | Europe SAR'000   | North America SAR'000 | South East Asia SAR'000 | Other countries SAR'000 | Total SAR'000     |
|--|---------------------------------|-----------------------------|------------------|-----------------------|-------------------------|-------------------------|-------------------|
| <b>Commitments and contingencies</b>     |                                 |                             |                  |                       |                         |                         |                   |
| Letters of credit                        | 1,074,665                       | 194,717                     | 2,224            | –                     | –                       | 168,453                 | <b>1,440,059</b>  |
| Letters of guarantee                     | 7,076,916                       | 1,911,766                   | 1,534,219        | 26,240                | –                       | 1,674,412               | <b>12,223,553</b> |
| Acceptances                              | 950,028                         | 1,326                       | 5,128            | –                     | –                       | 151,777                 | <b>1,108,259</b>  |
| Irrevocable commitments to extend credit | 780,204                         | –                           | 56,728           | –                     | –                       | –                       | <b>836,932</b>    |
| <b>Derivatives</b>                       |                                 |                             |                  |                       |                         |                         |                   |
| Held for trading                         | 163,461                         | 177,593                     | 88,463           | –                     | –                       | –                       | <b>429,517</b>    |
| Held for hedging                         | 20,467                          | 166,815                     | 47,861           | –                     | –                       | –                       | <b>235,143</b>    |
| <b>Total</b>                             | <b>10,065,741</b>               | <b>2,452,217</b>            | <b>1,734,623</b> | <b>26,240</b>         | <b>–</b>                | <b>1,994,642</b>        | <b>16,273,463</b> |

2023

## Financial assets 2023

|  | Kingdom of Saudi Arabia SAR'000 | GCC and Middle East SAR'000 | Europe SAR'000 | North America SAR'000 | South East Asia SAR'000 | Other countries SAR'000 | Total SAR'000      |
|--|---------------------------------|-----------------------------|----------------|-----------------------|-------------------------|-------------------------|--------------------|
| <b>Cash and balances with SAMA</b>                     |                                 |                             |                |                       |                         |                         |                    |
| Cash in hand   | 747,623                         | –                           | –              | –                     | –                       | –                       | 747,623            |
| Balances with SAMA                                     | 5,093,070                       | –                           | –              | –                     | –                       | –                       | 5,093,070          |
| <b>Due from Banks and other financial institutions</b> |                                 |                             |                |                       |                         |                         |                    |
| Current accounts                                       | 24                              | 54,724                      | 134,905        | 281,599               | 12,290                  | 20,342                  | 503,884            |
| Money market placements                                | 4,229,905                       | –                           | –              | –                     | –                       | –                       | 4,229,905          |
| Reverse repos  | 957,985                         | –                           | –              | –                     | –                       | –                       | 957,985            |
| <b>Investments</b>                                     |                                 |                             |                |                       |                         |                         |                    |
| Held as FVIS   | 157,781                         | 20,487                      | –              | 1,305,860             | –                       | –                       | 1,484,128          |
| Held as FVOCI  | 12,240,283                      | 197,267                     | 933            | –                     | –                       | –                       | 12,438,483         |
| Held at amortised cost                                 | 20,137,321                      | –                           | 382,358        | –                     | –                       | –                       | 20,519,679         |
| <b>Positive fair value of derivatives</b>              |                                 |                             |                |                       |                         |                         |                    |
| Held for trading                                       | 62,214                          | 11,119                      | 44,382         | –                     | –                       | –                       | 117,715            |
| Held as cash flow hedges                               | 42,742                          | 36,797                      | 25,254         | –                     | –                       | –                       | 104,793            |
| <b>Financing, net</b>                                  |                                 |                             |                |                       |                         |                         |                    |
| Credit Cards   | 751,159                         | –                           | –              | –                     | –                       | –                       | 751,159            |
| Consumer Financing                                     | 29,261,674                      | –                           | –              | –                     | –                       | –                       | 29,261,674         |
| Commercial Financing                                   | 50,467,106                      | –                           | –              | –                     | –                       | –                       | 50,467,106         |
| Others   | 298,480                         | –                           | –              | –                     | –                       | –                       | 298,480            |
| <b>Other assets</b>                                    |                                 |                             |                |                       |                         |                         |                    |
| Other assets   | 635,943                         | –                           | –              | –                     | –                       | –                       | 635,943            |
| Investment in an associate                             | 243,011                         | –                           | –              | –                     | –                       | –                       | 243,011            |
| <b>Total</b>   |                                 |                             |                |                       |                         |                         |                    |
| <b>Total</b>   | <b>125,326,321</b>              | <b>322,876</b>              | <b>587,832</b> | <b>1,587,459</b>      | <b>12,290</b>           | <b>20,342</b>           | <b>127,857,120</b> |

## Financial liabilities 2023

|  | Kingdom of Saudi Arabia SAR'000 | GCC and Middle East SAR'000 | Europe SAR'000 | North America SAR'000 | South East Asia SAR'000 | Other countries SAR'000 | Total SAR'000      |
|--|---------------------------------|-----------------------------|----------------|-----------------------|-------------------------|-------------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                                 |                             |                |                       |                         |                         |                    |
| Current accounts   | 85,709                          | 80,151                      | 18,867         | 224                   | –                       | 25,493                  | 210,444            |
| Money market deposits  | 4,308,082                       | –                           | –              | –                     | –                       | –                       | 4,308,082          |
| Repurchase agreement borrowing   | 10,174,829                      | –                           | 292,378        | –                     | –                       | –                       | 10,467,207         |
| <b>Customer deposits</b>   |                                 |                             |                |                       |                         |                         |                    |
| Demand   | 33,409,003                      | 1,981                       | 42             | –                     | –                       | 62                      | 33,411,088         |
| Saving & call  | 2,045,058                       | –                           | –              | –                     | –                       | –                       | 2,045,058          |
| Customers' time investments  | 56,491,816                      | –                           | –              | –                     | –                       | –                       | 56,491,816         |
| Other  | 2,046,964                       | 3,384                       | 51,257         | –                     | –                       | 4,834                   | 2,106,439          |
| <b>Negative fair value of derivatives</b>                                |                                 |                             |                |                       |                         |                         |                    |
| Held for trading   | 57,740                          | 33,664                      | 34,446         | –                     | –                       | –                       | 125,850            |
| Held as cash flow hedges   | 5,802                           | 7,879                       | 7,530          | –                     | –                       | –                       | 21,211             |
| Subordinated Sukuk   | 2,004,346                       | –                           | –              | –                     | –                       | –                       | 2,004,346          |
| Other liabilities  | 1,130,012                       | –                           | –              | –                     | –                       | –                       | 1,130,012          |
| <b>Total</b>   | <b>111,759,361</b>              | <b>127,059</b>              | <b>404,520</b> | <b>224</b>            | <b>–</b>                | <b>30,389</b>           | <b>112,321,553</b> |
| <b>Commitments and contingencies</b>                                     |                                 |                             |                |                       |                         |                         |                    |
| Letters of credit  | 2,291,678                       | 290,449                     | 70,637         | –                     | –                       | 355,384                 | 3,008,148          |
| Letters of guarantee   | 6,243,056                       | 1,152,968                   | 485,068        | 52,256                | 1,125                   | 770,718                 | 8,705,191          |
| Acceptances  | 863,164                         | 21,570                      | 1,362          | –                     | –                       | 17,357                  | 903,453            |
| Irrevocable commitments to extend credit                                 | 841,436                         | 297,053                     | –              | –                     | –                       | –                       | 1,138,489          |
| <b>Total</b>   | <b>10,239,334</b>               | <b>1,762,040</b>            | <b>557,067</b> | <b>52,256</b>         | <b>1,125</b>            | <b>1,143,459</b>        | <b>13,755,281</b>  |

## Credit exposure (credit equivalent) 2023

|  | Kingdom of Saudi Arabia SAR'000 | GCC and Middle East SAR'000 | Europe SAR'000 | North America SAR'000 | South East Asia SAR'000 | Other countries SAR'000 | Total SAR'000     |
|--|---------------------------------|-----------------------------|----------------|-----------------------|-------------------------|-------------------------|-------------------|
| <b>Commitments and contingencies</b>     |                                 |                             |                |                       |                         |                         |                   |
| Letters of credit                        | 1,145,838                       | 145,225                     | 35,319         | –                     | –                       | 177,692                 | <b>1,504,074</b>  |
| Letters of guarantee                     | 6,243,056                       | 1,152,968                   | 485,068        | 52,256                | 1,125                   | 770,718                 | <b>8,705,191</b>  |
| Acceptances                              | 863,164                         | 21,570                      | 1,362          | –                     | –                       | 17,357                  | <b>903,453</b>    |
| Irrevocable commitments to extend credit | 336,574                         | 118,821                     | –              | –                     | –                       | –                       | <b>455,395</b>    |
| <b>Derivatives</b>                       |                                 |                             |                |                       |                         |                         |                   |
| Held for trading                         | 220,633                         | 65,963                      | 107,180        | –                     | –                       | –                       | <b>393,776</b>    |
| Held for hedging                         | 66,389                          | 82,249                      | 54,648         | –                     | –                       | –                       | <b>203,286</b>    |
| <b>Total</b>                             | <b>8,875,654</b>                | <b>1,586,796</b>            | <b>683,577</b> | <b>52,256</b>         | <b>1,125</b>            | <b>965,767</b>          | <b>12,165,175</b> |

Certain international mutual funds domicile in the Kingdom of Saudi Arabia that have been classified under international category in note 6(b) to these consolidated financial statements have been classified in the Kingdom of Saudi Arabia region for the purpose of this note.

Credit equivalent of commitments and contingencies is calculated according to SAMA's prescribed methodology.

b. The distributions by geographical concentration of non-performing financing and allowance for impairment are as follows:

|                                | Non-performing financing, net |                  | Allowance for impairment |                  |
|--------------------------------|-------------------------------|------------------|--------------------------|------------------|
|                                | 2024                          | 2023             | 2024                     | 2023             |
| <b>Kingdom of Saudi Arabia</b> |                               |                  |                          |                  |
| Credit cards                   | 50,724                        | 53,873           | 71,896                   | 73,429           |
| Consumer financing             | 231,581                       | 303,447          | 239,431                  | 214,083          |
| Commercial financing           | 910,885                       | 1,171,180        | 2,211,435                | 2,501,056        |
| Others                         | 8,887                         | 7,385            | 4,575                    | 3,963            |
| <b>GCC and Middle East</b>     |                               |                  |                          |                  |
| GCC and Middle East            | 1,202,077                     | 1,535,885        | 2,527,337                | 2,792,531        |
| Commercial financing           | –                             | –                | 1,596                    | 1                |
| <b>Europe</b>                  |                               |                  |                          |                  |
| Commercial financing           | –                             | –                | 74                       | –                |
| <b>Total</b>                   |                               |                  |                          |                  |
| <b>Total</b>                   | <b>1,202,077</b>              | <b>1,535,885</b> | <b>2,529,007</b>         | <b>2,792,532</b> |

## 34. Market risk

Market risk is the risk that the Group's earnings or capital, or its ability to meet business targets, will be adversely affected by changes in the level or volatility in market prices, such as profit rates, credit spreads (not relating to changes in the obligor's / issuer's credit standing), equity prices and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the Treasury division and include equity investments and mutual funds that are managed on a fair value basis.

The Board of Directors (BoD) approves market risk appetite for trading and non-trading activities. The Market Risk Policy Committee is responsible for the Market Risk Framework and under the delegated authority of the Board sets a limits framework within the approved market risk appetite. A daily market risk report details the Group's market risk exposures against agreed limits. This daily report is reviewed by the Treasurer and Chief Risk Officer. The market risk for the trading book is managed and monitored using Value at Risk (VaR) methodology and sensitivity analysis. The market risk for the non-trading book is managed and monitored using sensitivity analysis.

## Market risk – trading book

Market risk on trading mainly arises from the foreign currency exposures and changes in equity prices and the net asset values of mutual funds.

The Board has set limits for the acceptable level of risks in managing the trading book. In order to manage the market risk in trading book, the Group periodically applies a VaR methodology to assess the market risk positions held and also to estimate the potential economic loss based on a set of assumptions and changes in market conditions.

A VaR methodology estimates the potential negative change in market value of a portfolio at a given confidence level and over a specified time horizon. The Group uses historical methodology models to assess the possible changes in the market value of the trading book based on historical data. The VaR that the Group measures is an estimate, using a confidence level of 99% of the potential loss that is not expected to be exceeded if the current market positions were to be held unchanged for one day. The use of 99% confidence level depicts that within a one-day horizon, losses exceeding VAR figure should occur, on average, not more than once every hundred days.

The VaR represents the risk of portfolios at the close of a business day, and it does not account for any losses that may occur beyond the defined confidence interval. The actual trading results however, may differ from the VaR calculations and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions.

To overcome the VaR limitations mentioned above, the Group also carries out stress tests of its portfolio to simulate conditions outside normal confidence intervals. The potential losses occurring under stress test conditions are reported regularly to the Bank's Board Risk Committee for their review.

The Group's VaR related information is as under.

| Foreign exchange rate     | 2024 SAR'000 | 2023 SAR'000 |
|---------------------------|--------------|--------------|
| VaR as at end of the year | 33           | 441          |
| Minimum VaR               | 88           | 91           |
| Maximum VaR               | 2,340        | 2,601        |
| Average VaR for the year  | 330          | 993          |

**34a. Foreign exchange risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Board has set limits on positions by currency. Positions are monitored daily to ensure positions are maintained within established limits.

At the end of the year, the Group has the following significant exposure in its trading book, denominated in foreign currencies as at December 31:

| Foreign exchange rate | 2024<br>SAR'000 | 2023<br>SAR'000 |
|-----------------------|-----------------|-----------------|
| US Dollar             | 1,297,013       | 1,281,461       |
| Australian dollars    | –               | 110,222         |
| Pound Sterling        | 57,536          | 64,339          |
| Hong Kong Dollar      | –               | 2,275           |
| Taiwan Dollar         | 588             | 3,286           |
| UAE Dirhams           | 19,263          | –               |
| Indonesian Rupiah     | 2,376           | –               |
| South Korean Won      | 8,612           | –               |

The table below indicates the extent to which the Group was exposed to currency risk at December 31, on its foreign currency positions. The analysis is performed for a reasonable possible movement of the currency rate against the Saudi Arabian Riyal with all other variables held constant, including the effect of hedging

instrument, on the consolidated statement of income. A negative amount in the table reflects a potential net reduction in consolidated statement of income, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

| Currency           | 2024  |                                 | 2023  |                                 |
|--------------------|---|---------------------------------|---|---------------------------------|
|                    | Increase/ decrease in<br>currency rate<br>% | Effect on net income<br>SAR'000 | Increase/ decrease in<br>currency rate<br>% | Effect on net income<br>SAR'000 |
| US Dollar          | ±2.80                                       | 36,316                          | ±0.06                                       | ±769                            |
| Australian dollars | –   | –                               | ±5.77                                       | ±6,360                          |
| Pound Sterling     | ±2.72                                       | 1,565                           | ±5.12                                       | ±3,294                          |
| Taiwan Dollar      | ±3.23                                       | 19                              | ±14.96                                      | ±492                            |
| Hong Kong Dollar   | –   | –                               | ±3.95                                       | ±90                             |
| UAE Dirhams        | ±0.50                                       | 96                              | –   | –                               |
| Indonesian Rupiah  | ±16.50                                      | 392                             | –   | –                               |
| South Korean Won   | ±6.41                                       | 552                             | –   | –                               |

**34b. Equity price risk**

Equity price risk is the risk that the fair values of equities and mutual funds decrease as a result of changes in the levels of equity index and the value of individual stocks deriving the net asset value of the funds.

The financial instruments included in the FVIS portfolio are equity securities held by mutual funds owned by the Group. The Group manages the risk relating to the mutual funds by monitoring changes in net asset value of the mutual funds. The investments

in equity securities and mutual funds held by the Group are managed by the Group in conjunction with professional investment advisors, and the equity price risk is monitored by the Group on a portfolio basis for each mutual fund. The effect on the consolidated statement of income as a result of a change in the fair value of mutual funds held under FVIS at December 31 due to reasonably possible changes in the underlying respective fund's net asset value, with all other variables held constant, is as follows:

| Portfolio                            | 2024                                       |  | 2023                                       |  |
|--------------------------------------|--|--|--|--|
|                                      | Increase/ decrease in<br>equity price<br>% | Effect on consolidated<br>statement of income<br>SAR'000 | Increase/ decrease in<br>equity price<br>% | Effect on consolidated<br>statement of income<br>SAR'000 |
| Global Emerging Market Fund          | ±10.32%                                    | 255  | ±10.99%                                    | ±1,389   |
| AlJazira GCC Income Fund             | ±3.97%                                     | 84   | ±16.87%                                    | ±1,348   |
| AlJazira Sukuk Fund                  | ±3.43%                                     | 1,245  | ±5.53%                                     | ±1,956   |
| Diversified Conservative Fund        | ±0.58%                                     | 225  | ±14.21%                                    | ±5,147   |
| AlJazira Saudi Equities Fund         | ±0.58%                                     | 44   | –  | –  |
| AlJazira International Equities Fund | ±10.32%                                    | 1,327  | –  | –  |
| Others                               | ±5.00%                                     | 82,393   | ±5.00%                                     | ±68,571  |

*i.*

The effect on the consolidated statement of income as a result of a change in the fair value of equity instruments held at FVIS at December 31, 2024 due to reasonably possible changes in the following market index, with all other variables held constant, is as follows:

| Market index | 2024                                 |  | 2023                                 |  |
|--------------|--------------------------------------|--|--------------------------------------|--|
|              | Increase / decrease<br>in index<br>% | Effect on consolidated<br>statement of income<br>SAR'000 | Increase / decrease<br>in index<br>% | Effect on consolidated<br>statement of income<br>SAR'000 |
| Tadawul      | 0.58%                                | 100  | –                                    | –  |

*ii. Market risk – non trading or banking book*

Market risk on non-trading or banking positions mainly arises from the profit rate, foreign currency exposures and equity price changes.

**34c. Profit rate risk**

Profit rate risk arises from the possibility that changes in profit rates will affect future cash flows or the fair values of financial instruments. The Group's Market Risk Policy Committee (MRPC) has established limits on the profit rate gap. Positions are monitored on a daily basis and reported regularly to senior management and MRPC to ensure positions are maintained within the established limits. In case of stressed market conditions, the asset-liability gap may be reported to MRPC more frequently.

The following table depicts the sensitivity due to reasonably possible changes in profit rates, with other variables held constant,

on the Group's consolidated statement of income. The sensitivity of the income is the effect of the assumed changes in profit rates on the net financing and investment income for one year, based on the profit bearing non-trading financial assets and financial liabilities held as at December 31, 2024 including the effect of hedging instruments. All the non-trading book exposures are monitored and analysed in currency concentrations and relevant sensitivities are disclosed in local currency. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

| Currency | 2024                                  |  | 2023                                  |  |
|----------|---------------------------------------|--|---------------------------------------|--|
|          | Increase / decrease in basis points % | Sensitivity of income from investments and financing SAR'000 | Increase / decrease in basis points % | Sensitivity of income from investments and financing SAR'000 |
| SR       | ±25                                   | ±138,035   | ±25                                   | ±32,254  |
| USD      | ±25                                   | ±23,213  | ±25                                   | ±6,859   |
| INR      | ±25                                   | ±2   | ±25                                   | ±3   |
| PKR      | ±25                                   | ±1   | ±25                                   | –  |
| AED      | ±25                                   | ±119   | ±25                                   | ±221   |

| Currency    | Increase in basis points | Sensitivity income from investments & financing SAR'000 | 6 months or less SAR'000 | 1 year or less SAR'000 | 1-5 years or less SAR'000 | Over 5 years SAR'000 | Total SAR'000 |
|-------------|--------------------------|---|--------------------------|------------------------|---------------------------|----------------------|---------------|
|             |                          |   |                          |                        |                           |                      |               |
| <b>2024</b> |                          |   |                          |                        |                           |                      |               |
| SR          | ±25                      | ±138,035  | ±82,785                  | ±55,250                | ±238,358                  | ±180,846             | ±557,239      |
| USD         | ±25                      | ±23,213   | ±11,785                  | ±11,428                | ±31,765                   | ±259                 | ± 55,237      |
| INR         | ±25                      | ±2  | ±2                       | –                      | –                         | –                    | ±2            |
| PKR         | ±25                      | ±1  | ±1                       | –                      | –                         | –                    | ±1            |
| AED         | ±25                      | ±119  | ±68                      | ±51                    | ±311                      | ±120                 | ±550          |
| <b>2023</b> |                          |   |                          |                        |                           |                      |               |
| SR          | ±25                      | ±32,254   | ±18,337                  | ±13,917                | ±28,958                   | ±125,500             | ±186,712      |
| USD         | ±25                      | ±6,859  | ±3,245                   | ±3,615                 | ±16,362                   | ±1,934               | ±25,156       |
| INR         | ±25                      | ±3  | ±3                       | –                      | –                         | –                    | ±3            |
| PKR         | ±25                      | –   | –                        | –                      | –                         | –                    | –             |
| AED         | ±25                      | ±221  | ±127                     | ±94                    | ±578                      | ±221                 | ±1,020        |

**Profit rate sensitivity of assets, liabilities and off-balance sheet items**

The Group manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market profit rates on its financial position and cash flows.

The table below summarizes the Group's exposure to profit rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by the earlier of the contractual

re-pricing or the maturity dates. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

**Assets 2024**

|  | Within 3 months SAR'000 | 3-12 months SAR'000 | 1-5 years SAR'000 | Over 5 years SAR'000 | Non-profit bearing SAR'000 | Total SAR'000      | Effective profit rate SAR'000 |
|--|-------------------------|---------------------|-------------------|----------------------|----------------------------|--------------------|-------------------------------|
| <b>Cash and balances with SAMA</b>                         |                         |                     |                   |                      |                            |                    |                               |
| Cash in hand   | –                       | –                   | –                 | –                    | 688,914                    | 688,914            | –                             |
| Balances with SAMA   | –                       | –                   | –                 | –                    | 5,429,455                  | 5,429,455          | –                             |
| <b>Due from Banks and other financial institutions</b>     |                         |                     |                   |                      |                            |                    |                               |
| Current accounts   | –                       | –                   | –                 | –                    | 404,518                    | 404,518            | –                             |
| Money market placements                                    | 2,391,250               | 3,800,000           | –                 | –                    | 101,349                    | 6,292,599          | 5.69%                         |
| Reverse repos  | –                       | –                   | –                 | –                    | –                          | –                  | –                             |
| <b>Investments</b>   |                         |                     |                   |                      |                            |                    |                               |
| Held as FVIS   | –                       | 3,993               | –                 | –                    | 1,790,625                  | 1,794,618          | –                             |
| Held as FVOCI  | 980,036                 | 16,875              | 4,803,671         | 6,860,726            | 653,930                    | 13,315,238         | 3.77%                         |
| Held at amortised cost                                     | 1,857,194               | 2,927,535           | 6,402,304         | 9,652,273            | 244,561                    | 21,083,867         | 4.44%                         |
| <b>Positive fair value of derivatives</b>                  |                         |                     |                   |                      |                            |                    |                               |
| Held for trading   | –                       | –                   | –                 | –                    | 95,051                     | 95,051             | –                             |
| Held as cash flow hedges                                   | –                       | –                   | –                 | –                    | 56,686                     | 56,686             | –                             |
| <b>Financing, net</b>                                      |                         |                     |                   |                      |                            |                    |                               |
| Credit cards   | 766,040                 | –                   | –                 | –                    | –                          | 766,040            | 29.87%                        |
| Consumer Financing   | 25,587                  | 321,321             | 12,914,288        | 20,839,729           | 102,428                    | 34,203,353         | 4.93%                         |
| Commercial Financing                                       | 27,474,880              | 26,187,620          | 6,702,231         | 51,104               | 1,234,102                  | 61,649,937         | 7.21%                         |
| Others   | –                       | –                   | –                 | –                    | 293,166                    | 293,166            | –                             |
| <b>Other assets</b>  |                         |                     |                   |                      |                            |                    |                               |
| Other assets   | –                       | –                   | –                 | –                    | 1,111,117                  | 1,111,117          | –                             |
| Investment in an associate                                 | –                       | –                   | –                 | –                    | 323,716                    | 323,716            | –                             |
| Other real estate, net                                     | –                       | –                   | –                 | –                    | 139,717                    | 139,717            | –                             |
| Property, equipment, software and right of use assets, net | –                       | –                   | –                 | –                    | 1,258,076                  | 1,258,076          | –                             |
| <b>Total assets</b>  |                         |                     |                   |                      |                            |                    |                               |
| <b>Total</b>   | <b>33,494,987</b>       | <b>33,257,344</b>   | <b>30,822,494</b> | <b>37,403,832</b>    | <b>13,927,411</b>          | <b>148,906,068</b> | <b>–</b>                      |

## Liabilities and equity 2024

|   | Within 3 months SAR'000 | 3-12 months SAR'000 | 1-5 years SAR'000 | Over 5 years SAR'000 | Non-profit bearing SAR'000 | Total SAR'000      | Effective profit rate % |
|---|-------------------------|---------------------|-------------------|----------------------|----------------------------|--------------------|-------------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b>        |                         |                     |                   |                      |                            |                    |                         |
| Current accounts  | -                       | -                   | -                 | -                    | 296,103                    | <b>296,103</b>     | -                       |
| Money market deposits   | 4,401,000               | 2,545,000           | -                 | -                    | 1,494,523                  | <b>8,440,523</b>   | 5.39%                   |
| Repurchase agreement borrowings   | 9,732,568               | 797,269             | -                 | -                    | 42,870                     | <b>10,572,707</b>  | 5.32%                   |
| <b>Customer deposits</b>  |                         |                     |                   |                      |                            |                    |                         |
| Demand  |                         |                     |                   |                      | 34,564,643                 | <b>34,564,643</b>  | -                       |
| Saving & call   | 11,114,104              | -                   | -                 | -                    | -                          | <b>11,114,104</b>  | 5.06%                   |
| Customers' time investments   | 34,983,824              | 24,543,033          | 82,450            |                      | 584,556                    | <b>60,193,863</b>  | 5.77%                   |
| Other   |                         |                     |                   |                      | 2,313,904                  | <b>2,313,904</b>   | -                       |
| <b>Negative fair value of derivatives</b>                                       |                         |                     |                   |                      |                            |                    |                         |
| Held for trading  | -                       | -                   | -                 | -                    | 90,425                     | <b>90,425</b>      | -                       |
| Held as cash flow hedges  | -                       | -                   | -                 | -                    | 74,574                     | <b>74,574</b>      | -                       |
| <b>Subordinated Sukuk</b>   | -                       | <b>1,996,663</b>    | -                 | -                    | <b>9,255</b>               | <b>2,005,918</b>   | -                       |
| <b>Other liabilities</b>  | -                       | -                   | -                 | -                    | <b>2,037,607</b>           | <b>2,037,607</b>   | -                       |
| <b>Equity</b>   | -                       | -                   | -                 | -                    | <b>17,201,697</b>          | <b>17,201,697</b>  | -                       |
| <b>Total liabilities and equity</b>   | <b>60,231,496</b>       | <b>29,881,965</b>   | <b>82,450</b>     | -                    | <b>58,710,157</b>          | <b>148,906,068</b> | -                       |
|   | -                       | -                   | -                 |                      |                            |                    |                         |
| Profit rate sensitivity of on consolidated statement of financial position gap  | (26,736,509)            | 3,375,379           | 30,740,044        | 37,403,832           | (44,782,746)               | -                  | -                       |
| Profit rate sensitivity of off consolidated statement of financial position gap | 12,787,500              | (250,000)           | (3,650,000)       | (8,887,500)          | -                          | -                  | -                       |
| Total profit rate sensitivity gap   | (13,949,009)            | 3,125,379           | 27,090,044        | 28,516,332           | (44,782,746)               | -                  | -                       |
| Cumulative profit rate sensitivity gap  | (13,949,009)            | (10,823,630)        | 16,266,414        | 44,782,746           | -                          | -                  | -                       |

## Assets 2023

|  | Within 3 months SAR'000 | 3-12 months SAR'000 | 1-5 years SAR'000 | Over 5 years SAR'000 | Non-profit bearing SAR'000 | Total SAR'000      | Effective profit rate SAR'000 |
|--|-------------------------|---------------------|-------------------|----------------------|----------------------------|--------------------|-------------------------------|
| <b>Cash and balances with SAMA</b>                         |                         |                     |                   |                      |                            |                    |                               |
| Cash in hand   | -                       | -                   | -                 | -                    | 747,623                    | <b>747,623</b>     | -                             |
| Balances with SAMA   | 419,936                 | -                   | -                 | -                    | 4,673,134                  | <b>5,093,070</b>   | 5.50%                         |
| <b>Due from Banks and other financial institutions</b>     |                         |                     |                   |                      |                            |                    |                               |
| Current accounts   | -                       | -                   | -                 | -                    | 503,884                    | <b>503,884</b>     | -                             |
| Money market placements                                    | 1,181,250               | 3,000,000           | -                 | -                    | 48,655                     | <b>4,229,905</b>   | 6.02%                         |
| Reverse repos  | -                       | 900,000             | -                 | -                    | 57,985                     | <b>957,985</b>     | 5.55%                         |
| <b>Investments</b>   |                         |                     |                   |                      |                            |                    |                               |
| Held as FVIS   | -                       | -                   | -                 | -                    | 1,484,128                  | <b>1,484,128</b>   | -                             |
| Held as FVOCI  | 780,000                 | -                   | 3,516,109         | 8,019,924            | 122,450                    | <b>12,438,483</b>  | 3.70%                         |
| Held at amortised cost                                     | 5,085,835               | 749,801             | 6,267,243         | 8,210,311            | 206,489                    | <b>20,519,679</b>  | 4.60%                         |
| <b>Positive fair value of derivatives</b>                  |                         |                     |                   |                      |                            |                    |                               |
| Held for trading   | -                       | -                   | -                 | -                    | 117,715                    | <b>117,715</b>     | -                             |
| Held as cash flow hedges                                   | -                       | -                   | -                 | -                    | 104,793                    | <b>104,793</b>     | -                             |
| <b>Financing, net</b>                                      |                         |                     |                   |                      |                            |                    |                               |
| Credit cards   | 751,159                 | -                   | -                 | -                    | -                          | <b>751,159</b>     | <b>25.64%</b>                 |
| Consumer Financing   | 26,490                  | 186,475             | 11,903,945        | 17,049,319           | 95,445                     | <b>29,261,674</b>  | <b>4.36%</b>                  |
| Commercial Financing                                       | 25,345,968              | 24,117,204          | -                 | -                    | 1,006,416                  | <b>50,469,588</b>  | <b>7.66%</b>                  |
| Others   | -                       | -                   | -                 | -                    | 298,480                    | <b>298,480</b>     | -                             |
| <b>Other assets</b>  |                         |                     |                   |                      |                            |                    |                               |
| Other assets   | -                       | -                   | -                 | -                    | 719,449                    | <b>719,449</b>     | -                             |
| Investment in an associate                                 | -                       | -                   | -                 | -                    | 243,011                    | <b>243,011</b>     | -                             |
| Other real estate, net                                     | -                       | -                   | -                 | -                    | 498,986                    | <b>498,986</b>     | -                             |
| Property, equipment, software and right of use assets, net | -                       | -                   | -                 | -                    | 1,111,165                  | <b>1,111,165</b>   | -                             |
| <b>Total assets</b>  |                         |                     |                   |                      |                            |                    |                               |
| <b>Total</b>   | <b>33,590,638</b>       | <b>28,953,480</b>   | <b>21,687,297</b> | <b>33,279,554</b>    | <b>12,039,808</b>          | <b>129,550,777</b> | -                             |

## Liabilities and equity 2024

|   | Within 3 months SAR'000 | 3-12 months SAR'000 | 1-5 years SAR'000 | Over 5 years SAR'000 | Non-profit bearing SAR'000 | Total SAR'000      | Effective profit rate % |
|---|-------------------------|---------------------|-------------------|----------------------|----------------------------|--------------------|-------------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b>        |                         |                     |                   |                      |                            |                    |                         |
| Current accounts  | –                       | –                   | –                 | –                    | 210,444                    | 210,444            | –                       |
| Money market deposits   | 2,875,000               | –                   | –                 | –                    | 1,433,082                  | 4,308,082          | 5.96%                   |
| Repurchase agreement borrowings   | 9,118,953               | 1,232,735           | –                 | –                    | 115,519                    | 10,467,207         | 6.13%                   |
| <b>Customer deposits</b>  |                         |                     |                   |                      |                            |                    |                         |
| Demand  | –                       | –                   | –                 | –                    | 33,411,088                 | 33,411,088         | –                       |
| Saving & call   | 2,045,058               | –                   | –                 | –                    | –                          | 2,045,058          | 3.79%                   |
| Customers' time investments   | 38,360,816              | 17,120,097          | 485,673           | –                    | 525,230                    | 56,491,816         | 6.04%                   |
| Other   | –                       | –                   | –                 | –                    | 2,106,439                  | 2,106,439          | –                       |
| <b>Negative fair value of derivatives</b>                                       |                         |                     |                   |                      |                            |                    |                         |
| Held for trading  | –                       | –                   | –                 | –                    | 125,850                    | 125,850            | –                       |
| Held as cash flow hedges  | –                       | –                   | –                 | –                    | 21,211                     | 21,211             | –                       |
| <b>Subordinated Sukuk</b>   | –                       | 1,994,921           | –                 | –                    | 9,425                      | 2,004,346          | 7.71%                   |
| <b>Other liabilities</b>  | –                       | –                   | –                 | –                    | 1,943,742                  | 1,943,742          | –                       |
| <b>Equity</b>   | –                       | –                   | –                 | –                    | 16,415,494                 | 16,415,494         | –                       |
| <b>Total liabilities and equity</b>   | <b>52,399,827</b>       | <b>20,347,753</b>   | <b>485,673</b>    | <b>-</b>             | <b>56,317,524</b>          | <b>129,550,777</b> |                         |
| Profit rate sensitivity of on consolidated statement of financial position gap  | (18,809,189)            | 8,605,727           | 21,201,624        | 33,279,554           | (44,277,716)               | –                  | –                       |
| Profit rate sensitivity of off consolidated statement of financial position gap | 2,109,375               | 1,934,375           | (2,400,000)       | (1,643,750)          | –                          | –                  | –                       |
| Total profit rate sensitivity gap   | (16,699,814)            | 10,540,102          | 18,801,624        | 31,635,804           | (44,277,716)               | –                  | –                       |
| Cumulative profit rate sensitivity gap  | (16,699,814)            | (6,159,712)         | 12,641,912        | 44,277,716           | –                          | –                  | –                       |

The effective profit rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument or an instrument carried at fair value.

## 34d. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Bank's Board has set limits on positions by currency. Positions are monitored on a daily basis to ensure positions are maintained within established limits.

At the end of the year, the Group has the following significant net exposures denominated in foreign currencies as at December 31:

## Liabilities and equity 2024

|     | 2024 SAR'000 Long / (Short) | 2023 SAR'000 Long / (Short) |
|-----|-----------------------------|-----------------------------|
| USD | 32,769                      | 1,324,679                   |
| AUD | 4,136                       | 86,820                      |
| GBP | 1,209                       | 69,515                      |
| INR | 8,625                       | 11,955                      |
| PKR | 2,852                       | 111                         |
| AED | 36,335                      | 31,562                      |

A long position indicates that assets in a foreign currency are higher than the liabilities in the same currency; the opposite applies to short position.

The table below indicates the currencies to which the Group has significant exposure as at December 31, 2024. The analysis is performed for a reasonable possible movement of the currency

rate against the Saudi Arabian Riyal with all other variables held constant, including the effect of hedging instrument, on the consolidated statement of income. A negative amount in the table reflects a potential net reduction in consolidated statement of income, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions that might be taken by the Group to mitigate the effect of such changes.

|     | 2024                                   |                              |                          | 2023                                   |                              |                          |
|-----|--|------------------------------|--------------------------|--|------------------------------|--------------------------|
|     | Increase / decrease in currency rate % | Effect on net income SAR'000 | Effect on equity SAR'000 | Increase / decrease in currency rate % | Effect on net income SAR'000 | Effect on equity SAR'000 |
| USD | ±0.05                                  | ±16                          | ±16                      | ±0.05                                  | ±662                         | ±662                     |
| AUD | ±0.05                                  | ±2                           | ±2                       | ±0.05                                  | ±43                          | ±43                      |
| GBP | ±0.05                                  | ±1                           | ±1                       | ±0.05                                  | ±35                          | ±35                      |
| INR | ±0.05                                  | ±4                           | ±4                       | ±0.05                                  | ±6                           | ±6                       |
| PKR | ±0.05                                  | ±1                           | ±1                       | –                                      | –                            | –                        |
| AED | ±0.05                                  | ±18                          | ±18                      | ±0.05                                  | ±16                          | ±16                      |

## 35. Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they become due, both under normal and stressful conditions. Market disruptions or credit downgrades can cause liquidity risk, making certain sources of funding less readily available. To mitigate this risk, management has diversified its funding sources beyond its core deposit base, manages assets with a focus on liquidity, maintaining an appropriate balance of cash, cash equivalents, and readily marketable securities, and monitors future cash flows and liquidity on a daily basis. In addition, the Group has committed lines of credit that can be used to meet any liquidity needs.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Group maintains a statutory deposit with SAMA at 7% of total demand deposits and 4% of savings and time deposits. In addition to the statutory deposit, the Group also maintains liquid reserves of not less than 20% of the deposit liabilities, in the form of cash or assets that can be converted into cash within a period not exceeding 30 days. The Group has the ability to raise additional funds through repo facilities available with SAMA up to 98% of the value of debt securities issued by the government and 90% of the value of debt securities issued Ministry of Finance, Saudi Central Bank and or guaranteed by government.

### Financial liabilities, as at December 31, 2024

|  | On demand<br>SAR'000 | Within 3<br>months<br>SAR'000 | 3-12<br>months<br>SAR'000 | 1-5 years<br>SAR'000 | Over 5<br>years<br>SAR'000 | No fixed<br>maturity<br>SAR'000 | Total<br>SAR'000   |
|--|----------------------|-------------------------------|---------------------------|----------------------|----------------------------|---------------------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                      |                               |                           |                      |                            |                                 |                    |
| Current accounts   | 296,103              | –                             | –                         | –                    | –                          | –                               | 296,103            |
| Money market deposits  | –                    | 5,568,872                     | 2,999,841                 | –                    | –                          | –                               | 8,568,713          |
| Repurchase agreement borrowings  | –                    | 9,856,920                     | 522,809                   | 342,070              | –                          | –                               | 10,721,799         |
| <b>Customer deposits</b>   |                      |                               |                           |                      |                            |                                 |                    |
| Demand   | 34,564,643           | –                             | –                         | –                    | –                          | –                               | 34,564,643         |
| Saving & call  | 11,114,104           | –                             | –                         | –                    | –                          | –                               | 11,114,104         |
| Customers' time investments  | –                    | 43,557,745                    | 17,221,705                | 93,897               | –                          | –                               | 60,873,347         |
| Other  | 2,313,904            | –                             | –                         | –                    | –                          | –                               | 2,313,904          |
| <b>Negative fair value of derivatives</b>                                |                      |                               |                           |                      |                            |                                 |                    |
| Held for trading   | –                    | 8,937                         | 21,651                    | 19,531               | 40,306                     | –                               | 90,425             |
| Held as cash flow hedges   | –                    | 36,593                        | –                         | –                    | 37,981                     | –                               | 74,574             |
| <b>Subordinated Sukuk</b>  | –                    | –                             | 140,005                   | 559,744              | 2,284,375                  | –                               | 2,984,124          |
| <b>Other liabilities</b>   | –                    | 13,194                        | 52,763                    | 108,494              | 26,902                     | 1,859,786                       | 2,061,139          |
| <b>Total undiscounted financial liabilities</b>                          | <b>48,288,754</b>    | <b>59,042,261</b>             | <b>20,958,774</b>         | <b>1,123,736</b>     | <b>2,389,564</b>           | <b>1,859,786</b>                | <b>133,662,875</b> |
| Shariah compliant derivatives  | –                    | 1,944,704                     | 3,199,068                 | 6,240,401            | 3,157,403                  | –                               | 14,541,576         |

In addition, the Group keeps a Liquidity Contingency Funding Plan (CFP) in place to provide guidance to senior management.

The CFP establishes early warning indicators to alert management of impending stress, establishes responsibilities, and describes the approach management may take at various stages of crisis severity.

### a. Analysis of financial liabilities by remaining undiscounted contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at December 31, 2024 and December 31, 2023 based on contractual undiscounted repayment obligations. As profit payments up to contractual maturity are included in the table, totals do not match with the consolidated statement of financial position. The contractual maturities of liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date and do not take into account the effective expected maturities as shown in note (b) below (maturity analysis of assets and liabilities for the expected maturities). Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history and liquidity risk management policy.

### Financial liabilities, as at December 31, 2023

|  | On demand<br>SAR'000 | Within 3<br>months<br>SAR'000 | 3-12<br>months<br>SAR'000 | 1-5 years<br>SAR'000 | Over 5<br>years<br>SAR'000 | No fixed<br>maturity<br>SAR'000 | Total<br>SAR'000   |
|--|----------------------|-------------------------------|---------------------------|----------------------|----------------------------|---------------------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                      |                               |                           |                      |                            |                                 |                    |
| Current accounts   | 210,444              | –                             | –                         | –                    | –                          | –                               | 210,444            |
| Money market deposits  | –                    | 2,909,070                     | –                         | 1,424,833            | –                          | –                               | 4,333,903          |
| Repurchase agreement borrowings  | –                    | 9,250,000                     | 1,019,167                 | 337,278              | –                          | –                               | 10,606,445         |
| <b>Customer deposits</b>   |                      |                               |                           |                      |                            |                                 |                    |
| Demand   | 33,411,088           | –                             | –                         | –                    | –                          | –                               | 33,411,088         |
| Saving & call  | 2,045,058            | –                             | –                         | –                    | –                          | –                               | 2,045,058          |
| Customers' time investments  | –                    | 38,856,402                    | 17,875,888                | 536,214              | –                          | –                               | 57,268,504         |
| Other  | 2,106,439            | –                             | –                         | –                    | –                          | –                               | 2,106,439          |
| <b>Negative fair value of derivatives</b>                                |                      |                               |                           |                      |                            |                                 |                    |
| Held for trading   | –                    | 23,586                        | 1,929                     | 68,064               | 32,271                     | –                               | 125,850            |
| Held as cash flow hedges   | –                    | 15,295                        | –                         | 5,916                | –                          | –                               | 21,211             |
| <b>Subordinated Sukuk</b>  | –                    | –                             | 147,217                   | 511,076              | 2,397,921                  | –                               | 3,056,214          |
| <b>Other liabilities</b>   | –                    | 17,284                        | 50,424                    | 129,691              | 23,280                     | 1,746,369                       | 1,967,048          |
| <b>Total undiscounted financial liabilities</b>                          | <b>37,773,029</b>    | <b>51,071,637</b>             | <b>19,094,625</b>         | <b>3,013,072</b>     | <b>2,453,472</b>           | <b>1,746,369</b>                | <b>115,152,204</b> |
| Shariah compliant derivatives  | –                    | 3,056,605                     | 1,320,367                 | 6,850,528            | 1,865,139                  | –                               | 13,092,639         |

The contractual maturity structure of the Group's credit-related contingencies and commitments are shown under note 20 (c).

### b. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. For presentation purposes demand deposits are included in "No fixed maturity" category.

#### Assets 2024

|  | Within 3 Months<br>SAR'000 | 3-12 months<br>SAR'000 | Within 1 year<br>SAR'000 | 1-5 years<br>SAR'000 | Over five years<br>SAR'000 | More than 1 year<br>SAR'000 | No fixed maturity<br>SAR'000 | Total<br>SAR'000   |
|--|----------------------------|------------------------|--------------------------|----------------------|----------------------------|-----------------------------|------------------------------|--------------------|
| <b>Cash and balances with SAMA</b>                         |                            |                        |                          |                      |                            |                             |                              |                    |
| Cash in hand   | –                          | –                      | –                        | –                    | –                          | –                           | 688,914                      | 688,914            |
| Balances with SAMA   | –                          | –                      | –                        | –                    | –                          | –                           | 5,429,455                    | 5,429,455          |
| <b>Due from Banks and other financial institutions</b>     |                            |                        |                          |                      |                            |                             |                              |                    |
| Current accounts   | –                          | –                      | –                        | –                    | –                          | –                           | 404,518                      | 404,518            |
| Money market placements                                    | 2,439,715                  | 3,852,884              | 6,292,599                | –                    | –                          | –                           | –                            | 6,292,599          |
| Reverse repos  | –                          | –                      | –                        | –                    | –                          | –                           | –                            | –                  |
| <b>Investments</b>   |                            |                        |                          |                      |                            |                             |                              |                    |
| Held as FVIS   | –                          | 3,993                  | 3,993                    | –                    | –                          | –                           | 1,790,625                    | 1,794,618          |
| Held as FVOCI  | 116,480                    | 23,087                 | 139,567                  | 5,783,671            | 6,860,726                  | 12,644,397                  | 531,274                      | 13,315,238         |
| Held at amortised cost                                     | 333,748                    | 582,312                | 916,060                  | 8,248,772            | 11,919,035                 | 20,167,807                  | –                            | 21,083,867         |
| <b>Positive fair value of derivatives</b>                  |                            |                        |                          |                      |                            |                             |                              |                    |
| Held for trading   | 9,330                      | 20,475                 | 29,805                   | 19,003               | 46,243                     | 65,246                      | –                            | 95,051             |
| Held as cash flow hedges                                   | 35,369                     | –                      | 35,369                   | –                    | 21,317                     | 21,317                      | –                            | 56,686             |
| <b>Financing, net</b>                                      |                            |                        |                          |                      |                            |                             |                              |                    |
| Credit cards   | 354,688                    | –                      | 354,688                  | –                    | –                          | –                           | 411,352                      | 766,040            |
| Consumer financing   | 128,015                    | 321,321                | 449,336                  | 12,914,288           | 20,839,729                 | 33,754,017                  | –                            | 34,203,353         |
| Commercial financing                                       | 20,846,280                 | 13,170,196             | 34,016,476               | 18,689,987           | 8,943,474                  | 27,633,461                  | –                            | 61,649,937         |
| Others   | –                          | 293,152                | 293,152                  | 14                   | –                          | 14                          | –                            | 293,166            |
| <b>Other assets</b>  | <b>49,451</b>              | <b>148,354</b>         | <b>197,805</b>           | <b>–</b>             | <b>–</b>                   | <b>–</b>                    | <b>913,312</b>               | <b>1,111,117</b>   |
| Investment in an associate                                 | –                          | –                      | –                        | –                    | –                          | –                           | 323,716                      | 323,716            |
| Other real estate, net                                     | –                          | –                      | –                        | –                    | –                          | –                           | 139,717                      | 139,717            |
| Property, equipment, software and right of use assets, net | –                          | –                      | –                        | –                    | –                          | –                           | 1,258,076                    | 1,258,076          |
| <b>Total assets</b>  | <b>24,313,076</b>          | <b>18,415,774</b>      | <b>42,728,850</b>        | <b>45,655,735</b>    | <b>48,630,524</b>          | <b>94,286,259</b>           | <b>11,890,959</b>            | <b>148,906,068</b> |

## Assets 2023

|  | Within 3 Months<br>SAR'000 | 3-12 months<br>SAR'000 | Within 1 year<br>SAR'000 | 1-5 years<br>SAR'000 | Over five years<br>SAR'000 | More than 1 year<br>SAR'000 | No fixed maturity<br>SAR'000 | Total<br>SAR'000   |
|--|----------------------------|------------------------|--------------------------|----------------------|----------------------------|-----------------------------|------------------------------|--------------------|
| <b>Cash and balances with SAMA</b>                         |                            |                        |                          |                      |                            |                             |                              |                    |
| Cash in hand   | –                          | –                      | –                        | –                    | –                          | –                           | 747,623                      | 747,623            |
| Balances with SAMA   | 419,936                    | –                      | 419,936                  | –                    | –                          | –                           | 4,673,134                    | 5,093,070          |
| <b>Due from Banks and other financial institutions</b>     |                            |                        |                          |                      |                            |                             |                              |                    |
| Current accounts   | –                          | –                      | –                        | –                    | –                          | –                           | 503,884                      | 503,884            |
| Money market placements                                    | 1,179,591                  | 3,050,314              | 4,229,905                | –                    | –                          | –                           | –                            | 4,229,905          |
| Reverse repos  | –                          | 957,985                | 957,985                  | –                    | –                          | –                           | –                            | 957,985            |
| <b>Investments</b>   |                            |                        |                          |                      |                            |                             |                              |                    |
| Held as FVIS   | –                          | –                      | –                        | –                    | –                          | –                           | 1,484,128                    | 1,484,128          |
| Held as FVOCI  | 111,204                    | 5,983                  | 117,187                  | 4,066,109            | 8,249,924                  | 12,316,033                  | 5,263                        | 12,438,483         |
| Held at amortised cost                                     | 1,157,180                  | 392,109                | 1,549,289                | 10,193,567           | 8,776,823                  | 18,970,390                  | –                            | 20,519,679         |
| <b>Positive fair value of derivatives</b>                  |                            |                        |                          |                      |                            |                             |                              |                    |
| Held for trading   | 20,000                     | 2,322                  | 22,322                   | 61,864               | 33,529                     | 95,393                      | –                            | 117,715            |
| Held as cash flow hedges                                   | 26,210                     | –                      | 26,210                   | 36,008               | 42,575                     | 78,583                      | –                            | 104,793            |
| <b>Financing, net</b>                                      |                            |                        |                          |                      |                            |                             |                              |                    |
| Credit cards   | 323,726                    | –                      | 323,726                  | –                    | –                          | –                           | 427,433                      | 751,159            |
| Consumer financing   | 121,935                    | 186,475                | 308,410                  | 11,903,945           | 17,049,319                 | 28,953,264                  | –                            | 29,261,674         |
| Commercial financing                                       | 18,092,875                 | 9,411,104              | 27,503,979               | 16,088,175           | 6,877,434                  | 22,965,609                  | –                            | 50,469,588         |
| Others   | –                          | 298,480                | 298,480                  | –                    | –                          | –                           | –                            | 298,480            |
| <b>Other assets</b>  | <b>29,142</b>              | <b>87,427</b>          | <b>116,569</b>           | <b>–</b>             | <b>–</b>                   | <b>–</b>                    | <b>602,880</b>               | <b>719,449</b>     |
| Investment in an associate                                 | –                          | –                      | –                        | –                    | –                          | –                           | 243,011                      | 243,011            |
| Other real estate, net                                     | –                          | –                      | –                        | –                    | –                          | –                           | 498,986                      | 498,986            |
| Property, equipment, software and right of use assets, net | –                          | –                      | –                        | –                    | –                          | –                           | 1,111,165                    | 1,111,165          |
| <b>Total assets</b>  | <b>21,481,799</b>          | <b>14,392,199</b>      | <b>35,873,998</b>        | <b>42,349,668</b>    | <b>41,029,604</b>          | <b>83,379,272</b>           | <b>10,297,507</b>            | <b>129,550,777</b> |

## Liabilities 2024

|  | Within 3 Months<br>SAR'000 | 3-12 months<br>SAR'000 | Within 1 year<br>SAR'000 | 1-5 years<br>SAR'000 | Over five years<br>SAR'000 | More than 1 year<br>SAR'000 | No fixed maturity<br>SAR'000 | Total<br>SAR'000   |
|--|----------------------------|------------------------|--------------------------|----------------------|----------------------------|-----------------------------|------------------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                            |                        |                          |                      |                            |                             |                              |                    |
| Current accounts   | –                          | –                      | –                        | –                    | –                          | –                           | 296,103                      | 296,103            |
| Money market deposits  | 5,552,286                  | 2,888,237              | 8,440,523                | –                    | –                          | –                           | –                            | 8,440,523          |
| Repurchase agreement borrowings  | 9,772,002                  | 512,034                | 10,284,036               | 288,671              | –                          | 288,671                     | –                            | 10,572,707         |
| <b>Customer deposits</b>   |                            |                        |                          |                      |                            |                             |                              |                    |
| Demand   | –                          | –                      | –                        | –                    | –                          | –                           | 34,564,643                   | 34,564,643         |
| Saving & call  | –                          | –                      | –                        | –                    | –                          | –                           | 11,114,104                   | 11,114,104         |
| Customers' time investments  | 43,324,069                 | 16,786,217             | 60,110,286               | 83,577               | –                          | 83,577                      | –                            | 60,193,863         |
| Other  | –                          | –                      | –                        | –                    | –                          | –                           | 2,313,904                    | 2,313,904          |
| <b>Negative fair value of derivatives</b>                                |                            |                        |                          |                      |                            |                             |                              |                    |
| Held for trading   | 8,937                      | 21,651                 | 30,588                   | 19,531               | 40,306                     | 59,837                      | –                            | 90,425             |
| Held as cash flow hedges   | 36,593                     | –                      | 36,593                   | –                    | 37,981                     | 37,981                      | –                            | 74,574             |
| <b>Subordinated Sukuk</b>  | –                          | 9,255                  | 9,255                    | –                    | 1,996,663                  | 1,996,663                   | –                            | 2,005,918          |
| <b>Other liabilities</b>   | 10,935                     | 47,147                 | 58,082                   | 96,536               | 23,203                     | 119,739                     | 1,859,786                    | 2,037,607          |
| <b>Total liabilities</b>   | <b>58,704,822</b>          | <b>20,264,541</b>      | <b>78,969,363</b>        | <b>488,315</b>       | <b>2,098,153</b>           | <b>2,586,468</b>            | <b>50,148,540</b>            | <b>131,704,371</b> |

## Liabilities 2023

|  |                   |                   |                   |                  |                  |                  |                   |                    |
|--|-------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|--------------------|
| <b>Due to banks, Saudi Central Bank and other financial institutions</b> |                   |                   |                   |                  |                  |                  |                   |                    |
| Current accounts   | –                 | –                 | –                 | –                | –                | –                | 210,444           | 210,444            |
| Money market deposits  | 2,883,249         | –                 | 2,883,249         | 1,424,833        | –                | 1,424,833        | –                 | 4,308,082          |
| Repurchase agreement borrowings  | 9,217,217         | 961,319           | 10,178,536        | 288,671          | –                | 288,671          | –                 | 10,467,207         |
| <b>Customer deposits</b>   |                   |                   |                   |                  |                  |                  |                   |                    |
| Demand   | –                 | –                 | –                 | –                | –                | –                | 33,411,088        | 33,411,088         |
| Saving & call  | –                 | –                 | –                 | –                | –                | –                | 2,045,058         | 2,045,058          |
| Customers' time investments  | 38,594,810        | 17,409,442        | 56,004,252        | 487,564          | –                | 487,564          | –                 | 56,491,816         |
| Other  | –                 | –                 | –                 | –                | –                | –                | 2,106,439         | 2,106,439          |
| <b>Negative fair value of derivatives</b>                                |                   |                   |                   |                  |                  |                  |                   |                    |
| Held for trading   | 23,586            | 1,929             | 25,515            | 68,064           | 32,271           | 100,335          | –                 | 125,850            |
| Held as cash flow hedges   | 15,295            | –                 | 15,295            | 5,916            | –                | 5,916            | –                 | 21,211             |
| <b>Subordinated Sukuk</b>  | –                 | 9,425             | 9,425             | –                | 1,994,921        | 1,994,921        | –                 | 2,004,346          |
| <b>Other liabilities</b>   | 15,128            | 44,987            | 60,115            | 117,545          | 19,713           | 137,258          | 1,746,369         | 1,943,742          |
| <b>Total liabilities</b>   | <b>50,749,285</b> | <b>18,427,102</b> | <b>69,176,387</b> | <b>2,392,593</b> | <b>2,046,905</b> | <b>4,439,498</b> | <b>39,519,398</b> | <b>113,135,283</b> |

## 36. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

### Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data

**Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique include inputs

that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments"

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

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

36a. The following table presents the Group's financial assets and liabilities that are measured at fair values:

### 2024

|   | Carrying value<br>SAR'000 | Level 1<br>SAR'000 | Level 2<br>SAR'000 | Level 3<br>SAR'000 | Total<br>SAR'000  |
|---|---------------------------|--------------------|--------------------|--------------------|-------------------|
| <b>Financial assets measured at fair value</b>      |                           |                    |                    |                    |                   |
| FVIS – Mutual funds                                 | 1,748,147                 | –                  | 1,748,147          | –                  | 1,748,147         |
| FVIS – Equities                                     | 39,853                    | 17,264             | –                  | 22,589             | 39,853            |
| FVIS – Convertible debt instrument                  | 6,618                     | –                  | –                  | 6,618              | 6,618             |
| FVOCI – Equities                                    | 531,274                   | –                  | –                  | 531,274            | 531,274           |
| FVOCI – Sukuk – equity                              | 2,999,378                 | –                  | 2,999,378          | –                  | 2,999,378         |
| FVOCI – Sukuk – debt                                | 9,784,586                 | –                  | 9,784,586          | –                  | 9,784,586         |
| Shariah compliant derivatives                       | 151,737                   | –                  | 151,737            | –                  | 151,737           |
| <b>Total</b>  | <b>15,261,593</b>         | <b>17,264</b>      | <b>14,683,848</b>  | <b>560,481</b>     | <b>15,261,593</b> |
| <b>Financial liabilities measured at fair value</b> |                           |                    |                    |                    |                   |
| Shariah compliant derivatives                       | 164,999                   | –                  | 164,999            | –                  | 164,999           |

### 2023

|   |                   |          |                   |               |                   |
|---|-------------------|----------|-------------------|---------------|-------------------|
| <b>Financial assets measured at fair value</b>      |                   |          |                   |               |                   |
| FVIS – Mutual funds                                 | 1,463,641         | –        | 1,463,641         | –             | 1,463,641         |
| FVIS – Equities                                     | 20,487            | –        | –                 | 20,487        | 20,487            |
| FVOCI – Sukuk – equity                              | 2,638,872         | –        | 2,638,872         | –             | 2,638,872         |
| FVOCI – Sukuk – debt                                | 9,794,348         | –        | 9,794,348         | –             | 9,794,348         |
| Shariah compliant derivatives                       | 222,508           | –        | 222,508           | –             | 222,508           |
| <b>Total</b>  | <b>14,139,856</b> | <b>–</b> | <b>14,119,369</b> | <b>20,487</b> | <b>14,139,856</b> |
| <b>Financial liabilities measured at fair value</b> |                   |          |                   |               |                   |
| Shariah compliant derivatives                       | 147,061           | –        | 147,061           | –             | 147,061           |

Fair value of quoted investments is based on price quoted on the reporting date. Level 2 trading and hedging derivatives comprise foreign exchange, options and profit rate swaps. These foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Profit rate swaps and options are fair valued using forward profit rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

There were no changes in valuation techniques during the period.

There were no transfers between levels 1 and 2 during the year. New investments acquired during the year are classified under the relevant levels. Level 3 includes investment in unquoted equities which have been valued using a valuation model.

**36b. Following table represent fair values of financial assets and liabilities measured at amortised cost.**

There are no financial assets and liabilities that are measured as level 1 and level 3 fair value.

**31 December 2024**

|   | Amortised cost<br>SAR'000 | Level 2<br>SAR'000 |
|---|---------------------------|--------------------|
| <b>Financial assets</b>                             |                           |                    |
| Due from banks and other financial institutions     | 6,697,117                 | 6,706,393          |
| Investment held at amortised cost – net (note 6(d)) | 21,083,867                | 20,131,588         |
| Financing, net                                      | 96,912,496                | 97,309,690         |
| <b>Total</b>  | <b>124,693,480</b>        | <b>124,147,671</b> |
| <b>Financial liabilities</b>                        |                           |                    |
| Due to banks and other financial institutions       | 19,309,333                | 20,816,924         |
| Customers' deposits                                 | 108,186,514               | 108,874,632        |
| Subordinated Sukuk                                  | 2,005,918                 | 2,005,918          |
| <b>Total</b>  | <b>129,501,765</b>        | <b>131,697,474</b> |

**31 December 2023**

|   | Amortised cost<br>SAR'000 | Level 2<br>SAR'000 |
|---|---------------------------|--------------------|
| <b>Financial assets</b>                             |                           |                    |
| Due from banks and other financial institutions     | 5,691,774                 | 5,689,434          |
| Investment held at amortised cost – net (note 6(d)) | 20,519,679                | 19,945,499         |
| Financing, net                                      | 80,780,901                | 81,443,392         |
| <b>Total</b>  | <b>106,992,354</b>        | <b>107,078,325</b> |
| <b>Financial liabilities</b>                        |                           |                    |
| Due to banks and other financial institutions       | 14,985,733                | 15,425,259         |
| Customers' deposits                                 | 94,054,401                | 94,043,569         |
| Subordinated Sukuk                                  | 2,004,346                 | 2,004,346          |
| <b>Total</b>  | <b>111,044,480</b>        | <b>111,473,174</b> |

The fair value of the cash and balances with SAMA, other assets and other liabilities approximate to their carrying amount. The fair values of level 2 financial instruments are estimated as at December 31, 2024 at the current applicable yield curve taking into account the counterparty risks and applicable market rate.

**36c. Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring level 2 and Level 3 fair values at 31 December 2024 and 31 December 2023, as well as the significant unobservable inputs used.

| Type   | Accounting classification | Valuation technique   | Significant unobservable inputs  | Inter-relationship between significant unobservable inputs and fair value measurement |
|--|---------------------------|---|----------------------------------|---|
| Mutual Fund units  | FVIS                      | Fair valued using the net asset value determined by the fund manager. The fund manager deploys various techniques for the valuation of underlying assets classified under level 2 of the respective fund's fair value hierarchy   | Not applicable                   | Not applicable  |
| Equities   | FVIS                      | Includes investment in unquoted equities which have been valued using a valuation model.  | Risk Free Rate, Asset Volatility | Valuation is highly sensitive to changes in the asset volatility                      |
| Equities   | FVOCI                     | Includes investment in unquoted equities which have been valued using a valuation model.  | Not applicable                   | Not applicable  |
| Investment held at FVOCI – Sukuks (debt & equity)  | FVOCI                     | Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate.  | Not applicable                   | Not applicable  |
| Forward exchange contracts (Wa'ad) and Profit rate swaps   | FVIS                      | Forward exchange contracts (Wa'ad): Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves<br>Profit rate swaps: The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves.  | Not applicable                   | Not applicable  |
| Due from banks and other financial institutions, Financing, Due to banks and other financial institutions, Customer Deposits | Amortised cost            | <b>Market Data:</b> Used observable market data inputs for yield curves.<br><b>Fair value technique:</b> The fair value is determined by discounting the future cash flows. A discounted cash flow is the product of: <ul style="list-style-type: none"> <li>The anticipated nominal magnitude and sign of a cash flow.</li> <li>The accumulated discount over the amount of time remaining until the anticipated time of the cash flow, at a rate of discount.</li> </ul> The fair value is determined only for the Customers' time investments. | Not applicable                   | Not applicable  |
| Investment held at amortised cost – net  | Amortised cost            | Fair valued using the quoted prices, where available or estimating present value by discounting cash flows using adjusted discount rate.  | Not applicable                   | Not applicable  |

## 37. Related party transactions

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

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

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| <b>Subsidiary companies</b>   |                 |                 |
| Investments   | 500,980         | 501,480         |
| Customer deposits   | 2,389,506       | 2,642,995       |
| Due from banks and other financial institutions   | 2,023,568       | 1,837,301       |
| Due to banks and other financial institutions   | 291,019         | 290,909         |
| Receivables and other assets  | 161,081         | 233,777         |
| Payables and liabilities  | 30,623          | 75,544          |
| Commitments and contingencies   | 98              | 30,173          |
| Notional values of outstanding Shariah compliant contracts                                | 3,675,436       | 4,134,582       |
| Outstanding Sukuk liability   | 1,875,000       | 1,875,000       |
| <b>Associate and affiliate entities with significant influence</b>                        |                 |                 |
| Investments   | 323,716         | 243,011         |
| Customer deposits   | 305,417         | 157,908         |
| Contingencies and commitments   | 7,280           | 7,280           |
| Sukuk liability   | 150,000         | 150,000         |
| <b>Directors, key management personnel, other major shareholders and their affiliates</b> |                 |                 |
| Financing   | 327,474         | 136,203         |
| Customers' deposits   | 119,835         | 541,269         |
| Contingencies and commitments   | 35,835          | 29,840          |

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

| <b>Mutual Funds under subsidiary's management</b> |         |           |
|---|---------|-----------|
| Investments                                       | 579,306 | 1,402,087 |
| Customers' deposits                               | 111,785 | 233,361   |

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

|   | 2024<br>SAR'000 | 2023<br>SAR'000 |
|---|-----------------|-----------------|
| Income from investments and financing               | 304,253         | 301,492         |
| Return on deposits and financial liabilities        | 311,134         | 327,183         |
| Fees income   | 395             | 302             |
| Fee expense   | 12,697          | 13,327          |
| Exchange gain                                       | -               | 515             |
| Insurance premium paid include advance              | 131,247         | 67,926          |
| Claims received                                     | 26,505          | 38,997          |
| Directors' remuneration                             | 17,049          | 10,332          |
| Income under shared service agreements              | 1,150           | 1,150           |
| Operating expenses                                  | 5,432           | 28,429          |
| Reimbursement of expense to a subsidiary            | 39              | 38              |
| Reimbursement of building related expense           | 4,005           | 3,065           |
| Rent expense for branches                           | 765             | 768             |
| Investment in the sukuk issued by BAJ               | -               | 150,000         |
| Profit paid on the sukuk issued                     | 9,000           | 4,500           |
| Face value of bonus shares received                 | -               | 24,540          |
| Dividend received                                   | 5,813           | -               |
| Participation in DMO sukuk auction for an associate | 33,516          | -               |
| Investment in mutual funds                          | 144,716         | -               |
| Purchase of shares of associate (ATT)               | 76,218          | -               |

The total amount of compensation paid to directors and key management personnel during the year is as follows:

|                              | 2024<br>SAR'000 | 2023<br>SAR'000 |
|------------------------------|-----------------|-----------------|
| Short-term employee benefits | 133,687         | 123,019         |
| Termination benefits         | 28,608          | 32,537          |

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

## 38. Salaries and employee related expenses

### Categories of employees

|   | Number of employees | Fixed compensation (on accrual basis) SAR'000 | Variable compensation (on cash basis) SAR'000 | Total SAR'000    |
|---|---------------------|---|---|------------------|
| <b>2024</b>   |                     |   |   |                  |
| Senior executives that require SAMA no objection    | 24                  | 45,147  | 23,849  | <b>68,996</b>    |
| Employees involved in control functions             | 364                 | 114,101                                       | 12,212  | <b>126,313</b>   |
| Employees involved in risk taking activities        | 45                  | 54,604  | 16,633  | <b>71,237</b>    |
| Other employees                                     | 2,156               | 549,346                                       | 153,389                                       | <b>702,735</b>   |
| Outsourced employees                                | 619                 | 96,059  | 1,461   | <b>97,520</b>    |
| <b>Total</b>  | <b>3,208</b>        | <b>859,257</b>                                | <b>207,544</b>                                | <b>1,066,801</b> |
| Variable compensation (accrual basis)               | –                   | 211,079                                       | –   | –                |
| Other employee related benefits                     | –                   | 5,764   | –   | –                |
| <b>Total salaries and employee-related expenses</b> | –                   | <b>1,126,100</b>                              | –   | –                |
| <b>2023</b>   |                     |   |   |                  |
| Senior executives that require SAMA no objection    | 22                  | 40,700  | 23,088  | <b>63,788</b>    |
| Employees involved in control functions             | 402                 | 120,080                                       | 15,752  | <b>135,832</b>   |
| Employees involved in risk taking activities        | 42                  | 51,250  | 14,270  | <b>65,520</b>    |
| Other employees                                     | 2,109               | 575,345                                       | 107,402                                       | <b>682,747</b>   |
| Outsourced employees                                | 604                 | 79,074  | 1,656   | <b>80,730</b>    |
| <b>Total</b>  | <b>3,179</b>        | <b>866,449</b>                                | <b>162,168</b>                                | <b>1,028,617</b> |
| Variable compensation (accrual basis)               | –                   | 160,435                                       | –   | –                |
| Other employee related benefits                     | –                   | 24,992  | –   | –                |
| <b>Total salaries and employee-related expenses</b> | –                   | <b>1,051,876</b>                              | –   | –                |

Control functions mainly include Enterprise Risk Management, Credit Management, Internal Audit, Finance, Compliance and Board Secretary & Governance, Shariah Groups. Employees involved in risk taking activities are Material Risk Takers. Due to changes in the criteria for certain categories, prior-year figures have been adjusted to align with the current year's presentation format.

The Bank has developed a Senior Management Compensation & Benefits Policy based on the 'Rules on Compensation Practices' issued by SAMA as well as the guidelines provided by the Financial Stability Board and the Basel Committee on Banking Supervision in this respect. The policy was approved by the General Assembly and prioritizes the alignment of compensation with risk and offers a competitive and balanced mix of fixed and variable pay. The policy ensures that compensation reflects the probability and timing of earnings and their effect on the Bank's capital. It also aims to foster effective risk management, achieve financial stability and address the risks arising from the Bank's compensation practices. The Group considers all kinds of current and potential material risks and maintains a balance between general industry practices and Group-specific factors such as business model, financial condition, operating performance, market perception, business prospects and suitable managerial judgment, etc.

The Board of Directors of the Bank has established a Nomination and Remuneration Committee (the Committee) which consists of four members. The functions and duties of the committee focus on recommending nominations to the Board of Directors as per the approved policies and standards, performing annual reviews on the skills required for the membership of the board of directors, performing reviews of the board of directors' structure and recommending those changes that could be carried out. The committee is also responsible for ensuring the independence of independent members and lack of any conflict of interests in case any director was a member in any other company's board, ensuring recommended appointment is commensurate with the proper skills and required qualifications, and development and review of remuneration for the directors and senior executives.

The Committee is also responsible to recommend to the Board of Directors the approval of the Bank's Compensation Policy and any amendments thereto, to ensure that the Bank's remuneration policies are in compliance with SAMA Rules, to periodically review the Bank's compensation policy, to evaluate practices by which compensation is paid, and to determine the performance bonuses for the Bank's employees based on the risk adjusted profit of the Bank.

The governance process ensures that the Compensation Policy is consistently applied and operates as intended. The Bank has established an oversight mechanism to regularly evaluate the design characteristics of compensation practices and their implementation to achieve the desired objectives

### The compensation and benefits program

The Compensation Policy is designed to attract, retain and motivate high performing and high potential employees. The Group's compensation policy is based on the nature of the job, market practices and jobholder's level of involvement in risk taking and controlling activities. The policy applies to all employees, including the executive management team and aims to link individual performance to the Group's overall achievements and financial soundness and results.

The Banks participates in Compensation and Benefits surveys conducted by independent third parties to get insights into the market pay levels. The Bank also conducts annual performance cycles that ensures that employees are appraised of their annual performance.

The distribution of compensation is composed of a mix of fixed

and variable pay, allowances, periodic meritorious reward schemes and non-cash benefits in line with the standards and norms for the financial services industry in the Kingdom of Saudi Arabia.

According to labour law of the Kingdom of Saudi Arabia and Group's internal policies, staff end of services benefits is due for payment at the end of an employee's period of services. The end of service benefits outstanding at December 31, 2024 amounted to SAR 309.43 million (2023: SAR 293.07 million).

The compensation and benefits program is applicable to all regular (Headcount) Saudi national and expatriate employees of the Bank, and its subsidiaries within all applicable regulatory and corporate governance limitations.

- **Fixed compensation** includes salaries and wages, and job/ position specific allowances and related benefits, which are fixed in employment contracts and are given irrespective of performance.
- **Variable compensation** includes performance bonuses, incentives and other variable performance related allowances which are not fixed by the employment contracts, and which vary from year to year, and have a direct correlation with individual, group and institutional performance success.

### Performance management system

The Bank has adopted a framework to develop a clear link between variable compensation and performance. The framework is designed on the basis that the combination of meeting both financial performance and achievement of other non-financial factors would deliver a target bonus pool for the employees, prior to consideration of any allocation to business areas and employees individually.

The performance of all employees is evaluated against agreed targets using a KPI and Competency Scorecard methodology. Financial and non-financial metrics are used to measure performance against the objectives, which include profitability, expense control, customer satisfaction, quality assurance, employee development and engagement, sustainable business practices, lending guidelines, internal controls, compliance with regulations, and business systems and processes. Effective risk management is emphasized to maintain a strong and secure operating platform. The performance management methodology at BAJ focuses on the differentiation of individual performance and drives the variable reward strategy which encourages high performance within a risk compliant manner.

In line with SAMA Regulations, Material Risk Takers (MRTs) have a percentage of their variable compensation deferred and vested over a period of three (3) years. The MRTs are determined every year and approved by the Nomination and Remuneration Committee.

### Risk-adjustment for variable pay schemes

The Bank has adopted a framework to develop a clear link between variable compensation and performance. The Bank has reviewed all its variable pay schemes, to ensure that any bonus pay pools have taken into account all relevant risks. The determination of bonus pools is based on appropriate performance factors adjusted for risk. The bonus pool for the Control functions have been ring fenced from short-term profits in alignment with SAMA regulations.

The Bank's subsidiaries have adopted a similar approach to remuneration and compensation practices as described above, including policies within a framework of prudent risk management.

## 39. Capital adequacy

The Group actively manages its capital base to cover the risks inherent in its business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision including the framework and guidance regarding the implementation of capital reforms under Basel III ("Basel III Accord") which has been adopted by the Bank's regulator, SAMA. The Basel III capital ratios measure capital adequacy by comparing the Group's eligible capital with its balance sheet assets, commitments and notional amount of derivatives at a weighted amount to reflect their relative risk. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of

total regulatory capital to risk-weighted assets ("RWA") at or above 10.5 percent, including a capital conservation buffer (2.5 percent).

The Group monitors the adequacy of its capital using the methodology and ratios established by SAMA. Various committees have been established by the Bank which also monitor the capital adequacy.

The following table summarizes the Group's Pillar-I Risk Weighted Assets (RWA), Regulatory Capital and Capital Adequacy Ratios as per as per Basel III final reform issued by SAMA (circular number 44047144) effective from January 01, 2023.

|  | 2024                      |                          | 2023                      |                          |
|--|---------------------------|--------------------------|---------------------------|--------------------------|
|  | Eligible capital SAR '000 | Capital adequacy ratio % | Eligible capital SAR '000 | Capital adequacy ratio % |
| Common Equity Tier 1 (CET 1) Capital             | 13,288,378                | 12.11%                   | 12,721,256                | 13.27%                   |
| Additional Tier 1 (AT1) Capital                  | 3,875,000                 | –                        | 3,875,000                 | –                        |
| Tier I Capital                                   | 17,163,378                | 15.64%                   | 16,596,256                | 17.31%                   |
| Supplementary capital (Tier 2)                   | 2,616,245                 | –                        | 2,501,906                 | –                        |
| Core and supplementary capital (Tier 1 + Tier 2) | 19,779,623                | 18.02%                   | 19,098,162                | 19.92%                   |

Common Equity Tier 1 capital of the Bank at the year-end comprises of share capital, statutory reserve, general reserves, other reserves, retained earnings and certain regulatory capital adjustments in accordance with the requirement of SAMA Basel III Framework. The other component of regulatory capital is Tier 2 capital, which comprises subordinated sukuk issued by the Group and eligible collective allowances.

A strong capital position is essential to the Group's business strategy and competitive position. The Group's capital strategy focuses on long-term stability, which aims to build and invest in core banking activities.

The Group seeks to maintain adequate levels of capital in order to:

- Optimize assets growth in target business segments to support its strategic objectives
- Support the underlying risks of the Bank's business;
- Be able to withstand capital demands under prevailing market and stress conditions.

Strategic business plans, ICAAP and ILAAP are drawn up annually covering at least three years horizon. This ensures that risks based on the Bank's Risk Appetite Framework & Policy are assessed and

adequate levels of capital are maintained by the Group to support its strategy. The above takes the following into account:

- Growth of core financing and investment business based on business plans of the various business units such as Corporate Banking (includes Commercial and SME Segment), Global Transactions Services, Financial Institutions, Retail Banking, Treasury and Private Banking;
- The funding structure and sources of funding, liabilities and equity, to support the asset growth taking into consideration the need to maintain strong liquidity position based on Basel III Liquidity Management guidelines;
- Maintenance of Regulatory capital requirements and Capital Adequacy Ratios.

For the purpose of calculating risk weighted assets, the Group uses the Standardized Approach for credit risk and market risk and the Basic Indicator Approach for operational risk. The Group's Risk Management Division is responsible for ensuring that the Group's capital adequacy ratios meet the minimum requirement specified by SAMA. The Group is required to submit Capital Adequacy Prudential Returns on quarterly basis to SAMA showing the capital adequacy position.

|  | 2024 SAR'000       | 2023 SAR'000      |
|--|--------------------|-------------------|
| Credit risk                                  | 103,418,920        | 88,909,068        |
| Market risk                                  | 1,468,837          | 2,407,944         |
| Operational risk                             | 4,860,836          | 4,537,448         |
| <b>Total pillar-1 – risk weighted assets</b> | <b>109,748,593</b> | <b>95,854,460</b> |

## 40. Investment management and brokerage services

The Bank's subsidiary, AlJazira Capital Company (AJC) offers investment management and advisory services to its customers, compliant with the principles of Shariah (non-interest based). These services include portfolio management on a discretionary and non-discretionary basis and management of investment funds in conjunction with professional investment advisors.

The Group also provides investment management and other services to AlJazira Takaful Ta'awuni Company.

Total assets under administration held by the Group related to its brokerage services business amounted to SAR 51.5 billion (2023: SAR 52.3 billion).

Assets held in a fiduciary capacity by the Group related to its asset and wealth management services business amounted to SAR 23.7 billion (2023: SAR 16.8 billion).

## 41. Unconsolidated entities

Unconsolidated structured entities are all structured entities that are not controlled by the Group. The Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and/or for specific investment opportunities. An interest in a structured entity is contractual or non-contractual involvement which creates variability of the returns of the Group arising from the performance of the structured entity.

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

| Type of structured entity | Nature and purpose  | Interest held by the Group   | Total assets 2024 SAR'000 | Total assets 2023 SAR'000 |
|---------------------------|---|--|---------------------------|---------------------------|
| Public funds              | <p>To generate:</p> <ul style="list-style-type: none"> <li>returns from trading in the units and / or periodic distributions from the funds.</li> <li>fee from managing assets on behalf of third party investors.</li> </ul> <p>These funds are financed through the issue of units to investors.</p>                              | <p>Investments in units issued by the funds.</p> <p>Management and performance fee</p>       | 1,491,219                 | 237,810                   |
| Private funds             | <p>To generate:</p> <ul style="list-style-type: none"> <li>returns from capital appreciation and / or periodic distributions from the funds.</li> <li>fee from advisory services / managing assets on behalf of third party investors.</li> </ul> <p>These funds are financed through the issue of units / shares to investors.</p> | <p>Investments in units / shares issued by the funds.</p> <p>Advisory and management fee</p> | 4,785,475                 | 3,375,203                 |

The table below sets out an analysis of the carrying amounts of interest held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held. These interests are reported as investments at fair value through statement of income into these consolidated financial statements.

|               | 2024 SAR'000     | 2023 SAR'000     |
|---------------|------------------|------------------|
| Public funds  | 100,331          | 92,217           |
| Private funds | 1,602,862        | 1,287,395        |
| <b>Total</b>  | <b>1,703,193</b> | <b>1,379,612</b> |

The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. The Group earned a fee amounting to SAR 65.7 million (2023: SAR 59.5 million) from the structured entities it has sponsored, but in which the Group does not have an interest.

## 42. Profit sharing investment accounts

### a. Analysis of PSIA income according to types of investments and their financing

As of December 31, 2024, all joint financing is funded by comingled pool which includes funds from Unrestricted Investment Account holder (mainly Mudaraba).

#### Gross pool assets by type of contract:

|  | 2024 SAR'000       | 2023 SAR'000       |
|--|--------------------|--------------------|
| Tawarraq                               | 53,054,641         | 42,623,553         |
| Murabaha                               | 40,090,120         | 34,389,877         |
| Ijarah                                 | 7,172,581          | 6,687,929          |
| Wakala                                 | 2,766,369          | 5,090,077          |
| Wa'ad                                  | -                  | 958,275            |
| Sukuk                                  | 33,879,783         | 29,441,184         |
| Qard Alhasan                           | 297,727            | 302,443            |
| Others                                 | 2,360,625          | 2,239,380          |
| <b>Total financing and investments</b> | <b>139,621,846</b> | <b>121,732,718</b> |

### b. the basis for calculating and allocating profits between the bank and the IAHS;

#### Computation of Pool income is as follows:

|  | 2024 SAR'000     | 2023 SAR'000     |
|--|------------------|------------------|
| Pool Income from Financing                                 | 4,197,567        | 3,242,278        |
| Income from Investments                                    | 562,610          | 597,072          |
| <b>Total Pool Income</b>                                   | <b>4,760,177</b> | <b>3,839,350</b> |
| Investment risk reserve (IRR) – (Mudaraba Reserve Account) | 602,890          | 447,889          |
| Mudaraba Pool Income                                       | 432,903          | 351,333          |
| Mudarib fee  | 4,329            | 3,513            |
| Movement to or from IRR                                    | 155,001          | 133,910          |
| Total amount paid to IAH Mudaraba                          | 273,660          | 210,621          |
| Profit allocation during the year                          | 273,573          | 213,910          |
| <b>Total amount attributable to shareholders pool</b>      | <b>1,146,240</b> | <b>1,095,358</b> |

**The basis of allocating the profits between IAH and the Bank:**

|                                       | IAH Share | Bank Share |
|---------------------------------------|-----------|------------|
| Profit Sharing Allocation Percentages | 99%       | 1%         |

**c. the equity of the IAHs at the end of the reporting period**

|   | 2024<br>SAR'000  | 2023<br>SAR'000  |
|---|------------------|------------------|
| Investment account holders balance before profit  | 4,895,000        | 4,895,000        |
| Add: Profit for the IAH during the year   | 428,574          | 347,820          |
| Less: Profit allocation during the year   | (273,573)        | (213,910)        |
| Total value of Investment Account Holders after share of profits and before the fair value reserves | 5,050,001        | 5,028,910        |
| Share in fair value reserve   | (155,001)        | (133,910)        |
| <b>Total equity for Investment Account Holders</b>  | <b>4,895,000</b> | <b>4,895,000</b> |

During the current year, the methodology for allocating pool income was updated in alignment with Shariah Group guidance. As a result, the comparative figures also reflect this change.

**d. Basis for determining any IRR and the changes that have occurred in any of those reserves during the reporting period**

Investment risk reserve / Mudaraba Reserve (IRR) is created by setting aside amounts out of the profit attributable to investment account holders, after deducting the Mudarib share, in order to cushion the effects of future investment losses on investment account holders. The IRR enables the Bank's to cover, fully or partially, unexpected losses on investments. Where the losses are fully covered, use of PER may enable a profit pay-out to be made to the IAH notwithstanding the loss.

With regard to IRR, IAH agree in advance in the contract that regulates their relationship with Bank, on the proportion of their income that may be appropriated to each of these reserves. This amount is determined by the management of the Bank at their discretion. As per terms and conditions, in case of any shortfall the Bank has to first utilise any amount available in the Mudaraba Reserve and in case of any shortfall may (at its sole discretion) elect (but shall not be obliged) to make one or more payments from its own cash resources in order to cover such shortfall and the Bank will be entitled to recover such amounts at a later date from the Mudaraba Reserve.

Investment risk reserve (IRR) are used to manage and mitigate below risk faced by Bank.

**Displaced commercial risk**

Rate of return risk can give rise to displaced commercial risk. Bank may be under pressure to pay a return that is above the rate earned on assets to match the competitors' rates. Bank cannot provide their customers fixed guaranteed returns on their deposits or investments. Instead, they follow risk/return sharing model. However, in practice, investment account holders are likely to expect competitive returns. This lead to displaced commercial risk for Banks. It is vital for Banks to effectively manage their displaced commercial risk to be able to compete with their conventional counterparts. To mitigate displaced commercial risk, Banks may decide to waive their portions of profits and thus dissuade investment account holders from withdrawing funds. However, the practice of foregoing part or all of shareholders' profits can adversely affect the Bank's own capital which can lead to insolvency in extreme cases.

## 43. Comparative figures

As stated in note 31 and 38, comparative period amounts have been restated to ensure comparability of information.

In addition, certain prior period amounts have been reclassified so as to align with the current period presentation. However, there was no impact of such reclassifications on the consolidated statement of income and consolidated statement of changes in equity.

## 44. Events after the reporting date

Subsequent to the year ended December 31, 2024, the Bank completed the issuance of an SAR-denominated additional Tier 1 sukuk of SAR 1 billion (which is part of additional Tier 1 Capital Sukuk Programme of SAR 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank.

## 45. Board of directors' approval

The consolidated financial statements were authorized for issue by the Board of Directors on 31 January 2025 (corresponding to 1st Shaban, 1446H).

## Contact us

### IR Contacts:

Email: [IR@BankAlJazira.com](mailto:IR@BankAlJazira.com)

### Muhammad Majid Khan, Head of Investor Relations:

Direct: +966 (12) 609 8997

Email: [MMKhan@BankAlJazira.com](mailto:MMKhan@BankAlJazira.com)

bankaljazeera.com

800 244 9999

