chairman's statement



Through a unified digital ecosystem and broader financial inclusion, we have delivered exceptional value, supporting national growth and cementing our position as a key architect of the Kingdom's economic transformation.

chairman's statement

It is with great pleasure that we present alrajhi bank's Annual Report for the year 2025 to our esteemed shareholders, customers, partners, and the financial and business community. This report provides a clear and comprehensive view of the bank's performance and achievements, as well as its pioneering role in supporting the national economy. It also highlights the development projects and programmes undertaken by the bank, its community mission, and its future aspirations underpinned by the "harmonize the group" strategy.

The Kingdom of Saudi Arabia continues to occupy a prominent global position as an influential force in today's world. It has strengthened its standing as a preferred destination for global investment, a hub for international interest, and an active leader in preserving global stability and peace. The Saudi economy has achieved remarkable growth rates despite the ongoing geopolitical tensions, shifts affecting global trade, and persistent inflationary pressures and monetary policies that have cast a shadow over the global economy. This growth stems from the economy's inherent resilience and the continuous expansion of non-oil sectors, including technology, productive industries, and logistics services, alongside the expanding role of the private sector. Complementing these developments are a flourishing tourism sector, major international events hosted across the Kingdom, and the increasing relocation of global corporate headquarters to Saudi Arabia due to the compelling incentives and limitless opportunities it offers. Collectively, these factors are positioning the Kingdom, through its unique strategic location and competitive advantages, as an emerging global hub for trade, investment, and innovation.

Within this dynamic environment, alrajhi bank continued to reinforce its role as a leading pillar of the national economy. The bank remained firmly aligned with Vision 2030 and continued to contribute to the development of the Saudi banking sector under the guidance of the Central Bank by advancing innovation, accelerating digital transformation, and strengthening its technological infrastructure and cloud systems. It also adopted smart solutions and integrated artificial intelligence into financial services. The bank also worked to enhance financial inclusion by expanding its customer base and providing innovative and diverse products tailored to different segments, while providing dedicated support to SMEs and adopting policies that promote sustainability and environmental, social, and corporate governance.

These efforts are bolstered by alrajhi bank's strong technological infrastructure and extensive customer base, supported by additional development programmes that reaffirm its commitment to implementing Central Bank policies, complying with regulatory requirements, applying principles of governance and transparency, and strengthening its position as a national economic institution contributing to the realisation of Saudi Vision 2030 objectives.

alrajhi bank achieved outstanding financial results during 2025, reflecting the continued success of the "harmonize the group" strategy, which unifies financial solutions within a comprehensive digital ecosystem built on advanced data management and artificial intelligence. As part of this progress, the bank strengthened cross-selling activities across its group companies, broadening the integration of products and services to better meet customer needs and enhance the overall value delivered across the organisation. This integrated direction enabled the bank to improve operational efficiency, elevate customer experience, accelerate innovation, and broaden its avenues for sustainable growth across all its business lines.

In 2025, the bank's net income after Zakat reached ﷼ 24,792 Mn., a year-on-year growth of 26%, resulting from a 22% increase in operating income driven by 20% growth in net financing and investment income, and a notable 25% rise in income from banking service fees. The bank maintained a high percentage of high-quality liquid assets, with the liquidity coverage ratio reaching 169%, and shareholders' equity increased by 16% compared to 2024, reaching ﷼ 143 Bn.

alrajhi bank achieved strong corporate and SME financing growth, maintained leadership in retail and POS markets, expanded internationally, advanced digital and fintech innovation, and fulfilled our community and sustainability commitments, reinforcing our regional and national impact.

Furthermore, the bank achieved strong growth in its corporate financing portfolio by 24%, driven by a 50% increase in the SME financing portfolio, reflecting its commitment to supporting private-sector development in alignment with Vision 2030. The bank grew its retail mortgages portfolio by 3% and sustained its market-leading position with a 37.7% market share, supporting the objectives of the National Housing Programme. alrajhi bank also maintained its leading position in retail financing with a 37.8% market share and upheld its dominant position in the point-of-sale (POS) market, with more than one million POS devices and a market share of 43.5%, contributing significantly to national efforts to expand digital payments and advance the transition toward a cashless economy.

The bank succeeded in attracting further foreign investment, with foreign ownership of its shares exceeding 16.1%, equivalent to a market value of ﷼ 60 Bn. This achievement strengthens the bank's position as one of the most prominent listed companies attracting foreign investment in the Saudi capital market.

During 2025, alrajhi bank's international network in Malaysia, Kuwait, and Jordan achieved strong and sustainable growth, reflecting the success of the bank's strategic expansion in regional and global markets. Across all three countries, the international operations recorded increases in profits, total assets, financing, and deposits, supported by strengthened governance frameworks and enhanced operational efficiency. These results reaffirm the effectiveness of the bank's expansion strategy and its commitment to reinforcing its presence in key international markets.

To reinforce its position and strength in global markets, the bank successfully issued international US-dollar-denominated Sukuks during 2025 through two separate tranches. The first tranche, issued in January, was a sustainable issuance valued at USD 1.5 Bn., while the second tranche, issued in September, was a social issuance valued at USD 1 Bn. These issuances build on the bank's strong track record in previous international offerings, all of which have received high demand from global investors. This continued interest reflects confidence in the bank's financial strength, its performance, and its position in international markets, supporting the bank's operations and its sustainable development projects.

To strengthen its leadership within the financial sector and support the development of innovative solutions across financial services, investment, payments, and service quality, alrajhi bank leveraged the expertise of Ejada Systems to advance its comprehensive digital transformation programme, enhance data centre development, and adopt artificial intelligence solutions. These initiatives aim

to automate processes, improve operational efficiency, and elevate the quality of services provided to customers, employees, and government entities. Also, as part of the bank's broader technological transformation, alrajhi bank had previously established Neoleap and Neotek, two companies specialising in digital financial technology and open banking. These entities play a vital role in enabling digital transformation by providing the technical infrastructure required to operate integrated digital platforms that support financial institutions both inside and outside the Kingdom.

Through these partnerships and the capabilities of its technology subsidiaries, the bank continues to enhance its ability to develop innovative fintech solutions, benefit from local expertise, and transfer global expertise in designing and operating data centres, cybersecurity, and digital innovation. This contributes significantly to reinforcing alrajhi bank's leadership at regional and global levels.

True to its community role under the slogan "Right and Duty," alrajhi bank remained firmly committed to fulfilling its social mission across the health, education and housing sectors, with the aim of creating long-term community value. While the report presents these initiatives in detail, we highlight the most notable achievements here.

In the health sector, the bank continued its support for hospitals and medical centres specialising in diabetes care, physical therapy and cardiac catheterisation, as well as the Disabled Children's Association. More than 90,000 beneficiaries received support through these initiatives, in addition to 9,000 blood donors supported across the Kingdom. In the housing sector, and in honour of the families of martyrs, the bank, in cooperation with the Martyrs, Wounded, Prisoners and Missing Persons Fund, continued its support of the "Dar Shahm" initiative by building 50 housing units for beneficiaries as a tribute to their sacrifices and to enhance their family stability. The bank also contributes to employment programmes for social security beneficiaries in cooperation with the Ministry of Human Resources and Social Development, and supports development-housing initiatives with the Ministry of Municipalities and Housing, helping raise home-ownership rates and affirming the bank's commitment to social solidarity.

In line with its role in empowering community groups and enhancing their economic participation, alrajhi bank continued to provide annual scholarships to more than 200 orphaned students, while also strengthening social employment programmes through the hiring of 792 employees across the bank and its subsidiaries from social security categories, in partnership with the Ministry of Human Resources and Social Development and several charitable organisations.

The bank's community mission extended beyond financial support to include financial education, promoting awareness of saving, investment and financial resource management. The bank also continued to encourage volunteerism by motivating employees to participate in initiatives serving pilgrims, supporting environmental awareness efforts and strengthening the role of charitable organisations in serving communities across the Kingdom.

With a deep understanding of today's environmental challenges and their global impact, alrajhi bank takes great pride in its active role in supporting the Saudi Green Initiative (SGI) and advancing sustainability. The bank has embedded environmental responsibility into its long-term strategy and demonstrated this commitment through investments in clean and renewable energy, efforts to reduce its carbon footprint, and the adoption of smart building-management systems that conserve energy and water. These measures, along with the bank's initiatives to measure and monitor emissions, improve operational efficiency, and reduce waste, demonstrates its commitment to environmental stewardship and sustainable development.

chairman's statement

Aligned with the Saudi Vision 2030, the bank's sustainability efforts also received strong local and global recognition. For the second consecutive year, alrajhi bank earned the Social Responsibility Award – Gold Category from the Ministry of Human Resources and Social Development, recognising its effective contribution to sustainable development through programmes that balance social, economic and environmental impact. The bank also upgraded to an AA rating in 2025 from the MSCI ESG Global Standard Index, reinforcing its position among the most influential global financial institutions supporting sustainable development.

During a year marked by exceptional accomplishments, alrajhi bank received more than 35 prestigious local and international awards, reaffirming its leadership in areas of critical importance such as digital transformation, customer experience, strong financial performance and innovation. Among these recognitions were the title of World's Largest Islamic Bank from Tap Insights; First Place in Investor Relations from the Middle East Investor Relations Association (MEIRA); Best Bank for Youth and Students in Saudi Arabia from Global Banking & Finance Magazine (GBAF); the Most Valuable Brand in Saudi Arabia award from Kantar Brands; and the Best Loyalty Programme award from The Digital Banker. Together, these accolades highlight the bank's continued ability to innovate, create value and strengthen its leadership across the financial services landscape.

At the heart of every accomplishment are the ambitious minds and exceptional talents who continuously strive for excellence, and alrajhi bank remains firmly committed to investing without limits in developing and empowering its human capital. Throughout 2025, the bank continued to provide a positive and motivating work environment that encourages creativity, innovation and high performance. This included strengthening a culture of leadership, enabling employees to assume greater responsibilities, and supporting advancement based on merit, capability and ambition.

We earned local and global recognition for sustainability and social responsibility, advanced digital and fintech solutions, and invested in national talent to support innovation and Vision 2030.

The bank also offers advanced development programmes designed to equip employees with the skills they need to excel, innovate, and deliver solutions that enable customers to manage their financial needs. To support this commitment, the bank continued to expand its learning ecosystem through the alrajhi academy, providing a range of training and upskilling programmes for employees across the organisation. Among these offerings is the Graduate Development Programme, which prepares future leaders in key areas of banking. At the close of 2025, the programme had completed 32 intakes, totalling 890 trainees.

Furthermore, the bank continued providing on-the-job training through the Tamheer programme in cooperation with the Human Resources Development Fund, and strengthened its partnerships with leading local and international educational institutions. The bank also expanded opportunities for professional development and skill-building, reflecting its commitment to nurturing national talent capable of competing globally.

chairman's statement

Marking a major milestone, Al Rajhi Bank has announced the Board of Directors' recommendation to increase the bank's capital through the issuance of bonus shares. This will involve capitalising ﷼ 20 Bn. from retained earnings. Shareholders will receive one bonus share for every two shares held, which will raise the bank's capital from ﷼ 40 Bn. to ﷼ 60 Bn. The increase in the bank's capital is aimed to strengthen the bank's core capital structure, which contributes to achieving our strategic objectives.

Looking ahead, the bank's strategic direction focuses on advancing its digital and technological transformation, enhancing customer experience, driving innovation and expanding support for the small and medium-sized enterprise sector. These priorities further advance the "harmonize the group" strategy, and are supported by continued investment in financial technology, artificial intelligence and data-driven capabilities. The bank will also continue strengthening its investment banking offerings, developing its international network, and reinforcing its role as an institution that contributes meaningfully to the realisation of Saudi Vision 2030. The bank remains committed to sustainability and social responsibility as fundamental pillars of its growth journey.

In conclusion, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and to His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz – may Allah protect them – for their wise leadership, steering our country towards limitless horizons of progress and prosperity. We also express sincere appreciation to the Ministry of Finance, the Ministry of Economy and Planning, the Saudi Central Bank, the Capital Market Authority, and all government entities whose efforts have contributed to the development of the financial ecosystem.

I extend my thanks and appreciation to our shareholders for their trust, to our customers for their continued loyalty, and to our partners for their collaboration in supporting the bank's growth. I also thank the Shariah Council for their guidance, and express my appreciation to my esteemed colleagues, the members of the Board of Directors for their efforts in strengthening governance and supporting strategic decision-making. Finally, I express my deep gratitude to all employees of alrajhi bank for their dedication, commitment and contributions throughout 2025. Their efforts remain the cornerstone of the bank's achievements and future aspirations.

May Allah grant success
Abdullah bin Sulaiman Al Rajhi
Chairman of the Board of Directors