managing director and chief executive officer's review



In 2025, we accelerated our digital transformation, strengthened our performance, and continued delivering sustainable growth aligned with Vision 2030 and our unified group strategy.

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As one of the Kingdom's leading financial institutions, alrajhi bank has played an integral role in supporting national development for nearly seven decades. Over this period, the bank has continuously evolved in step with the Kingdom's economic transformation, contributing to growth, resilience, and long-term value creation.

Today, the Kingdom stands at the forefront of the world's major economies, driven by strong national growth, expanding non-oil sectors, a thriving tourism industry, and rapid advancements across multiple strategic areas. These developments reflect the country's ambition to position itself as a global hub that capitalises on its unique geographic and economic advantages, in line with Saudi Vision 2030.

Against this backdrop, we are pleased to present our Annual Report for 2025 to our shareholders, customers, and partners. The report highlights the bank's progress during the year and the achievements delivered in line with the "harmonize the group" strategy under the guidance of our Board of Directors. These accomplishments provide a solid foundation for the next phase of growth and strategic development at alrajhi bank.

The Saudi economy continued to perform strongly in 2025, supported by steady progress toward Vision 2030's national objectives. GDP grew by 4.5% in 2025, while non-oil GDP increased by 4.9%. The International Monetary Fund projects real GDP growth of 4.5% for 2026, driven by higher oil production levels and sustained expansion in non-oil sectors. Government investment in infrastructure, technology, and long-term strategic industries further strengthened this positive outlook.

The Saudi Vision 2030 places great emphasis on responsible development. This entails focusing on economic diversification, while prioritising environmental sustainability and social responsibility. Key Vision 2030 programmes and ongoing mega-projects have helped stimulate supply chains, create employment opportunities, and enhance private-sector participation. These efforts reinforce the position of non-oil sectors as key engines of growth and form an essential part of the Kingdom's broad economic transformation. This momentum has also strengthened the operating environment for the Saudi banking industry, enabling the sector to support economic expansion, financial stability, and national investment priorities.

The Saudi banking sector maintained its strong performance during 2025, supported by rising financing activity, healthy liquidity levels, and resilient asset quality. Private-sector financing grew by 10.4% through December 2025, reflecting robust demand from retail customers and corporate clients aligned with the Saudi Vision 2030's strategic priorities.

Capital adequacy ratios remained within the range of 19-20%, significantly above regulatory requirements. Profitability also remained solid, with return on assets exceeding 2% by year-end 2025, reflecting strong operating fundamentals and sustained positive momentum across the sector.

As one of the Kingdom's most influential financial institutions, alrajhi bank has remained a key contributor to national economic transformation, aligned with the Saudi Vision 2030, driving growth across key sectors. During 2025, the bank made substantial progress in implementing its "harmonize the group" strategy, designed to unify banking products, services, and solutions across a single digital ecosystem powered by advanced data capabilities and artificial intelligence. This strategic approach has improved accessibility, speed, and flexibility, while unlocking new growth opportunities, strengthening cross-selling, increasing fee-based income, enhancing operational efficiency, and creating added value across the group.

The successful execution of the strategy has delivered tangible impact across the bank's operations. In retail banking, the percentage of customers with more than one product increased to 44.6% since the strategy's launch in early 2024, while sales within the targeted customer segment rose by an impressive 340%. The bank's customer base surpassed

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a milestone 20 million individuals across the Kingdom, supported by consistently high satisfaction levels reflected in an industry-leading Net Promoter Score of 82 points. Leveraging its extensive branch and channel network across the Kingdom, alrajhi bank further strengthened its position in the corporate sector by deepening integration and collaboration across business lines and subsidiaries.

On the digital transformation front, the bank expanded its investment in technology and automation to further enhance operational efficiencies. Automated processes reached 62%, while cloud-based applications grew to 92%, moving the bank closer to a fully cloud-native operating environment.

Managing liquidity alongside accelerating demand for financing continued to pose a significant challenge to the Saudi banking sector. alrajhi bank effectively addressed this by diversifying its funding sources and expanding its presence in local and international debt markets, alongside other alternative funding sources. These efforts enabled the bank to leverage a broad range of competitively priced instruments to support stable and resilient growth. The bank also maintained its focus on strengthening profitability through repricing initiatives and expanding fee-based income, supported by a disciplined cross-selling approach.

In response to increasing competition from digital banks and emerging fintech players, alrajhi bank adopted a dual strategy that combines internal capabilities development with external expansion. Internally, the bank continued to invest in its advanced digital infrastructure, resulting in a mobile banking experience regarded as one of the strongest in the market. Digital adoption reached 96%, with over 90% of personal financing completed digitally, supported by significant improvements across the customer journey. Externally, the bank advanced the development of a fully integrated financial ecosystem through the establishment of specialised subsidiaries such as Emkan for microfinance and Neoleap for payments. The bank also strengthened its technological capabilities by founding Neotek, a digital financial solutions provider, and acquiring a 65% stake in Drahim, a fintech company specialising in financial management and automated investment. These initiatives enhance the bank's ability to meet evolving customer expectations and reinforce its competitive position in a rapidly changing financial landscape.

Throughout 2025, alrajhi bank delivered exceptional financial performance, demonstrating the strength of its business model and the balanced diversity of its performance drivers. Net income after Zakat increased by 26%, supported by 7% growth in total assets, and a 6% increase in liabilities, further reinforcing its strong financial position. The bank continued to play a leading role in supporting the Saudi economy and advancing the objectives of Vision 2030 by enabling private-sector participation and expanding financing for SMEs, whose portfolio grew by 50%. It's worth highlighting that overall Corporate financing increased by 24% by year-end, resulting in a 14.5% market share in corporate lending.

The bank's real-estate financing portfolio grew by 3% during the year, driven by ongoing collaboration with the National Housing Programme. alrajhi bank maintained the largest market share in the Kingdom's real-estate financing segment at 37.7%, and continued to lead the retail financing market with a share of 37.8%. In the payments sector, the bank sustained its market leadership with nearly one million point-of-sale (POS) devices and a 43.5% market share, underscoring its role in enabling an advanced digital economy. This strong, broad-based performance highlights the bank's ability to achieve sustainable and balanced growth across all business lines while continuing to contribute to the major economic transformations taking place across the Kingdom.

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Across its international network, alrajhi bank Malaysia recorded another year of robust performance in 2025. Return on equity improved to 10.16%, and the cost-to-income ratio declined to 56%, supported by revenue growth and effective cost management. Current and savings account balances also rose by 21%, reflecting enhanced digital adoption and increasing customer trust. These results reflect the bank's growing presence and strategic relevance in the Malaysian financial market.

alrajhi bank expanded its reach across multiple markets, empowered national talent, embraced innovation in digital and fintech, and advanced sustainable initiatives, solidifying its reputation as a leading regional financial institution.

In Kuwait, alrajhi bank demonstrated resilience and growth despite broader economic challenges arising from global slowing activity, reduced oil production, and the effects of monetary tightening. The bank expanded its financing and investment portfolio in collaboration with alrajhi bank in Saudi Arabia, and updated its governance standards and operating framework in line with national development priorities. Total assets increased by 37%, yield income grew by 24%, and operating income rose by 8%, while maintaining a low non-performing financing ratio of 2%.

In Jordan, alrajhi bank achieved further progress in 2025, supported by the introduction of new services and the expansion of its customer base through targeted and competitive market campaigns. Operating income increased by 3%, while deposits grew by 6.4%, reflecting improving customer confidence and liquidity. These results highlight the bank's strengthening market position and continued upward trajectory in the Jordanian market.

The bank's subsidiaries too, delivered strong performances in 2025. Al Rajhi Capital maintained its position as the leading broker in traded value on the Tadawul stock exchange with a 15.5% share, and retained second place in assets under management, achieving 11% growth. It also ranked third in the Kingdom for public offerings, reinforcing its position as one of the market's most influential investment institutions.

Emkan achieved notable progress in 2025, expanding its presence across the microfinance segment and strengthening its product suite to better meet customer needs. The company continued to grow its lending portfolio and enhance operational efficiency, while maintaining strong risk management practices. Emkan successfully issued ﷼ 2.03 Bn. in private sukuk, supporting its funding structure and enabling further expansion of its financing activities.

Neoleap recorded another year of strong growth in 2025, with more than 70,000 new corporate wallets added during the year. POS transactions reached 18 million per month by year-end, and the number of POS devices increased to 111,000. As a result, the company's market share rose by 300 bps in 2025. On the retail front, urpay continued to reinforce its position as one of the fastest-growing digital wallets in the Kingdom, with its user base expanding to more than 8 million. Its market share in international remittances increased by 2.5%, and it ranked second in both card issuance and the Musaned domestic worker payroll service. The company aims to raise its remittance market share while continuing to broaden its services and enhance the overall user experience.

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In the area of human capital, alrajhi bank advanced the implementation of its comprehensive strategy focused on employee development, workplace enhancement, and specialised training. The bank delivered more than 650,000 learning hours and 100,000 training days during the year. It expanded its graduate programmes to 32, supporting more than 890 graduates, and welcomed hundreds of participants into its cooperative training programmes. The bank achieved full compliance with all performance indicators and mandatory learning requirements, ensuring strong readiness for succession planning across key roles. It also strengthened partnerships with leading global educational institutions to further enhance technical and leadership capabilities across the organisation.

alrajhi bank also advanced the effective execution of its "Nomu" internal mobility platform following its launch in 2024. The platform plays an important role in developing leadership talent from within and reducing hiring time. This reflects alrajhi bank's commitment to building highly qualified national talent and reinforces its position as an employer of choice in the Saudi banking sector.

In strengthening its role in social responsibility, the bank implemented a wide range of initiatives across social welfare, health, education, and housing. These efforts reflect alrajhi bank's commitment to sustainable development and its alignment with the objectives of Saudi Vision 2030. Key initiatives included support for national platforms and charitable programmes, educational and healthcare initiatives, and the development of housing projects for communities in need.

Furthering its goal to become a leader in financial conduct and sustainability, the bank continued its progress towards transparent disclosure. This includes aligning itself with the Global Reporting Initiative (GRI) and voluntarily adopting relevant Sustainability Accounting Standards Board (SASB) metrics. In addition, the bank also conducted a review of its GHG inventory and has updated its calculation methodology.

The bank also played a central role in advancing innovation and developing the local fintech ecosystem by investing in start-ups and empowering young national talent. These initiatives support the development of a knowledge and innovation-driven economy and reinforce the Kingdom's position as an emerging regional centre for financial technology.

Building on the strong foundations established in recent years, alrajhi bank will continue to advance its strategic priorities in 2026 and beyond. The bank will deepen digital integration, expand its product and service ecosystem, and strengthen risk and governance frameworks. It will also accelerate innovation across all business lines. These priorities will enable the bank to support national economic ambitions, enhance customer value, and reinforce its regional and international standing.

In conclusion, my deepest thanks and gratitude go to our wise leadership, may Allah protect them, who are leading our nation toward new horizons of progress and prosperity. As we look ahead to a new year of progress and achievement, I extend my sincere appreciation to the Chairman and Members of the Board of Directors for their ongoing support and guidance. I also express my gratitude to our customers, shareholders, and partners for their continued trust, and to all employees whose dedication and commitment were instrumental in delivering this year's success.

May Allah grant us all success in continuing our journey of excellence and achievement.

Waleed Abdullah Almogbel
Managing Director and CEO