IMPORTANT NOTICE

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached Base Prospectus following this page (the "**Base Prospectus**"), whether received by e-mail, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Prospectus. In reading, accessing or making any other use of the Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Prospectus, including any modifications made to them from time to time, each time you receive any information from Riyad Bank (the "**Issuer**") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

This Base Prospectus and the information contained in this Base Prospectus are subject to completion or amendment (which may be material) without prior notice. In the Kingdom of Saudi Arabia, this Base Prospectus may only be acted on or relied on by persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Authority**") pursuant to its Resolution Number 3-123-2017, dated 09/04/1439H (corresponding to 27 December 2017G) as amended by its Resolution Number 3-6-2026 dated 30/07/1447H (corresponding to 19 January 2026G) (the "**ROSCOs**"). For a more detailed description of restrictions on offers, sales and deliveries, see section 16 entitled "Subscription and Sale" of the Base Prospectus.

CONFIRMATION OF YOUR REPRESENTATION: In order to make an investment decision with respect to the sukuk described therein (the "**Sukuk**"), each prospective investor in respect of the Sukuk being offered in the Kingdom of Saudi Arabia must be permitted under the ROSCOs. The attached Base Prospectus is made available to you on the basis that you have represented, and by accessing, reading or making any other use of the attached Base Prospectus, you shall be deemed to have represented, to the Sole Arranger and the Dealer(s) (each as defined in the Base Prospectus) and the Issuer that (either alone, or with the help of a financial adviser licensed by the Authority as applicable):

a- you have understood and agree to the terms set out herein;

b- you are a person who is permitted under applicable law and regulation to act and rely upon the Base Prospectus and in particular, if applicable, you are permitted under the ROSCOs to act and rely upon the Base Prospectus;

c- you consent to delivery by electronic transmission;

d- you will conduct your own investigation with respect to the Issuer and your potential purchase of any Sukuk;

e- you have such knowledge and experience in financial and business matters that you are capable of making a meaningful evaluation of the Sukuk, the merits and risks of any investment in any Sukuk and the information contained in the Base Prospectus or any applicable supplement;

f- you have access to competent professional advisers and will make your own assessment regarding any legal, Shari'a, taxation or other economic considerations with respect to your decision to subscribe for or purchase any Sukuk; and

g- if the laws of any territory or jurisdiction outside the Kingdom of Saudi Arabia are applicable to you in connection with the delivery of or access to the Base Prospectus, as well as offers, sales or deliveries of the Sukuk, you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities in any territory and that you have not taken any action or omitted to take any action which will result in the Issuer, the Sole Arranger, the Dealer(s) or any of their respective affiliates or its or their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the Kingdom of Saudi Arabia in connection with your receipt of or access to the Base Prospectus, as well as any offers, sales or deliveries of the Sukuk.

Failure to comply with the above may result in a violation of the ROSCOs or the applicable laws of other jurisdictions.

The Authority and Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult a financial adviser licensed by the Authority.

The Saudi Central Bank does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document.

If you received the attached Base Prospectus by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Base Prospectus has been sent or made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Sole Arranger, the Dealer(s) nor any person who controls or is a director, officer, employee or agent of any of the Issuer, the Sole Arranger, the Dealer(s) nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Sole Arranger and the Dealer(s).

RESTRICTION: The Base Prospectus is not intended for use by, any person or entity, in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of any Sukuk in any jurisdiction in which such offer, solicitation or sale would be unlawful. Persons into whose possession the Base Prospectus comes are requested to inform themselves about, and to observe, any such restrictions.

Capitalised terms and expressions in this notice shall have the meanings set out in the Base Prospectus.

بنك الرياض
Riyad Bank

Sukuk Prospectus

بنك الرياض
Riyad Bank

Incorporated as a joint stock company under commercial registration no. 1010001054 and with unified number 7000022868, pursuant to Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G), with a paid-up capital of SAR 40,000,000,000 and 4,000,000,000 total outstanding shares

Additional Tier 1 Capital Public Sukuk Programme

Under the additional tier 1 capital public sukuk issuance programme described in this Base Prospectus (the "**Programme**"), Riyad Bank (the "**Issuer**" or the "**Bank**"), subject to compliance with all applicable laws, regulations and directives, may from time to time issue additional tier 1 capital sukuk (the "**Sukuk**").

The Issuer was incorporated as a joint stock company under Commercial Registration no. 1010001054 on 01/05/1377H (corresponding to 23 November 1957G) and with unified number 7000022868, pursuant to Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G) with a paid-up capital of SAR 40,000,000,000 and 4,000,000,000 total outstanding shares, having its registered head office at King Abdullah Financial District (KAFD), Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Kingdom of Saudi Arabia.

The Issuer's shares were listed on Tadawul (as defined below) in January 1993. The Issuer currently has 4,000,000,000 shares listed on Tadawul.

Each Series (as defined in the Conditions) issued under the additional tier 1 capital public sukuk issuance programme described in this Base Prospectus will be the subject of, inter alia, a master declaration of agency (the "**Master Declaration of Agency**") dated 09 July 2026G between the Issuer and Riyad Capital (in its capacity as agent on behalf of the Sukukholders (as defined below), the "**Sukukholders' Agent**", which expression includes any successor Sukukholders' Agent in relation to the Sukuk), as supplemented by a supplemental declaration of agency between the same parties in relation to each Tranche (as defined in the Conditions) of such Series (each a "**Supplemental Declaration of Agency**" and together with the Master Declaration of Agency, each a "**Declaration of Agency**"), and a payment administration agreement (the "**Payment Administration Agreement**") dated 09 July 2026G between the Issuer, the Sukukholders' Agent and Riyad Capital (in its capacity as payment administrator, the "**Payment Administrator**"). The Sukuk of each Series confer on the holders thereof from time to time (the "**Sukukholders**") the right to receive certain payments (as more particularly described herein) arising from the Sukuk Assets (as defined in the Conditions) in relation to the relevant Series.

Sukuk may only be issued in registered form subject to, and in accordance with, the terms and conditions of the Sukuk (the "**Conditions**" and, any reference herein to a numbered Condition is to the corresponding numbered provision thereof). The aggregate nominal amount of the Sukuk from time to time as are outstanding under the additional tier 1 capital public sukuk issuance programme described in this Base Prospectus will not exceed SAR 10,000,000,000 and the number of Sukuk will not exceed 10,000,000 Sak, subject to increase in accordance with the Programme Agreement (as defined herein) and all applicable rules and regulations of the Kingdom.

Each Series of Sukuk will constitute an undivided beneficial ownership interest in the Sukuk Assets with no fixed maturity date, and will at all times rank pari passu without any preference or priority among themselves. The Sukuk are redeemable at the Issuer's option: (i) if Condition 9.1(b)(ii) is marked as "**applicable**" in the Applicable Final Terms, on any date during the period commencing (and including) the relevant First Call Date to (and including) the relevant First Reset Date or on any relevant Periodic Distribution Date thereafter (each as defined in the Conditions); or (ii) if Condition 9.1(b)(iii) is marked as "**applicable**" in the Applicable Final Terms, on the First Call Date or on any relevant Periodic Distribution Date thereafter. In addition (on any date on or after the relevant Issue Date (whether or not a Periodic Distribution Date)), upon the occurrence of a Tax Event or a Capital Event (each as defined in the Conditions), all, but not some only, of the Sukuk of the relevant Series may be redeemed in accordance with Conditions 9.1(c) (Redemption due to Taxation) and 9.1(d) (Redemption for Capital Event). In all cases, any redemption of Sukuk is subject to the conditions described in Condition 9.1 (Redemption).

For the Initial Period, each Series of Sukuk shall bear profit at the relevant Initial Periodic Distribution Rate (as defined in the Conditions). The relevant Profit Rate (as defined in the Conditions) will then be reset on each relevant Reset Date on the basis of the aggregate of the relevant Margin and the Relevant Reset Rate on the relevant Determination Date, as determined by the Payment Administrator (each as defined in the Conditions). Payments of profit amounts under the Master Mudaraba Agreement (as defined in the Conditions) (and therefore payment of any corresponding Periodic Distribution Amounts) are subject to mandatory cancellation if a Non-Payment Event (as defined in the Conditions) occurs, and such payments are otherwise at the sole discretion of the Bank (as Mudareb). Any Periodic Distribution Amounts not paid as aforesaid will not accumulate or compound and the Sukukholders shall have no claim in respect thereof.

Each offer period for the relevant Tranche of the Sukuk will be specified in the Applicable Final Terms (as defined below) (each, an "**Offer Period**") and the relevant Tranche of Sukuk will be allocated after the end of the applicable Offer Period and issued on a date (each, an "**Issue Date**") notified by the Issuer and the Sole Arranger and Dealers to the relevant potential investors after the end of the relevant Offer Period. For further details, see section 16 entitled "**Subscription and Sale**".

The Sukuk may be issued on a continuing basis to one or more dealers (each a "**Dealer**" and together, the "**Dealers**") and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Sukuk being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe (or procure the subscription of) such Sukuk.

The Sukuk will be offered to eligible natural persons and legal persons in the Kingdom of Saudi Arabia (the "**Kingdom**") and any other jurisdiction, where it is lawful to offer the Sukuk. Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed investor application (an "**Investor Application**"), to the relevant Dealer(s) in the case of Institutional and Qualified Clients (each as defined in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority pursuant to its Resolution Number 4-11-2004, dated 20/08/1425H (corresponding to 4 October 2004G) as amended by its Resolution Number 1-26-2026 dated 13/09/1447H (corresponding to 02 March 2026G)), or to the receiving entities specified in the Applicable Final Terms (each a "**Receiving Entity**" and together the "**Receiving Entities**") in the case of any other natural or legal persons, prior to the date of completion of the offering process and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application. Forms in relation to Investor Applications will be available from the relevant Dealer(s) or the Receiving Entities, as applicable, in respect of such Series.

The Issuer shall not pay any additional amounts in respect of any withholding required by law to any person who holds Sukuk but is not a Qualified Person. See Condition 12 (Taxation).

Notice of the aggregate nominal amount of the Sukuk and any other terms and conditions not contained herein which are applicable to each Tranche will be set out in a final terms document applicable to such Tranche (the "**Applicable Final Terms**").

The Issuer may agree with any Dealer that Sukuk may be issued with terms and conditions not contemplated by the Conditions, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Sukuk.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche, should be read and construed together with the Applicable Final Terms.

The Issuer has submitted an application for the registration and offer of the Sukuk to the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Authority**" or "**CMA**"), and to the Saudi Stock Exchange Company ("**Tadawul**") for the listing of the Sukuk. This Base Prospectus has been approved and all required documents have been submitted to the relevant authorities. All regulatory requirements have been satisfied and all required corporate approvals have been obtained.

Prospective investors of the Sukuk offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The Securities Depository Center Company ("**Edaa**") will be appointed as registrar (the "**Registrar**", which expression includes any successor registrar) of the Sukuk issued under the Programme (as described in the Conditions and the "**Subscription and Sale**" section 16 of this Base Prospectus, respectively). The Sukuk will be in registered form in Specified Denominations of SAR 1,000 and the aggregate nominal value of each Tranche will be outlined in the Applicable Final Terms. The Sukuk will be collectively represented at all times by interests in a registered form global sak, without coupons attached (the "**Global Sak**"), which will be deposited as the Sukukholders' Agent may direct in accordance with the provisions of the Master Declaration of Agency. The Sukuk may only be held in book entry dematerialized form and individual sukuk will not be issued to Sukukholders in relation to their holdings of Sukuk.

In respect of each Series, if a Non-Viability Event (as defined in the Conditions) occurs at any time on or after the Issue Date of the first Tranche of a Series and prior to the Effective Date (as defined in the Conditions), a Write-down (as defined in the Conditions) shall occur on the relevant Non-Viability Event Write-down Date (as defined in the Conditions), as more particularly described in Condition 10 (Write-down at the point of Non-Viability) . In such circumstances, the Sukuk of such Series shall be cancelled (in the case of a Write-down in whole) along with a final liquidation of the Mudaraba of that Series with effect from the Non-Viability Event Write-down Date or the Mudaraba Capital (as defined in the Conditions) shall be Written-down in part on a pro rata basis (in the case of a Write-down in part) by the Issuer and the Sukukholders' rights to the Sukuk Assets (including the Mudaraba Assets) shall automatically be deemed to be irrevocably and unconditionally Written-down in a proportion corresponding to the relevant Write-down Amount (as defined in the Conditions). See "**Risk Factors – Risks relating to the Sukuk – Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**".

An investment in the Sukuk issued under the Programme involves certain risks and uncertainties. For a discussion of certain factors to be considered before determining whether to invest in the Sukuk issued under the Programme, see the "Risk Factors" section 6 and "Important Notice" section on page (i) of this Base Prospectus. In particular, investors should review and consider the risk factors relating to a Write-down (as defined in the Conditions) and the impact this will have on their investment. This Base Prospectus must be read and construed together with any information incorporated by reference herein via an electronic link to Tadawul's website and investors are required to refer to such information before determining whether to invest in the Sukuk issued under the Programme.

The Saudi Central Bank ("**SAMA**") does not make any representation as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. In particular, prospective purchasers of the Sukuk agree and acknowledge that SAMA assumes no liability whatsoever to any purchaser of the Sukuk for any loss arising from, or incurred, as a result of, the occurrence of a Non-Viability Event (as defined in the Conditions). If you do not understand the contents of this Base Prospectus, you should consult an authorised financial adviser. See "**Risk Factors – Risks relating to the Sukuk – The circumstances triggering a Write-down are unpredictable**" and "**Risk Factors – Risks relating to the Sukuk – Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**".

As at the date of this Base Prospectus, the Issuer's long-term corporate ratings are "**A**" with a stable outlook from S&P Global Ratings Europe Limited (SPGRE) ("**S&P**"), "**A-**" with a stable outlook from Fitch Ratings Ltd. ("**Fitch**") and "**A1**" with a stable outlook from Moody's Investors Service Cyprus Ltd. ("**Moody's**"). Where a Series of Sukuk is rated, such rating will be specified in the Applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Any Sukuk to be issued under the Programme may only be offered and sold in the Kingdom in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the Authority pursuant to its Resolution Number 3-123-2017, dated 09/04/1439H (corresponding to 27 December 2017G) as amended by its Resolution Number 3-6-2026 dated 30/07/1447H (corresponding to 19 January 2026G) (the "**ROSCOs**") issued by the CMA.

The distribution of this Base Prospectus and the offering, sale and delivery of Sukuk issued under the Programme in any jurisdiction other than the Kingdom may be restricted by law. Any persons who come into possession of this Base Prospectus are required by the Issuer, Riyad Capital (the "**Sole Arranger**") and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Sukuk issued under the Programme and on distribution of this Base Prospectus and other offering material relating to Sukuk issued under the Programme, see the "**Subscription and Sale**" section 16 of this Base Prospectus.

The transaction structure relating to the Sukuk (as described in this Base Prospectus) has been approved by members of Riyad Bank's Shari'a Committee (the "**Shari'a Committee**"). Prospective Sukukholders should not rely on such approval in deciding whether to make an investment in the Sukuk and should consult their own Shari'a advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Shari'a principles. None of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator and the Account Bank makes any representation as to the Shari'a compliance of the Sukuk and/or any trading thereof and none of the Issuer, Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any of their respective affiliates shall be liable to any Sukukholder or any other person in respect thereof.

This Base Prospectus is dated 09 July 2026G.

Financial Advisor, Sole Arranger and Dealer

Receiving Entities

IMPORTANT NOTICE

This Base Prospectus provides certain information relating to the Issuer and the Sukuk being offered. This Base Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Sukuk by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Base Prospectus and the offer or sale of the Sukuk in certain jurisdictions is restricted by law. This Base Prospectus may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorised or is unlawful.

This Base Prospectus contains details and sufficient information related to the Issuer and Sukuk. This Base Prospectus can be obtained by visiting the Issuer's website (https://www.riyadbank.com), the Authority's website (www.cma.org.sa), Tadawul's website (www.saudiexchange.sa) or the website of the Financial Advisor, the Sole Arranger and the Dealer (https://www.riyadcapital.com/).

This prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Authority**") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange Company. The directors, whose names appear in this prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange Company do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus.

No person is or has been authorised to give any information or to make any representation about the Issuer, the Programme or the Sukuk (other than as contained in this Base Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been made or authorised by the Issuer, the Sole Arranger and the Dealers or any of their respective affiliates. Neither the publication and/or delivery of this Base Prospectus nor any sale of any Sukuk shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. None of the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator and the Account Bank and any of their respective affiliates expressly undertakes to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor or prospective investor in the Sukuk of any information coming to their attention.

The Issuer accepts full responsibility for the accuracy of the information contained in this Base Prospectus and the Applicable Final Terms and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, the information contained in this Base Prospectus is in accordance with the facts and there are no other facts, the omission of which would make any statement herein misleading. The Authority and the Tadawul do not take any responsibility for the contents of this Base Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus.

SAMA does not make any representation as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. In particular, prospective purchasers of the Sukuk agree and acknowledge that SAMA assumes no liability whatsoever to any purchaser of the Sukuk for any loss arising from, or incurred, as a result of, the occurrence of a Non-Viability Event. If you do not understand the contents of this Base Prospectus, you should consult an authorised financial adviser. The distribution of this Base Prospectus and the offering, sale and delivery of the Sukuk in any jurisdiction other than the Kingdom may be restricted by law.

While the Issuer has made all reasonable enquiries as to the accuracy of the information contained in this Base Prospectus as at the date hereof, substantial portions of the market and industry information herein are derived from external sources, and while none of Issuer, the Sole Arranger, the Dealers nor any of their respective advisers or respective affiliates have any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

The information contained in this Base Prospectus is subject to change. In particular, the actual financial state of the Issuer and the value of any Sukuk issued under the Programme may be adversely affected by future developments in inflation, financing charges, taxation, calculation of zakat or other economic, political and other factors, over which the Issuer has no control, see section 6 "**Risk Factors**". The Issuer does not intend to update or otherwise revise any information or forward-looking statements in this Base Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Base Prospectus might not occur in the way they are expected, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward looking statements.

Neither the publication and/or delivery of this Base Prospectus nor any oral, written or printed interaction in relation to the Sukuk is intended to be or should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche, should be read and construed together with the Applicable Final Terms.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Sukuk issued under the Programme: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation on the part of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any of their respective advisers or respective affiliates that any recipient of this Base Prospectus should participate in the offering of any Sukuk issued under the Programme. Information provided herein is of a general nature and has been prepared without taking into account any prospective investor's investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Base Prospectus and any other information supplied in connection with the Programme or the issue of any Sukuk issued under the Programme is responsible for obtaining their own independent professional advice from a financial adviser licensed by the Authority in relation to the Issuer and the offering of the relevant Sukuk and for making their own independent investigation, evaluation and appraisal of the financial condition and affairs, as well as the creditworthiness, of the Issuer, an investment in the relevant Sukuk and of the information and assumptions contained herein, using such advice, analysis and projections as they deem necessary in making any investment decision.

None of the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any of their respective affiliates accepts any liability or gives any representation, warranty or undertaking, express or implied in relation to (i) the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or for any other statement made or purported to be made by the Sole Arranger, a Dealer, the Sukukholders' Agent , the Payment Administrator, the Account Bank or any of their respective affiliates on its behalf in connection with the Issuer, the Programme or the issuance and offering of the Sukuk; or (ii) for any acts or omissions of the Issuer or any other person in connection with this Base Prospectus or the issue and offering of the Sukuk.

None of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any of their respective affiliates makes any representation to any investor in the Sukuk regarding the legality of its investment under any applicable laws. Any investor in the Sukuk should be able to bear the economic risk of an investment in the Sukuk for an indefinite period of time.

Prospective investors should note that the Issuer shall not pay any additional amounts in respect of any withholding required by law to any person who holds Sukuk who is not a "Qualified Person". A "Qualified Person" means:

a- a natural person who is resident in the Kingdom under with the Income Tax Law issued by Royal Decree no. M/1 dated 15/01/1425H (corresponding to 6 March 2004G), as amended and the implementing regulations thereof (the **"Income Tax Law**"); or

b- a legal person who is considered to be resident in the Kingdom under the Income Tax Law and (in the case of any legal person other than a Saudi Arabian governmental entity or mutual fund established in the Kingdom and managed by a person authorised by the Authority or any other entity established in the Kingdom that is not required by the laws of the Kingdom to hold a commercial registration) who is holding a current commercial registration number issued by the Ministry of Commerce,

and, in each case, has a bank account with a local bank in the Kingdom.

If the prospective investor received this document by e-mail, they should not reply by e-mail to this document. Any reply e-mail communications, including those generated by using the "**Reply**" function on the prospective investor's e-mail software, will be ignored or rejected. If the prospective investor receives this document by e-mail, their use of that e-mail will be at their own risk, and it is their responsibility to take precautions to ensure that it is free from viruses and any other similar items of a destructive nature.

If this Base Prospectus has been sent to a prospective investor in an electronic form, they must be aware that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any of their respective affiliates or any person who controls or is a director, officer, employee or agent of any of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Base Prospectus distributed to prospective investors in electronic format and the copy made available on the official website of the Authority or the Issuer.

The information provided in this Base Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, the financial situation or particular investment needs of the persons who intend to invest in the Sukuk. Prospective investors are not to construe the contents of this Base Prospectus as constituting tax, zakat, investment, legal, regulatory or Shari'a advice. Prior to purchasing any Sukuk, a prospective investor should consult with its own legal, financial, business, tax, zakat and Shari'a advisers to determine the appropriateness and consequences of an investment in the Sukuk for such investor and arrive at an independent evaluation and appraisal of such investment.

The Sukuk may not be a suitable investment for all investors. Each potential investor in Sukuk must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should (either alone, or with the help of a financial adviser licensed by the Authority or a Shari'a adviser, as applicable):

a- have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk, the merits and risks of investing in the Sukuk and the information contained, or incorporated by reference, in this Base Prospectus or any applicable supplement;

b- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk and the impact the Sukuk will have on its overall investment portfolio or financial position;

c- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk;

d- understand thoroughly the terms of the Sukuk and be familiar with the behaviour of any relevant indices and financial markets;

e- be able to evaluate the compliance of the Sukuk with Shari'a principles (including, without limitation, their individual standards of compliance relating thereto); and

f- be able to evaluate possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain governmental or regulatory authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent: (i) the Sukuk are legal investments for it; (ii) the Sukuk can be used as collateral for various types of borrowing; and (iii) other restrictions apply to their purchase or pledge of any Sukuk. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Sukuk under any applicable risk-based capital or similar rules and regulations to avoid breaching any laws and regulations or the provisions of contracts or agreements to which they are a party.

The Sukuk are complex financial instruments and are of high risk and are not a suitable or appropriate investment for all investors. See "**Risk Factors – Risks relating to the Sukuk – The circumstances triggering a Write-down are unpredictable**" and "**Risk Factors – Risks relating to the Sukuk – Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**". In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities similar to the Sukuk, including, without limitation, prohibitions on the offering or sale of such securities to persons who are not institutional or qualified clients. In addition, financial institutions in certain jurisdictions (for example, financial institutions that are licensed by the Central Bank of the United Arab Emirates) may be restricted from investing in securities similar to the Sukuk that are issued by an entity that does not conduct all of its activities and business in accordance with the principles of Shari'a. There are risks inherent in holding of the Sukuk, including the risks in relation to their subordination and the circumstances in which holders of the Sukuk may suffer loss as a result of holding the Sukuk. See section 6 "**Risk Factors**" for a discussion of certain considerations to be taken into account in connection with an investment in the Sukuk (in particular, the risks relating to subordination and cancellation of payments). Institutional or qualified clients generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in Sukuk unless it has the expertise (either alone or with a financial adviser licensed by the Authority) to evaluate how the Sukuk will perform under changing conditions, the resulting effects on the value of the Sukuk and the impact this investment will have on the prospective investor's overall investment portfolio or financial position, as the case may be.

The Issuer reserves the right, to the maximum extent permitted by applicable laws and regulations, to terminate at any time any further participation by any party in the evaluation process and the offering of the Sukuk and/or reject all bids without any liability or responsibility. The Issuer shall have no obligation to inform any investor or bidder of the grounds of such termination or rejection. The cost and expenses incurred by any prospective investor or successful bidder (which includes, but is not limited to, cost of employing the services of financial, accounting, technical, legal and Shari'a advisers, travelling expenses, etc.) will be for their own account and neither the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank nor any of their respective affiliates in any way would be held responsible for any such cost, regardless of, without limitation, the conduct or outcome of the bidding, evaluation and selection process.

The Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator, the Account Bank and any of their respective affiliates are not responsible for, and take no responsibility for, the movement of funds or securities on settlement of the offering or thereafter. Sukukholders will bear any costs (including, without limitation fees and charges) in connection with the Sukuk associated with safekeeping, transfer or otherwise imposed by Edaa, Tadawul and/or any costs (including fees and charges) imposed by Sukukholders' relevant capital markets institutions such as their custodians or brokers from time to time. These costs may be subject to change. Prospective Sukukholders must inform themselves about the applicable costs their respective capital markets institutions might charge. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such costs.

Settlement of any Sukuk issued under the Programme will be through the clearing and settlement system of the Registrar and in accordance with the procedures and funds settlement as established by the Registrar and in accordance with its procedures. The Issuer, the Sole Arranger, the Dealer(s), the Sukukholders' Agent, the Payment Administrator, the Account Bank and each of their respective affiliates do not take any responsibility for, or make any representation in connection with such processes, which investors are expected to complete within the Registrar entirely at their sole responsibility.

Industry and Market Data

In this Base Prospectus, information regarding the banking industry and other data regarding the market segment in which the Issuer operates has been obtained from: (i) the Issuer's estimates; and (ii) data and analysis on the banking industry, which were obtained from various publicly available third party sources and materials. Such information, sources, and estimates are believed to be reliable, but have not been independently verified by the Issuer, the directors of the Issuer whose names appear in section 13 entitled "**Management and Employees**" of this Base Prospectus or any of their respective advisers and no representation is made with respect to their accuracy or completeness.

Industry and market data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey of market size. None of the publications, reports or other published industry sources referred to in this Base Prospectus were commissioned by the Issuer or prepared at its request and the Issuer has not sought or obtained the consent from any of these sources to include such market data in this Base Prospectus.

Supplementary Base Prospectus

If at any time during the duration of the Programme the Issuer becomes aware that there is a significant change in material matters contained in this Base Prospectus or additional significant matters have become known which would have been required to be included in this Base Prospectus, the Issuer shall prepare a supplement to this Base Prospectus or publish an amended base prospectus for use in connection with any subsequent offering of the Sukuk and shall supply to the Sole Arranger and Dealers such number of copies of such supplement hereto (or amended Base Prospectus, as the case may be) as such Sole Arranger or Dealers may reasonably request.

NOTICE TO PROSPECTIVE INVESTORS

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Sukuk in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Sukuk may be restricted by law in certain jurisdictions. In particular, any offer or sale of Sukuk in the Kingdom must be in accordance with the ROSCOs. The Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator and the Account Bank require persons in possession of this Base Prospectus to inform themselves about and to observe all such legal or regulatory restrictions in this regard.

The Sukuk have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Sukuk may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States. Each purchaser of the Sukuk is hereby notified that the offer and sale of Sukuk to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Historical financial statements

The historical financial statements relating to the Group and incorporated by reference in this Base Prospectus are:

- the audited consolidated financial statements as at and for the year ended 31 December 2025 including comparative information as at, and for the year ended, 31 December 2024;
- the unaudited interim condensed consolidated financial statements as at 30 September 2025 and for the nine-month period ended 30 September 2025 including unaudited comparative information for the nine-month period ended 30 September 2024 (the **Interim Financial Statements**);
- the audited consolidated financial statements as at and for the year ended 31 December 2024 including comparative information as at, and for the year ended, 31 December 2023 (the **2024 Financial Statements**);
- the audited consolidated financial statements as at and for the year ended 31 December 2023 including comparative information as at, and for the year ended, 31 December 2022 (the **2023 Financial Statements**); and
- the audited consolidated financial statements as at and for the year ended 31 December 2022 including comparative information as at, and for the year ended, 31 December 2021 (the **2022 Financial Statements** and together with the 2023 Financial Statements and the 2024 Financial Statements, the **Annual Financial Statements**).

The Annual Financial Statements and the Interim Financial Statements are together referred to as the **Financial Statements**.

The Annual Financial Statements and the consolidated financial statements as at and for the year ended 31 December 2025 were prepared in compliance with (i) IFRS Accounting Standards that are endorsed in Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (**SOCPA**) (together, **IFRS**) and (ii) the provisions of the Banking Control Law (the **BCL**), the Regulations for Companies in Saudi Arabia and the by-laws of the Bank.

The Interim Financial Statements were prepared in accordance with International Accounting Standard 34: Interim Financial Reporting (**IAS 34**) as endorsed in Saudi Arabia and other standards and pronouncements endorsed by SOCPA.

The Bank's financial year ends on 31 December and references in this Base Prospectus to **2024**, **2023** and **2022** are to the 12-month period ending on 31 December in each such year.

During 2024, the Group changed the estimated useful lives of certain property, equipment and intangible assets and accounted for the change prospectively as a change in accounting estimate as disclosed in notes 3.1 and 3q to the 2024 Financial Statements. The change reduced the Group's depreciation/amortisation expense in 2024 and, if it had not been made, the Group's depreciation/amortisation expense for 2024 would have been higher by SAR 151 million and its net income before zakat would have been lower by the same amount.

Auditors and unaudited information

The 2022 Financial Statements were jointly audited by PricewaterhouseCoopers Public Accountants (**PwC**) and Ernst & Young Professional Services (Professional LLC) (**EY**) in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. PwC and EY issued an unqualified joint audit report on the 2022 Financial Statements.

The 2023 Financial Statements were jointly audited by PwC and EY in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. PwC and EY issued an unqualified joint audit report on the 2023 Financial Statements.

The 2024 Financial Statements were jointly audited by EY and Deloitte and Touche & Co. Chartered Accountants (**Deloitte**) in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. EY and Deloitte issued an unqualified joint audit report on the 2024 Financial Statements.

The Interim Financial Statements were jointly reviewed by KPMG Professional Services Company (**KPMG**) and Deloitte in accordance with the International Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity endorsed in Saudi Arabia. KPMG and Deloitte issued an unqualified joint review report on the Interim Financial Statements.

The consolidated financial statements as at and for the year ended 31 December 2025 were jointly audited by KPMG and Deloitte in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. KPMG and Deloitte issued an unqualified joint audit report on the consolidated financial statements as at and for the year ended 31 December 2025.

All financial information in this Base Prospectus as at 30 September 2025, and for the nine-month periods ended 30 September 2025 and 30 September 2024, is unaudited. Also, as stated in the review report, KPMG and Deloitte did not audit and they do not express an opinion on the unaudited Interim Financial Statements. Accordingly, the degree of reliance on the review report on such information should be restricted in light of the limited nature of the review procedures applied. Certain other financial information in this Base Prospectus is unaudited financial information which has been extracted without material adjustment from the accounting records of the Group which form the underlying basis of the Financial Statements. In particular, certain financial information included within "**Selected Financial Information—Selected consolidated ratios**" is identified as unaudited.

PwC has not audited, reviewed, examined, compiled or applied agreed-upon procedures with respect to the reclassified financial information and the restated financial information (as described below) as at, and for the year ended, 31 December 2023 for the purpose of its inclusion herein and, accordingly, PwC does not provide any form of assurance with respect thereto for the purpose of this Base Prospectus. The PwC report included in this Base Prospectus relates solely to the Group's previously issued financial statements. It does not extend to the reclassified financial information and the restated financial information (as described below) and should not be read to do so.

EY has not audited, reviewed, examined, compiled or applied agreed-upon procedures with respect to the reclassified financial information and the restated financial information (as described below) as at, and for the year ended, 31 December 2024 for the purpose of its inclusion herein and, accordingly, EY does not provide any form of assurance with respect thereto for the purpose of this Base Prospectus. The EY reports included in this Base Prospectus relate solely to the Group's previously issued financial statements. They do not extend to the reclassified financial information and the restated financial information (as described below) and should not be read to do so.

Sources of financial information

Unless otherwise indicated, the financial information included in this Base Prospectus relating to the Group has been derived:

- in the case of the limited financial information as at 31 December 2025 relating to debt and contingent liabilities, from the consolidated financial statements as at and for the year ended 31 December 2025;
- in the case of the financial information as at 30 September 2025, and for the nine-month periods ended 30 September 2025 and 30 September 2024, from the Interim Financial Statements;
- in the case of the financial information as at, and for the year ended, 31 December 2024, from the 2024 Financial Statements, except for the restated financial information as at, and for the year ended, 31 December 2024 which has been derived from the comparative column of the Interim Financial Statements, see "**Restatement of financial information**";
- in the case of the financial information as at, and for the year ended, 31 December 2023 from the 2023 Financial Statements, except for the reclassified financial information as at, and for the year ended, 31 December 2023 which has been derived from the comparative column of the 2024 Financial Statements or the unaudited management schedule, as applicable; and
- in the case of the financial information as at, and for the year ended, 31 December 2022, from the 2022 Financial Statements.

Restatement of financial information

During the three-month and nine-month period ended 30 September 2025, the Bank corrected the valuation of its equity interest in Saudi Credit Bureau (**SIMAH**) that is classified as an investment at fair value through other comprehensive income, which was historically valued at net asset instead of fair value. The impact of the change in valuation method from net asset to fair value has resulted in an increase by SAR 451 million as at 30 September 2024 and as at 31 December 2024.

This restatement is further described in note 7(b) to the Interim Financial Statements. Statement of financial position information relating to investments, net and other reserves as at 31 December 2024, which has been derived from the 2024 Financial Statements, should be read accordingly.

Neither the financial information as at, and for the year ended, 31 December 2022 as included in the 2023 Financial Statements or the 2022 Financial Statements were restated. As a result, that financial information may not be comparable to the financial information in the 2024 Financial Statements.

Presentation of other Information

Currencies

Unless otherwise indicated, in this Base Prospectus, all references to:

- **riyal**, **Saudi riya**l and **SAR** are to the lawful currency of Saudi Arabia; and
- **U.S. dollars** and **U.S.$** are to the lawful currency of the United States of America (the **United States** or the **USA**).

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in riyal. The Bank's functional currency is the riyal and the Bank prepared the Financial Statements in riyal, rounded to the nearest thousand.

Translations of amounts from riyal to U.S. dollars in this Base Prospectus are solely for the convenience of the reader. The riyal has been pegged to the U.S. dollar since 1986 at a fixed rate of SAR 3.75 = U.S.$1.00 and, unless otherwise stated, all conversions of riyal amounts to U.S. dollar amounts in this Base Prospectus have been converted at this rate.

Alternative Performance Measures

This Base Prospectus includes selected consolidated ratios which have not been prepared in accordance with IFRS. None of this financial information is subject to any audit or review by independent auditors. These ratios include performance measures, financial ratios, asset quality measures and other ratios, see "**Selected Financial Information—Selected consolidated ratios**" below which also explains the basis of calculation of each ratio.

The Bank believes that the presentation of these ratios is helpful to investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, these ratios are not measures of financial performance under IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS. Other companies, including those in the Group's industry, may calculate these ratios differently from the Group. As all companies do not calculate these ratios in the same manner, the Group's presentation of these ratios may not be comparable to other similarly titled measures of other companies.

Third party and market share data

This Base Prospectus contains information regarding the Group's business and the industry in which it operates and competes, which the Group has obtained from third party sources. The Group and other institutions operating in the banking and financial services industry in Saudi Arabia make available a wide range of financial and operational information to regulatory and market bodies, including SAMA and the CMA. These bodies use certain of the data supplied to publish statistical information, amongst other matters. However, no assurance can be made that the information reported to these bodies by different market participants is, in all cases, directly comparable. Where third party information has been used in this Base Prospectus, it has been accurately reproduced and the source of such information has been identified.

In some cases, independently determined industry data is not available. In these cases, any Group market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by the Bank using its own information and other market information which is publicly available. The Bank believes that these estimates of market share are helpful as they give prospective investors a better understanding of the industry in which the Group operates, as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Group's knowledge of the market within which it operates, the Bank cannot guarantee that a third-party expert using different methods would reach the same conclusions.

Statistical information relating to Saudi Arabia included in this Base Prospectus has been derived from official public sources, including the General Authority for Statistics (**GASTAT**), SAMA, the Ministry of Finance, the Ministry of Economy and Planning, the International Monetary Fund (the **IMF**) and the Organisation for Petroleum Exporting Countries (**OPEC**). All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Bank to investors who have purchased Sukuk issued under the Programme.

Where information has not been independently sourced, it is the Group's own information.

No incorporation of website information

The Bank's website is https://www.riyadbank.com. The information on this website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been verified, does not form part of this Base Prospectus and is not incorporated by reference into this Base Prospectus, and investors should not rely on it.

References to laws

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Rounding

The Financial Statements and the consolidated financial statements as at and for the year ended 31 December 2025 present the Group's results in thousands of riyal. Certain data derived from the Financial Statements and the consolidated financial statements as at and for the year ended 31 December 2025 in this Base Prospectus has been expressed in millions or billions of riyal and rounded to one decimal place, with SAR 500,000 and SAR 500 million each being rounded up. For the purposes of calculating percentages relating to information derived from the Financial Statements, the underlying numbers used have been extracted from the rounded figures presented in this Base Prospectus or from the Financial Statements (where no rounded numbers are being used). All percentage data has been rounded to one decimal place, with 0.050 being rounded up. As a result of such rounding, the totals of rounded data presented in tables in this Base Prospectus may vary slightly from the arithmetic totals of such data. Where used in tables, the figure "0" means that the data for the relevant item has been rounded to zero and the symbol "—" means that there is no data in respect of the relevant item.

Dates

Certain dates in this Base Prospectus have been referred to in accordance with the Hijri (H) calendar and the Gregorian calendar.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning the Bank's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "**Risk Factors**", "**Description of the Group**" and other sections of this Base Prospectus. The Bank has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Bank believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those identified below or which the Bank has otherwise identified in this Base Prospectus, or if any of the Bank's underlying assumptions prove to be incomplete or inaccurate, the Group's actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "**Risk Factors**" and "**Description of the Group**", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sector in which the Group operates.

The risks and uncertainties referred to above include:

- macro-economic and financial market conditions (and changes therein);
- credit risks, including the impact of a higher level of credit defaults arising from adverse economic conditions, the impact of provisions and impairments and concentration of the Group's portfolio of financing and investing assets;
- the effects of, and changes in, laws, regulations or governmental policy affecting the Group's business activities;
- removal or adjustment of the peg between the U.S. dollar and the riyal;
- liquidity risks, including the inability of the Group to meet its contractual and contingent cash flow obligations or its inability to fund its operations; and
- changes in interest rates and other market conditions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "**Risk Factors**".

These forward-looking statements speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws, the Bank expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based.

PARTIES AND ADVISERS

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Mutaz Kusai AlAzzawi – Vice Chairman

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Email: Ashraf.Madani@moodys.com

S&P Global Ratings Europe Limited (SPGRE) (Dubai International Financial Centre Branch)*
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Dubai International Financial Centre
Dubai, United Arab Emirates
Tel: + 971 4 372 7150
Website: www.spglobal.com
Email: Zeina.nasreddine@spglobal.com

*For the avoidance of doubt, as at the date hereof, none of the credit rating agencies listed above has assigned a credit rating to the Programme nor to any issue of Sukuk thereunder. In addition, none of the credit rating agencies listed above have reviewed this Base Prospectus or any of the Transaction Documents and, therefore, do not accept any responsibility for the contents of this Base Prospectus.

RECEIVING ENTITIES
Albilad Investment Company King Fahad Road Olaya District Riyadh 12313 Kingdom of Saudi Arabia Tel: +966 800 116 0002 Fax: +966 11 290 6299 Website: www.albilad-capital.com E-mail: clientservices@albilad-capital.com
Al Rajhi Capital Head Office, King Fahad Road, Al Murooj District P.O. Box 5561, Riyadh 12263 Kingdom of Saudi Arabia Tel: +966 92 000 5856 Fax: +966 11 460 0625 Website: www.alrajhi-capital.com E-mail: ARCIPO@alrajhibank.com.sa
SNB Capital King Saud Road P.O. Box 22216 Riyadh 12624 Kingdom of Saudi Arabia Tel: +966 800 244 0123 Website: www.alahlicapital.com E-mail: alahlitadawul@alahlicapital.com
SAB Invest King Fahd Branch Road, Al Yasmin District Postal Code 13325 Kingdom of Saudi Arabia Tel.: +966 11 406 2828 Fax: +966 11 216 9102 Website: www.sabinvest.com E-mail: customercare@sabinvest.com
BSF Capital 8092, King Fahd Road Riyadh 3735-1231 Kingdom of Saudi Arabia Tel.: +966 11 282 6828 Fax: +966 11 282 6623 Website: www.sfc.sa E-mail: sfc-supportcenter@bsfcapital.sa

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Derayah Financial Company Prestige Center, Al Takhassusi Road P.O. Box 286546, Riyadh 11323 Kingdom of Saudi Arabia Tel.: +966 11 299 8000 Fax: +966 11 419 5498 Website: www.derayah.com E-mail: support@derayah.com
Aljazira Capital King Fahd Branch Road, Al Rahmaniyah P.O. Box 20438, Riyadh 11455 Kingdom of Saudi Arabia Tel.: +966 800 116 9999 Fax: +966 11 225 6068 Website: www.aljaziracapital.com.sa E-mail: Contactus@aljaziracapital.com.sa
Riyad Capital Riyad Bank Tower, King Abdullah Financial District (KAFD) 3128 Financial Boulevard, Al Aqeeq District 13519 - 6671, Riyadh Kingdom of Saudi Arabia Tel: +966 92 001 2299 Fax: +966 11 486 5908 Website: www.RiyadCapital.com E-mail: Ask@RiyadCapital.com
Alinma Capital Riyadh, King Fahad Road, Al-Anoud Tower P.O. Box 55560 Kingdom of Saudi Arabia Tel: +966 11 218 5999 Fax: +966 11 218 5970 Website: www.alinmainvestment.com E-mail: IPO@alinma.com

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Yaqeen Capital Riyadh, Al Worood District, Al Olaya Street P.O. Box 884, Riyadh 11421 Kingdom of Saudi Arabia Tel.: +966 800 429 8888 Fax: +966 11 205 4827 Website: www.yaqeen.sa E-mail: IPO@yaqeen.sa
Alkhabeer Capital Jeddah, P.O. Box 128289 Kingdom of Saudi Arabia Tel.: +966 12 612 9420 Fax: +966 (12) 6856663 Website: www.alkhabeer.com E-mail: brk-ops@alkhabeer.com
Alistithmar for Financial Securities and Brokerage Company King Fahd Road, Riyadh P.O. Box 6888, Riyadh 11452 Kingdom of Saudi Arabia Tel.: +966 11 254 7666 Fax: +966 11 489 6253 Website: www.icap.com.sa/ar E-mail: WebEcare@icap.com.sa
EFG Hermes KSA 3rd Floor, Northern Tower, Sky Towers King Fahd Road, Olaya, Riyadh P.O. Box 300189, Riyadh 11372 Kingdom of Saudi Arabia Tel.: +966 11 293 8048 Fax: +966 11 293 8048 Website: www.efghermesksa.com E-mail: ksareipo@efg-hermes.com

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1. SUMMARY OF THE PROGRAMME

The following is a summary of the principal features of the Programme and the terms and conditions of the offer. This summary does not contain all of the information that a prospective investor should consider before investing in Sukuk and is qualified in its entirety by the remainder of this Base Prospectus and the Applicable Final Terms. Each investor should read this entire Base Prospectus and the Applicable Final Terms carefully, before making an investment decision. In particular, prospective investors should consider carefully the factors set forth under section 6 entitled "**Risk Factors**" and the section on page (i) entitled "**Important Notice**". Capitalised terms used but not defined in this summary have the meanings given to them in the "**Terms and Conditions of the Sukuk**" section 7 of this Base Prospectus and any reference herein to a specified "**Condition**" shall be construed accordingly.

SUMMARY OF THE ISSUER

"Name"	Riyad Bank (the "**Issuer**" or the "**Bank**", and together with its subsidiaries, the "**Group**").
"Description and incorporation"	The Issuer was incorporated as a joint stock company under Commercial Registration no. 1010001054 on 01/05/1377H (corresponding to 23 November 1957G) pursuant to Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G) and with unified number 7000022868).
"Issuer"	Riyad Bank.
"Sole Arranger"	Riyad Capital.
"Dealers"	Riyad Capital together with any other Dealers appointed in accordance with the Programme Agreement (together, the "**Dealers**").
"Sukukholders' Agent"	Riyad Capital with its registered address at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia. For further details, please see section 7 "**Terms and Conditions of the Sukuk**" of this Base Prospectus.
"Payment Administrator"	Riyad Capital with its registered address at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia.
"Account Bank"	Riyad Bank with its registered address at King Abdullah Financial District (KAFD), Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Kingdom of Saudi Arabia.
"Registrar and Transfer Agent"	Securities Depository Center Company ("**Edaa**") with its registered address at Parcel 1.17, Financial Blvd, Al Aqiq, Riyadh 13519, Kingdom of Saudi Arabia.

Summary of the terms of Sukuk of each Series and the rights of the Sukukholders

"Terms of each Series"	The specific terms of each Series will be set out in the Applicable Final Terms.
"Issuance in Series"	The Sukuk will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Sukuk of each Series will have the same terms and conditions or terms and conditions which are the same in all respects, save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which the Periodic Distribution Amounts start to accrue.
"Issue Date"	The Issue Date of each Series of Sukuk will be set out in the Applicable Final Terms.
"Profit Rate"	For the Initial Period, each Series of Sukuk shall bear profit at the relevant Initial Periodic Distribution Rate. The relevant Profit Rate will be reset on each relevant Reset Date on the basis of the aggregate of the relevant Margin and the Relevant Reset Rate on the relevant Determination Date, as determined by the Payment Administrator.
"Programme Size"	The Aggregate Nominal Amount of the Sukuk from time to time as are outstanding under the Programme will not exceed SAR 10,000,000,000 and number of Sukuk not exceeding 10,000,000 Sak, subject to increase in accordance with the Programme Agreement and all applicable laws and regulations in the Kingdom.
"Issuance Size/nominal value for offered debt instrument"	The Aggregate Nominal Amount of each Series of Sukuk will be set out in the Applicable Final Terms.
"Targeted Participants"	The Sukuk will be offered to eligible natural and legal persons in the Kingdom and any other relevant jurisdiction.
"Offer Period"	Each offer period for the relevant Tranche of the Sukuk will be specified in the Applicable Final Terms (each, an "**Offer Period**") and the relevant Tranche of Sukuk will be allocated after the end of the applicable Offer Period and issued on an Issue Date notified by the Issuer, the Sole Arranger and Dealers, and the Receiving Entities to the relevant potential investors after the end of the relevant Offer Period. For further details, see section 16 "**Subscription and Sale**".
"Subscription Method"	Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed investor application (an "**Investor Application**"), to the relevant Dealer(s) in the case of Institutional and Qualified Clients, or in the case of any other legal or natural persons, to the Receiving Entities, before the end of the Offer Period (as defined herein) and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application. Forms in relation to Investor Applications will be available from the relevant Dealer(s), or from the Receiving Entities, as applicable, in respect of such Series. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted. For further details, please see section 16 "**Subscription and Sale**".
"Allocation Method and return of excess"	The allocation method of each Series of Sukuk will be specified in the Applicable Final Terms. Excess subscription monies paid by investors, if any, will be refunded after completion of the allocation of Sukuk of the relevant Series from which the monies were received without any charge or commission being withheld by the Dealer(s) or the Receiving Entities.
"Currencies"	The Sukuk will be denominated in Saudi Arabian Riyals ("SAR").
"Specified Denominations"	The Sukuk will be in registered form in denominations of SAR 1,000.
"Maturities"	The Sukuk of each Series are perpetual securities and accordingly do not have a mandatory fixed redemption date.
"Issue Price"	Sukuk may only be issued on a fully paid basis and at an issue price which is at par.

"Status"	The Sukuk represent an undivided ownership interest of the Sukukholders in the Sukuk Assets and shall at all times rank pari passu without any preference or priority among themselves.
"Subordination"	The Relevant Obligations will (i) constitute Additional Tier 1 Capital of the Issuer; (ii) constitute direct, unsecured, conditional (in accordance with Condition 7 (Periodic Distribution Restrictions) and subordinated obligations of the Issuer and (iii), upon the occurrence and continuation of a Winding-Up Proceeding rank: a- subordinate and junior to all Senior Obligations but not further or otherwise; b- pari passu with all other Pari Passu Obligations; and c- in priority only to all Junior Obligations.
"Periodic Distributions"	Subject to certain restrictions, Sukukholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Applicable Final Terms.
"Transaction Account"	On the Issue Date, the proceeds of the subscription of the Sukuk shall be deposited by the Sukukholders into a non-interest bearing account with the Account Bank in respect of such Series held in the name of the Sukukholders' Agent (for and on behalf of the Sukukholders) and administered by the Payment Administrator on behalf of the Sukukholders' Agent (the "**Transaction Account**").
"Limitation on Payment of Periodic Distribution Amounts"	If the Issuer makes a Non-Payment Election or a Non-Payment Event occurs, the Issuer shall not pay the corresponding Periodic Distribution Amounts (or any part thereof, as applicable) and the Issuer shall not have any obligation to make any subsequent payment in respect of any unpaid Periodic Distribution Amount as more particularly described in Condition 7 (Periodic Distribution Restrictions). In such circumstances, distributions will not be cumulative and any distributions which are not paid will not accumulate or compound and the Sukukholders will have no right to receive such distributions at any time, even if other distributions are paid in the future.
"Dividend and Redemption Restrictions"	The payment of dividends (and certain other distributions) by the Issuer will be subject to the payment of the relevant Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit or Periodic Distribution Amounts on the relevant Sukuk of that Series being made, as more particularly described in Condition 7.4 (Dividend and Redemption Restrictions).
"Sukuk Assets"	In relation to each Series, the Sukuk Assets shall comprise: a- the cash proceeds of the issue of the Sukuk, pending application thereof in accordance with the terms of the Transaction Documents; b- all of the Sukukholders' Agent's rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets; c- all of the Sukukholders' Agent's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by the Issuer (acting in any capacity) pursuant to any of the Transaction Documents and the covenants given to the Sukukholders' Agent pursuant to the Master Declaration of Agency); and d- all amounts standing to the credit of the Transaction Account from time to time, and all proceeds of the foregoing, for and on behalf of the Sukukholders pro rata according to the nominal amount of the Sukuk held by each holder in accordance with the Master Declaration of Agency and the Conditions. None of the Sukukholders' Agent, the Sole Arranger or the Dealers or (so long as it performs its obligations under the Transaction Documents) the Issuer, is responsible for the performance or the profitability of the Sukuk Assets and the Sukukholders' Agent is not responsible for the share and amount of the distributions (if any) made to the Sukukholders.

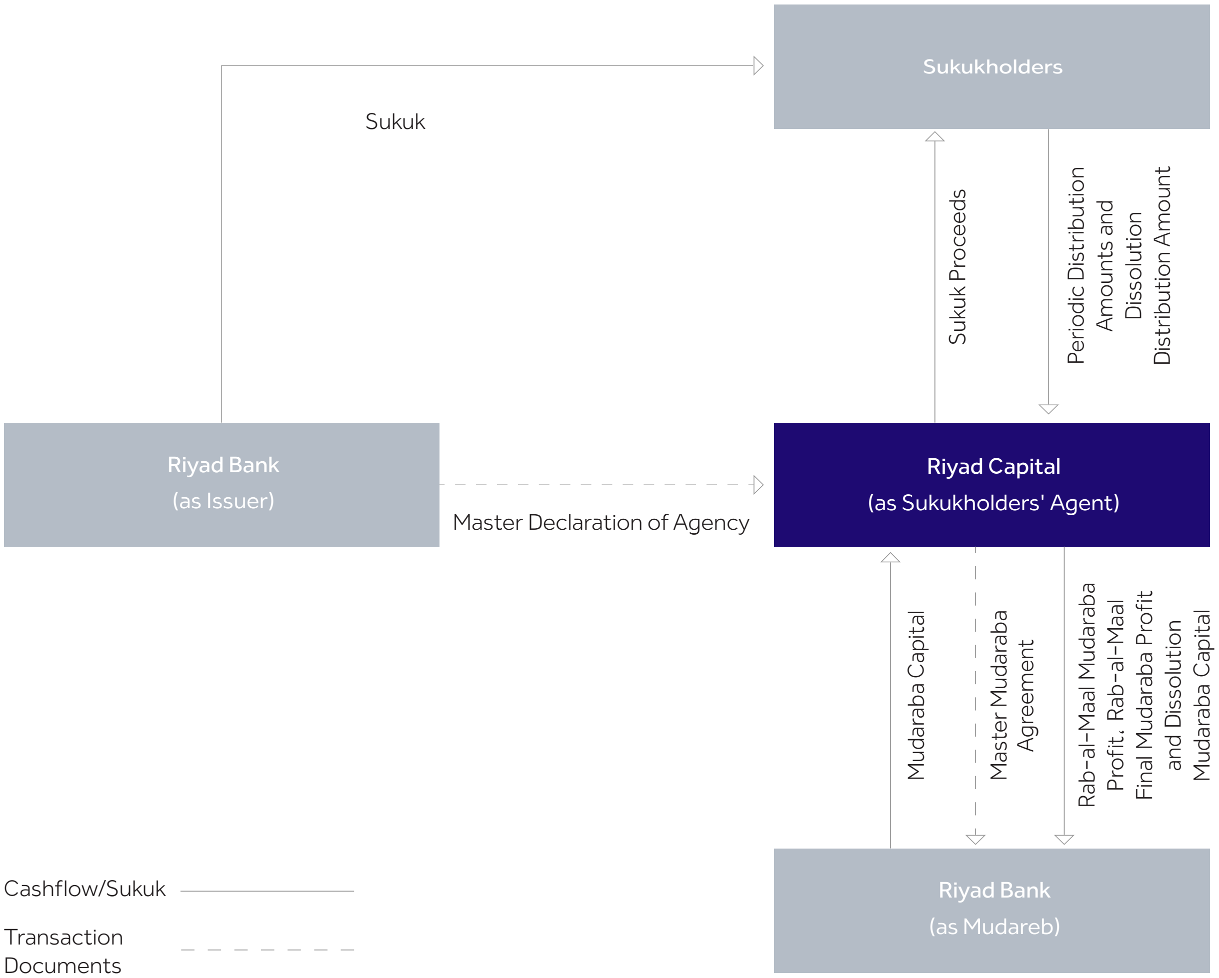
"Redemption of Sukuk"	The Sukuk of each Series are perpetual securities and accordingly do not have a mandatory fixed redemption date. The Sukuk of each Series may be redeemed in whole but not in part by the Issuer only in accordance with the provisions of Condition 9 (Redemption). Pursuant to Condition 9.1(b) (Issuer's Call Option), the Issuer may elect to redeem all, but not some only, of the Sukuk of the relevant Series at the relevant Issuer Call Amount on: (i) if Condition 9.1(b)(ii) is marked as "applicable" in the Applicable Final Terms, on any date during the period commencing (and including) the relevant First Call Date to (and including) the relevant First Reset Date or on any relevant Periodic Distribution Date thereafter; or (ii) if Condition 9.1(b)(iii) is marked as "applicable" in the Applicable Final Terms, on the First Call Date or on any relevant Periodic Distribution Date thereafter. In addition (on any date on or after the Issue Date (whether or not a Periodic Distribution Date)), upon the occurrence of a Tax Event or a Capital Event, all, but not some only, of the Sukuk of the relevant Series may be redeemed in accordance with Conditions 9.1(c) (Redemption due to Taxation) and 9.1(d) (Redemption for Capital Event). In all cases, any redemption of the Sukuk of the relevant Series is subject to the conditions described in Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption).
"Write-down at the Point of Non-Viability"	If a Non-Viability Event occurs prior to the date on which the Applicable Statutory Loss Absorption Regime becomes effective in respect of the Sukuk of a relevant Series, a Write-down (as defined herein) shall occur on the relevant Non-Viability Event Write-down Date (as defined herein), as more particularly described in Condition 10.1 (Effectiveness), Condition 10.2 (Non-Viability Event), Condition 10.3 (Non-Viability Notice) and Condition 10.4 (Liability of Sukukholders' Agent and Agents). In such circumstances, the Sukukholders' rights to the Sukuk Assets of that Series shall automatically be deemed to be irrevocably and unconditionally Written-down in a proportion corresponding to the relevant Write-down Amount and the Sukuk of that Series shall be cancelled (in the case of a Write-down in whole) or Written-down in part on a pro rata basis (in the case of a partial Write-down).
"Events of Default"	For the events and circumstances that shall constitute an Event of Default under the Sukuk of a relevant Series and a description of the consequences thereof, see Condition 11 (Events of Default and Winding-up).
"Taxation"	All payments in respect of the Sukuk of a relevant Series shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, zakat, levies, imposts, duties, fees, assessments or other charges or withholdings of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom or any political sub-division or authority thereof or therein having the power to tax ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay additional amounts ("**Additional Amounts**") so that the full amount which otherwise would have been due and payable under the Sukuk of that Series is received by the parties entitled thereto provided that no such Additional Amount shall be payable to any Sukukholder that is not, or at any time ceases to be, a Qualified Person. See section 15 entitled "**Taxation and Zakat**" of this Base Prospectus for a further discussion of taxation and Zakat issues relating to the acquisition, holding or disposal of the Sukuk.
"Restrictions"	There are restrictions on the distribution of this Base Prospectus and the offer or sale of Sukuk of any Series. In particular, in the Kingdom, the distribution of this Base Prospectus and the offering, sale and delivery of the Sukuk are limited solely to those persons who are permitted under the ROSCOs. For a more detailed description of these and other restrictions on offers, sales and deliveries of Sukuk of any Series and on the distribution of this Base Prospectus and any offering materials relating to the Sukuk of a relevant Series, see section 16 "**Subscription and Sale**".
"Use of Proceeds"	The net proceeds of the issue of each Series of Sukuk will be contributed by the Sukukholders' Agent (as "**Rab-al-Maal**") to the Issuer (as "**Mudareb**") as Mudaraba Capital pursuant to the terms of the Master Mudaraba Agreement and will be used by the Issuer to enhance its tier 1 capital as well as for general banking purposes, all in accordance with the investment plan set out in the Master Mudaraba Agreement.

"Form of the Sukuk"	Each Series of Sukuk will be issued in dematerialized registered form and will be collectively represented by the Global Sak which will be deposited as the Sukukholders' Agent may direct in accordance with the provisions of the Master Declaration of Agency. Individual Sukuk representing holdings of the Global Sak will not be issued (and therefore no transfer agent will be appointed in respect of the Programme or any Series of Sukuk) however Sukukholders will on request be entitled to receive a statement from the Registrar recording their holding of Sukuk.
"Listing and Admission to Trading"	Application has been made to the CMA for registration and offer of the Sukuk and to the Tadawul for the Sukuk to be listed on Tadawul.
"Transfers"	Subject to Condition 3.3 (Regulations concerning Transfers and Registrations), the Sukuk of a relevant Series may be transferred in accordance with the regulations and procedures established by the Registrar by delivering to the Registrar such information as such regulations and procedures shall require.
"Transaction Documents"	Each of the Declaration of Agency, the Payment Administration Agreement, the Master Mudaraba Agreement, the Sukuk (including Global Sak) and any other agreements, deeds, undertakings or other documents designated as such by the parties thereto, each as may be amended, restated and/or supplemented from time to time.
"Risk Factors"	An investment in any Series of Sukuk issued under the Programme should be made only after careful consideration by a prospective investor of its individual circumstances. There are certain factors that may affect the Issuer's ability to fulfil its obligations under a Series of Sukuk issued under the Programme and the Transaction Documents. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Sukuk of such Series issued under the Programme. These are set out in section 6 entitled "**Risk Factors**". A prospective investor must also carefully review the section on page (i) entitled "**Important Notice**" of this Base Prospectus before deciding to invest in the Sukuk.
"Governing Law and Jurisdiction"	The Transaction Documents and each Series of Sukuk are to be governed by, and are to be construed in accordance with, Saudi Law and are subject to the exclusive jurisdiction of the Kingdom's Committee for Resolution of Securities Disputes and the Appeal Committee for Resolution of Securities Disputes (the "**Committees**").
"Sukukholder Meetings"	A summary of the provisions for convening meetings of Sukukholders of each Series of Sukuk to consider matters relating to their interests as such is set out in Condition 15 (Meetings of Sukukholders; Modification) and as further set out in the Master Declaration of Agency. Sukukholders should note that the provisions contained in the Master Declaration of Agency regarding Sukukholder meetings are subject to applicable Saudi Arabian law as may be amended from time to time and as applied in practice. In the event of any inconsistency between those provisions and applicable law as applied in practice, the applicable law shall prevail.
"Further Issues"	In respect of any Series, the Issuer shall be at liberty from time to time without the consent of the Sukukholders, but subject to the Issuer obtaining the prior approval of the Financial Regulator if so required, to create and issue additional Sukuk having the same terms and conditions as the Sukuk of such Series as are outstanding or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue and so that the same shall be consolidated and form a single Series with the Sukuk of such Series as are outstanding. See Condition 16 (Further Issues) for further information.

"Credit ratings"	As at the date of this Base Prospectus, the Issuer's long-term corporate ratings are "A" with a stable outlook from S&P Global Ratings Europe Limited (SPGRE) ("**S&P**"), "A-" with a stable outlook from Fitch Ratings Ltd. ("**Fitch**") and "**A1**" with a stable outlook from Moody's Investors Service Cyprus Ltd. ("**Moody's**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Where a Series of Sukuk is rated, such rating will be specified in the Applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. For the avoidance of doubt, as at the date hereof, no rating has been assigned to the Programme by any rating agency.
"Offer pricing information"	The Initial Periodic Distribution Rate (being the aggregate of (i) the Margin and (ii) the average of the two 'close' mid-swap rates for Saudi Riyal swap transactions with a Mid-Swap Maturity corresponding to the relevant Series of Sukuk, as displayed on the Mid-Swap Pages) and the Margin applicable to each Series of Sukuk will be determined by the Issuer (and agreed with the Sole Arranger) and announced before the commencement of the Offer Period. Factors determining the Initial Periodic Distribution Rate and the Margin of each Series of Sukuk include, but are not limited to, the market perception of the risks attributable to the Issuer, market conditions (including the current mid-swap rate for Saudi Riyal swap transactions), the Issuer's credit rating, the sovereign risk premium of Saudi Arabia, any additional risk premiums related to the Issuer's activity, the Issuer's financial condition and performance, the Reset Date, any liquidity premium, and any initial issuance premium for the relevant Series of Sukuk. The Issuer is committed to announcing to potential investors before the commencement of the Offer Period all the abovementioned information and any other factors on which the pricing of the Sukuk of the relevant Series depends. The Issuer is also committed to providing all information that enables potential investors to make an informed investment decision. For a discussion of certain factors to be considered before determining whether to invest in the Sukuk issued under the Programme, investors should refer to section 6 entitled "**Risk Factors**" and the "**Important Notice**" section of this Base Prospectus. In particular, investors should review and consider the risk factors relating to subordination and cancellation of payments and should review and consider any information incorporated by reference herein (as well as the remainder of this Base Prospectus) before making any investment decision in the Sukuk offered hereby.
"Costs, fees and charges"	Sukukholders will bear any costs (including, without limitation fees and charges) in connection with the Sukuk associated with safekeeping, transfer or otherwise imposed by Edaa, Tadawul and/or any costs (including fees and charges) imposed by Sukukholders' relevant capital markets institutions such as their custodians or brokers from time to time. These costs may be subject to change. Prospective Sukukholders must inform themselves about the applicable costs their respective capital markets institutions might charge. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such costs.
"Guarantees"	No guarantees, pledges or other similar commitments will be provided in connection with the Sukuk.
"Authorisation of Sukuk"	The establishment of the Programme, the creation and issue of the Sukuk and the Issuer's entry into the Transaction Documents has been authorised by a resolution of the Board of Directors of the Issuer dated 11/05/1447H (corresponding to 02/11/2025G).

Structure Diagram and Cashflows

Set out below is a simplified structure diagram in respect of the Sukuk under the Programme. Prospective investors are referred to the Conditions set out in the section 7 entitled "**Terms and Conditions of the Sukuk**" and the section 14 entitled "**Summary of Certain Principal Transaction Documents**" for a more detailed description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. The diagram set out below is a simplified diagram for illustration purposes only and is not intended to be (nor should it be construed as being) all inclusive.



2. DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus shall be incorporated in, and form part of, this Base Prospectus:

a- the consolidated financial statements of the Group for the year ended 31 December 2025 together with the joint audit report thereon and the notes thereto (an electronic copy of which is available at: https://www.riyadbank.com/documents/20121/0/Annual+Consolidated+Financial+Statements-+En+%281%29.pdf/6863f5a8-b9c9-a304-c29c-1f6774a876f4?t=1770821317961+&download=true;

b- the unaudited interim condensed consolidated financial statements of the Group for the period ended 30 September 2025 together with the joint review report thereon and the notes thereto (an electronic copy of which is available at: https://www.riyadbank.com/documents/20121/0/Quarter+3-+Interim+Condensed+Consolidated+Financial+Statements-+%28English%29.pdf/e9e04c3c-a251-448c-7642-656ba3c2ddf6?t=1761746327501);

c- the consolidated financial statements of the Group for the year ended 31 December 2024 together with the joint audit report thereon and the notes thereto (an electronic copy of which is available at: https://www.riyadbank.com/documents/20121/0/tinywow_Quarter+4-+Annual+Consolidated+Financial+Statements-+%28English%29_75004879.pdf/57918ec5-ac35-4317-64ad-231301cae477?t=1739362211158);

d- the consolidated financial statements of the Group for the year ended 31 December 2023 together with the joint audit report thereon and the notes thereto (an electronic copy of which is available at: https://www.riyadbank.com/documents/20121/4468340/2023+FINANCIAL+STATEMENTS-+English+%281%29.pdf/3f4a2e8b-d79c-45f1-23b9-9d41f881de9f?t=1709821279011); and

e- the consolidated financial statements of the Group for the year ended 31 December 2022 together with the joint audit report thereon and the notes thereto (an electronic copy of which is available at: https://www.riyadbank.com/documents/20121/0/Quarter+4-Annual+Consolidated+Financial+Statements.pdf/222d409e-230b-0d13-89f9-749b6f4e4bb0?t=1685006476074),

(together, the Documents Incorporated by Reference).

The Documents Incorporated by Reference shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Those parts of the Documents Incorporated by Reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Sukuk or the relevant information is included elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the Documents Incorporated by Reference in this Base Prospectus shall not form part of this Base Prospectus.

For so long as any of the Sukuk are current and not less than three days prior to the start of the offering, copies of the Documents Incorporated by Reference in this Base Prospectus will be available for inspection at the Issuer's head office at King Abdullah Financial District (KAFD), Financial Boulevard, Al Aqeeq District, Building No. 3128, Postal Code 13519, Secondary No. 6671, Riyadh, Kingdom of Saudi Arabia and the Sukukholders' Agent's head office at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia during official business hours on each weekday (other than a Friday, Saturday and public holiday).


بنك الرياض
Riyad Bank

3. TERMS AND DEFINITIONS

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Unless otherwise defined under Condition 1 (Interpretation) or the context otherwise requires, words and expressions used in this Base Prospectus shall have the following meanings:

"**2024 Financial Statements**" - the audited consolidated financial statements as at and for the year ended 31 December 2024 including comparative information as at, and for the year ended, 31 December 2023;

"**2023 Financial Statements**" - the audited consolidated financial statements as at and for the year ended 31 December 2023 including comparative information as at, and for the year ended, 31 December 2022;

"**2022 Financial Statements**" - the audited consolidated financial statements as at and for the year ended 31 December 2022 including comparative information as at, and for the year ended 31 December 2021;

"**ALCO**" - Asset and Liability Management Committee;

"**AML**" – Anti Money Laundering;

"**Annual Financial Statements**" – the 2022 Financial Statements, 2023 Financial Statements and 2024 Financial Statements;

"**Bank" / "Issuer**" – Riyad Bank;

"**BTD**" – the Group's Business Technology Division;

"**CCBO**" - Chief Corporate Banking Officer;

"**CCO**" – Chief Compliance Officer;

"**CEO**" – Chief Executive Officer;

"**CFO**" – Chief Financial Officer;

"**CMA**" - the Capital Market Authority of the Kingdom of Saudi Arabia;

"**COO**" – Chief Operating Officer;

"**Commercial Courts**" – The commercial courts of the Kingdom of Saudi Arabia

"**COVID-19**" – the coronavirus pandemic;

"**CRMC**" – Credit Risk Management Committee;

"**CRBO**" - Chief Retail Banking Officer;

"**CRO**" - Chief Risk Officer;

"**CTF**" – Counter Terrorist Financing;

"**CTIO**" - Chief Treasury and Investment Officer;

"**customer financing portfolio**" – the net amount of the Group's loans and advances;

"**CWO**" – Chief Wholesale Officer;

"**CXO**" – Chief Experience Officer;

"**D-SIB**" – Domestic Systemically Important Bank;

"**Deloitte**" - Deloitte and Touche & Co. Chartered Accountants;

"**ECL**" - impairment/expected credit losses;

"**ERM**" - Enterprise Risk Management;

"**ERMF**" – Enterprise Risk Management Framework;

"**EY**" - Ernst & Young Professional Services (Professional LLC);

"**Financial Statements**" – reference to the Annual Financial Statements and the Interim Financial Statements;

"**FVOCI**" - Fair Value through Other Comprehensive Income;

"**GASTAT**" - General Authority for Statistics;

"**GCC**" - the Gulf Cooperation Council;

"**GDP**" – Gross Domestic Product;

"**GOSI**" - General Organization for Social Insurance;

"**Government**" - the government of Saudi Arabia;

"**Group**" – Riyad Bank together with its subsidiaries;

"**H**" – Hijri Calendar;

"**IAS 34**" - International Accounting Standard 34;

"**IC**" – Investment Committee;

"**ICAAP**" - Internal Capital Adequacy Assessment Process;

"**IFRS**" - IFRS Accounting Standards that are endorsed in Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants;

"**IMF**" – International Monetary Fund;

"**SIFI Implementing Regulations**" - a draft of the implementing regulations of the SIFI Law for institutions subject to the supervision of SAMA;

"**Interim Financial Statements**" - the unaudited interim condensed consolidated financial statements as at 30 September 2025 and for the nine-month period ended 30 September 2025 including unaudited comparative information for the nine-month period ended 30 September 2024;

"**investment securities portfolio**" – the net value of the Group's customer financing portfolio and its investments;

"**Iran**" – the Islamic Republic of Iran;

"**Iraq**" – the Republic of Iraq;

"**IT**" – Information Technology;

"**IPOs**" – Initial Public Offerings;

"**IVR**" - Interactive Voice Recognition;

"**Jordan**" - the Hashemite Kingdom of Jordan;

"**KPMG**" - KPMG Professional Services Company;

"**KYC**" – Know Your Customer;

"**LCs**" – Letters of Credit;

"**Lebanon**" – the Republic of Lebanon;

"**Libya**" – the State of Libya ;

"**MCC**" – Main Credit Committee;

"**MEC**" – Management Executive Committee;

"**MENA region**" - the Middle East and North Africa region;

"**MSME**" - Micro, Small and Medium sized Enterprises;

"**NPL**" – Non-Performing Loans;

"**OCI**" – Other Comprehensive Income;

"**OPEC**" - Organisation for Petroleum Exporting Countries;

"**OPEC Reference Basket**" - a weighted average of prices per barrel for petroleum blends produced by the OPEC countries;

"**ORMD**" - Operational Risk Management Department;

"**Palestine**" – the State of Palestine;

"**PD**" – Probability of Default;

"**PIF**" – Public Investment Fund;

"**PwC**" - PricewaterhouseCoopers Public Accountants;

"**riyal**" and "**Saudi riyal**" and "**SAR**" - the lawful currency of Saudi Arabia;

"**RMCC**" - Risk Management and Compliance Committee;

"**RRMC**" - Retail Risk Management Committee;

"**SABIC**" - Saudi Basic Industries Corporation;

"**SALIC**" - Saudi Agricultural and Livestock Investment Company;

"**SAMA**" – Saudi Central Bank;

"**SAMI**" - Saudi Arabian Military Industries;

"**Saudi Arabia**" and the "**Kingdom**" - the Kingdom of Saudi Arabia;

"**Saudi Courts**" - The courts, judicial committees and adjudicatory bodies in Saudi Arabia;

"**SIDF**" - Saudi Industrial Development Fund;

"**SIFI Law**" - Law on the Treatment of Systemically Important Financial Institutions, issued on 25/04/1442H (corresponding to 10 December 2020) which came into effect in June 2021;

"**SMEs**" – Small- and Medium sized Enterprises;

"**SMS**" - Short Messaging Service;

"**SOCPA**" - Saudi Organization for Chartered and Professional Accountants;

"**Syria**" – the Syrian Arab Republic;

"**Tadawul**" - Saudi Exchange Company;

"**Tunisia**" – the Republic of Tunisia;

"**UAE**" - the United Arab Emirates;

"**VaR**" – Value at Risk; and

"**Yemen**" – the Republic of Yemen.

4. SELECTED FINANCIAL INFORMATION

The following summary information has been extracted from the Financial Statements or calculated based on information derived from the Financial Statements and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements as incorporated by reference in this Base Prospectus. The information presented below should also be read in conjunction with the information set out in "**Presentation of Financial and Other Information**", including the description of the restatement of statement of financial position data as at 31 December 2024 under "**Restatement of financial information**" in that section.

Further information in relation to the Bank's and the Group's indebtedness and contingent liabilities is set out under the headings entitled "**Debt**" and "**Contingent liabilities**" in section 11 entitled "**Financial Review**" of this Base Prospectus.

The Bank's confirmation in relation to commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and admission to listing in connection with an issue or offer of any securities by the Bank or the Group, is set out in the last paragraph under the heading entitled "Debt" in section 11 entitled "Financial Review" of this Base Prospectus.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

The table below sets out the Group's interim condensed consolidated statement of financial position data as at 30 September 2025 and its consolidated statement of financial position data as at 31 December in each of 2024, 2023 and 2022.

	As at 30 September	As at 31 December		
	2025	2024	2023	2022
	(SAR thousand)			
ASSETS				
Cash and balances with Saudi Central Bank (SAMA), net	19,973,777	22,599,973	26,175,226	33,366,652
Due from banks and other financial institutions, net	27,298,644	22,574,084	15,433,725	20,613,232
Positive fair value of derivatives	5,686,001	5,568,952	3,668,130	3,790,841
Investments, net	74,262,510	70,120,446[1]	58,560,307[7]	52,196,120
Loans and advances, net	368,554,119	320,089,491	274,398,246	242,364,947
Other assets	3,322,387	2,204,083	2,547,120	3,175,946
Investment in associates	419,548	402,419	379,941	371,215
Other real estate	716,878	753,700	670,470	465,249
Property, equipment and right of use assets, net	7,332,167	6,517,129	5,467,247	3,308,655
Total assets	**507,566,031**	**450,830,277**[2]	**387,300,412**[8]	**359,652,857**
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions	54,511,918	43,949,020	42,464,026	38,760,068
Negative fair value of derivatives	4,940,490	5,165,593	3,428,575	2,854,285
Customer deposits	325,412,738	306,423,391	254,907,624	240,007,085
Debt securities in issue and term loans	36,948,084	13,324,453	13,372,622	8,758,419
Other liabilities	12,807,900	13,574,238	12,418,011	13,099,651
Total liabilities	**434,621,130**	**382,436,695**	**326,590,858**	**303,479,508**
Shareholders' equity				
Share capital	30,000,000	30,000,000	30,000,000	30,000,000
Treasury shares	(361,655)	(165,105)	(165,912)	—
Statutory reserve	15,283,989	15,283,989	12,953,515	10,942,054
Other reserves	1,152,923	528,699[3]	82,280[9]	(790,260)

	As at 30 September	As at 31 December		
	2025	2024	2023	2022
	(SAR thousand)			
Retained earnings	15,494,344	13,359,899	11,277,171	7,500,430
Proposed dividends	—	—	—	1,950,000
Equity attributable to shareholders of the Bank	**61,569,601**	**59,007,482**[(4)]	**54,147,054**[(10)]	**49,602,224**
Tier 1 sukuk	11,375,300	9,386,100	6,562,500	6,571,125
Total equity	**72,944,901**	**68,393,582**[(5)]	**60,709,554**[(11)]	**56,173,349**
Total liabilities and equity	**507,566,031**	**450,830,277**[(6)]	**387,300,412**[(12)]	**359,652,857**

Notes:

Each of the balances in footnotes (1) through (6) to this table has been derived from the comparative information as at 31 December 2024 included in the Interim Financial Statements. The Interim Financial Statements include certain comparative amounts as at 31 December 2024 that have been restated to correct the same error and to ensure consistency with the Interim Financial Statements. Each of the balances in footnotes (7) through (12) to this table has been derived from the unaudited management schedule, and each amount has been restated to correct the same error and to ensure consistency with the Interim Financial Statements. See "**Presentation of Financial and Other Information—Restatement of financial information**".

(1) In the 2024 Financial Statements, this balance was SAR 69,668,963 thousand.

(2) In the 2024 Financial Statements, this balance was SAR 450,378,794 thousand.

(3) In the 2024 Financial Statements, this balance was SAR 77,216 thousand.

(4) In the 2024 Financial Statements, this balance was SAR 58,555,999 thousand.

(5) In the 2024 Financial Statements, this balance was SAR 67,942,099 thousand.

(6) In the 2024 Financial Statements, this balance was SAR 450,378,794 thousand.

(7) In the 2023 Financial Statements, this balance was SAR 58,108,824 thousand.

(8) In the 2023 Financial Statements, this balance was SAR 386,848,929 thousand.

(9) In the 2023 Financial Statements, this balance was SAR (369,203) thousand.

(10) In the 2023 Financial Statements, this balance was SAR 53,695,571 thousand.

(11) In the 2023 Financial Statements, this balance was SAR 60,258,071 thousand.

(12) In the 2023 Financial Statements, this balance was SAR 386,848,929 thousand.

CONSOLIDATED STATEMENT OF INCOME DATA

The table below shows the Group's interim condensed consolidated statement of income data for the nine-month periods ended 30 September in each of 2025 and 2024.

	Nine months ended 30 September	
	2025	2024
	(SAR thousand)	
Special commission income	19,961,706	17,674,345
Special commission expense	10,295,132	8,233,538
Net special commission income	**9,666,574**	**9,440,807**
Fee and commission income	3,853,364	3,256,538
Fee and commission expense	1,177,329	1,091,020
Fees and commission income, net	**2,676,035**	**2,165,518**
Exchange income, net	468,965	524,197
Trading income, net	702,519	405,443
Dividend income	14,847	39,735
Gains on disposal of non-trading investments, net	118,835	11,693
Other operating income	69,312	42,500
Total operating income, net	**13,717,087**	**12,629,893**
Salaries and employee-related expenses	2,168,197	2,127,663
Rent and premises-related expenses	169,202	149,432
Depreciation of property, equipment and right of use assets	544,501	492,149
Other general and administrative expenses	1,101,446	1,049,016
Other operating expenses	88,831	59,693
Total operating expenses before impairment charge	**4,072,177**	**3,877,953**
Impairment charge for credit losses and other financial assets, net	1,018,036	895,114
Impairment (reversal)/charge for investments, net	(10,846)	2,095
Total operating expenses, net	**5,079,367**	**4,775,162**
Net operating income	**8,637,720**	**7,854,731**
Share in income of associates, net	25,393	21,856
Income before zakat	**8,663,113**	**7,876,587**
Zakat	893,085	812,075
Net income for the period	**7,770,028**	**7,064,512**

The table below shows the Group's consolidated statement of income data for each of 2024, 2023 and 2022.

	2024	2023	2022
		(SAR thousand)	
Special commission income	24,182,126	20,606,115	12,907,561
Special commission expense	11,308,859	8,191,837	2,855,116
Net special commission income	**12,873,267**	**12,414,278**	**10,052,445**
Fee and commission income	4,539,492	3,730,796	3,559,071
Fee and commission expense	1,548,552	1,346,175	1,130,404
Fees and commission income, net	**2,990,940**	**2,384,621**	**2,428,667**
Exchange income, net	779,396	608,106	633,379
Trading income, net	529,420	419,944	219,029
Dividend income	43,374	40,801	79,861
Gains/(losses) on disposal of non-trading investments, net	16,802	(43,630)	121,775
Other operating income	51,332	74,718	64,210
Total operating income, net	**17,284,531**	**15,898,838**	**13,599,366**
Salaries and employee-related expenses	2,752,215	2,542,164	2,257,505
Rent and premises-related expenses	216,327	219,979	195,409
Depreciation of property, equipment and right of use assets	683,579	695,356	540,532
Other general and administrative expenses	1,591,137	1,463,518	1,336,308
Other operating expenses	42,343	47,607	80,423
Total operating expenses before impairment charge	**5,285,601**	**4,968,624**	**4,410,177**
Impairment charge for credit losses and other financial assets, net	1,620,728	1,875,464	1,027,400
Impairment charge for investments, net	11,618	96,224	253,115
Total operating expenses, net	**6,917,947**	**6,940,312**	**5,690,692**
Net operating income	**10,366,584**	**8,958,526**	**7,908,674**
Share in income/(losses) of associates, net	30,354	12,273	(80,238)
Income before Zakat	**10,396,938**	**8,970,799**	**7,828,436**
Zakat	1,075,044	924,955	809,114
Net income	**9,321,894**	**8,045,844**	**7,019,322**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DATA

The table below shows the Group's interim condensed consolidated statement of comprehensive income data for the nine-month periods ended 30 September in each of 2025 and 2024.

	Nine months ended 30 September	
	2025	2024
	(SAR thousand)	
Net income for the period	**7,770,028**	**7,064,512**
Other comprehensive income (OCI):		
Items that are or may be reclassified to interim condensed consolidated statement of income in subsequent periods		
Fair value through other comprehensive income (FVOCI- debt instruments):		
Net change in fair value	763,704	564,805
Net amounts transferred to interim condensed consolidated statement of income	(89,613)	(11,693)
Net changes in allowance for expected credit losses (ECL) of debt instruments	(13,247)	1,504
Effective portion of net change in fair value of cash flow hedge	(83,536)	31,887
Items that cannot be reclassified to interim condensed consolidated statement of income in subsequent periods		
Net change in fair value and transfers of equity instruments at fair value through other comprehensive income (FVOCI- equity instruments)	39,931	67,648
Other comprehensive income/(loss) for the period	**617,239**	**654,151**
Total comprehensive income for the period	**8,387,267**	**7,718,663**

The table below shows the Group's consolidated statement of comprehensive income data for each of 2024, 2023 and 2022.

	2024	2023	2022
		(SAR thousand)	
Net income	**9,321,894**	**8,045,844**	**7,019,322**
Other comprehensive income (OCI):			
Items that will be reclassified to consolidated statement of income in subsequent periods			
Fair value through other comprehensive income (FVOCI debt instruments):			
Net change in fair value	333,042	211,552	(1,988,932)
Net amounts transferred to consolidated statement of income	(16,802)	43,630	(86,145)
Net changes in allowance for expected credit losses (ECL) of debt instruments	10,987	98,820	261,430
Effective portion of net change in fair value of cash flow hedge	(68,820)	(13,118)	149,612
Items that will not be reclassified to consolidated statement of income in subsequent periods			
Actuarial gains/(losses) on defined benefit plans	173,368	(127,711)	201,103
Net change in fair value and transfers of equity instruments at FVOCI	539	207,884	(69,264)
Other comprehensive income/(loss)	**432,314**	**421,057**	**(1,532,196)**
Total comprehensive income	**9,754,208**	**8,466,901**	**5,487,126**

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS DATA

The table below summarises the Group's interim condensed consolidated statement of cash flows data for the nine-month periods ended 30 September in each of 2025 and 2024.

	Nine months ended 30 September	
	2025	2024
	(SAR thousand)	
Net cash (used in)/from operating activities	(14,762,136)	14,955,208
Net cash (used in) investing activities	(4,149,518)	(5,895,380)
Net cash from/(used in) financing activities	19,678,136	(5,239,131)
Net increase in cash and cash equivalents	766,482	3,820,697
Cash and cash equivalents at beginning of the period	29,546,689	28,290,580
Cash and cash equivalents at end of the period	30,313,171	32,111,277

The table below summarises the Group's consolidated statement of cash flows data for each of 2024, 2023 and 2022.

	2024	2023	2022
	(SAR thousand)		
Net cash from/(used in) operating activities	14,065,931	(5,920,495)[1]	1,998,305
Net cash (used in)/from investing activities	(10,439,201)	(7,264,748)	3,683,118
Net cash (used in)/from financing activities	(2,370,621)	(10,258)[2]	3,397,972
Increase/(decrease) in cash and cash equivalents	1,256,109	(13,195,501)	9,079,395
Cash and cash equivalents at beginning of the year	28,290,580	41,486,081	32,406,686
Cash and cash equivalents at end of the year	29,546,689	28,290,580	41,486,081

Notes:

(1) This balance is derived from the comparative information for 2023 included in the 2024 Financial Statements. The 2024 Financial Statements include certain comparative amounts for 2023 that have been reclassified to conform with the presentation of the 2024 Financial Statements. In the 2023 Financial Statements, this balance was SAR (6,181,721) thousand.

(2) This balance is derived from the comparative information for 2023 included in the 2024 Financial Statements. The 2024 Financial Statements include certain comparative amounts for 2023 that have been reclassified to conform with the presentation of the 2024 Financial Statements. In the 2023 Financial Statements, this balance was SAR 250,968 thousand.

SELECTED CONSOLIDATED RATIOS

The table below contains information relating to selected consolidated ratios of the Group. These ratios are presented in this Base Prospectus because the Group considers them an important supplemental measure of the Group's operating performance and financial position and the Group believes they may be used by securities analysts, investors and other interested parties in the evaluation of banks in the banking industry. None of the information in the table below has been audited or reviewed by KPMG, PwC, EY or Deloitte. See further "**Presentation of Financial and other information—Presentation of financial information—Certain non-IFRS financial information**".

The table below shows selected consolidated ratios for the Group as at 30 September in each of 2025 and 2024 and for the nine-month periods ended 30 September in each of 2025 and 2024 and as at 31 December in each of 2024, 2023 and 2022 and for the years ended 31 December in each of 2024, 2023 and 2022.

	As at/nine months ended 30 September		As at/years ended 31 December		
	2025	2024	2024	2023	2022
	(per cent.)				
Performance measures					
Return (after Zakat) on assets[(1)]	2.04	2.17	2.07	2.08	1.95
Return (after Zakat) on equity[(2)]	16.83	16.52	15.80	14.68	14.15
Expenses to income ratio[(3)]	29.69	30.70	30.58	31.25	32.43
Net special commission margin[(4)]	3.1	3.4	3.4	3.61	3.11
Asset quality					
NPL ratio[(5)]	0.87	1.20	0.98	1.24	1.72
Loan loss coverage ratio[(6)]	141.71	144.93	167.06	142.11	112.04
Liquidity coverage ratio[(7)]	154	142	145	160	182
Loans to deposits ratio[(8)]	101.71	99.55	100.11	102.28	97.43
Other ratios					
CET 1 capital adequacy ratio[(7)]	13.31	13.99	14.13	15.72	15.93
Tier 1 capital adequacy ratio[(7)]	15.78	15.61	16.40	17.65	18.05
Total capital adequacy ratio[(7)]	17.81	18.16	18.94	20.73	21.05
Equity to total assets ratio[(9)]	12.13	13.15	13.09	13.98	13.79
Leverage ratio[(7)]	11.73	11.61	12.10	12.34	12.80

Notes:

(1 Net income divided by total assets at the end of the period. Net income for the interim periods has been annualised by dividing it by three and multiplying the result by four. Annualised net income is not necessarily indicative of the results that may be expected for the year ending 31 December 2025. Such financial information has not been audited, is not required by or presented in accordance with IFRS or any other generally accepted accounting principles and has been prepared for illustrative purposes only. Annualised net income is a non-IFRS measure.

(2) Net income divided by equity attributable to shareholders of the Bank at the end of period. Net income for the interim periods has been annualised by dividing it by three and multiplying the result by four.

(3) Total operating expenses before impairment charge divided by total operating income, net.

(4) Net special commission income divided by average interest earning assets for the period, with average interest earning assets calculated as the daily average for the period. Interest earning assets comprise loans and advances, net, investments, net (excluding equity investments) and due from banks and other financial institutions, net.

(5) NPLs as a percentage of total loans and advances, each as set out in note 8(a) to the Interim Financial Statements and each of the Annual Financial Statements.

(6) Allowance for impairment/ECL (as set out in note 8(a) to the Interim Financial Statements and each of the Annual Financial Statements) as a percentage of NPLs.

(7) Calculated in accordance with Basel III as implemented in Saudi Arabia.

(8) Loans and advances, net divided by the sum of customer deposits and debt securities in issue and term loan.

(9) Equity attributable to shareholders of the Bank at the end of the period divided by total assets at the same date.

5. SHARI'A COMMITTEE AND PRONOUNCEMENT

Prospective Sukukholders should not rely on the Pronouncement referred to below in deciding whether to make an investment in a Series of Sukuk and should consult their own Shari'a advisers as to whether the proposed transaction described in the Pronouncement referred to above is in compliance with Shari'a principles.

Pronouncement of members of the Shari'a Committee of Riyad Bank

Copies of the pronouncement (the "**Pronouncement**") which has been issued by members of Riyad Bank's Shari'a Committee (the "**Shari'a Committee**"), on behalf of the Sole Arranger and Dealer(s) and on behalf of Riyad Bank as Issuer, relating to the Sukuk and confirming that, in their view, the structure and mechanism of the Programme and each Series of Sukuk, as fully outlined in the Transaction Documents, and in the Base Prospectus, are in compliance with Shari'a principles, as applicable to and interpreted by them, shall be distributed to prospective Sukukholders upon request to the Sole Arranger and Dealers.

The Pronouncement is included in this Base Prospectus on page 166. None of the Issuer, the Sole Arranger, the Dealer(s) or any of their respective subsidiaries accepts any liability or make any representation, warranty or undertaking, express or implied, in relation to the accuracy or completeness of the information contained in the Pronouncement.

Overview of the Shari'a Committee

The Shari'a Committee is an independent committee and advises on all Shari'a compliant transactions and activities carried out by Riyad Bank and controls the manner in which Riyad Bank operates inside and outside of the Kingdom with regard to Shari'a compliance. All Shari'a compliant transactions executed by Riyad Bank are subject to approval and control by the Shari'a Committee. The most important functions performed by the Shari'a Committee are as follows:

a- examining Riyad Bank's Shari'a compliant transactions, contracts, agreements, documents and forms and providing a Shari'a opinion on them;

b- participating in product innovation and development in light of Shari'a-compliance;

c- approving Shari'a-compliance standards, studying reports relating to Shari'a-compliance performance and issuing directives to take corrective action when necessary; and

d- establishing mechanisms for the disposal of funds that have been earned or acquired in violation of Shari'a principles and supervising their disbursement.

Members of the Shari'a Committee

The Shari'a Committee consists of three members with competence and extensive knowledge in the Shari'a field.

His Excellency Sheikh Prof. Abdulrahman bin Abdullah Al-Sanad

Sheikh Prof. Abdulrahman has been the Chairman of the Shari'a Committee at Riyad Bank since 2024. He holds a PHD in comparative jurisprudence from the Higher Institute of Judiciary at Imam Muhammad bin Saud Islamic University. He also holds the position of the General President of the Commission for the Promotion of Virtue and Prevention of Vice with the rank of minister and has many publications and research papers on Shari'a transactions. He had previously served as Director of the Islamic University and Dean of the Higher Institute of the Judiciary, and Head of the Shari'a Boards of several commercial companies.

Sheikh Dr. Zaid bin Abdulaziz Al-Shathri

Sheikh Dr. Zaid has been a member of the Shari'a Committee at Riyad Bank since 2024. He holds a master's and PHD degrees in comparative jurisprudence from the Higher Institute of Judiciary at Imam Muhammad bin Saud Islamic University, and a master's degree in corporate finance law from the University of Westminster in UK. He is a faculty member at the Higher Institute of Judiciary, a member of the Board of the General Authority for Guardianship over the Funds of Minors and a member of its Shari'a Committee. He previously served as an advisor in the committee Adjudication and appeal in securities disputes, has several writings and research papers in Sharia transactions.

Sheikh Dr. Mohammed bin Abdullah Butayban

Sheikh Dr. Mohammed has been a member of the Shari'a Committee at Riyad Bank since 2024. He holds a PhD in comparative jurisprudence from the Higher Institute of the Judiciary at Imam Muhammad bin Saud Islamic University. He is currently a faculty member at King Faisal University, a Shari'a consultant and trainer for a number of Sharia and financial institutions, as well as a practitioner of commercial arbitration, with a number of Shari'a publications and research papers.

6. RISK FACTORS

The purchase of any Sukuk may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in any Sukuk.

The Issuer believes, to the best of its knowledge, that the factors described below represent the principal risks inherent in investing in Sukuk, but the inability of the Issuer to pay any amounts on or in connection with any Sukuk may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Sukuk are exhaustive. The risks set out below may not include all risks that the Issuer may encounter, as additional risks that are not currently known to the Issuer may occur, as well as risks that are known to the Issuer but are considered immaterial as at the date of this Base Prospectus. These additional risks and the risks highlighted below, if they occur, may have an adverse effect on the Issuer's operational performance, financial position, results of operations, cash flows and prospects.

There can be no assurance that the various structural elements described in this Base Prospectus will be sufficient to ensure payment to Sukukholders of any Periodic Distribution Amount or the Mudaraba Capital in respect of any Sukuk on a timely basis or at all.

An investment in the Sukuk is only appropriate for those investors who are able to evaluate the risk and the benefits of the investment and those who have sufficient resources to sustain any loss resulting from such investment. Prospective investors should also read the detailed information set out in the below risks and other information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

The risks set out below are not presented in any assumed order of priority that can reflect the expected impact on the Issuer, importance, materiality or the likelihood of occurrence.

Words and expressions defined in this Base Prospectus shall have the same meanings in this section.

RISKS RELATING TO THE GROUP

The Group's operations and assets are principally located in Saudi Arabia and, accordingly, the Group is exposed to general economic conditions in Saudi Arabia

The Group's operations and assets are principally located in Saudi Arabia and, accordingly, its business is, and will continue to be, affected by the general economic conditions prevailing from time to time in Saudi Arabia and the Middle East generally, as well as by global economic conditions that affect Saudi Arabia. The economy of Saudi Arabia, as with the economies of many other countries, was materially adversely impacted by the coronavirus (COVID-19) pandemic and by the supply chain disruption that followed it which contributed to increased inflation globally.

The Government continues to pursue a policy of diversification, including Saudi Vision 2030 (a strategic framework to reduce Saudi Arabia's dependence on oil, diversify its economy and develop public service sectors) and the National Transformation Program 2020 (an economic action plan implemented as part of Saudi Vision 2030), to enhance the contribution of the non-oil sector to Saudi Arabia's real gross domestic product (GDP). Nevertheless, Saudi Arabia's economy remains dependent on the country's oil reserves. As oil is Saudi Arabia's most important export, material and prolonged changes in oil prices affect various macroeconomic and other indicators, including, but not limited to, GDP, Government revenue, balance of payments and foreign trade. International oil prices have fluctuated significantly over the past two decades and are likely to remain volatile in the future. See further, "**Risks relating to the economic, political and regulatory environment in Saudi Arabia—Saudi Arabia's economy is highly dependent on its oil revenue**".

Reflecting increasing global inflation following the pandemic, central banks in many countries, including SAMA, increased their policy rates to control inflation levels. Higher inflation levels impacted the composition of the Group's deposits as customers switched to time and savings deposits at the expense of demand deposits. The Group conducts regular stress tests of its customer financing portfolio under scenarios of differing severity to identify key vulnerabilities and to measure resultant impacts on asset quality and performance. However, these stress-testing activities do not provide assurance against impacts that may be realised through external shocks and customer defaults may nevertheless occur, sometimes significantly after the occurrence of a shock. The occurrence of these events and a material increase in financing losses could have a material adverse effect on the Group, including through increases in the Group's non-performing loans and advances (**NPLs**), increased loan loss provisions and reduced demand for financing and other banking services, which could negatively impact the Group's profitability.

In its October 2025 World Economic Outlook, the IMF projects that global growth will be 3.2 per cent. in 2025 and 3.1 per cent. in 2026. The IMF notes that risks to the outlook remain tilted to the downside and include (i) prolonged policy uncertainty that could dampen consumption and investment; (ii) further escalation of protectionist measures, including non-tariff barriers, that could suppress investment, disrupt supply chains and stifle productivity growth; (iii) larger-than-expected shocks to labour supply, notably from restrictive immigration policies, that could reduce growth, especially in economies facing aging populations and skill shortages; (iv) fiscal vulnerabilities and financial market fragilities that may interact with rising borrowing costs and increased rollover risks for sovereigns; (v) an abrupt repricing of tech stocks that could be triggered by disappointing results on earnings and productivity gains related to artificial intelligence (AI), marking an end to the AI investment boom and the associated exuberance of financial markets, with the possibility of broader implications for macro-financial stability; (vi) pressure on the independence of key economic institutions, such as central banks, that could erode hard-earned policy credibility and undermine sound economic decision making, including as a result of reduced data reliability; and (vii) commodity price spikes, stemming from climate shocks or geopolitical tensions, that could pose additional risks, especially for low-income, commodity-importing countries.

Any financial market volatility, such as that noted by the IMF above and including any negative impact from the conflict between the United States/Israel and Iran (**the Iran conflict**), could adversely impact the Bank. In addition, any sustained downturn in oil prices in the future could substantially slow or disrupt Saudi Arabia's economy, and the banking sector in particular, which could in turn have an adverse impact on the Group and the market price of Sukuk issued under the Programme.

Adverse macroeconomic and financial market conditions could increase the risk of the Group's financing being impaired

As at 30 September 2025, the Group's NPLs represented 0.9 per cent. of its total loans and advances compared to 1.0 per cent. as at 31 December 2024, 1.2 per cent. as at 31 December 2023 and 1.7 per cent. as at 31 December 2022. The Group is exposed to the risk that borrowers may not repay their financing when due and that any collateral securing the payment of the financing may be insufficient. The Group continuously reviews and analyses its customer financing portfolio and credit risks, and its provision for losses on loans is based on, among other things, its analysis of the staging of customers and the probability of default and loss given default parameters for the different stages, loan management and the valuation of the underlying assets, as well as other management assumptions. Factors which contribute to an increase in the amount of the Group's NPLs include growth in its customer financing portfolio, as well as adverse economic changes in Saudi Arabia.

Prolonged periods of low oil prices and associated changes in Government spending are the principal risk to the Bank's operating environment. See "—**The Group's operations and assets are principally located in Saudi Arabia and, accordingly, the Group is exposed to general economic conditions in Saudi Arabia**" above. Additionally, further increases in global interest rates could also have an adverse impact on the macroeconomic environment, particularly as the fixed exchange rate between the riyal and the U.S. dollar means that Saudi Arabian interest rate policy effectively follows that of the US Federal Reserve. The main Saudi interbank rate partly reflects changes to the base rate, as well as local liquidity conditions.

Notwithstanding that the riyal has been pegged to the U.S. dollar since 1986 and there is no current expectation of a de-pegging, should Saudi Arabia and/or other regional oil producing countries elect to remove the foreign exchange peg of their domestic currencies to the U.S. dollar, this could pose systemic risks to the banking systems in the GCC. See "—**De-pegging the riyal from the U.S. dollar or re-pegging the riyal at a different rate could have a material adverse effect on the Group**" below.

The Group's business is exposed to political conditions in Saudi Arabia and the MENA region

Most of the Group's customers and almost all its business are based in Saudi Arabia. While Saudi Arabia is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact Saudi Arabia. Instability in the Middle East may result from numerous factors, including government or military regime change, civil unrest or terrorism. Since 2011, there has been political unrest in a range of countries in or proximate to the MENA region, including Tunisia, Algeria, Egypt, Libya, Lebanon, Jordan, Iraq, Iran, Palestine, Yemen and Syria. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict, civil war, foreign military intervention and the overthrow of existing leadership.

In 2015, a coalition of countries, led by Saudi Arabia and supported by the international community, commenced a military action against the Al-Houthi rebels in Yemen. The conflict in Yemen has not yet been fully resolved.

In addition, Saudi Arabia has experienced other occasional terrorist attacks in recent years, including, most recently, an attack on a Saudi Aramco facility in Jeddah in March 2022.

In late 2023, Israel declared war on Hamas, following a Hamas-led terrorist attack on Israel, and subsequently invaded the Gaza Strip and, in mid-2024, Israel attacked Hezbollah in Lebanon. Following the fall of the Bashar Al Assad regime in Syria, Israel is also conducting military operations in that country. These and other actions have led to increasing tensions, and occasional military action, between Israel and Iran and the situation remains volatile and uncertain. In June 2025, the United States conducted a missile strike on an Iranian nuclear facility and Iran attacked a US base in Qatar in response. In September 2025, Israel carried out a strike aimed at Hamas leadership in Qatar. Although there is currently a U.S.-brokered ceasefire between Israel and Hamas, it remains fragile with both sides alleging frequent violations. There has also been an escalation of attacks on shipping in the Red Sea and Gulf region by the Al-Houthi rebels resulting in U.S. and other countries conducting retaliatory strikes on Al-Houthi bases. Tensions between Iran and the United States have also increased following U.S. government statements made in the light of Iran's response to mass internal protests in Iran in January 2026. In late February 2026, military action commenced, with air strikes led by the United States against Iran to which Iran responded with missile and drone attacks on a range of targets in neighbouring countries. Ongoing hostilities, including direct and indirect confrontations across the region, have resulted in a heightened state of geopolitical tension and uncertainty. The situation remains fluid, with the potential for further escalation depending on any further military action and related responses.

The situations described above have caused significant disruption to the economies of the affected countries, have given rise to increased political uncertainty across the MENA region and have had a destabilising effect on oil and gas prices. There is no certainty that extremists or terrorist groups will not escalate violent activities in the MENA region, or that any currently stable governments in the MENA region will be successful in maintaining the prevailing levels of domestic order and stability. As it is not generally possible to predict the occurrence or impact of events or circumstances, such as war, hostilities or diplomatic rifts, no assurance can be given that the Group will be able to sustain the profitable operation of its business if adverse political events or circumstances impacting the MENA region were to occur.

Prospective investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments outside the MENA region because of inter-relationships within the global financial markets. Moreover, there is no certainty that the governments of the countries to which the Group is exposed will not implement restrictive fiscal or monetary policies or regulations, including changes with respect to interest rates and new legal interpretations of existing regulations, any of which could have a material adverse effect on the Group's business, results of operations, financial condition, cashflows and prospects. Further, the recent implementation of significant tariffs by the United States has led to a significant increase in volatility in global markets which, if prolonged, could impact the value of financial investments held by the Group.

The Group is exposed to the credit risk of borrowers and other counterparties due to its financing and investment activities, which could give rise to material losses in future periods

Credit risk arising from adverse changes in the credit quality and recoverability of the Group's loans and advances, securities and other amounts due from counterparties are inherent in a wide range of the Group's businesses, principally in its financing and investment activities. In particular, the Group is exposed to the risk that its counterparties may not meet their obligations in respect of financing provided by the Group and that the collateral (if any) securing the financing provided may be insufficient, each of which could affect the recoverability and value of the Group's assets, result in an increase in NPLs and require an increase in the Group's impairment provisions.

Credit losses could arise from a deterioration in the credit quality of specific issuers and counterparties of the Group, from a general deterioration in local or global economic conditions, or from systemic risks within these financial systems, any of which could affect the recoverability and value of the Group's assets and require an increase in its impairment provisions.

As at 30 September 2025, the Group's loans and advances, net (its customer financing portfolio) amounted to SAR 368,554 million, compared to SAR 320,089 million as at 31 December 2024, SAR 274,398 million as at 31 December 2023 and SAR 242,365 million as at 31 December 2022. The Group's NPLs were SAR 3,258 million as at 30 September 2025, compared to SAR 3,174 million as at 31 December 2024, SAR 3,464 million as at 31 December 2023 and SAR 4,244 million as at 31 December 2022, and its allowance for impairment/expected credit losses (ECL) in respect of its total loans and advances amounted to 1.2 per cent., 1.6 per cent., 1.8 per cent. and 1.9 per cent. of the value of its customer financing portfolio as at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The Group calculates its ECL in accordance with IFRS 9 rules and guidelines to cover bad and doubtful debts and impaired investments and the Group's portfolio and credit exposures are managed in accordance with the relevant credit policy and customer financing classifications set by SAMA. Any failure by the Group to maintain the quality of its assets through effective risk management policies could lead to higher loss provisioning and result in higher levels of defaults and write-offs, all of which would be likely to reduce the Group's profitability.

Security interests provided in favour of the Group may not be sufficient to cover all losses, and the Group may experience difficulty in enforcing certain types of collateral

The practice of pledging assets (such as share portfolios and real estate assets) to obtain bank financing is subject to certain limitations and administrative restrictions under Saudi Arabian law, and the interpretation of updated legislation in this area remains uncertain and untested. In particular, such security may, in some cases, not be enforced without a court order. Accordingly, the value of the collateral may erode over time while the Group seeks to enforce it, and the time and costs associated with enforcing the collateral may also adversely affect the Group's ability to recover its loan losses in full.

The Group's customer financing portfolio, investment securities portfolio and customer deposits are concentrated in Saudi Arabia

Together, the Group's customer financing portfolio and its investments, net (its investment securities portfolio) aggregated SAR 442,817 million, or 87.2 per cent. of the Group's total assets, as at 30 September 2025, SAR 390,210 million, or 86.6 per cent. of the Group's total assets, as at 31 December 2024, SAR 332,959 million, or 86.0 per cent. of the Group's total assets, as at 31 December 2023 and SAR 294,561 million, or 81.9 per cent. of the Group's total assets, as at 31 December 2022.

The Group's investment securities portfolio principally comprises fixed and floating rate securities, with SAR 64,240 million, or 86.5 per cent., of the portfolio being fixed rate instruments as at 30 September 2025 compared to SAR 60,351 million, or 86.1 per cent., as at 31 December 2024, SAR 51,444 million, or 87.8 per cent., as at 31 December 2023 and SAR 46,688 million, or 89.4 per cent., as at 31 December 2022.

As at 31 December 2024, 96.0 per cent. of the Group's customer financing portfolio and 70.3 per cent. of its investment securities portfolio were classified as Saudi Arabian risk, i.e. the borrowers or the issuers of such securities are Saudi Arabian entities.

The Group's customer deposits aggregated SAR 325,413 million, equal to 74.9 per cent. of its total liabilities, as at 30 September 2025 compared to SAR 306,423 million, equal to 80.1 per cent. of its total liabilities, as at 31 December 2024, SAR 254,908 million, equal to 78.1 per cent. of its total liabilities, as at 31 December 2023 and SAR 240,007 million, equal to 79.1 per cent. of its total liabilities, as at 31 December 2022. As at 31 December 2024, 99.0 per cent. of the Group's customer deposits were classified as Saudi Arabian risk.

Accordingly, any deterioration in general economic conditions in Saudi Arabia or any failure by the Group to effectively manage its geographic risk concentrations could have a more significant adverse effect on the Group's business than on that of a more diversified bank. See "—**The Group's operations and assets are principally located in Saudi Arabia and, accordingly, the Group is exposed to general economic conditions in Saudi Arabia**" above.

The Group has significant customer and sector concentrations

The Group's customer financing portfolio is concentrated in a small number of industry sectors. As at 31 December 2024, loans and advances, net to the commerce sector accounted for 26.2 per cent. of the Group's total loans and advances, net. In addition, the consumer loans and credit card sector accounted for 30.0 per cent. of the Group's total loans and advances, net as at the same date.

As at 31 December 2024, government and quasi-government issuers accounted for 63.4 per cent. of the total investment portfolio in the Group's investment securities portfolio.

As a result, a material weakening in the credit quality of, or a default by, any one or more of the Group's large financing counterparties or issuers of debt securities, or any factors which negatively impact any of the sectors to which the Group has significant exposure, could result in the Group having to make significant additional loss provisions and/or experiencing reduced special commission income. Sector specific factors might include:

- low levels of economic growth or a recession in Saudi Arabia which, particularly if coupled with increased levels of unemployment or other factors constraining consumer income, could materially adversely impact the ability of the Group's retail customers to repay their financing;
- falling oil and gas prices which could reduce the liquidity of its government and quasi-government borrowers, as well as other borrowers that operate in the oil and gas sector or provide products and services to that sector, and could also negatively affect the value of any securities issued by those entities which the Group holds in its investment securities portfolio; and
- a significant decline in real estate values would reduce the value of the real estate collateral which the Group holds.

The Group also has a high concentration of deposits from individual depositors, mainly Government and quasi-Government depositors. The withdrawal or non-renewal of its deposits by any one or more of the Group's material depositors could require the Group to obtain replacement funding from other sources which may not be readily available or may be significantly more expensive, which would reduce the Group's margins and adversely impact its operating income and profitability. See further "— **The Group is subject to the risk that liquidity may not always be readily available**" below.

The Group has significant credit-related contingent liabilities and commitments that may lead to potential losses

As part of its normal banking business, the Group issues guarantees, letters of credit (LCs) and acceptances which are accounted for off the Group's balance sheet until such time as they are funded or cancelled. In addition, the Group makes irrevocable commitments to advance credit to its customers. Although these commitments are contingent, they nonetheless subject the Group to both credit and liquidity risks. As at 30 September 2025, the Group had SAR 181,804 million in contingent liabilities under guarantees, LCs and acceptances and irrevocable commitments to extend credit.

Although the Group anticipates that only a portion of its obligations in respect of these commitments will be triggered and funds itself accordingly, the Group may be required to make payments in respect of a greater portion of such commitments, particularly in cases where there has been a general deterioration in market conditions. This could result in the Group needing to obtain additional funding, potentially at relatively short notice, which may not be readily available or may be significantly more expensive, which would reduce the Group's margins and adversely impact its operating income and profitability.

The Group is exposed to reputational risks related to its operations and industry

The Group is exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation will harm its reputation. The Group's reputation may also be adversely affected by the conduct of third parties over whom it has no control, including entities to which it has advanced financing or in which it has invested. For example, if one of the Group's financing counterparties becomes associated with financial scandals or widely publicised improper behaviour, the Group's own reputation may be affected. The Group is also exposed to adverse publicity relating to the financial services industry. Financial scandals unrelated to the Group or questionable ethical conduct by a competitor may taint the reputation of the industry and affect the perception of investors, public opinion and the attitude of regulators. Any damage to the Group's reputation could cause existing customers to withdraw their business and lead potential customers to be reluctant to do business with the Group which could have a material adverse effect on the Group.

The Group could be adversely affected by the soundness or the perceived soundness of other financial institutions and counterparties

Given the high level of inter-dependence between financial institutions that became most evident during the global financial crisis of 2008 to 2010, the Group is subject to the risk of deterioration in the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, the default of any one institution could lead to significant losses, and potentially defaults, by other institutions. As was experienced in 2008 and 2009, concerns about, or a default by, one institution could also lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions is closely related due to their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Group or other institutions. This risk, often referred to as "systemic risk", may also adversely affect other financial intermediaries, such as clearing agencies, clearing houses, securities firms and exchanges, with whom the Group interacts daily. Systemic risk, should it materialise, could have a material adverse effect on the Group's ability to raise new funding and on its business generally. The failures in the first half of 2023 of Silicon Valley Bank and Signature Bank in the United States and Credit Suisse in Europe also indicate the potential for systemic risk.

The Group is subject to the risk that liquidity may not always be readily available

Liquidity risk is the risk that the Group will be unable to meet its obligations, including funding commitments, as they become due. If the Group's cash flow from its operations is not sufficient to meet its short- and medium-term contractual and contingent payment obligations when they fall due, it could experience liquidity issues, even if it continues to receive new customer deposits and proceeds from new financing or future revenue streams. Such liquidity mismatches could also arise if there is an unexpected outflow of customer deposits, if there is a material decline in the value of the Group's investment securities portfolio or if the Group is unable to secure short-term funding or sell assets to bridge any such funding gap. This risk is inherent in banking operations and can be heightened by enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Credit markets worldwide experienced a severe reduction in liquidity in the final quarter of 2008 and the first half of 2009. Since then, financial institutions have continued to experience periods of reduced liquidity and increased industry, regulator and investor focus on liquidity, including in the period following three bank failures in early 2023.

The perception of counterparty risk between banks has also increased significantly since the final quarter of 2008, which has led at times to reductions in certain traditional sources of liquidity, such as the fixed income securities markets, asset sales and redemption of investments. The Group's access to these traditional sources of liquidity may at times be restricted or available only at a higher cost and there can be no assurance that the Government will provide any support to the Saudi Arabian banking sector in the future. See "**—The Government is under no obligation to support the Bank and there is no assurance that the Bank will receive any Government support in the future**" below.

In addition, uncertainty or material adverse changes in the capital and credit markets may limit the Group's ability to refinance maturing liabilities with long-term funding or may increase the cost to the Group of such funding. The Group's access to any additional financing it may need will depend on a variety of factors, including market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Group's financial condition, credit ratings and credit capacity.

The Group has historically relied on both customer and interbank deposits, which are mainly short-term and generally low cost in nature, to meet most of its funding needs. The availability of deposits is subject to fluctuation due to factors outside the Group's control, including possible loss of confidence and competitive pressures, and this could result in a significant outflow of deposits within a short period of time or may cause the Group to increase the return paid on its deposits to ensure that it retains sufficient deposits. As at 31 December 2024, 49.9 per cent. of the Group's customer deposits were demand deposits and therefore did not have a fixed maturity, although, as is typical in the Saudi Arabian banking industry, these deposits have generally proved to be a stable source of funding based on historical behaviour analysis. Nevertheless, they are effectively repayable on demand. As at the same date, 82.5 per cent. of the Group's non-equity funding (which comprises amounts due to banks and other financial institutions, customer deposits and debt securities in issue and term loan) had contractual undiscounted repayment obligations of up to three months or was payable on demand and 93.1 per cent. had contractual undiscounted repayment obligations of one year or less or was payable on demand. The Group may experience outflows of deposits at times when liquidity is constrained generally in Saudi Arabia or when its major depositors experience short- or longer-term liquidity requirements. Particularly, if international oil and gas prices fall significantly for a sustained period, the Group's large depositors (including the Government and quasi-Governmental depositors) may start to withdraw part or even all their deposits with it.

In addition, the Group's deposits are geographically concentrated and the Group is reliant on certain large deposits from a limited group of customers. See "**—The Group's customer financing portfolio, investment securities portfolio and customer deposits are concentrated in Saudi Arabia" above and "—The Group has significant customer and sector concentrations**" above.

If a substantial portion of the Group's depositors, or any of its largest depositors, withdraw their demand deposits or do not roll over their time deposits at maturity, the Group may need to seek other sources of funding or may have to sell, or enter into sale and repurchase or securitisation transactions over, certain of its assets to meet its funding requirements. There can be no assurance that the Group will be able to obtain additional funding as and when required or at prices that will not affect its ability to compete effectively and, if the Group is forced to sell assets to meet its funding requirements, it may suffer material losses as a result.

In extreme cases, if the Group is unable to refinance or replace such deposits with alternative sources of funding to meet its liquidity needs, through deposits, the interbank markets, the international capital markets or through asset sales, this would have a material adverse effect on its business generally and could, potentially, result in its insolvency.

The Group could be adversely affected by market risks

The Group could be adversely affected by market risks that are outside its control, including, without limitation, material adverse changes in interest rates, prices of securities and currency exchange rates. An increase in interest rates generally may decrease the value of the Group's fixed-rate loans and securities and may increase the Group's funding costs. In addition, fluctuations in interest rates may result in a pricing gap between the Group's interest-rate sensitive assets and liabilities. For example, the Group generally has a discretionary right to change the rates it charges on its customer financing whilst the rates that it pays on a part of its customer deposit base (namely, term deposits) are contractually fixed for the term of the deposit. As a result, the Group generally experiences an increase in its net special commission income in times of rising interest rates and a reduction in its net special commission income in times of falling interest rates. See note 35.2(i) to the 2024 Financial Statements which illustrates the sensitivity of the Group's net special commission income to a 100-basis point change in interest rates on major currencies, such as the riyal and the U.S. dollar. Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, such as SAMA and the U.S. Federal Reserve, political factors and domestic and international economic conditions.

As a financial intermediary, the Group is also exposed to foreign exchange rate risk. This risk includes the possibility that the value of a foreign currency asset or liability will change due to changes in currency exchange rates as well as the possibility that the Group may have to close out any open position in a foreign currency at a loss due to an adverse movement in exchange rates. The Group attempts to match the currencies of its assets and liabilities, and any open currency position is maintained within the limits set by SAMA. However, where the Group is not so hedged, it is exposed to fluctuations in foreign exchange rates and any such hedging activity may not in all cases protect the Group against such risks. See note 35.2(iii) to the 2024 Financial Statements which illustrates the sensitivity of the Group's net income to a 1 per cent. change in the exchange rate of certain significant currencies (including the U.S. dollar and pounds sterling) against the riyal. See also "—**De-pegging the riyal from the U.S. dollar or re-pegging the riyal at a different rate could have a material adverse effect on the Group**".

The Group also has a portfolio of fair value through other comprehensive income (**FVOCI**) equity investments which are exposed to the effect of changes in market prices on their fair value.

The Group enters into derivative transactions, such as commission rate and currency swaps, forward and future contracts and options, as part of its ordinary customer business, to manage its market risks and to take advantage of price differentials or anticipated market movements. These derivative contracts had a notional value of SAR 337,630 million as at 30 September 2025 compared to SAR 304,253 million as at 31 December 2024, SAR 185,811 million as at 31 December 2023 and SAR 151,052 million as at 31 December 2022. The Group had positive and negative fair value of derivatives of SAR 5,686 million and SAR 4,940 million, respectively, as at 30 September 2025 compared to SAR 5,569 million and SAR 5,166 million, respectively, as at 31 December 2024, positive and negative fair value of derivatives of SAR 3,668 million and SAR 3,429 million, respectively, as at 31 December 2023 and positive and negative fair value of derivatives of SAR 3,791 million and SAR 2,854 million, respectively, as at 31 December 2022. There is no assurance that the Group's derivative contracts will be successful in mitigating its interest rate and foreign exchange exposures or that the Group will not experience significant losses on its derivatives contracts from time to time.

Adverse movements in benchmark interest and foreign exchange rates may also adversely impact the revenues and financial condition of the Group's depositors, borrowers and other counterparties which, in turn, may impact the Group's deposit base and the quality of its credit exposures to certain borrowers and other counterparties. Ultimately, there can be no assurance that the Group will be able to protect itself from any adverse effects of a currency revaluation or future negative changes in interest rate or currency exchange rates or from a significant change in the prices of its investment securities.

The Group is exposed to a range of operational risks. In particular, the Group is exposed to the risk of loss due to employee misrepresentation, misconduct and improper practice

Operational risk is the risk of direct or indirect loss arising from inadequate or failed people, processes, technology and infrastructure within the Group, natural disasters or the failure of external systems (for example, those of the Group's counterparties or vendors). Losses from the failure of the Group's system of internal controls could have a material adverse effect on its business generally and its reputation.

The Group's employees could engage in misrepresentation, misconduct or improper practice that could expose the Group to direct and indirect financial loss and damage to its reputation. Such practices may include embezzling clients' funds, engaging in corrupt or illegal practices to originate further business, intentionally or inadvertently releasing confidential information about clients or failing to follow internal procedures. It is not always possible to detect or deter these types of misconduct, and the precautions which the Group takes to detect and prevent such misconduct may not be effective in all cases. There can be no assurance that measures undertaken to combat these types of misconduct will be successful. Any such actions by employees could expose the Group to financial losses resulting from the need to reimburse clients, co-investors or other business partners who suffered loss or due to fines or other regulatory sanctions, and could damage the Group's reputation.

The Group depends on its information technology systems and any disruption to these systems could materially disrupt the Group's business

The Group's operations are critically reliant on the proper functioning of its information technology (IT) systems. These systems are essential for processing high volumes of transactions accurately and efficiently, as well as for storing and managing the Group's business and operational data. The proper functioning of financial controls, risk management, credit analysis, reporting, accounting, customer service, communication between branches and the data processing centres are critical to the Group's business and its ability to compete effectively.

Any significant disruption, prolonged outage or complete failure of its critical IT systems or communication networks could materially and adversely affect the Group's business operations. Various factors, some of which are beyond the Group's control, can cause such disruptions. These include natural disasters, extended power outages, computer viruses and other malicious software, hardware failures, software failures and cyber-attacks (which are separately discussed below).

The effectiveness of the Group's IT systems is contingent upon accurate and reliable data inputs, which are susceptible to human error. Failures or delays in recording or accurately processing transaction data could result in financial losses, customer claims, regulatory penalties and reputational damage.

Any losses from the failure of the Group's IT systems could have a material adverse effect on its business generally and its reputation.

The Group's IT systems are subject to potential cyber-attack

In common with other financial institutions based in Saudi Arabia, the wider GCC and globally, the threat to the security of the Group's information and customer data from security breaches and cyber-attacks presents a real and growing risk to the Group's business. Activists, rogue states and cyber-criminals are among those targeting IT systems around the world. Risks to technology and cyber-security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. Given the increasing sophistication and scope of potential cyber-attacks, it is possible that future attacks may lead to significant breaches of security. A failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could adversely affect the Group, including through disruption to its business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation.

The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks

There can be no assurance that the Group's risk management and internal control policies and procedures will adequately control, or protect it against, all credit, liquidity, market, operational and other risks. In addition, certain risks may not be accurately quantified by the Group's risk management systems. Some of the Group's methods of managing risk are based upon the use of historical market data which, as evidenced by events caused by the global financial crisis, may not always accurately predict future risk exposures which could be significantly greater than historical measures indicate. In addition, certain risks could be greater than the Group's empirical data would otherwise indicate.

Other risk management methods depend upon evaluation of information regarding the markets in which the Group operates, its clients or other matters that are publicly available or information otherwise accessible to it. This information may not be accurate, complete, up to date or properly evaluated in all cases. Any material deficiency in the Group's risk management or other internal control policies or procedures may expose it to significant losses due to unidentified credit, liquidity, market or operational risks, should they occur.

The Group's risk management techniques may not be consistently implemented or fully effective in mitigating its exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Investors should note that any failure by the Group to identify and/or adequately control these risks, including due to any failure to successfully implement new risk management policies, systems and procedures in the future, may have a material adverse effect on the Group.

The Group is subject to extensive regulation and changes in this regulation, or the interpretation or enforcement of this regulation, or any failure by the Group to comply with this regulation could have a material adverse effect on the Group

The Group is subject to laws, regulations, administrative actions and policies designed to maintain the safety and soundness of banks in Saudi Arabia, ensure their compliance with economic and other obligations and limit their exposure to risk. These laws and regulations include laws and regulations issued by SAMA and the CMA. These regulations may limit the Group's activities and the Bank's ability to carry on certain parts of its business or to grow its business generally and any changes to such regulations may increase the Group's cost of doing business. In addition, a breach or violation of any regulations applicable to the Group could expose it to potential liabilities, fines and reputational damage. Changes in these laws and regulations and the way they are interpreted or enforced may also impose significant additional compliance costs on the Group. For example, the Law on the Treatment of Systemically Important Financial Institutions, issued on 25/04/1442H (corresponding to 10 December 2020) which came into effect in June 2021 (the SIFI Law), provides for the relevant regulator to determine whether a financial institution such as the Bank should be deemed to be systemically important. The Bank has not yet been informed by SAMA about its status under the SIFI Law. The objectives of the SIFI Law include the protection of the financial system and sector in Saudi Arabia and minimising dependence on Government support by instead utilising the resources of the relevant financial institution. The SIFI Law gives the relevant regulator the right to undertake certain protective measures to safeguard the financial system, such as the ability to amend, reduce, cancel or convert into equity the rights of securityholders of the relevant financial institution. If the Bank is classified by SAMA as a systemically important financial institution in accordance with the SIFI Law (a SIFI) and if the Bank meets the requirements for a treatment plan to be applied, any of the above measures could be imposed by SAMA on the Sukukholders.

The SIFI Law provides for implementing regulations to be prepared by SAMA and the CMA. On 29 August 2023, SAMA published a draft of the implementing regulations of the SIFI Law for institutions subject to the supervision of SAMA (the "**Implementing Regulations**") for public consultation. As at the date of this Base Prospectus, the Implementing Regulations have not yet been issued and there can be no assurance that the Implementing Regulations, once they are finalised, will be consistent with the draft version that was published on 29 August 2023. The draft Implementing Regulations include certain provisions relating to the procedure for the amendment of rights of holders of capital instruments, including in relation to the required valuation by SAMA of the relevant SIFI's assets prior to the application of any such procedure to determine, among other things, the extent of the write down of relevant capital instruments.

The SIFI Law, together with its Implementing Regulations (once published), is likely to constitute an Applicable Statutory Loss Absorption Regime for the purposes of the Sukuk. Whilst the SIFI Law provides that creditors whose rights are amended shall not incur greater losses than what is estimated would have been lost had the relevant financial institution been wound up, there can be no assurance that any such amendment of rights of holders or other action taken by SAMA will be similar to the loss absorption provisions set out in Condition 10 (Write-down at the Point of Non-Viability) or otherwise be in the interests of the Sukukholders. Accordingly, the operation of any such future legislation or the implementation of an Applicable Statutory Loss Absorption Regime may result in the Sukuk absorbing losses in a manner other than as described in the Conditions, which may in turn have an adverse effect on the position of the Sukukholders.

To carry out and expand its businesses, it is necessary for the Group to maintain or obtain a variety of licences, permits, approvals and consents from various regulatory, legal, administrative, tax and other governmental authorities and agencies. The processes for obtaining these licences, permits, approvals and consents may be lengthy, complex, unpredictable and costly. If the Group is unable to maintain or obtain the relevant licences, permits, approvals and consents, its ability to achieve its strategic objectives could be impaired.

There is increased international scrutiny of banks operating in all markets, including Saudi Arabia, in connection with anti-money laundering (**AML**), combating terrorist financing, sanctions and other regulations, some of which are international in their application. In addition, Saudi Arabia has adopted a relatively comprehensive legislative and regulatory framework that deals with money laundering and terrorist financing. These laws and regulations require the Group, among other things, to adopt and enforce "know your customer" (**KYC**) policies and procedures and to report suspicious and large transactions as part of their AML requirements to the applicable regulatory authorities. The Group has adopted KYC and AML policies and procedures and reviews them regularly in light of regulatory and market developments. In the event of actual or alleged compliance breaches, the Group may become subject to investigation and judicial or administrative proceedings, which could result in financial penalties or lawsuits (including by customers) for damages and/or the loss of the Group's ability to do business in the international banking market or specific jurisdictions or even the loss of its Saudi Arabian banking licence. Any such sanctions would be likely to materially damage its reputation and materially adversely impact its cash flow and profitability.

The Group's internal compliance systems might not be fully effective in all circumstances

The Group's ability to comply with all applicable regulations is largely dependent on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. Although the Group is subject to oversight by regulatory authorities, including regular examination activity and annual supervisory review visits, and performs regular internal audits and employs an external auditing firm to review its internal auditing function as required by applicable regulations, the Group cannot be certain that these systems and procedures will be fully effective in all circumstances, particularly in the case of deliberate employee misconduct or other frauds perpetrated against it. In the case of actual or alleged non-compliance with applicable regulations, the Group could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages that could have a material adverse effect on the Group.

A negative change, or perceived negative change, in the Bank's credit rating could limit its ability to raise funding and may increase the Group's borrowing costs

As at the date of this Base Prospectus, the Bank has a long-term local currency issuer default rating of A- with a stable outlook from Fitch, an issuer credit rating of A with a stable outlook from S&P and a long-term deposit rating of A1 with a stable outlook from Moody's. These credit ratings are an important factor in determining the Group's cost of borrowings. The special commission rates charged on the Group's borrowings are also partly dependent on its credit ratings.

There is no assurance that the Bank's ratings will remain in effect for any given period or that the ratings will not be lowered or withdrawn entirely if circumstances in the future so warrant. A downgrade, or increased risk of a downgrade, of the Bank's credit ratings, or a negative change in their outlook, may:

- limit the Bank's or any other member of the Group's ability to raise funding;
- increase the Bank's or any other member of the Group's cost of borrowing; and
- limit the Bank's or any other member of the Group's ability to raise capital.

In addition, actual or anticipated changes in the Bank's credit rating may negatively affect the market value of any Sukuk issued under the Programme.

According to Moody's, the Bank's rating reflects Moody's baseline credit assessment of Baa1 and three notches of government support uplift based on Moody's expectation of a very high probability of support from the Government in case of need, given the Bank's importance in the Saudi banking system. Accordingly, the Bank's rating could be adversely impacted by any negative change in the sovereign rating or any negative re-assessment by Moody's of the Government's willingness to provide support to the Bank.

As at the date of this Base Prospectus, Saudi Arabia has been assigned the following credit ratings: Aa3 (stable outlook) by Moody's, A+ (stable outlook) by Fitch and A+ (stable outlook) by S&P. As a result, if any of the Bank's rating organisations were to reduce their ratings, or change the outlook of their ratings, on Saudi Arabia, this could also result in the relevant rating organisation lowering its rating, or changing the outlook of its rating, on the Bank. See "—**The Government is under no obligation to support the Group and there is no assurance that the Group will receive any Government support in the future**" below.

In addition, the credit ratings assigned to the Bank or any Sukuk may not reflect the potential impact of all risks related to an investment in the Sukuk issued under the Programme, the market, additional factors discussed in this Base Prospectus and other factors that may affect the value of any Sukuk. A security rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

The Group may not be able to raise capital as and when needed on commercially attractive terms

As at 30 September 2025, the Group's Tier 1 capital adequacy ratio (calculated according to Basel III standards for Pillar 1) was 15.78 per cent. (compared to 16.40 per cent. as at 31 December 2024, 17.65 per cent. as at 31 December 2023 and 18.05 per cent. as at 31 December 2022) and its total capital adequacy ratio was 17.81 per cent. (compared to 18.94 per cent. as at 31 December 2024, 20.73 per cent. as at 31 December 2023 and 21.05 per cent. as at 31 December 2022). The Bank has been designated as a domestic systemically important bank (**D-SIB**) with an additional common equity tier 1 D-SIB surcharge of 0.5 per cent. Accordingly, the Group's total minimum Pillar 1-based capital requirement as at 30 September 2025 was 11.079 per cent. (compared to 11.09 per cent. as at 31 December 2024, 11.08 per cent. as at 31 December 2023 and 11.04 per cent. as at 31 December 2022), which also included a capital conservation buffer of 2.5 per cent. and a countercyclical capital buffer of 0.079 per cent. (compared to 2.5 per cent. and 0.087 per cent., respectively, as at 31 December 2024, 2.5 per cent. and 0.082 per cent., respectively, as at 31 December 2023 and 2.5 per cent. and 0.037 per cent., respectively, as at 31 December 2022).

The Bank has issued the following outstanding senior instruments (through a special purpose vehicle): (1) on 30 October 2025, the Bank issued senior sukuk with a face amount of SGD 150 million due 2027, represented by up to 600 sukuk at a nominal value of SGD 250,000 per sak under its U.S.$3 billion trust certificate issuance programme; (2) on 7 November 2025, the Bank issued senior sukuk with a face amount of SGD 32.5 million due 2027, represented by up to 130 sukuk at a nominal value of SGD 250,000 per sak under its U.S.$3 billion trust certificate issuance programme; and (3) on 5 February 2026, the Bank issued senior sukuk with a face amount of SGD 315 million due 2031, represented by up to 1,260 sukuk at a nominal value of SGD 250,000 per sak under its U.S.$3 billion trust certificate issuance programme.

The Bank has issued the following outstanding Tier 2 instruments (either directly in its capacity as issuer or through a special purpose vehicle): (1) on 14 July 2025, the Bank issued Tier 2 capital sukuk with a face amount of U.S.$1.25 billion due 2035, represented by up to 6,250 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 14 July 2030, under its U.S.$3 billion trust certificate issuance programme; (2) on 14 October 2025, the Bank issued Tier 2 capital sukuk with a face amount of U.S.$250 million due 2035, represented by up to 1,250 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 14 October 2030, under its U.S.$3 billion trust certificate issuance programme; (3) on 14 January 2026, the Bank issued Tier 2 capital notes with a principal amount of U.S.$1.0 billion due 2036, represented by up to 5,000 notes at a nominal value of U.S.$200,000 per note, with the first call date on 14 January 2031, under its U.S.$5 billion medium term note programme; and (4) on 22 January 2026, the Bank issued Tier 2 capital notes with a principal amount of SGD 300 million due 2036, represented by up to 1,200 notes at a nominal value of SGD 250,000 per note, with the first call date on 22 January 2031, under its U.S.$5 billion medium term note programme.

The Bank has issued the following outstanding additional Tier 1 instruments (either directly in its capacity as issuer or through a special purpose vehicle): (1) on 16 February 2022, the Bank issued additional Tier 1 capital sukuk with a face amount of U.S.$750 million, represented by up to 3,750 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 16 February 2027, as a standalone issuance; (2) on 5 October 2022, the Bank issued additional Tier 1 capital sukuk with a face amount of SAR 3.75 billion, represented by up to 15,000 sukuk at a nominal value of SAR 250,000 per sak, with the first call date on 5 October 2027, as a standalone issuance; (3) on 3 October 2024, the Bank issued additional Tier 1 capital sukuk with a face amount of U.S.$750 million, represented by up to 3,750 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 3 October 2029, under its U.S.$5 billion additional Tier 1 capital certificate issuance programme; (4) on 23 January 2025, the Bank issued additional Tier 1 capital sukuk with a face amount of SAR 2.0 billion, represented by up to 8,000 sukuk at a nominal value of SAR 250,000 per sak, with the first call date on 23 January 2030, under its additional Tier 1 capital sukuk programme; (5) on 5 February 2026, the Bank issued additional Tier 1 capital sukuk with a face amount of U.S.$50 million, represented by up to 250 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 5 February 2031, under its U.S.$5 billion additional Tier 1 capital certificate issuance programme; and (6) on 19 February 2026, the Bank issued additional Tier 1 capital sukuk with a face amount of SAR 1.25 billion, represented by up to 5,000 sukuk at a nominal value of SAR 250,000 per sak, with the first call date on 19 February 2031, under its additional Tier 1 capital sukuk programme.

The Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements applicable to it. Under Basel III and its related guidance, capital requirements are inherently more sensitive to market movements than under previous regimes and capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse effect on the Group. In addition, a shortage of available capital might restrict the Group's opportunities for expansion.

A variety of factors affect the Group's capital adequacy levels. For example, unless matched by capital increases, a significant increase in lending in any period would be likely to reduce the Group's capital adequacy ratios and any losses experienced by it in any period would have a similar effect. In addition, regulatory requirements in relation to the calculation of capital adequacy and required levels of capital adequacy may change from time to time, including due to new guidance issued by the Basel Committee on Banking Supervision and implemented by SAMA. The Group may also need to increase its capital to address market perceptions of adequate capitalisation levels and the perceptions of rating agencies.

As a result, the Group is likely to need to obtain additional capital in the future to support the future growth of its business. Such capital, whether in the form of debt financing or additional equity, may not be available on commercially favourable terms, or at all. Moreover, should the Group's capital ratios fall close to regulatory minimum levels or the Group's own internal minimum levels, the Group may need to adjust its business practices, including reducing the risk and leverage of certain activities or undertaking asset disposals. If the Group is unable to maintain satisfactory capital adequacy ratios, its credit ratings may be lowered, and its cost of funding may therefore increase, and it may suffer regulatory sanctions. Any such development may have a material adverse effect on the Group.

Increasing competition may affect the Group's results of operations

The financial services sector in Saudi Arabia is highly competitive and the Group faces competition from domestic and foreign banks that operate in Saudi Arabia. Based on SAMA's website, as at 7 July 2026, there were 39 commercial banks licensed to operate in Saudi Arabia, of which four are noted on the website as not yet being operational. Of these licensed banks, 11 are local banks incorporated in Saudi Arabia, eight are branches or subsidiaries of banks based in countries of the GCC other than Saudi Arabia, 16 are international banks and four are digital banks.

The Bank faces intensifying competition in Saudi Arabia both from new entrants to the market (including the digital banks which may, in some cases, have lower operating cost models and may therefore be capable of generating higher returns from asset growth) and from existing competitors which may increase pressure on the Bank to improve the range and sophistication of its products and services currently offered.

Competition in its key areas of operation including consumer financing, may limit the Group's ability to grow its business, increase its client base and expand its operations and/or may reduce or reverse its asset growth rate and profit margins on the services it provides. If the Group experiences increasing margin pressure and rising operating expenses as the banking sector in Saudi Arabia develops and/or is not able to compete effectively and/or incurs significant additional costs as it seeks to compete effectively, these factors could have a material adverse effect on the Group.

The Group's accounting principles and policies are critical to how it reports its financial condition and results of operations and require management to make estimates about matters that are uncertain

Accounting principles and policies are fundamental to how the Group records and reports its financial position and results of operations. Management must exercise judgement in selecting and applying many of these accounting policies so that they comply with IFRS.

Management has identified its material accounting policies in note 3 to the 2024 Financial Statements. In addition, note 2(e) to the 2024 Financial Statements identifies the most critical accounting judgements, estimates and assumptions made by the Group. These judgements include, for example, the determination of ECL on financial assets and fair value measurement.

A variety of factors could affect the ultimate value that is obtained either when recognising income or expenses, recovering an asset or reducing a liability. The Group has established policies and control procedures that are intended to ensure that its accounting judgements and estimates are monitored and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding the Group's judgements and the estimates pertaining to these matters, the Group cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

The Group may not be able to recruit and retain qualified and experienced personnel, which could have an adverse effect on its business and its ability to implement its strategy

The Group's success and ability to maintain current business levels and sustain growth will depend, in part, on its ability to continue to recruit and retain qualified and experienced banking and management personnel. The market for such personnel in the Middle East is intensely competitive and the Group could face challenges in recruiting and retaining such personnel to manage its businesses.

The Group depends on the efforts, skill, reputation and experience of its senior management, as well as synergies among their diverse fields of expertise and knowledge. The loss of key personnel could delay or prevent the Group from implementing its strategies and the Group may not be able to replace any such lost personnel easily or quickly. The Group is also not insured against losses that may be incurred in the event of the loss of any member of its key personnel.

Any failure by the Group to manage its personnel needs successfully, including retaining key members of its executive management team and/or recruiting new qualified personnel at a pace consistent with its growth, could impede the implementation of the Group's strategy, hinder the growth of its business and have a material adverse effect on the Group.

The interests of the Government, through its direct and indirect ownership interests, may not be aligned with the interests of the Sukukholders

As at the date of this Base Prospectus, the Bank's principal shareholders are the Public Investment Fund (the **PIF**), a Government-owned investment fund, which holds 21.75 per cent. of the Bank's shares and the General Organization for Social Insurance (the **GOSI**), which holds 10.39 per cent. of the Bank's shares. PIF and GOSI are Government-controlled entities, which, as per publicly available records from the Saudi Exchange Company (**Tadawul**), gives the Government an indirect holding of 32.14 per cent. of the shares in the Bank as at 30 September 2025. As a result, the Government can influence the Bank's business through its ability to control certain decisions and actions that require shareholder approval. If circumstances were to arise where the interests of the Bank's principal shareholders conflict with the interests of its creditors (including the Sukukholders), the Sukukholders may be disadvantaged by any such conflict.

The Government is under no obligation to support the Bank and there is no assurance that the Bank will receive any Government support in the future

Although the Government has in the past supported the domestic banking industry, including in the period following the global financial crisis and during the COVID-19 pandemic, there can be no assurance that it will continue to provide support to the domestic banking industry, including the Bank, in the future. The Sukuk issued under the Programme are not guaranteed by the Government, any of the Bank's shareholders or any other party.

De-pegging the riyal from the U.S. dollar or re-pegging the riyal at a different rate could have a material adverse effect on the Group

The primary exchange rate of relevance to the Group is the riyal/U.S. dollar rate. The riyal is pegged to the U.S. dollar at a fixed exchange rate which is currently U.S.$1: SAR 3.75. The peg to the U.S. dollar has been maintained by SAMA at the same rate since June 1986. In addition, the following oil-producing GCC countries have pegged their domestic currencies to the U.S. dollar: Qatar, the UAE, Oman and Bahrain. From time to time, oil-producing countries with currencies that have been traditionally pegged to the U.S. dollar have faced pressure to de-peg and, in certain cases, have de-pegged their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the U.S. dollar on 20 August 2015, which was followed on 21 December 2015 by the removal of the U.S. dollar peg against the Azerbaijani manat.

There is a risk that additional countries may choose to unwind their existing currency peg to the U.S. dollar, both in the GCC and the wider region. While the long-term impacts of such actions are uncertain, it is likely that any such de-pegged currency would face a devaluation against the U.S. dollar immediately following the removal of the peg. While it continues to be the policy of the Government and SAMA to maintain the currency peg at its existing level, there can be no assurance that future unanticipated events, including a significant decline in the Government's reserve assets, will not lead the Government to reconsider its exchange rate policy.

Any de-pegging or revaluation to the current exchange rate in Saudi Arabia, particularly if the de-pegging or revaluation is accompanied by a significant depreciation of the relevant currency against the U.S. dollar or other major currencies, could contribute to higher inflation, increase the burden of servicing external debt and damage investor confidence, resulting in capital outflows and market volatility, each of which could have a material adverse effect on the Group.

RISKS RELATING TO THE ECONOMIC, POLITICAL AND REGULATORY ENVIRONMENT IN SAUDI ARABIA

Saudi Arabia's economy remains dependent on its oil revenue

Saudi Arabia's economy is undergoing a transformation as it implements reforms to reduce oil dependence, diversify income sources, and enhance competitiveness. However, Saudi Arabia's economy remains dependent upon oil revenues. According to OPEC data, as at 31 December 2024, Saudi Arabia had approximately 17.1 per cent. of global proven crude oil reserves while, according to data produced by GASTAT, oil related activities accounted for 24.5 per cent. of Saudi Arabia's nominal GDP at current prices in 2024, oil revenues accounted for an estimated 60.1 per cent., 62.2 per cent. and 67.6 per cent. of total Government revenue in 2024, 2023 and 2022, respectively, and oil exports accounted for 73.2 per cent., 77.3 per cent. and 79.5 per cent. of Saudi Arabia's total exports by value, in 2024, 2023 and 2022, respectively.

As oil is Saudi Arabia's most important export, any change in oil prices affects various macroeconomic and other indicators, including, but not limited to, GDP, Government revenues, balance of payments and foreign trade. According to the OPEC website, the price of the OPEC Reference Basket (a weighted average of prices per barrel for petroleum blends produced by the OPEC countries) has fluctuated significantly in recent years. The annual average OPEC Reference Basket price per barrel was U.S.$100.08 in 2022 (principally reflecting the impact of international sanctions imposed on Russia following its invasion of Ukraine early in 2022), U.S.$82.95 in 2023 (principally reflecting adjustments in the sanctions regime at the end of 2022 and generally lower demand than expected), U.S.$79.89 in 2024 and U.S.$69.59 in 2025. Since the start of the Iran conflict, oil prices have fluctuated significantly with the daily average OPEC Reference Basket price per barrel increasing from U.S.$70.07 on 27 February 2026 to a high of U.S.$146.05 on 19 March 2026. The annual average price per barrel of Arabian Light Crude Oil (which is one of the five grades of the crude oil produced by Saudi Arabia and constitutes part of the OPEC Reference Basket) has also moved in line with these trends.

Separately, it is not possible to predict what impact acts of sabotage or any other incident relating to critical oil and gas infrastructure in Saudi Arabia (or any prolonged period of reduced production following any such incident or act) will have on the price of, and global demand for, oil and gas and any corresponding impact on Saudi Arabia's hydrocarbon exports, Government revenues and Saudi Arabia's economy as a whole.

Factors that may affect the price of oil include, but are not limited to:

- economic and political developments in oil-producing regions, particularly in the Middle East, see, for example, "—**Risks relating to the Group— The Group's business is exposed to political conditions in Saudi Arabia and the MENA region**" above;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products;
- the ability of members of OPEC and other crude oil-producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude oil-producing or consuming countries;
- prices and availability of alternative fuels and new technologies using alternative fuels;
- the impact of pandemic diseases, such as COVID-19, and wars (such as the Russia/Ukraine war);
- the impact of terrorist action against significant hydrocarbon facilities; and
- global weather and environmental conditions.

It is possible that the wide-ranging tariffs announced by the United States to date in 2025, and any other countries (including China) in response, could result in a slowdown of global economic activity which could reduce demand for oil and therefore the price of oil. This could reduce liquidity in the Saudi banking system and cause international investors to reduce their exposure to emerging markets, including the GCC, potentially slowing foreign direct investment or portfolio inflows into Saudi Arabia.

If the international prices for hydrocarbon products were to materially fall from their current levels and remain low for an extended period, this could have a material adverse effect on Saudi Arabia's economy which, in turn, could have a material adverse effect on the Group.

There can be no assurance that the Government's efforts to diversify Saudi Arabia's economy will be successful

In recent years the Government has invested heavily in diversifying Saudi Arabia's economy to reduce its reliance on oil revenues. Measures taken include the National Transformation Program 2020 and Saudi Vision 2030.

Through Saudi Vision 2030, the Government is seeking to implement far-reaching reforms of Saudi Arabia's economy and society. Some of the measures envisaged include the greater participation of Saudi citizens in the private sector, a decrease in certain subsidies historically available to the fuel and energy sectors, as well as the imposition of new taxes and administrative fees. The implementation of these and other similar measures may be a lengthy and complex process. The implementation of these and other similar measures, in whole or in part, may have a disruptive effect and consequently may have an adverse effect on Saudi Arabia's economic and financial condition.

There can be no assurance that the increased contribution of the non-oil sector to Saudi Arabia's economy will continue in the future or that the non-oil sector will continue to grow at a sufficient extent to achieve effective and adequate diversification of the economy. Furthermore, there can be no assurance that the Government will be able to successfully implement Saudi Vision 2030, and/or the subset of Vision Realisation Programmes (a series of programmes which aim to achieve the strategic objectives of Saudi Vision 2030) in their current form, or that their implementation will be in line with the timelines originally set out. Any amendment to the scope or timing of the implementation of the objectives of Saudi Vision 2030 and/or the subset of Vision Realisation Programmes, in whole or in part, may result in the Government being unable to achieve the diversification of the economy and its sources of revenue to the required extent. Additionally, to the extent that a prolonged or further decline in oil prices has an adverse impact on the Government's revenues, this may in turn adversely impact the Government's ability to invest in the diversification of Saudi Arabia's economy. Any failure to diversify Saudi Arabia's economy may result in its economy remaining susceptible to the risks associated with the oil sector. Any material deterioration in Saudi Arabia's economic and financial condition would also be likely to negatively affect its banking sector and could have a material adverse effect on the Group.

A slowdown in the economies of Saudi Arabia's key trading partners could adversely affect its economy

Saudi Arabia has strong trading relationships with many countries, particularly major oil-importing economies such as China, the United States, Japan, South Korea, India and a number of member states of the European Union. To the extent that there is a slowdown in the economies of any of these countries, for example, as a result of tariffs implemented by the United States and any other countries (including China) in response, this may have a negative impact on Saudi Arabia's foreign trade and balance of payments, which could have a material adverse effect on its economic and financial condition.

Any sustained market and economic downturn or geopolitical uncertainties in the United States, China or any of Saudi Arabia's other key trading partners may exacerbate the risks relating to Saudi Arabia's trade with those countries. If an economic downturn occurs or continues in the United States, China or any of Saudi Arabia's other key trading partners, this may have a negative impact on Saudi Arabia's foreign trade and balance of payments, which could have a material adverse effect on Saudi Arabia's economic and financial condition.

Any material deterioration in Saudi Arabia's economic and financial condition would also be likely to negatively affect its banking sector and could have a material adverse effect on the Group.

There is uncertainty regarding the future development of Saudi Arabia's banking sector

The growth rate of Saudi Arabia's banking sector may not be as high and sustainable as it has been in some previous years. While it is expected that the banking sector will expand and its number of customers may increase with the growth of Saudi Arabia's economy, population and demographic changes and potential legal and other reforms, the impact on Saudi Arabia's banking sector of certain trends and events, such as the pace of economic growth in Saudi Arabia, is currently not clear. COVID-19 and lower oil prices in 2020 exerted fiscal and economic pressures on Saudi Arabia's economy and, in turn, the private sector, including the banking sector. Any future periods of challenging operating conditions, such as those experienced in 2020 and part of 2021, may result in a reduction in customers' deposits, and a rise in the levels of NPLs while limiting financing growth. Lending opportunities may diminish with higher levels of sovereign debt issuance. Net income may also decrease due to the increase in total operating expenses on account of higher impairment charges. Credit conditions for the banks may deteriorate leading to increased NPLs, credit losses and a decline in profitability. Any slowdown in the growth and development of the banking sector in Saudi Arabia will have an adverse impact on the Group's own growth and, in turn, on its business, results of operations, financial condition, cashflows or prospects.

Saudi Arabia's and other GCC legal systems continue to develop, and this may create an uncertain environment for investment and business activity

Saudi Arabia and many of the other GCC countries are in various stages of developing their legal and regulatory institutions that are characteristic of more developed markets. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. The courts, judicial committees and adjudicatory bodies in Saudi Arabia (the Saudi Courts) have a wide discretion as to how laws and regulations are applied to a particular set of circumstances. There is no doctrine of binding precedent in the Saudi Courts, decisions of the Saudi Courts are not routinely published and there is no comprehensive up-to-date reporting of judicial decisions. Bankruptcy procedures also remain largely untested. In some circumstances, it may not be possible to obtain the legal remedies provided under Saudi Arabian law in a timely manner. As a result, the outcome of any legal disputes in Saudi Arabia may be uncertain.

As the legal environment remains subject to continuous development (reflecting the fact that a core feature of Saudi Vision 2030 is reforming the country's legal and judicial framework), investors in Saudi Arabia and the other GCC countries may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Saudi Arabia and the other GCC countries may have a material adverse effect on the rights of Sukukholders or the investments that the Group has made or may make in the future, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition, cashflows or prospects.

Saudi Arabia's banking regulatory environment is continually evolving and may change in a manner that is adverse to the Group

The Bank falls under the supervision of SAMA, which regulates the banking sector in Saudi Arabia. The Bank operates in compliance with SAMA rules, regulations and guidelines, which from time to time may be amended in accordance with economic and political developments in the country. SAMA operates to a standard expected of international regulators and generally follows the recommendations of the Basel Committee. The Group's business could be directly affected by future changes to Saudi Arabia's banking regulatory policies, laws and regulations, such as those affecting the extent to which the Bank can engage in specific businesses, as well as changes to other governmental policies. The laws and regulations governing the banking and financial sector are subject to future changes and the Group cannot provide any assurance that such changes will not adversely affect its business, financial condition, cashflows or results of operations, nor can the Group provide any assurance that it will be able to adapt to all such changes on a timely basis. Failure to comply with the rules, regulations and guidelines of SAMA could result in significant financial penalties, a requirement to cease carrying on one or more businesses currently undertaken and significant reputational damage which could lead to a material loss of customers.

As a publicly listed company, the Bank is also subject to the regulations of the CMA, which include certain requirements related to disclosure, governance and other continuing obligations. Changes in, or violation of, any such requirements may adversely affect the Bank's business, financial position, results of operations and prospects.

The Bank is subject to labour force regulations in Saudi Arabia and any failure to comply with those regulations could have a material adverse effect on the Group

Companies in Saudi Arabia are in general encouraged by the Ministry of Human Resources and Social Development to ensure that Saudi nationals are prioritised with regards to employment opportunities with strong career progression and development programmes. The Bank has a talent acquisition, learning and development strategy designed to attract and retain Saudi nationals to comply with the relevant regulations, although, in common with other corporate entities in Saudi Arabia, the Bank experiences competition for, and may occasionally find it difficult to recruit and retain, qualified Saudi nationals. Any failure by the Bank to fill specific regulated roles with Saudi nationals could cause the Bank to be questioned by the regulator for non-compliance with these requirements which could, in turn, have an adverse effect on the Bank's reputation.

In addition, in recent years, Saudi Arabia has tightened controls on the employment of foreign workers, required increased localisation of the operations of foreign investors in Saudi Arabia and introduced amendments to labour laws. There is no guarantee that those changes will not have an impact on the Bank's customers in general, or customers in any segment of business which comprises a significant proportion of the Group's credit exposure. If any changes in Saudi Arabia's labour laws negatively affect the Group's customers, this could reduce the ability of those customers to meet their payment obligations to the Group. The occurrence of any such effect with respect to a major customer, or a group of customers, could have a substantial negative effect on the Group.

The statistical data contained in this Base Prospectus should be treated with caution by prospective investors

Statistics contained in this document, including in relation to GDP, money supply, inflation and indebtedness of the Government, have been obtained from, amongst other sources, GASTAT, SAMA, the Ministry of Finance, the Ministry of Economy and Planning and the IMF. Such statistics, and the component data on which they are based, may not have been compiled in the same manner as data provided by other sources and may be different from statistics published by third parties, reflecting the fact that the underlying assumptions and methodology may vary from source to source. There may also be material variances between preliminary, estimated or projected statistics included in this Base Prospectus and actual results, and between statistics included in this Base Prospectus and corresponding data previously published by or on behalf of the bodies listed above. Consequently, the statistical data contained in this Base Prospectus should be treated with caution by prospective investors.

Investing in securities involving emerging markets generally involves a higher degree of risk

Investors in emerging markets, such as Saudi Arabia, should be aware that these markets are subject to greater risks than more developed markets, including, but not limited to, higher volatility, limited liquidity and changes in the political and economic environment. In addition, there can be no assurance that the market for securities bearing emerging market risk, such as any Sukuk issued under the Programme, will not be affected negatively by events elsewhere, especially in the emerging markets.

Specific risks in Saudi Arabia and the MENA region generally that could have a material adverse effect on the Group's business include, without limitation, the following:

- political, economic or social instability;
- external acts of warfare, civil clashes or other hostilities or conflict;
- domestic unrest or violence;
- increases in inflation and the cost of living;
- changing tax regimes and tax laws, including the raising of the rate of Saudi VAT from 5 per cent. to 15 per cent. and the imposition of other taxes in tax-free jurisdictions or the increase of taxes in low-tax jurisdictions;
- government interventions and protectionism;
- potential adverse changes in laws and regulatory practices, including legal structures and tax laws;
- difficulties in staffing and managing operations;
- legal systems which could make it difficult for the Group to enforce its intellectual property and contractual rights;
- restrictions on the right to convert or repatriate currency or export assets;
- greater risk of uncollectible accounts and longer collection cycles; and
- logistical and communications challenges.

Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must determine for themselves whether, in light of those risks, an investment in any Sukuk is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

RISKS RELATING TO THE SUKUK

Sukukholders' right to receive payment of the Aggregate Nominal Amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event

If in respect of any Series of Sukuk, a Non-Viability Event (as defined below) occurs at any time on or after the Issue Date of the first Tranche issued under the relevant Series and prior to the date on which the Applicable Statutory Loss Absorption Regime becomes effective in respect of the Sukuk of that Series (the "Effective Date"), the Aggregate Nominal Amount of the Sukuk of that Series then outstanding will be Written-down in whole or in part on a pro rata basis, in each case, as solely determined by the Financial Regulator (as defined in the Conditions). Pursuant to a Write-down, the rights of any Sukukholder to payment of any amounts under or in respect of the Sukuk of that Series (including, without limitation, the relevant Dissolution Distribution Amount (as defined in the Conditions)) in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Periodic Distribution Amounts) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event Write-down Date or the Non-Viability Notice in relation thereto. Furthermore, a Write-down in full or in part of the Sukuk of a Series could occur prior to the Ordinary Shares absorbing losses in full. A Write-down shall not constitute an Event of Default. In cases in which a Write-down in part is required by the Financial Regulator, a Write-down may occur on one or more occasions as solely determined by the Financial Regulator.

The Conditions do not in any way impose restrictions on the Issuer following a Write-down, including restrictions on making any distribution or equivalent payment in connection with any Junior Obligations (including, without limitation, the Ordinary Shares), any Pari Passu Obligations or any Senior Obligations.

As a result, Sukukholders will lose the entire amount or, as the case may be, a material amount, of their investment in the Sukuk as a result of a Write-down and moreover, in such event, it is likely that Sukukholders will suffer losses in respect of their investment in the Sukuk ahead of, or without, any losses being required to be borne by the Bank's shareholders.

Investors should also be aware that the application of a non-viability loss absorption feature similar to Condition 10 has not been tested in the Kingdom and therefore uncertainty exists in its application.

A "**Non-Viability Event**" means, in relation to a Series, that the Financial Regulator has notified the Issuer in writing that it has determined that the Issuer is, or will become, Non-Viable without:

- a- a Write-down of the Sukuk of that Series (and write-down of any of the Sukuk of any other Series or of the Issuer's other capital instruments or other obligations constituting Tier 1 Capital and/or Tier 2 Capital of the Issuer that, pursuant to their terms or by operation of law, are capable of being Written-down and/or converted into equity); or
- b- a public sector injection of capital (or equivalent support), provided that such injection of capital is not made (i) by a shareholder of the Issuer or (ii) on terms that are more favourable to the Issuer than those that would be accepted by private investors in comparable transactions.

The Issuer's current and future Junior Obligations or Pari Passu Obligations might not include write-down or similar features comparable to those of a Sukuk. As a result, it is possible that the Sukuk of a particular Series will be subject to a Write-down, while certain Junior Obligations and/or Pari Passu Obligations remain outstanding and continue to receive payments and, as such, Sukukholders may be subject to losses ahead of holders of certain Junior Obligations and/or Pari Passu Obligations.

The circumstances triggering a Write-Down are unpredictable

The occurrence of a Non-Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside of the Issuer's control. The occurrence of a Non-Viability Event is subject to, inter alia, a subjective determination by the Financial Regulator (as defined in the Conditions). As a result, the Financial Regulator may require a Write-down in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree. See "**Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**". The exercise (or perceived likelihood of exercise) of any such power by the Financial Regulator or any suggestion of such exercise could materially adversely affect the value of the relevant Sukuk of a Series and could lead to the Sukukholders losing some or all of their investment in the relevant Sukuk of a Series.

The Financial Regulator shall, in its sole discretion, determine the occurrence and scope of a Non-Viability Event and therefore the requirement for a Write-down. Accordingly, prospective investors should note that the Financial Regulator may require a Write-down, without also requiring the Ordinary Shares and/or Other Common Equity Tier 1 Instruments to absorb any losses. In such circumstances, Sukukholders of a Series may suffer losses in respect of their holding of the relevant Sukuk of a Series ahead of, or without, any losses being required to be borne by the Bank's shareholders.

The financial viability of the Issuer will also depend in part on decisions made by the Issuer in relation to its business and operations, including the management of its capital position. In making such decisions, the Issuer will not necessarily have regard to the interests of Sukukholders and, in particular, the consequences for Sukukholders of any such decisions and there can be no assurance in any such circumstances that the interests of the Issuer, its shareholders and the Financial Regulator will be aligned with those of the Sukukholders.

Prospective investors should also be aware that the application of a non-viability loss absorption feature as contained in Condition 10 (Write-Down at the Point of Non-Viability) has not been tested in the Kingdom and therefore uncertainty exists in its application.

The payment obligations of the Issuer under the Master Mudaraba Agreement are subject to certain payment restrictions, and are subordinated and unsecured obligations

Prospective investors should note that, subject to Condition 10 (Write-down at the Point of Non-Viability) (see "**Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**"), except upon the occurrence and continuation of any Winding-Up Proceeding and without prejudice to Condition 7 (Periodic Distribution Restrictions), the Relevant Obligations with respect to each Series of the Sukuk are contingent (in the case of payments of profit (other than in respect of Rab-al-Maal Final Mudaraba Profit payable on any Mudaraba End Date of each Mudaraba for a Series in the case of a Non-Payment Election (as defined below)), upon a Non-Payment Election or Non-Payment Event not having occurred, are unsecured and no collateral is or will be given by the Issuer in relation thereto.

Prospective investors should note that upon the occurrence and continuation of any Winding-Up Proceeding, the Relevant Obligations will rank: (a) subordinate and junior to all Senior Obligations but not further or otherwise; (b) pari passu with all other Pari Passu Obligations; and (c) in priority only to all Junior Obligations, as more particularly described in Condition 4.2 (Subordination). In such case, there may not be sufficient assets to satisfy the claims of the holders of the Sukukholders in full.

The Sukukholders' Agent may exercise its enforcement rights in relation to the Master Mudaraba Agreement only in the manner provided in Condition 11.2 (Winding-up, dissolution or liquidation). See also "**Risks Relating to Enforceability and Taxation in the Kingdom**".

No limitation on issuing senior or pari passu securities; subordination

Other than the limitations in relation to the issue of further Additional Tier 1 Capital by the Issuer as set out in Condition 4.3 (Other Issues) which limits the circumstances in which Additional Tier 1 Capital of the Issuer can be issued that ranks senior to each Series of Sukuk, there is no restriction in the Conditions or in the terms of the Transaction Documents on the Issuer (in its capacity as Mudareb or otherwise) incurring additional financing or issuing securities or creating any guarantee or contractual support arrangement which would rank pari passu with or senior to each Series of Sukuk and the obligations of the Issuer under the Master Mudaraba Agreement (the **"Pari Passu Obligations**" and the "**Senior Obligations**", respectively). The issue of or the creation of any such Senior Obligations (or Pari Passu Obligations) may reduce the amount recoverable by the relevant Sukukholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer, there may not be a sufficient amount to satisfy the amounts owing to the Sukukholders. See also "-**The payment obligations of the Issuer under the Master Mudaraba Agreement are subject to certain payment restrictions, and are subordinated and unsecured obligations**".

Payments of Periodic Distribution Amounts may be cancelled and are non-cumulative

In respect of a particular Series of Sukuk, the Issuer may elect (any such election being a "**Non-Payment Election**"), in its sole discretion not to make payment of a Periodic Distribution Amount (in whole or in part) to Sukukholders on the corresponding Periodic Distribution Date as more particularly provided in Condition 7.2 (Non-Payment Election), except that no such election may be made in respect of the Periodic Distribution Amount payable on the date on which the Sukuk of such Series are to be redeemed in whole at the Issuer's discretion in accordance with Condition 9 (Redemption).

In addition, if a Non-Payment Event (as defined in the Conditions) occurs (which includes the case where sufficient Distributable Profits are not available in order to permit the Issuer to make the relevant payment or as a result of a breach of Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any applicable capital buffers imposed on the Issuer by the Financial Regulator)), the Issuer (in its capacity as Mudareb) shall be prohibited from paying Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit of that Mudaraba for a Series, as applicable, on any relevant Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) pursuant to the Master Mudaraba Agreement, and as a result thereof the Issuer shall be prohibited from paying the relevant Periodic Distribution Amounts to the relevant Sukukholders on the corresponding Periodic Distribution Date or the relevant Dissolution Date (as the case may be), as more particularly provided in, Condition 7.1 (Non-Payment Event).

In relation to the paragraph above, "**Distributable Profits**" is defined in the Conditions as the amount of Issuer's "consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law), after the transfer of any amounts to non-distributable reserves, all as calculated by the Issuer based on its most recent consolidated financial statements, or any equivalent or successor term from time to time as prescribed by the Capital Regulations". As at 30 September 2025G, the Issuer's Distributable Profits amounted to SAR 13,529 million. In addition, as at the date of this Base Prospectus, the Issuer is subject to a capital conservation buffer requirement of 2.5 per cent., comprised of Common Equity Tier 1 Capital, above the regulatory minimum capital requirements. The Capital Regulations provide that capital distribution constraints (including in relation to dividends, share buybacks and discretionary payments on Tier 1 Capital instruments such as the Sukuk) will be imposed on the Bank if its Common Equity Tier 1 Capital falls within the aforesaid conservation buffer, with such distribution constraints increasing on a scaled basis as the Common Equity Tier 1 Capital ratio decreases. Any such capital distribution constraint may constitute a Non-Payment Event as set out under Condition 7.1.

If, in respect of any Series, any amount of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit or Periodic Distribution Amount in respect of a Mudaraba for a Series is not paid as a consequence of a Non-Payment Election or a Non-Payment Event then, from the date of such Non-Payment Election or Non-Payment Event (the "**Dividend Stopper Date**"), the Issuer will be prohibited from declaring or paying certain distributions, dividends or other payments (other than to the extent that any such distributions, dividends or other payments are declared before such Dividend Stopper Date, and excluding securities the terms of which do not at the relevant time enable the Issuer to defer or otherwise not to make such payments) and from redeeming, purchasing, cancelling, reducing or otherwise acquiring Ordinary Shares, Other Common Equity Tier 1 Instruments or securities ranking as to the right of payment of capital, junior to or pari passu with the Relevant Obligations (excluding securities the terms of which stipulate: (i) any mandatory redemption in accordance with its terms; or (ii) any conversion into, or exchange for, ordinary shares of the Issuer), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time, in each case unless or until the next following payment of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit following the Dividend Stopper Date has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Sukukholders of the relevant Series affected by such Non-Payment Election or a Non-Payment Event in accordance with the Master Mudaraba Agreement), as more particularly described in Condition 7.4 (Dividend and Redemption Restrictions).

In the absence of notice of a Non-Payment Election or a Non-Payment Event, as the case may be, having been given in accordance with Condition 7.3 (Effect of Non-Payment Event or Non-Payment Election), the fact of non-payment of the Relevant Rab-al-Maal Mudaraba Profit (or any part thereof) of a relevant Series on the relevant Mudaraba Profit Distribution Date or Mudaraba End Date of each Mudaraba, as the case may be, or the Periodic Distribution Amount on the relevant Periodic Distribution Date or Dissolution Date as the case may be, shall be evidence of the occurrence of a Non-Payment Election or a Non-Payment Event, as the case may be. Accordingly, the relevant Sukukholders shall have no claim in respect of Periodic Distribution Amounts (if any) not paid as a result of either a Non-Payment Election or a Non-Payment Event (irrespective of whether notice of such Non-Payment Election or Non-Payment Event, as the case may be, has been given in accordance with Condition 7.3 (Effect of Non-Payment Event or Non-Payment Election)) and the consequential non-payment of Periodic Distribution Amounts (if any) in such a circumstance shall not constitute an Event of Default. Periodic Distribution Amounts (if any) not paid following either a Non-Payment Election or a Non-Payment Event will not accumulate or compound. The Issuer (in any capacity) shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (or any part thereof, as applicable) (whether from its own cash resources, from the relevant Mudaraba Reserve or otherwise) and the Issuer will not have any obligation to make any subsequent payment in respect of any such Periodic Distribution Amounts.

If such a situation occurs, the Sukukholders shall not receive Periodic Distribution Amounts on the corresponding Periodic Distribution Date or Dissolution Date, as the case may be, and neither the Sukukholders' Agent nor the Sukukholders shall have any claim in respect thereof. Any non-payment of Periodic Distribution Amounts or perceived risk of such non-payment may have a material adverse effect on the market value of the Sukuk.

The Sukuk are perpetual securities, which may be subject to redemption (subject to certain conditions)

The Sukuk to be issued under the Programme are perpetual securities which have no fixed redemption date. The Issuer is under no obligation to redeem the Sukuk of any Series at any time and the Sukukholders have no right to call for their redemption unless an Event of Default occurs. The Events of Default and the Sukukholders' rights following an Event of Default are set out in Condition 11 (Events of Default and Winding-up). In certain circumstances, including: (i) if Condition 9.1(b)(ii) is marked as "applicable" in the Applicable Final Terms, on any date during the period commencing (and including) the relevant First Call Date to (and including) the relevant First Reset Date or on any relevant Periodic Distribution Date thereafter (each as defined in the Conditions); or (ii) if Condition 9.1(b)(iii) is marked as "applicable" in the Applicable Final Terms, on the First Call Date or on any relevant Periodic Distribution Date thereafter, and/or on any date on or after the Issue Date (whether or not a Periodic Distribution Date) if a Tax Event or a Capital Event occurs, if the Issuer may elect to redeem the Sukuk of a particular Series, all as more particularly described in Condition 9 (Redemption), although there is no assurance that the Issuer will so elect.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Sukuk of a particular Series indefinitely, unless:

a- the Issuer redeems the Sukuk of such Series in accordance with Condition 9 (Redemption);

b- the Issuer is directed by the Sukukholders following an Event of Default to redeem the Sukuk of such Series; or

c- they sell their Sukuk of such Series.

The exercise of (or perceived likelihood of exercise of) any such redemption feature of the Sukuk of a particular Series may limit their market value, which is unlikely to rise substantially above the price at which the Sukuk of such Series can be redeemed.

If the Sukuk of a particular Series are redeemed, there can be no assurance that the Sukukholders will be able to reinvest the amount received upon redemption in a comparable security at a rate that will provide the same rate of return as their investment in the Sukuk of such Series. Prospective investors should consider reinvestment risk in light of other investments available at that time. See also "-**Absence of a secondary market for, and limited liquidity of, the Sukuk of any Series can have an adverse effect on their market value**" for a description of the risks relating to the ability of Sukukholders to sell the Sukuk of such Series in the secondary market.

The Sukuk will cease to accrue profit from the due date for redemption (if any)

Prospective investors are advised that each Series of Sukuk will cease to accrue profit from the due date for redemption (if any) (following liquidation of the Mudaraba in full of the relevant Series). Consequently, should payments owing to the Sukukholders on the due date for redemption (if any) be received by them after the due date for any reason, no additional profit payment, late payment amount or other equivalent amount will be payable in respect of such delay. See Condition 6.2 (Cessation of Accrual).

Basel III reforms and risk of Sukuk absorbing losses

On 13 January 2011G, the Basel Committee expanded on the Basel III capital rules with additional non-viability requirements (the "**January 13 Annex**"). The January 13 Annex requires non-common equity Tier 1 or Tier 2 instruments issued by an internationally active bank to have a provision in their terms and conditions or be included in a statutory legal framework that requires such instruments, at the option of the relevant authority, to either be written off or converted to common equity upon the occurrence of a "**trigger event**". A "**trigger even**t" is the earlier of: (1) a decision that a write-off, without which the bank would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by the relevant authority. SAMA mandated all Saudi banks, including the Issuer, to implement the additional requirements imposed by the January 13 Annex from 1 January 2013G. See "**Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**".

There can be no assurance that in the future, SAMA will not amend its interpretation and implementation of the January 13 Annex described above. Further, revisions to the January 13 Annex may be implemented in the Kingdom in a manner that is different from that which is currently envisaged, or regulations may be introduced through the introduction of an Applicable Statutory Loss Absorption Regime in the Kingdom. If the regulatory requirements for capital instruments applicable to the Bank are modified in the future, it is possible that authorities could use their powers in such a way as to result in the Sukuk absorbing losses in the manner other than as described herein.

Furthermore, on or after the date on which the Applicable Statutory Loss Absorption Regime becomes effective, the provisions of Condition 10 (Write-down at the Point of Non-Viability) will lapse and cease to apply, except to the extent such provisions are required by the Applicable Statutory Loss Absorption Regime or the Financial Regulator in the exercise of its powers thereunder. If, on or after such date, an event occurs which under the Applicable Statutory Loss Absorption Regime would lead to a determination of non-viability by SAMA, in respect of the Bank, SAMA (or the Bank following instructions from SAMA) may take such action in respect of the Sukuk as is required or permitted by such Applicable Statutory Loss Absorption Regime. Accordingly, the operation of any such future legislation or implementation of an Applicable Statutory Loss Absorption Regime may have an adverse effect on the position of Sukukholders.

For example, the SIFI Law provides that SAMA may, among other things, amend the rights of the holders of capital instruments of any systemically important financial institution, subject to certain conditions being met which include, among others, such financial institution being in distress or likely to become distressed. The SIFI Law provides for executive regulations to be prepared by SAMA and the CMA and such executive regulations may stipulate further details with respect to any such amendment of rights. Whilst the SIFI Law provides that creditors whose rights are amended shall not incur greater losses than what is estimated would have been lost had the relevant financial institution been wound up, there can be no assurance that any such amendment of rights or other action taken by SAMA will be similar to the loss absorption provisions set out in Condition 10 (Write-down at the Point of Non-Viability) or otherwise be in the interests of the Sukukholders.

Accordingly, the operation of any such future legislation or implementation of an Applicable Statutory Loss Absorption Regime may result in the Sukuk absorbing losses in a manner other than as described herein, which may in turn have an adverse effect on the position of the Sukukholders.

Due to the deeply subordinated nature of the obligations arising under the Sukuk, the Conditions contain limited Events of Default and remedies

The Sukuk to be issued under the Programme are perpetual instruments with no fixed redemption date and there is no obligation on the Issuer to pay the nominal amount of the Sukuk of such Series other than in accordance with Condition 9.1(b) (Issuer's Call Option), Condition 9.1(c) (Redemption due to Taxation), Condition 9.1(d) (Redemption for Capital Event) (each such redemption being at the Issuer's sole discretion) or following the occurrence of an Event of Default in accordance with Condition 11.1 (Events of Default). In addition, the Issuer may be prohibited from making payments of Periodic Distribution Amounts on a Series of Sukuk in accordance with Condition 7 (Periodic Distribution Restrictions) and Periodic Distribution Amounts will not therefore be due other than in the limited circumstances described in the Conditions. See also "**Payments of Periodic Distribution Amounts may be cancelled and are non-cumulative**".

The Events of Default in the Conditions are limited to: (i) a default by the Issuer for a period of (in the case of principal) seven calendar days or (in case of profit) 14 calendar days or more (including any Additional Amounts) due and payable by it under the Conditions (save in each case where such failure occurs solely as a result of an administrative or technical error or the occurrence of a Non-Payment Election or a Non-Payment Event); or (ii) an order having been made or an effective resolution having been passed for the winding-up, liquidation or dissolution of the Issuer or a similar event occurs under applicable law (otherwise than for the purposes of, or pursuant to, an amalgamation, reorganisation or restructuring while the Issuer is solvent (that is, able to pay its debts as they fall due and its assets exceed its liabilities)).

Moreover, pursuant to Condition 11 (Events of Default and Winding-up), upon the occurrence of any Event of Default, the Mudaraba of a particular Series will be liquidated in accordance with the provisions of the Master Mudaraba Agreement and the remedies available to the Sukukholders' Agent and/or the Sukukholders (as applicable) are limited to giving notice to the Issuer that the Sukuk of the relevant Series are, and shall immediately become, due and payable without presentation, demand, protest or other notice of any kind at their Aggregate Nominal Amount together with any Outstanding Payments (each as defined in the Conditions) and thereafter:

i. instituting any steps, actions or proceedings for the winding-up of the Issuer; and/or
ii. proving in the winding-up of the Issuer; and/or
iii. instituting any steps, actions or proceedings for the bankruptcy of the Issuer; and/or
iv. claiming in the liquidation of the Issuer; and/or
v. taking such other steps, actions or proceedings which, under Saudi Law, have an analogous effect to the actions referred to in paragraphs (i) to (iv) above, in each case, for all amounts of the relevant Mudaraba Capital, Rab-al-Maal Mudaraba Profit, Rab-al–Maal Final Mudaraba Profit and/or other amounts due to the Sukukholders on final liquidation of the Mudaraba in accordance with the terms of the Master Mudaraba Agreement and the terms of the other Transaction Documents. Therefore, it will only be possible to enforce claims for payment of the applicable Dissolution Distribution Amount and/or Periodic Distribution Amounts in respect of the relevant Series of Sukuk when the same have become due pursuant to the Master Mudaraba Agreement and the Conditions.

Under no circumstances shall the Sukukholders' Agent or any Sukukholder have any right to cause the sale or other disposition of any of the Sukuk Assets (other than as expressly contemplated in the Transaction Documents).

Furthermore, the claims of creditors in respect of Senior Obligations will first have to be satisfied in any winding-up, bankruptcy, dissolution, liquidation or analogous proceedings before the Sukukholders may expect to obtain any amounts in respect of their Sukuk and prior thereto the Sukukholders will have only limited (if any) ability to influence the conduct of such winding-up, liquidation or analogous proceedings.

Prospective investors should also note that any claims on a winding-up would be subject to Saudi bankruptcy and other laws. Therefore there can be no assurance that Sukukholders will receive payment of their claims in full or at all in these circumstances. See also "**Compliance with the Kingdom's bankruptcy and other laws may affect the Issuer's ability to perform its obligations under the Transaction Documents**".

Resettable fixed rate instruments have a market risk

A holder of an instrument with a fixed profit (or equivalent) rate that will be reset during the term of the instrument (as will be the case for any Series of Sukuk with effect from each relevant Reset Date (as defined in the Conditions) if not previously redeemed and/or purchased and cancelled) is exposed to the risk of fluctuating profit rate levels and uncertain profit rate income. While the expected profit rate on such Series of Sukuk is fixed until the relevant First Reset Date (with a reset of the initial profit rate on the First Reset Date and each Reset Date(s) thereafter, such rate to be calculated in accordance with the Conditions and the Applicable Final Terms), the current investment return rate in the capital markets (the market return rate) typically changes on a daily basis. As the market return rate changes, the market value of a Series of Sukuk may also change, but in the opposite direction. If the market return rate increases, the market value of the Sukuk of a particular Series would typically decrease. If the market return rate falls, the market value of the Sukuk of such Series would typically increase. Sukukholders should be aware that movements in these market return rates can adversely affect the market value of the Sukuk of a particular Series and can lead to losses for the Sukukholders if they sell their Sukuk.

Absence of a secondary market for, and limited liquidity of, the Sukuk of any Series can have an adverse effect on their market value

There is no assurance that a secondary market for any Series of Sukuk will develop or, if it does develop, that it will provide the Sukukholders with liquidity of investment or that it will continue for the life of the Sukuk. In addition, the transfer of any Sukuk is subject to the regulations and procedures of the Registrar and Tadawul and the satisfaction of certain conditions as described in Condition 3 (Transfers of Sukuk). The Sukuk generally may have a more limited secondary market liquidity and may be subject to greater price volatility than other debt securities as they are perpetual securities (see "–**The Sukuk are perpetual securities, which may be subject to redemption (subject to certain conditions)**"), subordinated (see "–**The payment obligations of the Issuer under the Master Mudaraba Agreement are subject to certain payment restrictions, and are subordinated and unsecured obligations**"), will be Written-down (in whole or in part) upon the occurrence of a Non-Viability Event (see "–**Sukukholders' right to receive payment of the nominal amount of the Sukuk and their right to any profit will be permanently cancelled or permanently Written-down (in whole or in part) upon the occurrence of a Non-Viability Event**") and payments of Periodic Distribution Amounts in relation thereto may be restricted in certain circumstances (see "–**Payments of Periodic Distribution Amounts may be cancelled and are non-cumulative**"). If a Series of Sukuk is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Series of Sukuk. Furthermore, certain shareholders and related parties of the Issuer may participate in the offering of any Series of Sukuk. The secondary market liquidity of the Sukuk for such Series may be adversely affected if, and to the extent that, such person(s) intend(s) to adopt a buy and hold strategy in respect of such Series of Sukuk.

The market value of each Series of Sukuk may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Sukuk. Accordingly, a Sukukholder may not be able to find a buyer to buy its Sukuk readily or at prices that will enable the Sukukholder to realise a desired yield. As such, the purchase of Sukuk is suitable only for investors who can bear the risks associated with a lack of liquidity in the Sukuk and the financial and other risks associated with an investment in the Sukuk indefinitely.

The Sukuk of each Series may be subject to redemption and Sukukholders may not be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Sukuk

In respect of each Series of Sukuk, upon the occurrence of a Tax Event or a Capital Event, and subject to a Non-Viability Event not having occurred (or if a Non-Viability Event has occurred prior to the relevant Tax Event or a Capital Event, a Write-down in part having taken place in accordance with the instructions of the Financial Regulator), the Issuer may, having given the relevant prior notice to the Sukukholders in accordance with Condition 14 (Notices) and the Applicable Final Terms (which notice shall, subject to Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice) be irrevocable) elect to redeem, in accordance with the Conditions, all but not some only of the Sukuk together with any accrued but unpaid Periodic Distribution Amounts (as more particularly described in Condition 9.1(c) (Redemption due to Taxation) in relation to a Tax Event, and Condition 9.1(d) (Redemption for Capital Event) in relation to a Capital Event). In all cases, any redemption of the Sukuk is subject to the requirements in Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption), including obtaining the prior written consent of the Financial Regulator (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so requires). There can be no guarantee that the consent of the Financial Regulator will be received on time or at all.

There is no assurance that the Sukukholders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Sukuk. During any period in which the Issuer may redeem the Sukuk, the market value of the Sukuk generally will not rise substantially above the Tax Event Redemption Amount or, as the case may be, the Capital Event Redemption Amount payable. Prospective investors should consider re-investment risk in light of other investments available at that time.

A change of law may affect the Issuer's ability to perform its obligations under the Transaction Documents

The Conditions are based on Saudi Law and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to, or change in the interpretation of, Saudi Law or administrative practice after the date of this Base Prospectus. Such changes in law may include the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Sukuk. Such tools may include the ability to write off sums otherwise payable on such securities at a time when the Issuer is no longer considered viable by SAMA or upon the occurrence of other trigger events.

Compliance with the Kingdom's bankruptcy and other laws may affect the Issuer's ability to perform its obligations under the Transaction Documents

In the event of the Issuer's insolvency, bankruptcy laws in the Kingdom may adversely affect the Issuer's ability to perform its obligations under the Transaction Documents and the Sukuk. There is little precedent to predict how claims by or on behalf of the Sukukholders would be resolved in the event of the Issuer's bankruptcy and accordingly it is uncertain exactly how and to what extent the Transaction Documents would be enforced by a Saudi Arabian adjudicatory body if such Saudi Arabian adjudicatory body were to void or otherwise cause such document, or any part thereof, to be void or ineffective and therefore there can be no assurance that Sukukholders will receive repayment of their claims in full or at all in these circumstances.

The bankruptcy law issued pursuant to Royal Decree No. M/50 dated 28/05/1439H (corresponding to 14/02/2018G), as amended by Royal Decree No. M/89 dated 09/07/1441H (corresponding to 4 March 2020G) (the "**Bankruptcy Law**") provides various procedures with respect to protective settlement, financial restructuring, liquidation, and administrative liquidation and provides, among other things, that insolvency-related contract termination triggers are generally void with exceptions stipulated in relation to government contracts. Further exceptions in relation to finance transactions are to be determined by the SAMA and the CMA. The Bankruptcy Law also provides that a party may terminate a contract if such termination: (a) is in the interest of the majority of the relevant creditors; (b) would not harm the counterparty; and (c) is necessary to implement the relevant proposal.

The implementing regulations to the Bankruptcy Law issued pursuant to the Council of Ministers Resolution No. 622 dated 24/12/1439H (corresponding to 4 September 2018G) (the "**Bankruptcy Law Implementing Regulations**") further provide for the bankruptcy rules and procedures in the Kingdom. The Bankruptcy Law Implementing Regulations provide that a debtor (in respect of a protective settlement) may request that the court terminates any contract that such debtor is a party to by submitting a report issued by a registered custodian that proves that such termination: (a) is in the interest of the majority of the relevant creditors; (b) would not harm the counterparty; and (c) will protect the business of the debtor.

A court may, after accepting a request to open any of the liquidation procedures set out in the Bankruptcy Law, take certain precautionary measures, at its own discretion or upon a request by an interested party, such as seizing the assets of the debtor whether such assets are held by the debtor or by third parties.

In addition, in case of financial distress of a financial institution, the SIFI Law is generally applicable, and it remains uncertain to what extent the Bankruptcy Law will be applied once the treatment procedures set out in the SIFI Law were unsuccessful.

The Bankruptcy Law and its implementing regulations are relatively recent and hence their application, and how the Saudi Arabian courts and judicial committees will apply them, is yet to be seen in full effect in practice.

A decrease in the value of and profit earned from the investment in the Mudaraba Assets may affect the Issuer's ability to perform its obligations under the Transaction Documents

Pursuant to the Master Mudaraba Agreement, the proceeds of the issuance of each Series of Sukuk will be contributed by the Sukukholders' Agent (on behalf of the Sukukholders) to the Mudareb which proceeds shall form the Mudaraba Capital (as defined in the Conditions) of that Mudaraba. The Mudaraba Capital for that Mudaraba will be invested by the Issuer (as Mudareb), on an unrestricted co-mingling basis, in its fully Shari'a compliant banking activities carried out through the General Mudaraba Pool for that Mudaraba and, following investment of such Mudaraba Capital, the Mudaraba Capital for that Mudaraba shall constitute pro rata undivided assets in the General Mudaraba Pool for that Mudaraba (the "**Mudaraba Assets**"). Profit earned from such investment in such Mudaraba Assets in accordance with the Master Mudaraba Agreement will in turn be applied towards payments due to the Sukukholders in respect of the Sukuk.

Limited investigation or enquiry will be made and limited due diligence will be conducted in respect of any Mudaraba Assets. The investment activities of any Mudaraba will be carried out by the Issuer, and neither the Sukukholders nor the Sukukholders' Agent shall have any ability to influence such activities. The Issuer shall be granted the express entitlement to co-mingle its own Shari'a compliant assets with the Mudaraba Assets of any Mudaraba and, as a result, it may not be possible to identify the relevant Mudaraba Assets separately from the assets of the Issuer.

If any of the risks relating to the business of the Issuer mentioned above (see "**Risks relating to the Issuer's business– factors that may affect the Issuer's ability to fulfil its obligations under the Sukuk and the Transaction Documents**") materialise or otherwise impact the Issuer's business, the value of and profit earned from the investment in such Mudaraba Assets may decrease which may, in turn, have a material adverse effect on the Issuer's ability to fulfil its payment obligations under the Master Mudaraba Agreement and, consequently, the Issuer's ability to make payments in respect of the Sukuk.

Furthermore, whilst the Mudareb has agreed in the Master Mudaraba Agreement to ensure that the Mudaraba Capital of a Mudaraba is invested in accordance with the investment plan (and with the degree of skill and care that it would exercise in respect of its own assets), the Master Mudaraba Agreement also provides that there is no guarantee of any return from the Mudaraba Assets for that Mudaraba. In addition, the Sukukholders' Agent and the Mudareb have agreed in the Master Mudaraba Agreement that the Mudareb shall not be responsible for any losses to the Mudaraba Capital of that Mudaraba suffered by the Sukukholders' Agent except to the extent such losses are caused by: (i) the Mudareb's breach of the Master Mudaraba Agreement; or (ii) the Mudareb's gross negligence, wilful misconduct or fraud.

Accordingly, prospective investors are advised that any claim by or on behalf of the Sukukholders for the Mudaraba Capital of that Mudaraba following any Event of Default may be reduced if and to the extent that the Mudareb is able to prove that any losses to such Mudaraba Capital were not caused by: (i) the Mudareb's breach of the Master Mudaraba Agreement; or (ii) the Mudareb's gross negligence, wilful misconduct or fraud. If the Mudareb is able to provide such proof, the Sukukholders may lose all or some of their investment. It is not possible to state with certainty what approach any Saudi court with jurisdiction will take in such circumstances.

No third-party guarantees

Investors should be aware that no guarantee is or will be given in relation to any Series of Sukuk by the shareholders of the Issuer or any other person.

There is no assurance that the Sukuk will be Shari'a compliant

The Shari'a Committee of Riyad Bank has confirmed that the Transaction Documents are, in their view, compliant with the principles of Shari'a as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or the issue and trading of any Series of Sukuk will be deemed to be Shari'a compliant by any other Shari'a board or Shari'a scholars. None of the Issuer, the Sole Arranger, the Dealers, the Sukukholders' Agent, the Payment Administrator or any of their respective affiliates makes any representation to prospective investors as to the Shari'a compliance of the Sukuk and prospective investors are reminded that, as with any Shari'a views, differences in opinion are possible and different Shari'a standards may be applied by different Shari'a boards. Prospective investors should obtain their own independent Shari'a advice as to the compliance of the Transaction Documents and whether the Sukuk will meet their individual standards of compliance and the issue and trading of any Sukuk with Shari'a principles, including the tradability of any Series of Sukuk on any secondary market. Questions as to the Shari'a compliance of the Transaction Documents or the Shari'a permissibility of the issue and the trading of the Sukuk may limit the liquidity and adversely affect the market value of the Sukuk.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents or the Sukuk may, if in dispute, be subject of court and judicial committee proceedings under the laws of Saudi Arabia. In such circumstances, the courts will interpret the respective terms of the Transaction Documents or the Sukuk (as the case may be) under the laws of Saudi Arabia (by which they are expressed to be governed) in determining the obligations of the parties thereunder. Although the laws and regulations of Saudi Arabia are based on Shari'a law, different courts and judicial committees in the Kingdom (including the Committees) may form different opinions on the interpretation of Shari'a principles (see "– **Risks relating to enforceability and taxation in the Kingdom**" below).

Trading, clearing and settlement

Each Series of Sukuk will be admitted to the clearing and settlement system of the Registrar. However, there can be no assurance that there will be no interruption to, or errors in, clearing or settlement of the Sukuk as a result of the inexperience or lack of familiarity of the operations in regard to trading, clearing and settlement systems or of inherent inadequacies of any such trading, clearing or settlement system. Sole Arranger and/or the Dealers are under no obligation to provide pricing on, or make a market in, the Sukuk. Any sale of a particular Series of Sukuk by Sukukholders in any secondary market that may develop may be at a lower price than the original purchase price of such Sukuk.

Registry Agreement

The Registry Agreement is required to complete registration of each Series of Sukuk with the Registrar and such registration is necessary to facilitate trading of the Sukuk by investors though Edaa. However, as of the relevant Issue Date of any issuance of Sukuk, the Registry Agreement may not have been signed and registration of any Sukuk with the Registrar may not have occurred. As such, investors should be aware that trading of the Sukuk through Edaa system may not be possible as at the relevant Closing Date.

Modification, Waivers and Substitution

The Conditions contain provisions for calling meetings of the Sukukholders of each Series of Sukuk to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Sukukholders, including Sukukholders who did not attend and vote at the relevant meetings and the Sukukholders who voted in a manner contrary to the majority. The meeting provisions in the Transaction Documents are subject in their entirety to the relevant provisions of the Companies Regulations which will, in case of a contradiction, prevail over the meeting provisions set out in the Transaction Documents.

In addition, the Master Declaration of Agency provides that, subject to applicable laws, the Sukukholders' Agent may, from time to time and at any time, agree without the consent or sanction of the Sukukholders, to any modification (subject to certain exceptions as provided in the Master Declaration of Agency) of, or to any waiver or authorisation of any breach or prospective breach of, any of the Conditions or any of the provisions of the Master Declaration of Agency or any other Transaction Document or the Applicable Final Terms, or may determine that an Event of Default or Potential Event of Default (as defined in section 3 entitled "**Terms and Definitions**" of this Base Prospectus), shall not be treated as such which in any such case, in the opinion of the Sukukholders' Agent, is not materially prejudicial to the interests of the Sukukholders and is not in contravention of an express direction by Extraordinary Resolution, or request in writing by at least one-fifth of the Aggregate Nominal Amount of the Sukuk then outstanding, or to any modification of any of the Conditions or any of the provisions of the Master Declaration of Agency or any Transaction Document which is (in the opinion of the Sukukholders' Agent) not materially prejudicial to the interests of the Sukukholders and is not in contravention of an express direction by Extraordinary Resolution, or request in writing by at least one-fifth of the Aggregate Nominal Amount of the Sukuk then outstanding or in the case of a modification, such modification is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of law (including but not limited to as a consequence of any Applicable Statutory Loss Absorption Regime becoming effective after the Issue Date, which imposes requirements with respect to the Sukuk and the Sukuk Assets which are not expressly provided for in Condition 10 (Write-down at the Point of Non-Viability)). Any such modification, waiver, authorisation or determination shall be binding on the Sukukholders and, unless the Sukukholders' Agent agrees otherwise, any such modification shall be notified to the Sukukholders as soon as practicable thereafter in accordance with Condition 14 (Notices). In exercising such discretion, the Sukukholders' Agent is not required to have regard to any interests arising from circumstances particular to individual Sukukholders (See Condition 15.2 (Modification)).

Potential Conflicts of Interest Arising from Riyad Capital's Multiple Roles

Riyad Bank owns 100 per cent. of Riyad Capital's share capital as at the date of this Base Prospectus. Riyad Capital is therefore a related party of the Bank and is acting in several capacities in connection with this Programme, including as Financial Advisor, Sole Arranger and Dealer, Sukukholders' Agent and Payment Administrator. The performance of multiple roles by a single entity may give rise to potential conflicts of interest, as the interests of Riyad Capital in one capacity may differ from, or conflict with, its interests in another capacity or with the interests of the Bank or the Sukukholders.

For example, as Financial Advisor and Sole Arranger/Dealer, Riyad Capital is involved in structuring, marketing and distributing the Sukuk and may have an interest in achieving the successful execution of the Sukuk, including with respect to the size, pricing and allocation of the issuance. Following the issuance, in its roles as Sukukholders' Agent and Payment Administrator, Riyad Capital is expected to act in the best interests of the Sukukholders in accordance with the terms of the Transaction Documents, which may include circumstances where its duties to Sukukholders could conflict with its interests as a related party of the Bank.

Although the Transaction Documents set out the respective duties and standard of care applicable to each role, there can be no assurance that any actual or potential conflicts of interest that may arise will be resolved in a manner that is favourable to the Sukukholders. The existence of such conflicts could affect the manner in which Riyad Capital performs its obligations and may have a material adverse effect on the interests of the Sukukholders.

Prospective investors should consider these potential conflicts carefully when evaluating an investment in the Sukuk.

RISKS RELATING TO ENFORCEABILITY AND TAXATION IN THE KINGDOM

Governing law, jurisdiction and enforceability

Each Series of Sukuk and the Transaction Documents are governed by, and are to be construed in accordance with, Saudi Law, which laws are based on Islamic law, or Shari'a. The relevant principles of Islamic law are generally construed and applied pursuant to the teachings of certain schools of jurisprudence. In this regard, the Saudi courts may decline to enforce any contractual or other obligations (including any provisions relating to the payment of profit) if it is their view that the enforcement thereof would be contrary to principles of Shari'a.

There are a number of Saudi courts which have jurisdiction in respect of certain types of claims. Commercial disputes are subject to the jurisdiction of the Commercial Courts. Commercial disputes do not include disputes arising out of or in connection with transactions governed by the Capital Market Law (as defined below) and delegated legislation. Disputes arising under the Capital Market Law of the Kingdom, issued pursuant to Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31 July 2003G), as amended by Royal Decree No. (M/16) dated 19/01/1441H (corresponding to 18 September 2019G) (the "**Capital Market Law**") and its implementing regulations are heard before a quasi-judicial body known as the Committee for the Resolution of Securities Disputes established pursuant to paragraph (a) of article 30 of the Capital Market Law and the Appeal Committee for Securities Disputes formed pursuant to paragraph (i) of article 30 of the Capital Market Law (the "**Committee**").

In accordance with Condition 17 (Governing Law and Jurisdiction), the Committee shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Sukuk. Prospective investors should note that, to the best of the Issuer's knowledge, no securities of a similar nature to the Sukuk have previously been the subject of enforcement in the Kingdom. Accordingly, it is uncertain exactly how and to what extent the Transaction Documents (or any of them) would be enforced by the Committee or any other adjudicatory authority in the Kingdom.

However, prospective investors should also be aware that, generally, the Saudi courts, including the Committee, have a wide discretion as to how principles of Islamic Shari'a are applied to a particular set of circumstances and previous decisions of such courts and judicial committees are not considered as establishing binding precedents for deciding subsequent disputes. Accordingly, it is uncertain exactly how and to what extent the Sukuk, the Conditions and/or the Transaction Documents would be enforced by the Committee or, should circumstances dictate that they have jurisdiction, in the Saudi courts.

In some circumstances, it may not be possible to obtain the legal remedies provided under Saudi Law in a timely manner. As a result of these and other factors, the outcome of any legal disputes in the Kingdom may be uncertain, which may adversely affect the value of the Sukuk.

Courts and judicial committees in the Kingdom may not give effect to the Events of Default

Prospective Sukukholders should note that the courts and judicial committees of the Kingdom may not give effect to any of the Events of Default other than those Events of Default relating to the non-payment of amounts due under the Transaction Documents.

Courts and judicial committees in Saudi Arabia may not give effect to penalties and certain types of indemnities

Prospective Sukukholders should note that should any provision of the Transaction Documents be construed by a court or judicial committee of the Kingdom to be an agreement or undertaking by a party to pay indemnities or damages that are greater than a genuine estimate of actual direct loss incurred, a Saudi Arabian adjudicatory body may decline to enforce such provision. Further, any indemnity provided by the Issuer pursuant to the Transaction Documents or in relation to any Series may not be enforceable under the laws and regulations of the Kingdom in certain circumstances. As such, Sukukholders may ultimately not be able to enforce the Issuer's relevant obligations under the Transaction Documents.

A court may not grant an order for specific performance

In the event that the Issuer fails to perform its obligations under any Series of Sukuk or any Transaction Document, the potential remedies available to the Sukukholders' Agent (on behalf of Sukukholders) include (i) obtaining an order for specific performance of the Issuer's obligations, or (ii) a claim for damages.

There is no assurance that a court will provide an order for specific performance, as this is generally a matter for the discretion of the relevant court. Specific performance, injunctive relief and declaratory judgments and remedies are rarely available as judicial and other adjudicative remedies in the Kingdom. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Sukukholders' Agent and the Sukukholders to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court or an adjudicatory authority may award in the event of a failure by the Issuer to perform its obligations set out in the Sukuk and the Transaction Documents. Damages for loss of profits, consequential damages or other speculative damages are not awarded in the Kingdom by the courts or other adjudicatory authorities, and only actual, direct and proven damages are awarded. Therefore, prospective investors should note that, if damages are awarded, they may receive less than they would have had an order for specific performance been granted.

Risks relating to notices

The Electronic Transactions Law was issued pursuant to Royal Decree No. M/18 dated 08/03/1428H (corresponding to 26 March 2007G) as amended or supplemented from time to time, most recently pursuant to Council of Ministers' Resolution No. 293 dated 09/04/1445H (corresponding to 24 October 2023G). Notices given by way of facsimile or other electronic means are prima facie acceptable forms of notification in the Saudi Courts. In principle, parties to an agreement governed by Saudi law which stipulates that notices may be given by way of electronic means may rely on such notices provided that such provisions are stipulated in the relevant agreement as the agreed form of communication between such parties (as clarified by Circular No. 34 dated 24/04/1439H) (corresponding to 12 January 2018G).

Tax consequences in the Kingdom

The Sukukholders may be subject to payment of income tax, withholding tax, zakat or other taxation in the Kingdom as a result of acquiring, holding or disposing of the Sukuk of any Series. Each prospective Sukukholder must take its own professional advice as to the tax consequences for such Sukukholder of acquiring, holding or disposing of any Sukuk. For a further discussion of taxation and zakat issues relating to the acquisition, holding or disposal of the Sukuk, see the "Taxation and Zakat" section 15 of this Base Prospectus.

The intended treatment of each Series of Sukuk as capital or equity for Zakat purposes (such treatment as specified in the Applicable Final Terms) is solely at the discretion of the Bank and may be subject to change at the discretion of the Bank or if required by a change to tax and Zakat laws or regulations.

Shari'a requirements in relation to interest awarded by a court or other adjudicatory authority

In accordance with applicable Shari'a principles, each of the Sukukholders' Agent and Sukukholders will waive all and any entitlement it may have to interest awarded in its favour by any court or other adjudicatory authority in connection with any dispute under the Transaction Documents or the Sukuk. Should there be any delay in the enforcement of a judgment given against the Bank, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Sukukholders will not be entitled to receive all, or any part of, such interest.

7. TERMS AND CONDITIONS OF THE SUKUK

The following is the text of the Terms and Conditions of the Sukuk which (subject to modification and except for the text in italics) will be attached and (subject to the provisions thereof) apply to each Global Sak.

The Applicable Final Terms in relation to any Tranche (each as defined below) may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Series.

The Saudi Central Bank ("**SAMA**") does not make any representation as to the accuracy or completeness of this Base Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. In particular, prospective investors of the Sukuk agree and acknowledge that SAMA assumes no liability whatsoever to any purchaser of the Sukuk for any loss arising from, or incurred, as a result of, the occurrence of a Non-Viability Event (as defined in these Conditions).

Riyad Bank (the "**Issuer**"), a joint stock company incorporated under the laws of Saudi Arabia pursuant to Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G) with commercial registration number 1010001054 and unified number 7000022868, has established a programme (the "**Programme**") for the issuance of additional tier 1 capital sukuk (each, a "**Sak**" and, together, the "**Sukuk**") from time to time up to SAR 10,000,000,000 in an Aggregate Nominal Amount of Sukuk as are outstanding (subject to increase in accordance with the terms of the Programme Agreement (as defined below)). In these Terms and Conditions (the "**Conditions**", and any reference herein to a numbered Condition is to the corresponding numbered provision hereof), references to "**Sukuk**" shall be references to the sukuk which are the subject of a final terms document (the "**Applicable Final Terms**") and references to the Applicable Final Terms are to the final terms (or the relevant provisions thereof) of that Tranche (as defined below) as completed by the Issuer at the time of issue of the relevant Tranche.

The Sukuk of each Series (as defined below) shall form a separate series and these Conditions shall apply mutatis mutandis separately and independently to the Sukuk of each Series and, in these Conditions, the expressions "**Sukuk**", "**Sukukholders**" and related expressions shall be construed accordingly, as the context so requires.

The Applicable Final Terms supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of each Global Sak issued in respect of a Tranche under the Programme.

Each Sukuk will represent an undivided ownership interest in the relevant Sukuk Assets (as defined below) and will at all times rank pari passu among themselves.

Pursuant to a master declaration of agency (the "**Master Declaration of Agency**") dated 09 July 2026G between the Issuer and Riyad Capital, whose address is at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia (in its capacity as agent on behalf of the Sukukholders, the "**Sukukholders' Agent**", which expression includes any successor Sukukholders' Agent in relation to the Sukuk), as supplemented by a supplemental declaration of agency between the same parties in relation to the relevant Tranche of Sukuk (each a "**Supplemental Declaration of Agency**" and together with the Master Declaration of Agency, each a "**Declaration of Agency**"), the Sukukholders' Agent will be appointed to act as agent for and on behalf of the Sukukholders in respect of the relevant Tranche of Sukuk.

Each Sukukholder by subscribing to, acquiring and/or holding Sukuk shall be deemed to authorise, ratify and approve the entry by the Sukukholders' Agent into the Transaction Documents (as defined below) and agrees to the terms of each of the Transaction Documents including, but not limited to, the appointment of the Sukukholders' Agent as agent of the Sukukholders in the Master Declaration of Agency. The appointment of the Sukukholders' Agent may be revoked or terminated (and the Sukukholders' Agent may resign its appointment) in accordance with the provisions of the Master Declaration of Agency.

Payments relating to the Sukuk will be made pursuant to a payment administration agreement (the "**Payment Administration Agreement**") dated 09 July 2026G between the Issuer, the Sukukholders' Agent and Riyad Capital (in its capacity as payment administrator, the "**Payment Administrator**"), whose address is at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia.

Certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions. The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. Copies of the Transaction Documents (1) are available for inspection from the Issue Date by Sukukholders at the specified offices (as set out in section entitled "**Parties and Advisers**") of each of the Issuer and the Sukukholders' Agent; or (2) will, at the option of the Sukukholders' Agent, be available by email at a Sukukholder's request (subject to provision of proof of holding satisfactory to the Sukukholder's Agent and the Issuer), in each case, during normal business hours. For further details on the Transaction Documents, please see section 14 entitled "**Summary of Certain Principal Transaction Documents**".

Each initial Sukukholder, by its acquisition and holding of its interest in a Sak, shall be deemed to authorise and direct the Sukukholders' Agent, on behalf of the Sukukholders: (i) to contribute the sums paid by it in respect of its Sak to the Mudareb (as defined in Condition 5 (The Sukuk Assets)) in accordance with the Master Mudaraba Agreement (as defined in Condition 5 (The Sukuk Assets)); (ii) to act as Sukukholders' Agent and Rab-al-Maal (as defined in Condition 5 (the Sukuk Assets) pursuant to the Master Mudaraba Agreement on its behalf (which authorisation and direction shall also apply to its successors in title); and (iii) to enter into, and perform its obligations under and in connection with each Transaction Document, subject to the provisions of the Master Declaration of Agency and these Conditions.

For further details on the structure diagram in respect of the Sukuk under the Programme and its related cash flows and offer pricing information, please see the section on page (1) entitled "**Summary of the Programme**".

1- Interpretation

Words and expressions defined in the Applicable Final Terms, the Master Declaration of Agency and the Payment Administration Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between any such documents and the Applicable Final Terms, the Applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**Additional Amounts**" has the meaning given to it in Condition 12 (Taxation);

"**Additional Tier 1 Capital**" means capital qualifying as (or which would qualify as, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, additional tier 1 capital in accordance with the Capital Regulations;

"**Agent**" has the meaning given to it in the Payment Administration Agreement;

"**Aggregate Nominal Amount**" means, in respect of each Sak, the Sukuk, a Tranche or a Series the aggregate nominal amount of such Sak, Sukuk, Tranche or Series, as the case may be;

"**Applicable Regulatory Capital Requirements**" means any requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Issuer, including transitional rules and waivers granted in respect of the foregoing;

"**Applicable Statutory Loss Absorption Regime**" means a Statutory Loss Absorption Regime that is applicable to the Sukuk and which, alone or together with any other law(s) or regulation(s), has the effect that Conditions 10.2 (Non-Viability Event) and 10.3 (Non-Viability Notice) could cease to apply to the Sukuk without giving rise to a Capital Event;

"**Authority**" means the Capital Market Authority of the Kingdom;

"**Authorised Signatory**" means any of the following: the chief executive officer of the Issuer, the chief financial officer of the Issuer, the chief risk officer of the Issuer, the chief wholesale officer of the Issuer, the chief treasury & investment officer of the Issuer or any other person(s) duly authorised by the Issuer to sign on its behalf;

"**Basel III**" means the set of reforms to the international regulatory capital framework issued by the Basel Committee (including, but not limited to, the Basel III Documents) as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for international credit institutions (including guidance on the eligibility criteria for tier 1 capital instruments and tier 2 capital instruments);

"**Basel III Documents**" means the Basel Committee document "**A global regulatory framework for more resilient banks and banking systems**" released by the Basel Committee on 16 December 2010G and revised in June 2011G and the Annex contained in its document "**Basel Committee issues final elements of the reforms to raise the quality of regulatory capital**" on 13 January 2011G;

"**Basel Committee**" means the Basel Committee on Banking Supervision;

"**Business Day**" means a day, other than Friday, Saturday or a public holiday, on which commercial banks settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Kingdom;

"**Capital Event**" in relation to any Series, is deemed to have occurred if the Issuer is notified in writing by the Financial Regulator to the effect that the Aggregate Nominal Amount then outstanding (or, if some amount of the relevant Sukuk outstanding are held by the Issuer or has been purchased with funding by the Issuer, the amount that qualifies as regulatory capital) of the Sukuk is excluded (in full or to the extent not prohibited by relevant regulatory criteria for Tier 1 Capital, in part) from the consolidated Tier 1 Capital of the Issuer (save where such non-qualification is only as a result of either: (a) any applicable limitation on the amount of such capital; or (b) such capital ceasing to count towards the Issuer's capital base through any amortisation or similar process or any changes thereto (including any amortisation or similar process imposed through any grandfathering arrangement));

"**Capital Event Redemption Amount**" means, in respect of a Sukuk, 100 per cent. of the Aggregate Nominal Amount of the Sukuk then outstanding, together with any Outstanding Payments;

"**Capital Regulations**" means, at any time, the regulations, standards, requirements, guidelines, guidance and policies relating to the maintenance of capital and/or capital adequacy then in effect in the Kingdom, including those of the Financial Regulator;

"**Common Equity Tier 1 Capital**" means capital of the Issuer qualifying as, and approved by the Financial Regulator as, or capital which would, but for any applicable limitation on the amount of such capital, qualify as common equity tier 1 capital in accordance with the Capital Regulations;

"**Day-Count Fraction**" means the actual number of calendar days in the Relevant Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with 12 30-day months and, in the case of an incomplete month, the number of calendar days elapsed of the Periodic Distribution Period in which the Relevant Period falls (including the first such day but excluding the last));

"**Determination Date**" means, in respect of a Reset Period, the third Business Day prior to the commencement of such Reset Period;

"**Dissolution Date**" means the due date (if any) for payment of the applicable Dissolution Distribution Amount;

"**Dissolution Distribution Amount**" means, in respect of a Series, the Dissolution Event Amount, the Issuer Call Amount, the Capital Event Redemption Amount or the Tax Event Redemption Amount, as the case may be, or such other amount in the nature of a redemption amount as may be determined in accordance with these Conditions;

"**Dissolution Event Amount**" has the meaning given to it in Condition 11.1 (Events of Default);

"**Dissolution Mudaraba Capital**" has the meaning given to it in the Master Mudaraba Agreement;

"**Dissolution Notice**" has the meaning given to it in Condition 11.1 (Events of Default);

"**Dissolution Request**" has the meaning given to it in Condition 11.1 (Events of Default);

"**Distributable Profits**" means the amount of the Issuer's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law), after the transfer of any amounts to non-distributable reserves, all as calculated by the Issuer based on its most recent consolidated financial statements, or any equivalent or successor term from time to time as prescribed by the Capital Regulations;

"**Extraordinary Resolution**" means:

(a) a resolution passed by a majority of at least 75 per cent. of the Aggregate Nominal Amount of the Series of Sukuk represented and voting thereon at a Meeting duly convened and held in accordance with Schedule 3 (Provisions of Meetings of Noteholders) of the Master Declaration of Agency; or

(b) a resolution in writing signed by or on behalf of the holders of at least 75 per cent of the Aggregate Nominal Amount of the relevant Series of Sukuk as are outstanding as of such date which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders;

"**Effective Date**" has the meaning given to it in Condition 10.1 (Effectiveness);

"**Event of Default**" means, in respect of a Series, any of the following events:

(a) Non-payment: the Issuer fails to pay an amount which is equivalent to principal or profit (including any Additional Amounts) due and payable by it pursuant to these Conditions in respect of such Series and the failure continues for a period of (in the case of principal) seven calendar days or (in the case of profit) 14 calendar days (save in each case where such failure occurs solely as a result of an administrative or technical error or the occurrence of a Non-Payment Election or a Non-Payment Event); or

(b) Winding-up: a Winding-Up Proceeding has occurred; or

(c) Analogous Event: any event occurs that under the laws of the Kingdom has an analogous effect to any of the events referred to in paragraph (b) above;

"**Final Mudaraba Profit**" has the meaning given to it in the Master Mudaraba Agreement;

"**Financial Regulator**" means SAMA or such other governmental authority which assumes or performs the functions of SAMA, as at the relevant Issue Date, or such other successor authority exercising primary banking supervision, in each case with respect to prudential matters in relation to the Issuer;

"**First Call Date**" has the meaning given to it in the Applicable Final Terms;

"**First Fallback Reset Rate**" means the rate specified as such in the Applicable Final Terms;

"**First Reset Date**" has the meaning given to it in the Applicable Final Terms;

"**First Periodic Distribution Date**" has the meaning given to it in the Applicable Final Terms;

"**General Mudaraba Pool**" has the meaning given to it in the Master Mudaraba Agreement;

"**Global Sak**" means the registered form global Sak representing the Sukuk;

"**Indemnity Payment**" has the meaning given to it in the Master Mudaraba Agreement;

"**Initial Period**" means the period from (and including) the relevant Issue Date to (but excluding) the First Reset Date;

"**Initial Periodic Distribution Amount**" has the meaning given to it in the Applicable Final Terms;

"**Initial Periodic Distribution Rate**" has the meaning given to it in the Applicable Final Terms;

"**Issue Date**" means the date specified as such in the Applicable Final Terms;

"**Issuer Call Amount**" means, in respect of a Sukuk, 100 per cent. of the Aggregate Nominal Amount of the Sukuk then outstanding, together with any Outstanding Payments;

"**Junior Obligations**" means all claims of the holders of Ordinary Shares and all payment obligations of the Issuer in respect of its Common Equity Tier 1 Capital and any other subordinated payment obligations of the Issuer which rank, or are expressed to rank, junior to the Relevant Obligations;

"**Kingdom**" means the Kingdom of Saudi Arabia;

"**Margin**" has the meaning given to it in the Applicable Final Terms;

"**Master Mudaraba Agreement**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Mid-Swap Maturity**" has the meaning given to it in the Applicable Final Terms;

"**Mid-Swap Pages**" has the meaning given to it in the Applicable Final Terms;

"**Mudaraba**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Mudaraba Assets**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Mudaraba Capital**" has the meaning given to it in the Applicable Final Terms and the Master Mudaraba Agreement and may be subject to change after the relevant Issue Date in accordance with Condition 9.2 (Purchase) and Condition 10 (Write-down at the Point of Non-Viability);

"**Mudaraba End Date**" has the meaning given to that term in the Master Mudaraba Agreement;

"**Mudaraba Profit**" has the meaning given to that term in the Master Mudaraba Agreement;

"**Mudaraba Profit Distribution Date**" has the meaning given to it in the Master Mudaraba Agreement;

"**Mudaraba Reserve**" has the meaning given to that term in the Master Mudaraba Agreement;

"**Mudareb**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Non-Payment Electio**n" has the meaning given to it in Condition 7.2 (Non-Payment Election);

"**Non-Payment Even**t" has the meaning given to it in Condition 7.1 (Non-Payment Event);

"**Non-Viability Event**" means, in relation to a Series, that the Financial Regulator has notified the Issuer in writing that it has determined that the Issuer is, or will become, Non-Viable without:

(a) a Write-down of the Sukuk of that Series (and write-down of any of the Issuer's other capital instruments or other obligations constituting Tier 1 Capital and/or Tier 2 Capital of the Issuer that, pursuant to their terms or by operation of law, are capable of being Written-down and/or converted into equity); or

(b) a public sector injection of capital (or equivalent support), provided that such injection of capital is not made: (i) by a shareholder of the Issuer; or (ii) on terms that are more favourable to the Issuer than those that would be accepted by private investors in comparable transactions;

"**Non-Viability Event Write-down Date**" shall, in respect of a Series, be the date on which the Write-down will take place as specified in the Non-Viability Notice, which date shall be no later than ten Business Days after the date of the Non-Viability Notice (or such earlier date as determined by the `Financial Regulator);

"**Non-Viability Notice**" has the meaning given to it in Condition 10.3 (Non-Viability Notice);

"**Non-Viable**" means, in the case of the Issuer: (a) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business; or (b) any other event or circumstance which is specified as constituting non-viability by the Financial Regulator or in the applicable Capital Regulations or any Applicable Statutory Loss Absorption Regime;

"**Ordinary Shares**" means the ordinary shares of the Issuer;

"**Other Common Equity Tier 1 Instruments**" means securities issued by the Issuer that qualify as Common Equity Tier 1 Capital of the Issuer other than Ordinary Shares;

"**Outstanding Payments**" means, in relation to any amounts payable on redemption of the Sukuk of any Series, an amount representing accrued and unpaid Periodic Distribution Amounts for the relevant Periodic Distribution Period during which redemption occurs to the date of redemption plus Additional Amounts thereon, if any;

"**Pari Passu Obligations**" means all subordinated payment obligations of the Issuer which rank, or are expressed to rank, pari passu with the Relevant Obligations;

"**Periodic Distribution Amount**" has the meaning given to it in Condition 6.1 (Periodic Distribution Amounts);

"**Periodic Distribution Date**" has the meaning given to it in the Applicable Final Terms;

"**Periodic Distribution Period**" means the period beginning on (and including) the relevant Issue Date and ending on (but excluding) the First Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Profit Rate**" means, in respect of the Initial Period, the Initial Periodic Distribution Rate, and, in respect of each Reset Period thereafter, the rate calculated in accordance with the provisions of Condition 6.3(i) (Periodic Distributions);

"**Qualified Person**" means:

(a) a natural person who is resident in the Kingdom under the Income Tax Law issued by Royal Decree no. M/1 dated 15/01/1425H (corresponding to 6 March 2004G), as amended, and the implementing regulations thereof (the "**Income Tax Law**"); or

(b) a legal person who is considered to be resident in the Kingdom under the Income Tax Law and (in the case of any legal person other than a Saudi Arabian governmental entity or mutual fund established in the Kingdom and managed by a person authorised by the Authority or any other entity established in the Kingdom that is not required by the laws of the Kingdom to hold a commercial registration) who is holding a current commercial registration number issued by the Ministry of Commerce,

and, in each case, has a bank account with a local bank in the Kingdom.

"**Rab-al-Maal**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Rab-al-Maal Mudaraba Profit**" has the meaning given to it in the Master Mudaraba Agreement;

"**Rab-al-Maal Final Mudaraba Profit**" has the meaning given to it in the Master Mudaraba Agreement;

"**Record Date**" means in the case of the payment of a Periodic Distribution Amount, the date falling on the 15th day before the relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Distribution Amount, the date falling two Business Days before the relevant Dissolution Date, as the case may be;

"**Register**" has the meaning given to it in Condition 2.1 (Form and Denomination);

"**Registered Account**" has the meaning given to it in Condition 8.1 (Payments in respect of the Sukuk);

"**Registrar**" means Securities Depository Center Company (Edaa) (and includes any successor registrar as may be appointed in accordance with the provisions of the registry and trading agreement to be entered into between the Issuer and the Registrar in relation to the Sukuk on or about the relevant Issue Date), whose address is at Unit Number 11, King Fahd Road, Al Olaya 6897, Riyadh 12211 – 3388, Kingdom of Saudi Arabia;

"**Relevant Obligations**" means the payment obligations of the Issuer under these Conditions and the Master Mudaraba Agreement (including all payments which are the equivalent of principal and profit);

"**Relevant Period**" has the meaning given to it in Condition 6.1(iii);

"**Relevant Reset Rate**" means, the average of the two 'close' mid-swap rate for Saudi Riyal swap transactions with the Mid-Swap Maturity displayed on the Mid-Swap Pages, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates at or about 11.00 a.m. (Riyadh time) on the Determination Date. In the event that one of the two Mid-Swap Pages is not available, the remaining Mid-Swap Page 'close' swap will be used. If neither of the correct mid swap rates appear on that page, the Saudi Riyal mid swap rate shall instead be determined by the Issuer on the basis of the arithmetic mean of quotations provided by the principal office of each of four major SAR swap market makers at approximately 11.00 a.m. (Riyadh time) on the Determination Date for a period equal to the Mid-Swap Maturity, expressed as a percentage and rounded, if necessary, to the nearest 0.0001 per cent. (0.00005 per cent. being rounded upwards). If on any Determination Date fewer than four, or none, of the four major banks in the Saudi Riyal swap market provides the Issuer with the quotations referred to in the foregoing sentence, the Relevant Reset Rate shall be determined to be the Relevant Reset Rate as at the last preceding Reset Date or, in the case of the first Determination Date, as at the relevant Issue Date, being the First Fallback Reset Rate;

"**Reset Date**" has the meaning given to it in the Applicable Final Terms;

"**Reset Period**" means, in relation to a Series, the period from (and including) the First Reset Date to (but excluding) the earlier of: (a) the Mudaraba End Date of that Mudaraba and (b) the following Reset Date, and (if applicable) each successive period thereafter from (and including) such Reset Date to (but excluding) the earlier of: (x) the Mudaraba End Date of that Mudaraba and (y) the next succeeding Reset Date, in each case of that Series;

"**SAMA**" means the Saudi Central Bank and/or any of its successors or assigns;

"**Saudi Law**" means the laws and regulations of the Kingdom;

"**Senior Obligations**" means all unsubordinated payment obligations of the Issuer (including payment obligations to the Issuer's depositors (in respect of their due claims)) and all subordinated payment obligations (if any) of the Issuer except Pari Passu Obligations and Junior Obligations;

"**Series**" means a Tranche of Sukuk together with any further Tranche or Tranches of Sukuk which: (a) are expressed to be consolidated and form a single series; and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon, the date from which Periodic Distribution Amounts start to accrue and the relevant Issue Date;

"**Specified Denominations**" means SAR 1,000;

"**Statutory Loss Absorption Regim**e" means any statutory regime implemented in the Kingdom which provides the Financial Regulator with the powers to implement loss absorption measures in respect of capital instruments (such as the Sukuk), including, but not limited to, any such regime which is implemented pursuant to Basel III and/or, to the extent applicable to the Issuer, the Law on the Treatment of Systemically Important Financial Institutions issued by Royal Decree number M/38 dated 25/04/1442H (corresponding to 11 December 2020G);

"**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with provisions of generally accepted accounting principles to be fully consolidated with those of the Issuer;

"**Sukukholders**" means a person in whose name the Sak is registered in the Register (or, in the case of a joint holding, the first named person) and the expressions "holders" and "holders of Sukuk" and related expressions shall (where appropriate) be construed accordingly;

"**Sukuk Assets**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Tadawul**" means the Saudi Stock Exchange;

"**Taxes**" has the meaning given to it in Condition 12 (Taxation);

"**Tax Event**" means, in relation to a Series, the Issuer would, as a result of a Tax Law Change, in making any payments under the Master Mudaraba Agreement (in its capacity as Mudareb) or the Sukuk (in its capacity as Issuer), on the next due date for a payment of Mudaraba Profit or Periodic Distribution Amount, respectively (whether or not a Non-Payment Event has occurred or a Non-Payment Election has been made), be required to pay any Additional Amounts and/or Taxes under, or in connection with, clause 6.10 (Taxation) of the Master Mudaraba Agreement and/or Condition 12 (Taxation) (and such requirement cannot be avoided by the Issuer (in its capacity as Mudareb or Issuer, as the case may be) taking reasonable measures available to it);

"**Tax Event Redemption Amount**" means, in respect of a Sukuk, 100 per cent. of the Aggregate Nominal Amount of the Sukuk then outstanding, together with any Outstanding Payments;

"**Tax Law Change**" means any change in, or amendment to, the laws, published practice or regulations of the Kingdom, or any change in the application or official interpretation of such laws, published practice or regulations (including a holding by a court of competent jurisdiction);

"**Tier 1 Capital**" means capital qualifying as (or which would qualify as, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, tier 1 capital in accordance with the Capital Regulations;

"**Tier 2 Capita**l" means capital qualifying as (or which would qualify as, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, tier 2 capital in accordance with the Capital Regulations;

"**Tranche**" means Sukuk which are identical in all respects;

"**Transaction Account**" has the meaning given to it in Condition 5 (The Sukuk Assets);

"**Transaction Documents**" means, in relation to each Series, each of the Declaration of Agency, the Payment Administration Agreement, the Master Mudaraba Agreement, the Sukuk (including the Global Sak) and any other agreements, deeds, undertakings or other documents designated as such by the parties thereto, each as may be amended, restated and/or supplemented from time to time;

"**Winding-Up Proceeding**" means an administrator is appointed, an order is made by any competent court or the government of the Kingdom or an effective resolution is passed for the administration, winding-up, liquidation or dissolution of the Issuer in accordance with applicable law or the Issuer applies or petitions for a winding-up or administration order in respect of itself (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority);

"**Write-down**" means, in relation to a Series:

(a) the Sukukholders' rights under or in respect of the relevant Sukuk Assets (including the relevant Mudaraba Assets) shall automatically be deemed to be irrevocably and unconditionally Written-down (if applicable, on a pro rata basis) in a proportion corresponding to the relevant Write-down Amount;

(b) in the case of the relevant Write-down Amount corresponding to the full proportion of the Aggregate Nominal Amount of the Sukuk then outstanding, the Sukuk shall be cancelled or (in the case of the relevant Write-down Amount corresponding to less than the full proportion of the Aggregate Nominal Amount of the Sukuk then outstanding) Written-down in part on a pro rata basis in a proportion corresponding to the Write-down Amount;

(c) in the case of the relevant Write-down Amount corresponding to the full proportion of the Aggregate Nominal Amount of the Sukuk then outstanding, the relevant Sukukholders' rights under the relevant Mudaraba Assets shall be granted to the Mudareb such that the value of the relevant Mudaraba Assets is zero;

(d) in the case of the relevant Write-down Amount corresponding to less than the full proportion of the Aggregate Nominal Amount of the Sukuk then outstanding, the relevant Sukukholders' rights under the relevant Mudaraba Assets shall be granted to the Mudareb such that the value of the relevant Mudaraba Assets is reduced in part on a pro rata basis in a proportion corresponding to the Write-down Amount;

(e) the Issuer shall pay (x) any accrued and unpaid Periodic Distribution Amounts (in relation to the relevant Write-down Amount); and (y) any Additional Amounts (in relation to the relevant Write-down Amount), in each case, if and only to the extent that such Periodic Distribution Amount or Additional Amount, as applicable, became due and payable prior to the date of the Non-Viability Notice (and provided payment of such amounts are not prohibited by the Financial Regulator or the Capital Regulations at such time); and

(f) except as described in paragraph (e) above, all rights of any Sukukholder for payment of any amounts under or in respect of such Series of Sukuk (including, without limitation, the Dissolution Distribution Amount) in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Periodic Distribution Amounts) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date,

and all references to "**Written-down**" will be construed accordingly; and

"**Write-down Amount**" means, in relation to a Series, on any Non-Viability Event Write-down Date, the amount as determined by the Financial Regulator by which the Aggregate Nominal Amount of the Sukuk then outstanding is to be Written-down on a pro rata basis and shall be calculated per Sak by reference to the Aggregate Nominal Amount of each Sak then outstanding which is to be Written-down (and shall be specified in the Non-Viability Notice).

All references in these Conditions to "**Saudi Riyal**" and "**SAR**" are to the lawful currency of the Kingdom.

2- Form, Denomination and Title

2.1 Form and Denomination

Each Series of Sukuk will be issued in dematerialized registered form in the Specified Denomination. Each Series of Sukuk will be collectively represented by a Global Sak which will be deposited as the Sukukholders' Agent may direct in accordance with the provisions of the Master Declaration of Agency. Individual Sukuk representing holdings of the Global Sak will not be issued but Sukukholders will on request be entitled to receive a statement from the Registrar recording their holding of Sukuk.

2.2 Title

(a) The Global Sak will represent all of the Sukuk that are current in respect of the relevant Series and the ownership by the Sukukholders of an undivided ownership interest in the Sukuk Assets and an undivided interest in the Relevant Obligations. Each Sukukholder shall (except as otherwise required by law) be treated as the absolute owner of such Sukuk for all purposes regardless of any notice of ownership, trust or any other interest therein.

(b) The Issuer will cause the Registrar to maintain the Register. The Registrar will maintain the Register in respect of each Series of Sukuk in accordance with the regulations and procedures of the Registrar and Tadawul by implementing the registry system administered by the Registrar (the "**Register**"). Each Sukukholder will (except as otherwise required by law) be treated as the absolute owner of the relevant Sukuk for all purposes (regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Global Sak) and no person will be liable for so treating the holder of any Sukuk. Each Sukukholder will be recognised by the Issuer as entitled to such Sukuk free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of the Global Sak.

3- Transfers of Sukuk

3.1 Restrictions

Subject to Condition 3.3 (Regulations concerning Transfers and Registrations) below, the Sukuk may be transferred in accordance with the regulations and procedures established by the Registrar and Tadawul by delivering to the Registrar and Tadawul such information as such regulations and procedures shall require.

3.2 Transfer Charges

The transfer of Sukuk may be subject to a charge by the Registrar and Tadawul and all such charges shall be borne solely by the transferring Sukukholder and the transferee. For the avoidance of doubt, neither the Issuer nor the Sukukholders' Agent shall be liable to pay any such charges imposed by the Registrar or Tadawul.

3.3 Regulations concerning Transfers and Registrations

All transfers of Sukuk and entries on the Register are subject to the regulations and procedures of the Registrar, Tadawul and the provisions of the Payment Administration Agreement, including in relation to limitations in respect of closed periods. The regulations and procedures may be changed by the Registrar and Tadawul, respectively, at any time when necessary.

4- Status and Subordination

4.1 Status

The Sukuk constitute an undivided ownership interest in the Sukuk Assets and an undivided interest in the Relevant Obligations, and will at all times rank pari passu without any preference or priority among themselves. The obligations of the Issuer to the Sukukholders are not secured by any assets or security or guaranteed by a third party and are subordinated as described in Condition 4.2 (Subordination).

4.2 Subordination

(a) The Relevant Obligations will (a) constitute Additional Tier 1 Capital of the Issuer; (b) constitute direct, unsecured, conditional (in accordance with Condition 7 (Periodic Distribution Restrictions)) and subordinated obligations of the Issuer; and (c) upon the occurrence and continuation of any Winding-Up Proceeding, rank (i) subordinate and junior to all Senior Obligations but not further or otherwise; and (ii) pari passu with all other Pari Passu Obligations and rank in priority only to all Junior Obligations.

(b) The Sukukholders and the Sukukholders' Agent (acting on behalf of the Sukukholders) irrevocably waive their rights to the extent necessary to give effect to the subordination provisions of this Condition 4.2 (Subordination). In order to give effect to such subordination provisions, the Issuer, the Sukukholders and the Sukukholders' Agent (acting on behalf of the Sukukholders) agree that if a Winding-Up Proceeding shall have occurred and be continuing, any amounts that would be due and payable to them (including any amounts standing to the credit of the Mudaraba Reserve) will be applied:

i- first, to the payment in full of each claim in respect of a Senior Obligation (including any amount in respect of a claim accruing after the date of commencement of such Winding-Up Proceeding); and

ii- thereafter, to the payment, equally and rateably, of each amount owing in respect of the Relevant Obligations and all Pari Passu Obligations.

(c) Neither the Sukukholders' Agent nor any Sukukholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Relevant Obligations and the Sukukholders' Agent and, by its holding of any Sukuk, each Sukukholder shall be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

(d) As a consequence of these subordination provisions, if a Winding-Up Proceeding should occur, the Sukukholders may recover less rateably than the holders of deposit liabilities, the holders of other unsubordinated liabilities or the holders of subordinated liabilities ranking senior to the Relevant Obligations, in each case, of the Issuer.

(e) The Sukukholders' Agent may only exercise its enforcement rights in relation to any Relevant Obligation or in relation to any of its other rights under the Master Mudaraba Agreement or any other Transaction Document in the manner provided in Condition 11.2 (Winding-up, Dissolution or Liquidation).

(f) The provisions of this Condition 4.2 (Subordination) apply only to the Relevant Obligations and nothing in this Condition 4.2 (Subordination) shall affect or prejudice the payment of the costs, charges, expenses, liabilities, indemnities or remuneration of the Sukukholders' Agent or the rights and remedies of the Sukukholders' Agent in respect thereof and in such capacity the Sukukholders' Agent shall rank as an unsubordinated creditor of the Issuer.

4.3 Other Issues

So long as any of the Sukuk of any Series remain outstanding, the Issuer (in its capacity as Mudareb or otherwise) will not issue any securities (regardless of name or designation) or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes issued Additional Tier 1 Capital of the Issuer if claims in respect of such securities, guarantee or contractual support arrangement would rank (as regards distributions on a return of assets on a winding-up or in respect of distribution or payment of dividends and/or any other amounts thereunder) senior to the Relevant Obligations. This prohibition will not apply if at the same time or prior thereto: (a) these Conditions and (to the extent applicable) the Transaction Documents are amended to ensure that the Sukukholders and/or the Sukukholders' Agent (on behalf of the Sukukholders) obtain; and/or (b) the Relevant Obligations have, in each case, the benefit of, such of those rights and entitlements as are contained in or attached to such securities or under such guarantee or contractual support arrangement as are required so as to ensure that claims in respect of the Relevant Obligations rank pari passu with, and contain substantially equivalent rights of priority as to distributions or payments on, such securities or under such guarantee or contractual support arrangement.

5- The Sukuk Assets

5.1 Management of the Sukuk Assets

The Sukukholders' Agent has entered into a master mudaraba agreement (the "**Master Mudaraba Agreement**") dated 09 July 2026G with the Issuer (in such capacity, the Mudareb). Pursuant to the Master Mudaraba Agreement, the Sukukholders' Agent (in its capacity as rab-al-maal, "**Rab-al-Maal**") will contribute the Mudaraba Capital. The Mudareb will invest the Mudaraba Capital in its fully Shari'a compliant banking activities carried out through the General Mudaraba Pool and following investment of the Mudaraba Capital in the General Mudaraba Pool, the Mudaraba Capital shall constitute pro rata undivided assets in the General Mudaraba Pool (the "**Mudaraba Assets**") in accordance with the Master Mudaraba Agreement, which shall include an investment plan prepared by the Mudareb and shall constitute a mudaraba for the relevant Series (the "**Mudaraba**").

The Sukukholders' Agent has opened a non-interest bearing transaction account (the "**Transaction Account**") in its own name which shall be operated by the Payment Administrator on behalf of the Sukukholders' Agent and for the benefit of the Sukukholders and into which the Mudareb will pay all amounts due to or to the order of the Sukukholders under the Master Mudaraba Agreement.

Pursuant to the Declaration of Agency, the Sukukholders' Agent holds in respect of each Series:

(a) the cash proceeds of the issue of the Sukuk of such Series, pending application thereof in accordance with the terms of the Transaction Documents;

(b) all of its rights, title, interest and benefit, present and future, in, to and under the assets from time to time constituting the Mudaraba Assets of such Series;

(c) all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given by the Issuer (acting in any capacity) pursuant to any of the Transaction Documents and the covenants given to the Sukukholders' Agent pursuant to clause 10.1 (Remuneration) of the Master Declaration of Agency); and

(d) all amounts standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing (together, the "Sukuk Assets") for and on behalf of the Sukukholders pro rata according to the nominal amount of Sukuk held by each such holder in accordance with the Master Declaration of Agency and these Conditions.

None of the Sukukholders' Agent or the relevant dealer(s) or (so long as it performs its obligations under the Transaction Documents) the Issuer, is responsible for the performance or the profitability of the Sukuk Assets and the Sukukholders' Agent is not responsible for the share and amount of the distributions (if any) made to the Sukukholders.

5.2 Priority of Payments

On each Periodic Distribution Date and on any Dissolution Date, as applicable, the Payment Administrator shall apply the monies standing to the credit of the Transaction Account in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(a) first (to the extent not previously paid), to the Sukukholders' Agent in respect of all amounts owing to it under the Transaction Documents in its capacity as Sukukholders' Agent;

(b) second, only if such payment is due on a Periodic Distribution Date, and subject to Condition 7 (Periodic Distribution Restrictions), in or towards payment pari passu and rateably of all Periodic Distribution Amounts (including Additional Amounts) due but unpaid;

(c) third, only if such payment is due on a Dissolution Date, in or towards payment pari passu and rateably of the relevant Dissolution Distribution Amount; and

(d) fourth, only after all amounts required to be paid in respect of the Sukuk have been discharged in full, in payment of any residual amount to the Mudaraba Reserve.

Any such residual amount credited to the Mudaraba Reserve and the balance of amounts standing to the credit of the Mudaraba Reserve, after paying all amounts due pursuant to the Master Mudaraba Agreement, shall be paid to the Issuer as an incentive fee.

6- Periodic Distributions

6.1 Periodic Distribution Amounts

Subject to Conditions 4.2 (Subordination), 6.2(Cessation of Accrual), 7 (Periodic Distribution Restrictions), 8 (Payments) and 10 (Write-down at the Point of Non-Viability), the Issuer shall distribute to the Sukukholders on each Periodic Distribution Date pro rata to their respective holdings, out of amounts transferred into the Transaction Account, a distribution in relation to the Sukuk equal to the applicable Periodic Distribution Amount.

The "**Periodic Distribution Amoun**t" payable:

i. on each Periodic Distribution Date for the Initial Period shall be an amount equal to the Initial Periodic Distribution Amount as specified in the Applicable Final Terms; and

ii. on each Periodic Distribution Date during each Reset Period (if any) shall be the relevant amount calculated in accordance with the provisions of Condition 6.4(ii) (Periodic Distribution Rate); and

iii. in respect of a period of less than a full Periodic Distribution Period (the Relevant Period), shall be an amount equal to the product of (a) the applicable Profit Rate; (b) the Aggregate Nominal Amount of the relevant Sukuk then outstanding; and (c) the Day-Count Fraction for the Relevant Period, rounding the resultant figure to the nearest ten thousandth of a percentage point (0.00005 being rounded upwards).

6.2 Cessation of Accrual

Subject to Conditions 4.2 (Subordination), 7 (Periodic Distribution Restrictions) and 10 (Write-down at the Point of Non-Viability), each Sak will cease to be eligible to earn Periodic Distribution Amounts from (and including) the due date for redemption thereof pursuant to Condition 9.1 (Redemption), following liquidation of the Mudaraba in accordance with these Conditions and the Master Mudaraba Agreement.

6.3 Periodic Distributions

i. Subject to Conditions 4.2 (Subordination), 6.2 (Cessation of Accrual), 7 (Periodic Distribution Restrictions) and 10 (Write-down at the Point of Non-Viability), the Sukuk bear profit at the applicable Profit Rate from (and including) the relevant Issue Date in accordance with the provisions of this Condition 6 (Periodic Distributions). Periodic Distribution Amounts will not be cumulative and Periodic Distribution Amounts (if any) which are not paid will not accumulate or compound and Sukukholders will have no right to receive such Periodic Distribution Amount at any time, even if Periodic Distribution Amounts are paid in the future.

ii. If the Issuer makes a Non-Payment Election or a Non-Payment Event occurs, Periodic Distribution Amounts (if any) which are not paid to the Sukukholders shall be credited by the Issuer to the Mudaraba Reserve and re-invested by the Issuer in the same manner as it invested the Mudaraba Capital in accordance with the investment plan set out in the Master Mudaraba Agreement.

iii. Subject to Conditions 4.2 (Subordination), 6.2 (Cessation of Accrual), 7 (Periodic Distribution Restrictions) and 10 (Write-down at the Point of Non-Viability), Periodic Distribution Amounts shall be payable on the Sukuk in arrear on each Periodic Distribution Date in respect of the Periodic Distribution Period ending on such date, commencing on the First Periodic Distribution Date, in each case as provided in this Condition 6 (Periodic Distributions).

6.4 Periodic Distribution Rate

i. For the Initial Period, the Sukuk shall bear profit at the Initial Periodic Distribution Rate.

ii. The Profit Rate for a Series will be reset on each Reset Date in respect of that Series. For each Periodic Distribution Period falling within the relevant Reset Period the Proft Rate shall be a rate per annum equal to the Relevant Reset Rate plus the applicable Margin corresponding to such Reset Period, as determined by the Payment Administrator in accordance with Condition 6.5 (Determination of Profit Rate and Periodic Distribution Amount).

6.5 Determination of Profit Rate and Periodic Distribution Amount

The Payment Administrator will, as soon as practicable after approximately 12.00 p.m. (Riyadh time) on each Determination Date, determine the Profit Rate in respect of the relevant Reset Period and cause the applicable Profit Rate and the corresponding Periodic Distribution Amount to be notified to the Issuer, the Sukukholders' Agent and the Sukukholders in accordance with the Master Declaration of Agency and Condition 14 (Notices), respectively, as soon as possible after their determination but in no event later than the second Business Day thereafter.

6.6 Payment Administrator

i. With effect from the Issue Date, and for so long as any Sukuk remain outstanding thereafter the Issuer will maintain a Payment Administrator.

ii. The Issuer may, following consultation with the Sukukholders' Agent, from time to time replace the Payment Administrator with another leading investment, merchant or commercial bank or financial institution in the Kingdom. If the Payment Administrator is unable or unwilling to continue to act as the Payment Administrator or (without prejudice to Condition 6.7 (Determinations of the Payment Administrator Binding)) fails duly to determine the Profit Rate in respect of any Reset Period as provided in Condition 6.4(ii) (Periodic Distribution Rate), the Issuer shall, following consultation with the Sukukholders' Agent, forthwith appoint another leading investment, merchant or commercial bank or financial institution in the Kingdom to act as such in its place. The Payment Administrator may not resign its duties or be removed without a successor having been appointed as aforesaid.

6.7 Determinations of the Payment Administrator Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (Periodic Distributions) by the Payment Administrator shall (in the absence of gross negligence, wilful misconduct, fraud or manifest error) be binding on the Issuer, the Sukukholders' Agent and all Sukukholders and (subject as aforesaid) no liability to any such person shall attach to the Payment Administrator in connection with the exercise or non-exercise by it of any of its powers, duties and discretions under this Condition 6 (Periodic Distributions).

7- Periodic Distribution Restrictions

7.1 Non-Payment Event

Notwithstanding Condition 6.3 (Periodic Distributions), if any of the following events occurs with respect of a Series (each, a "**Non-Payment Event**"), the Issuer (as Mudareb) shall not pay Mudaraba Profit (and, as a result, Rab-al-Maal Mudaraba Profit) or Final Mudaraba Profit (and, as a result, Rab-al-Maal Final Mudaraba Profit) on any relevant Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be), in each case in respect of the Mudaraba of that Series, and as a result thereof the Issuer shall not pay the relevant Periodic Distribution Amounts on the corresponding Periodic Distribution Date or the relevant Dissolution Date (as the case may be):

i. the amount equal to the then applicable Periodic Distribution Amount in respect of such Series to be paid by the Issuer out of the relevant Rab-al-Maal Mudaraba Profit or the Rab-al-Maal Final Mudaraba Profit, as applicable (the "**Relevant Rab-al-Maal Mudaraba Profit Amount**"), when aggregated with any distributions or amounts payable by the Issuer (in its capacity as Mudareb or otherwise) on the same date (or otherwise due and payable on such date) on any other obligations in respect of Pari Passu Obligations and Junior Obligations, exceeds, on the relevant date for payment of such Relevant Rab-al-Maal Mudaraba Profit Amount or Periodic Distribution Amount, the Distributable Profits;

ii. the Issuer (in its capacity as Mudareb or otherwise) is, on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be), in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any applicable capital buffers imposed on the Issuer by the Financial Regulator) or payment of the Relevant Rab-al-Maal Mudaraba Profit Amount or the Periodic Distribution Amount would cause it to be in breach thereof; or

iii. the Financial Regulator requires the Issuer not to pay: (a) the Relevant Rab-al-Maal Mudaraba Profit Amount on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be); or (b) the relevant Periodic Distribution Amount on that Periodic Distribution Date or the relevant Dissolution Date, (as the case may be), in each case, on account of the Issuer making a net loss during the relevant financial period or for any other reason as it may deem necessary.

7.2 Non-Payment Election

Notwithstanding Condition 6.3 (Periodic Distributions), the Issuer may in its sole discretion elect that Rab-al-Maal Mudaraba Profit (in whole or in part) will not be paid on any Mudaraba Profit Distribution Date, and, in each such case, the Issuer shall not make payment of a Periodic Distribution Amount (in whole or in part) to the Sukukholders on the corresponding Periodic Distribution Date, provided that the foregoing in this Condition 7.2 (Non-Payment Election) shall not apply in respect of Rab-al-Maal Final Mudaraba Profit payable on the Mudaraba End Date for such Series (and therefore any corresponding Periodic Distribution Amount payable on any relevant Dissolution Date) (any such election being a "**Non-Payment Election**"). The Issuer may not, however, make a Non-Payment Election once it has given notice to Sukukholders that such Series of Sukuk will be redeemed in whole in accordance with Condition 9 (Redemption).

7.3 Effect of Non-Payment Event or Non-Payment Election

(a) In respect of each Series, if the Issuer makes a Non-Payment Election or a Non-Payment Event occurs, then the Issuer shall: (i) in the case of a Non-Payment Election, no later than 14 calendar days prior to such event; and (ii) in the case of a Non-Payment Event, as soon as practicable thereafter but in any case no later than five Business Days prior to the relevant Mudaraba Profit Distribution Date or Mudaraba End Date, as the case may be, give notice to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement and to the Sukukholders in accordance with Condition 14 (Notices) in each case providing details of the Non-Payment Election (including, if relevant, details of any partial payment to be made) or Non-Payment Event, as the case may be. However, any failure to provide such notice will not invalidate the cancellation of the relevant payment of the Periodic Distribution Amount.

(b) In the absence of notice of such Non-Payment Election or Non-Payment Event, as the case may be, having been given in accordance with this Condition 7.3 (Effect of Non-Payment Event or Non-Payment Election), the fact of non-payment of the Relevant Rab-al-Maal Mudaraba Profit Amount (or any part thereof) on the relevant Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) or Periodic Distribution Amount on the relevant Periodic Distribution Date or Dissolution Date, (as the case may be) shall be evidence of the occurrence of a Non-Payment Election or a Non-Payment Event, as the case may be. In respect of each Series, Sukukholders shall have no claim in respect of any Periodic Distribution Amount (or any part thereof, as applicable) not paid as a result of either a Non-Payment Election or a Non-Payment Event (in each case, irrespective of whether notice of such Non-Payment Election or Non-Payment Event has been given in accordance with this Condition 7.3 (Effect of Non-Payment Event or Non-Payment Election)) and any such non-payment in whole or in part, as applicable, of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit (in the case of a Non-Payment Event only) or a Periodic Distribution Amount in such circumstance shall not constitute an Event of Default with respect to such Series. The Issuer shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (or any part thereof, as applicable) (whether from its own cash resources, from the relevant Mudaraba Reserve or otherwise), which shall be credited by the Issuer to the Mudaraba Reserve in accordance with the terms of the Master Mudaraba Agreement.

7.4 Dividend and Redemption Restrictions

In respect of each Series, if any amount of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit or Periodic Distribution Amount is not paid as a consequence of a Non-Payment Election or a Non-Payment Event pursuant to Condition 7.1 (Non-Payment Event) or 7.2 (Non-Payment Election) (as the case may be), then, from the date of such Non-Payment Election or Non-Payment Event (the "**Dividend Stopper Date**"), the Issuer will not, for so long as any of the Sukuk of such Series are outstanding:

(a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Ordinary Shares (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or

(b) declare or pay profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, junior to or pari passu with the Relevant Obligations (excluding securities the terms of which do not at the relevant time enable the Issuer to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time; or

(c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire any Ordinary Shares; or

(d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by the Issuer ranking, as to the right of repayment of capital, junior to or pari passu with the Relevant Obligations (excluding securities the terms of which stipulate: (i) any mandatory redemption in accordance with its terms; or (ii) any conversion into, or exchange for, Ordinary Shares), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time,

in each case unless or until: (i) the next following payment of Rab-al-Maal Mudaraba Profit or the Periodic Distribution Amount; or (ii) (as the case may be) payment of the Rab-al-Maal Final Mudaraba Profit or the final Periodic Distribution Amount, in each case following the Dividend Stopper Date, has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Sukukholders in accordance with the Master Mudaraba Agreement) with respect to such Series.

8- Payments

8.1 Payments in respect of the Sukuk

(a) Subject to Condition 8.2 (Payments subject to Applicable Laws), payment of the Dissolution Distribution Amount and Periodic Distribution Amounts (if any) will be made by or on behalf of the Issuer in SAR by wire transfer in same day funds to the Registered Account (as defined below) of the Sukukholder. The Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the Sukukholder shown on the Register at the close of business in the place of the Registrar's specified office on the relevant Record Date.

(b) Without prejudice to the Issuer's obligation to issue payment instructions in accordance with Condition 8.3(a) (Payment only on a Business Day) below, all payments made by the Issuer into the Transaction Account pursuant to the Master Mudaraba Agreement shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the Issuer's liability for monies payable by it to or to the order of the Sukukholders pursuant to the Master Mudaraba Agreement and these Conditions.

(c) For the purposes of this Condition 8 (Payments), a Sukukholder's "**Registered Account**" means the SAR account maintained by or on behalf of such Sukukholder with a bank in the Kingdom as notified in writing to the Registrar not later than the relevant Record Date.

8.2 Payments subject to Applicable Laws

Payments in respect of the Sukuk are subject in all cases to: (a) any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation); and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (Taxation)) any law implementing an intergovernmental approach thereto. No commissions or expenses will be charged to the Sukukholders in respect of such payments.

8.3 Payment only on a Business Day

(a) Where payment is to be made by transfer to a Registered Account, payment instructions shall be issued (for value the due date or if the due date is not a Business Day, for value the first following day which is a Business Day provided however, that if any such day is not a Business Day that falls in the same month as the due date, the holder shall be entitled to payment on the immediately preceding Business Day in that month) by the Issuer on the due date for payment.

(b) The Sukukholders will not be entitled to any distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

8.4 Agents

Subject to Condition 6.6 (Payment Administrator), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that it will at all times maintain a Payment Administrator and a Registrar. Notice of any termination or appointment will be given to Sukukholders promptly by the Issuer in accordance with Condition 14 (Notices).

9- Redemption

9.1 Redemption

(a) No Fixed Redemption Date and Conditions for Redemption

The Sukuk are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4.2 (Subordination), Condition 10 (Write-down at the Point of Non-Viability) and Condition 11.2 (Winding-up, dissolution or liquidation) only have the right to redeem the Sukuk in accordance with the following provisions of this Condition 9 (Redemption).

The redemption of any Series of Sukuk, pursuant to this Condition 9 (Redemption), is subject to the following conditions (in addition to those set out elsewhere in this Condition 9.1 (Redemption)):

i. (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so requires) the Issuer having obtained the prior consent of the Financial Regulator;

ii. (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so requires) at the time when the relevant notice of redemption is given, the Issuer being in compliance with the Applicable Regulatory Capital Requirements (including any applicable capital buffers imposed on the Issuer by the Financial Regulator);

iii. (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so requires) immediately following such redemption, the Issuer being in compliance with the Applicable Regulatory Capital Requirements (including any applicable capital buffers imposed on the Issuer by the Financial Regulator); and

iv. (in the case of a redemption pursuant to Conditions 9.1(c) (Redemption due to Taxation) or 9.1(d) (Redemption for Capital Event) only) the Tax Law Change or Capital Event, as the case may be, having become, or becoming, effective (or in the case of a Tax Law Change only, the relevant official interpretation is announced, as the case may be) on or after the Issue Date of the first Tranche of the relevant Series.

(b) Issuer's Call Option

i. Subject to Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption), this Condition 9.1(b) (Issuer's Call Option) and Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), the Issuer may, by giving not less than 15 nor more than 30 calendar days' prior notice to the Sukukholders in accordance with Condition 14 (Notices) (the "**Issuer Call Redemption Notice**"), which notice shall specify the date fixed for redemption and, subject to Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), be irrevocable, and prior notice to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement, elect to redeem all, but not some only, of the Sukuk of any Series at the Issuer Call Amount.

ii. If this Condition 9.1(b)(ii) is marked as applicable in the Applicable Final Terms, redemption of the Sukuk pursuant to this Condition 9.1(b) (Issuer's Call Option) may only occur on any date during the period commencing (and including) the First Call Date to (and including) the First Reset Date or any Periodic Distribution Date thereafter (each a "**Call Date**") such Call Date to be specified in the Issuer Call Redemption Notice.

iii. If this Condition 9.1(b)(iii) is marked as applicable in the Applicable Final Terms, redemption of the Sukuk pursuant to this Condition 9.1(b) (Issuer's Call Option) may only occur on the First Call Date or any Periodic Distribution Date thereafter (each a "Call Date") such Call Date to be specified in the Issuer Call Redemption Notice.

iv. Prior to the publication of any Issuer Call Redemption Notice pursuant to this Condition 9.1(b) (Issuer's Call Option), the Issuer shall give to the Sukukholders' Agent a copy of the Financial Regulator's written approval for redemption of the Sukuk and a certificate signed by two Authorised Signatories stating that all conditions precedent to the redemption of the relevant Series of Sukuk pursuant to this Condition 9.1(b) (Issuer's Call Option) (other than the notice to Sukukholders described in this Condition 9.1(b) (Issuer's Call Option)) have been satisfied (upon which the Sukukholders' Agent may rely without further enquiry and without liability to any person), and the Sukukholders' Agent shall accept the certificate without any further enquiry as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Sukukholders.

(c) Redemption due to Taxation

i. Subject to Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption), this Condition 9.1(c) (Redemption due to Taxation) and Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), if a Tax Event occurs, the Issuer may, by giving not less than 15 nor more than 30 calendar days' prior notice to the Sukukholders in accordance with Condition 14 (Notices), which notice shall specify the date fixed for redemption and, subject to Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), be irrevocable, and prior notice to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement, elect to redeem all, but not some only, of the relevant Series of Sukuk in respect of which the Tax Event has occurred at the Tax Event Redemption Amount. No such notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay any Additional Amounts and/or Taxes under, or in connection with, clause 6.10 (Taxation) of the Master Mudaraba Agreement. If the Issuer does not redeem in accordance with this Condition 9.1(c) (Redemption due to Taxation) in respect of such Tax Event then the Sukuk of such Series shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Issuer shall otherwise (subject to the provisions of Condition 4.2 (Subordination), Condition 10 (Write-down at the Point of Non-Viability) and Condition 11.2 (Winding-up, dissolution or liquidation)) redeem the Sukuk in accordance with the provisions of this Condition 9 (Redemption).

ii. Redemption of any Series of Sukuk pursuant to this Condition 9.1(c) (Redemption due to Taxation) may occur on any date on or after the Issue Date (whether or not a Periodic Distribution Date).

iii. Prior to the delivery of any notice of redemption pursuant to this Condition 9.1(c) (Redemption due to Taxation), the Issuer shall give to the Sukukholders' Agent: (i) a certificate signed by two Authorised Signatories of the Issuer (upon which the Sukukholders' Agent may rely without liability to any person) stating that: (A) the conditions set out in Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption) have been satisfied; and (B) a Tax Event has occurred; (ii) an opinion of an independent tax adviser of recognised standing to the effect that a Tax Event has occurred; and (iii) a copy of the Financial Regulator's written approval for redemption of the Sukuk. Such certificate and opinion shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above in this Condition 9.1(c) (Redemption due to Taxation) and the Sukukholders' Agent shall be entitled to accept and rely on such certificate and opinion without any further inquiry as sufficient evidence of the satisfaction of such conditions precedent and without liability to any person. Upon expiry of such notice, the Issuer shall redeem the Sukuk.

(d) Redemption for Capital Event

i. Subject to Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption), this Condition 9.1(d) (Redemption for Capital Event) and Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), if a Capital Event occurs and is continuing, the Issuer may, by giving not less than 15 nor more than 30 calendar days' prior notice to the Sukukholders in accordance with Condition 14 (Notices), which notice shall specify the date fixed for redemption and, subject to Condition 9.1(e) (No redemption following delivery of a Non-Viability Notice), be irrevocable, and prior notice to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement, elect to redeem all, but not some only, of the relevant Series of Sukuk in respect of which the Capital Event has occurred at the Capital Event Redemption Amount. If the Issuer does not redeem in accordance with this Condition 9.1(d) (Redemption for Capital Event) in respect of such Capital Event then the Sukuk of such Series shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Issuer shall otherwise (subject to the provisions of Condition 4.2 (Subordination), Condition 10 (Write-down at the Point of Non-Viability) and Condition 11.2 (Winding-up, dissolution or liquidation)) redeem the Sukuk in accordance with the provisions of this Condition 9 (Redemption).

ii. Redemption of any Series of Sukuk pursuant to this Condition 9.1(d) (Redemption for Capital Event) may occur on any date on or after the Issue Date (whether or not a Periodic Distribution Date).

iii. Prior to the delivery of any notice of redemption pursuant to this Condition 9.1(d) (Redemption for Capital Event), the Issuer shall give to the Sukukholders' Agent: (i) a certificate signed by two Authorised Signatories of the Issuer (upon which the Sukukholders' Agent may rely without liability to any person) stating that: (A) the conditions set out in Condition 9.1(a) (No Fixed Redemption Date and Conditions for Redemption) have been satisfied; (B) a Capital Event has occurred and is continuing as at the date of the certificate; and (C) a copy of the notice received from the Financial Regulator to the effect that a Capital Event has occurred and is continuing and approving the redemption of the Sukuk. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above in this Condition 9.1(d) (Redemption for Capital Event) and the Sukukholders' Agent shall be entitled to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of such conditions precedent and without liability to any person. Upon expiry of such notice, the Issuer shall redeem the Sukuk.

(e) No redemption following delivery of a Non-Viability Notice

If the Issuer gives a notice of redemption in accordance with this Condition 9 (Redemption) and, after giving such notice but prior to the relevant redemption date specified in such notice, a Non-Viability Event occurs, the relevant notice of redemption shall be automatically rescinded and shall be of no force and effect, the Issuer shall give notice thereof to the Sukukholders in accordance with Condition 14 (Notices), the Sukuk will not be redeemed on the scheduled date of redemption and instead a Write-down shall occur in accordance with Condition 10 (Write-down at the Point of Non-Viability). Further, no notice of redemption shall be given in the period following the giving of a Non-Viability Notice and prior to the relevant Non-Viability Event Write-down Date.

9.2 Purchase

Subject to the Issuer: (a) obtaining prior approval of the Financial Regulator (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so require(s)); and (b) being in compliance with the Applicable Regulatory Capital Requirements at the time of purchase, the Issuer or any of its Subsidiaries, may purchase the Sukuk at such price(s) and upon such other conditions as may be agreed upon between the Issuer or the relevant Subsidiary (as the case may be) and the relevant Sukukholders(s). Upon any such purchase, the Issuer shall deliver such Sukuk to the Registrar for cancellation and, upon such cancellation, the Mudaraba Capital of the relevant Series shall be reduced by the nominal amount of the Sukuk so cancelled.

9.3 Cancellation

All Sukuk that are redeemed, and all Sukuk that are purchased pursuant to Condition 9.2 (Purchase) and which the Issuer delivers for cancellation in accordance with Condition 9.2 (Purchase), will be cancelled as soon as possible and accordingly may not be held, reissued or resold.

10- Write-down at the Point of Non-viability

10.1 Effectiveness

The provisions of this Condition 10 (Write-down at the Point of Non-Viability) will lapse and cease to apply with effect from (and including) the date on which the Applicable Statutory Loss Absorption Regime becomes effective in respect of any Series of Sukuk (the "**Effective Date**"), except to the extent such provisions are required by the Applicable Statutory Loss Absorption Regime or the Financial Regulator in the exercise of its powers thereunder. Forthwith following the occurrence of the Effective Date, the Issuer shall give notice of such occurrence to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement and to the Sukukholders in accordance with Condition 14 (Notices). If the Issuer becomes Non-Viable on or after the Effective Date, the Financial Regulator (or the Issuer on instructions from the Financial Regulator) may take such action in respect of the Sukuk as is required or permitted by such Applicable Statutory Loss Absorption Regime.

10.2 Non-Viability Event

If a Non-Viability Event occurs at any time on or after the Issue Date of the first Tranche of a Series and prior to the Effective Date, a Write-down (in whole or in part, as applicable) in respect of the relevant Series will take place in accordance with Condition 10.3 (Non-Viability Notice).

10.3 Non-Viability Notice

(a) In respect of each Series, on the third Business Day following the date on which such Non-Viability Event occurs (or on such earlier date as determined by the Financial Regulator), the Issuer will notify the Sukukholders' Agent, the Sukukholders and the Payment Administrator thereof in accordance with the Master Mudaraba Agreement and Condition 14 (Notices), respectively (a "**Non-Viability Notice**").

(b) Such Non-Viability Notice shall:

- i- state that a Non-Viability Event has occurred;
- ii- state that a Write-down will take place, state the Series in respect of which such Write-down will take place and, following guidance from the Financial Regulator, whether such Write-down will be a full or partial Write-down;
- iii- specify, in the case of a partial Write-down, the Write-down Amount as determined by the Financial Regulator and notified to the Issuer;
- iv- specify, in the case of a full Write-down, that the Issuer has received written confirmation from the Financial Regulator that the Financial Regulator has determined the Aggregate Nominal Amount of the Sukuk of the relevant Series to be zero; and
- v- specify the Non-Viability Event Write-down Date.

(c) A Write-down in respect of the relevant Series will occur on the Non-Viability Event Write-down Date.

(d) In the case of a Write-down in full in relation to any Series, there will be a final liquidation of the Mudaraba of that Series with effect from the relevant Non-Viability Event Write-down Date and neither the Sukukholders nor the Sukukholders' Agent shall be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series.

(e) In the case of a Write-down in part only in relation to any Series, the Mudaraba Capital of that Series shall be reduced in proportion to the Aggregate Nominal Amount of the Sukuk of that Series that are to be Written-down with effect from the Non-Viability Event Write-down Date and neither the Sukukholders nor the Sukukholders' Agent shall be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series that relate to the proportion of the Mudaraba Capital of that Series that has been reduced.

10.4 Liability of Sukukholders' Agent and Agents

Neither the Sukukholders' Agent nor any Agent shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Non-Viability Event (or its disapplication, if applicable) or any consequent Write-down and/or cancellation of any Sukuk or consequent final liquidation of the Mudaraba of the relevant Series or any claims in respect thereof, and the Sukukholders' Agent and the Agents shall not be responsible for any calculation, determination or the verification of any calculation or determination in connection with the foregoing.

11- Events of Default and Winding-Up

11.1 Events of Default

If, in relation to a Series, an Event of Default occurs and is continuing, and the Sukukholders' Agent has received written notice of such Event of Default, the Sukukholders' Agent shall, within five Business Days of receipt of such notice, notify the Sukukholders of that Series of the occurrence of such Event of Default in accordance with Condition 14 (Notices) and request that such Sukukholders indicate to the Sukukholders' Agent in writing if they wish the Sukuk to be redeemed in whole (a "**Dissolution Request**"). The Sukukholders' Agent may and, if so requested: (i) by an Extraordinary Resolution of Sukukholders; or (ii) in writing by Sukukholders who hold at least one-fifth of the Aggregate Nominal Amount of Sukuk then outstanding, shall (but in each case subject to Condition 11.2(e)(iii) (Realisation of Sukuk Assets)) (or, if permitted to do so in accordance with Condition 11.2(e)(ii) (Realisation of Sukuk Assets)), the relevant Sukukholder(s) may, give notice (a "**Dissolution Notice**") to the Issuer that the Sukuk are immediately due and payable at the Aggregate Nominal Amount of the Sukuk then outstanding together with any Outstanding Payments (together, "**the Dissolution Event Amount**"), whereupon the Dissolution Event Amount shall become immediately due and payable without presentation, demand, protest or other notice of any kind, provided, however, that the Sukukholders' Agent may only take any such steps, actions or proceedings as described in Condition 11.2(a) (Proceedings for Winding-up), but may take no further or other steps, actions or proceedings to enforce, prove or claim for any such payment. A Dissolution Notice may be given whether or not a Dissolution Request has been given to the Sukukholders.

11.2 Winding-up, dissolution or liquidation

(a) Proceedings for Winding-up

If, in relation to a Series, an Event of Default occurs and a Dissolution Notice is delivered pursuant to Condition 11.1 (Events of Default), the Mudaraba of that Series will be liquidated in accordance with the provisions of the Master Mudaraba Agreement and the Sukukholders' Agent may at its discretion, and shall in each case subject to Condition 11.2(e)(i) (Realisation of Sukuk Assets) if it shall have been so requested by an Extraordinary Resolution of the Sukukholders or so requested in writing by Sukukholders who hold at least one-fifth of the Aggregate Nominal Amount of Sukuk then outstanding: (i) institute any steps, actions or proceedings for the winding-up of the Issuer; and/or (ii) prove in the winding-up of the Issuer; and/or (iii) institute any steps, actions or proceedings for the bankruptcy of the Issuer; and/or (iv) claim in the liquidation of the Issuer; and/or (v) take such other steps, actions or proceedings which, under Saudi Law, have an analogous effect to the actions referred to in (i) to (iv) above, in each case, for (subject as set out below) all amounts referred to in Condition 11.1 (Events of Default) and all amounts of Mudaraba Capital, Dissolution Mudaraba Capital, any Indemnity Payment, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit, and/or other amounts due in each case in respect of such Series to or to the order of the Sukukholders on final liquidation of the Mudaraba of the relevant Series in accordance with the terms of the Master Mudaraba Agreement and the terms of the other Transaction Documents, provided, however, that the Sukukholders' Agent, or the relevant Sukukholder(s), as applicable, may only take any such steps, actions or proceedings as described in this Condition 11.2(a) (Proceedings for Winding-up), but may take no further or other steps, actions or proceedings to enforce, prove or claim for any payment and provided further that the Sukukholders' Agent or the relevant Sukukholder(s), as applicable, may not take any steps, actions or proceedings against the Issuer with respect to any sum that the Issuer has paid into the Transaction Account in accordance with the Transaction Documents of such Series in circumstances where the Payment Administrator has failed to pay that amount to Sukukholders in accordance with these Conditions.

No payment in respect of the Transaction Documents may be made by the Issuer as a result of any steps, actions or proceedings taken pursuant to Condition 11.1 (Events of Default), nor will the Sukukholders accept the same, otherwise than during or after a winding-up (or analogous event) of the Issuer, unless the Issuer has given prior written notice (with a copy to the Sukukholders' Agent) to, and received no objection from, the Financial Regulator (which the Issuer shall confirm in writing to the Sukukholders' Agent).

(b) Enforcement

Without prejudice to Condition 11.1 (Events of Default) and the remaining provisions of this Condition 11.2 (Winding-up, Dissolution or Liquidation), the Sukukholders' Agent may, at its discretion, and shall, if so requested, in each case subject to Condition 11.2(e)(i) (Realisation of Sukuk Assets): (i) by an Extraordinary Resolution; or (ii) in writing by Sukukholders who hold at least one-fifth of the Aggregate Nominal Amount of Sukuk then outstanding, and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Sukuk and the Transaction Documents (other than any payment obligation of the Issuer under or arising from the Transaction Documents, including, without limitation, payment of any principal or satisfaction of any payments in respect of the Transaction Documents, including any damages awarded for breach of any obligations). However, in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it in accordance with the Transaction Documents. Nothing in this Condition 11.2 (Winding-up, Dissolution or Liquidation) shall, however, prevent the Sukukholders' Agent or the relevant Sukukholder(s), as applicable, from taking such steps, actions or proceedings as described in Condition 11.2(a) (Proceedings for Winding-up) in respect of any payment obligations of the Issuer arising from the Master Mudaraba Agreement, or any other Transaction Document (including any damages awarded for breach of any obligations).

(c) Non-Viability

All claims by the Sukukholders' Agent and/or the Sukukholders against the Issuer under the Sukuk and the Transaction Documents (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer under the Sukuk or the Transaction Documents, as the case may be) shall be subject to, and shall be superseded by the provisions of Condition 10 (Write-down at the Point of Non-Viability), irrespective of whether the relevant Non-Viability Event occurs prior to or after the event which is the subject matter of the claim, provided that nothing in these Conditions shall affect or prejudice the payment of the costs, charges, expenses, liabilities, indemnities or remuneration of the Sukukholders' Agent or the rights and remedies of the Sukukholders' Agent in respect thereof, all of which shall accordingly remain unsubordinated.

(d) Extent of Sukukholder remedy

No remedy against the Issuer, other than as referred to in this Condition 11 (Events of Default and Winding-up), shall be available to the Sukukholders' Agent or the Sukukholders, whether for the recovery of amounts owing in respect of these Conditions or the Transaction Documents or in respect of any breach by the Issuer of any of its other obligations under or in respect of these Conditions or the Transaction Documents.

(e) Realisation of Sukuk Assets

i. The Sukukholders' Agent may at any time at its absolute discretion and without notice, take such actions, steps or proceedings as it may think fit to enforce the provisions of the Sukuk but it shall not be bound to take any steps, actions or proceedings to enforce or to realise the Sukuk Assets or any of the actions, steps or proceedings referred to in these Conditions in respect of the Issuer to enforce the terms of the Sukuk or the Transaction Documents or give a Dissolution Notice (including, without limitation, pursuant to this Condition 11 (Events of Default and Winding-up)), unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by Sukukholders who hold at least one-fifth of the Aggregate Nominal Amount of the Sukuk then outstanding, and in either case, then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction and the Sukukholders' Agent shall not be liable for the consequences of exercising its discretion or taking such steps, actions or proceedings and may do so without having regard to the effect of such action on individual Sukukholders.

ii. No Sukukholder shall be entitled to proceed directly against the Issuer or to take the actions, steps or proceedings referred to in Conditions 11.2(a) (Proceedings for Winding-up) and 11.2(b) (Enforcement) above, unless: the Sukukholders' Agent (a) having become bound so to proceed, fails to do so within 30 calendar days of being directed to do so in accordance with this Condition 11 (Events of Default and Winding-up) and such failure is continuing; or (b) is unable by reason of an order of a court having competent jurisdiction to do so.

iii. Under no circumstances shall the Sukukholders' Agent or any Sukukholder have any right to cause the sale or other disposition of any of the Sukuk Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Sukukholders' Agent and Sukukholders against the Issuer shall be to enforce or demand the enforcement of the obligations of the Issuer to pay the amounts due to or to the order of the Sukukholders under the Transaction Documents.

iv. Proof that, as regards any specified Sak of a Series, the Issuer has defaulted in paying any amount due in respect of such Sak shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Sukuk of such Series in respect of which the relevant amount is due and payable.

12- Taxation

12.1

All payments in respect of the Sukuk shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, zakat, levies, imposts, duties, fees, assessments or other charges or withholdings of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom or any political subdivision or authority thereof or therein having the power to tax ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay additional amounts ("**Additional Amounts**") so that the full amount which otherwise would have been due and payable under the Sukuk is received by the parties entitled thereto provided that no such Additional Amount shall be payable to any Sukukholder that is not, or at any time ceases to be, a Qualified Person.

12.2

In these Conditions, references to the Dissolution Distribution Amount or Periodic Distribution Amounts (if any) (and related expressions including, without limitation, the "**nominal amount**" of the Sukuk, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit and "**Outstanding Payments**") shall be deemed to include any Additional Amounts payable under this Condition 12 (Taxation) and any undertaking given in addition to or in substitution for it under the Master Declaration of Agency and the Master Mudaraba Agreement.

12.3

Notwithstanding any other provision in these Conditions, the Issuer and the Agents shall be permitted to withhold or deduct any amounts imposed pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof), or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, implementing legislation adopted by another jurisdiction in connection with these provisions, or any agreement with the U.S. Internal Revenue Service (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA withholding**"). None of the Issuer or any Agent will have any obligation to pay Additional Amounts or otherwise indemnify a Sukukholder for any FATCA withholding deducted or withheld by the Issuer, the Payment Administrator or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

13- Sukukholders' Agent

13.1 Indemnification

The Master Declaration of Agency contains provisions for the indemnification of the Sukukholders' Agent for incurred costs and expenses in certain circumstances and for its relief from responsibility, including provisions relieving it from taking any action, step or proceeding unless indemnified and/or secured to its satisfaction by the Sukukholders. In particular but without limitation, in connection with the exercise of any of its rights in respect of the Sukuk Assets or any other right it may have pursuant to the Master Declaration of Agency or the other Transaction Documents, the Sukukholders' Agent shall in no circumstances be bound to take any action, step or proceeding unless so directed in accordance with Condition 11 (Events of Default and Winding-up), and then only if it shall also have been indemnified and/or secured and/or prefunded to its satisfaction.

13.2 No Liability

(a) The Sukukholders' Agent makes no representation as to and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Issuer under the Transaction Documents to which the Issuer is a party and shall not under any circumstances have any liability or be obliged to account to the Sukukholders in respect of any payments which should have been made by the Issuer but are not so made and shall not in any circumstances have any liability arising from the Sukuk Assets other than as expressly provided in these Conditions or in the Master Declaration of Agency.

(b) The Sukukholders' Agent is exempted from: (i) any liability in respect of any loss or theft of the Sukuk Assets or any cash; (ii) any obligation to insure the Sukuk Assets or any cash; (iii) any claim arising from the fact that the Sukuk Assets are, or any cash is, held by or on behalf of the Sukukholders' Agent or on deposit; and (iv) any liability for any loss incurred as a result of any non-payment of any amount due to the Sukukholders in respect of the Sukuk, unless such loss or theft arises as a result of its fraud, wilful default or gross negligence.

14- Notices

All notices to the Sukukholders: (a) (in the case of a notice to convene a meeting of Sukukholders) shall be sent at least 25 calendar days prior to the date set for the initial meeting and at least 30 calendar days prior to the date set for any adjourned meeting; and (b) (in all cases) shall be valid if sent to the Sukukholders by registered mail to their respective addresses in the Register. Any such notice shall be deemed to have been given on the fifth day after the date of mailing.

15- Meetings of Sukukholders; Modification

15.1 Meetings of Sukukholders

The Master Declaration of Agency contains provisions for convening meetings of Sukukholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of these Conditions or any relevant provision of the Master Declaration of Agency or any other Transaction Document, subject to also obtaining the Issuer's approval. Such a meeting may be convened by the Issuer and shall be convened by the Sukukholders' Agent (subject to it being indemnified and/or secured to its satisfaction by the Issuer and/or the Sukukholders, as the case may be) upon the request in writing of Sukukholders holding not less than one-twentieth of the Aggregate Nominal Amount of the Sukuk then outstanding. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing at least one-half of the Aggregate Nominal Amount of the Sukuk then outstanding and, at any adjourned meeting, at least one quarter of the Aggregate Nominal Amount of the Sukuk then outstanding. Any Extraordinary Resolution passed at any such meeting shall be binding on all Sukukholders, whether present or not. The Master Declaration of Agency provides that any written resolution signed by or on behalf of the holders of at least 75 per cent. of the Aggregate Nominal Amount of the Sukuk then outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Notwithstanding the foregoing, the provisions contained in the Master Declaration of Agency described above shall be subject to applicable laws and regulations as in effect in the Kingdom from time to time and shall, in the event of any inconsistency between such provisions and such laws and regulations, be deemed to be amended to the extent necessary at the relevant time in order to comply with such laws and regulations.

15.2 Modification

The Master Declaration of Agency provides that, subject to applicable laws, the Sukukholders' Agent may agree, without the consent of the Sukukholders, to any modification (subject to certain exceptions as provided in the Master Declaration of Agency) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Master Declaration of Agency or any other Transaction Document or the Applicable Final Terms, or may determine that an Event of Default, shall not be treated as such, which in any such case, in the opinion of the Sukukholders' Agent, is not materially prejudicial to the interests of the Sukukholders and is not in contravention of an express direction by Extraordinary Resolution, or request in writing by at least one-fifth of the Aggregate Nominal Amount of the Sukuk then outstanding, is of a formal, minor or technical nature, is made to correct a manifest error or is made to comply with mandatory provisions of law (including but not limited to as a consequence of any Applicable Statutory Loss Absorption Regime becoming effective after the Issue Date, which imposes requirements with respect to the Sukuk and the Sukuk Assets which are not expressly provided for in Condition 10 (Write-down at the Point of Non-Viability)). Any such modification, waiver, authorisation or determination shall be binding on the Sukukholders and, unless the Sukukholders' Agent agrees otherwise, any such modification shall be notified to the Sukukholders as soon as practicable thereafter in accordance with Condition 14 (Notices).

In connection with the exercise by it of any of its powers, authorities or discretions (including, but without limitation, any modification, waiver or authorisation), the Sukukholders' Agent shall have regard to the interests of the Sukukholders of each Series as a class but shall not have regard to any interests arising from circumstances particular to individual Sukukholders (whatever their number) and, in particular but without limitation, need not have regard to the consequences of such exercise for individual Sukukholders (whatever their number) or the Sukukholders of another Series resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Sukukholders' Agent shall not be entitled to require, nor shall any Sukukholder be entitled to claim, from the Issuer, the Sukukholders' Agent or any other Person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders.

16- Further Issues

In respect of any Series, the Issuer shall be at liberty from time to time without the consent of the Sukukholders, but subject to the Issuer obtaining the prior approval of the Financial Regulator if so required, to create and issue additional Sukuk having the same terms and conditions as the Sukuk of such Series as are outstanding or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue and so that such further issue shall be consolidated and form a single Series with the Sukuk of such Series as are outstanding. Any additional Sukuk which are to form a single Series with the Sukuk as are outstanding previously constituted by the Master Declaration of Agency as supplemented by each relevant Supplemental Declaration of Agency shall be constituted by a declaration supplemental to the Master Declaration of Agency as supplemented by each relevant Supplemental Declaration of Agency. References in these Conditions to the Sukuk include (unless the context requires otherwise) any other Sukuk issued pursuant to this Condition and forming a single Series with the Sukuk.

17- Governing Law and Jurisdiction

17.1 Governing Law

The Transaction Documents and the Sukuk are governed by, and are to be construed in accordance with, Saudi Law.

17.2 Jurisdiction

The Committee for the Resolution of Securities Disputes established pursuant to paragraph (a) of article 30 of the Capital Market Law and the Appeal Panel formed pursuant to paragraph (i) of article 30 of the Capital Market Law (the "**Committee**") shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Sukuk or the Transaction Documents and, for such purposes, the parties have irrevocably submitted to the non-exclusive jurisdiction of the Committee. No suit, action or proceedings which may arise out of or in connection with the Sukuk or the Transaction Documents may be filed or brought outside the Kingdom and no court or any judicial authority outside the Kingdom shall have jurisdiction to hear any such claim.

17.3 Waiver of Interest

If any suit, action or proceedings are brought by or on behalf of the Sukukholders' Agent or any Sukukholder under these Conditions, the Sukukholders' Agent and each Sukukholder agrees that it will:

(a) not claim any judgment interest under, or in connection with, such suit, action or proceedings; and

(b) to the fullest extent permitted by law, waive all and any entitlement it may have to judgment interest awarded in its favour by any court or other judicial authority as a result of such suit, action or proceedings.

For the avoidance of doubt, nothing in this Condition 17.3 (Waiver of Interest) shall be construed as a waiver of rights in respect of any Mudaraba Profit, Final Mudaraba Profit, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit, Periodic Distribution Amounts, Outstanding Payments, Indemnity Payment or profit or principal of any kind howsoever described payable by the Issuer (acting in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by any court or other judicial authority.

8. USE OF PROCEEDS

The net proceeds of each Series of Sukuk will be contributed by the Sukukholders' Agent (as Rab-al-Maal) to the Issuer (as Mudareb) as Mudaraba Capital pursuant to the terms of the Master Mudaraba Agreement and will be used by the Issuer to enhance its tier 1 capital as well as for general banking purposes, all in accordance with the investment plan set out in the Master Mudaraba Agreement.

9. APPLICABLE FINAL TERMS

Set out below is the form of Applicable Final Terms which will be completed for each Tranche issued under the Programme.

[Date]

Riyad Bank

(Incorporated as a joint stock company under commercial registration no. 1010001054 and with unified number 7000022868, pursuant to Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G), with a paid-up capital of SAR 40,000,000,000 and 4,000,000,000 total outstanding shares)

Issue of [Title of Sukuk]

under the

Additional Tier 1 Capital Sukuk Programme

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 09 July 2026G [and the supplement to the Base Prospectus dated [•] which [together] constitute[s] a Base Prospectus] ([together,]the "**Base Prospectus**"). This document constitutes the Applicable Final Terms of the Sukuk described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Sukuk is only available on the basis of a combination of these Applicable Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the head office of the Issuer located at King Abdullah Financial District (KAFD), Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Kingdom of Saudi Arabia and copies may be obtained from this office.

[Include whichever of the following apply or specify as "**Not Applicable**". Note that the numbering should remain as set out below, even if "**Not Applicable**" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Applicable Final Terms.]

1-	Issuer:		Riyad Bank
2-	Sukukholders' Agent:		[Riyad Capital]
3-	Series Number:		[•]
	a-	Tranche Number:	[•]
	b-	Date on which the Sukuk will be consolidated and from a single Series:	[The Sukuk will be consolidated and form a single Series with [identify earlier Tranche(s)] on [insert date/the Issue Date]] [Not applicable]
4-	Specified Currency:		Saudi Arabian Riyals ("**SAR**")
5-	Aggregate Nominal Amount:		
	a-	Series:	SAR [•]
	b-	Tranche:	SAR [•]
6-	Issue Price:		100 per cent. of the Aggregate Nominal Amount [plus SAR [•] in respect of [•] days of accrued Periodic Distribution Amounts from (and including) the issue date of the original Sukuk to (but excluding) the Issue Date]
7-	Calculation Amount:		[•]
8-	Issue Date:		[•]
9-	Offer Period:		[•]
10-	Date of Issuer board approval for issuance of Sukuk obtained:		[•]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS		
11-	Initial Periodic Distribution Rate:	[●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[●]] in arrear on each Periodic Distribution Date
12-	Initial Periodic Distribution Amount:	[●] per Calculation Amount
13-	Margin:	[+/-][●] per cent. per annum The relevant Profit Rate will be reset on each relevant Reset Date on the basis of the aggregate of the relevant Margin and the Relevant Reset Rate on the relevant Determination Date, as determined by the Payment Administrator.
14-	Periodic Distribution Date(s):	[●] [and [●]] in each year
15-	First Periodic Distribution Date:	[●]
16-	First Reset Date:	[●]
17-	First Fallback Reset Date	[●]
18-	Reset Date(s):	First Reset Date and every [●] anniversary thereafter
19-	Mid-Swap Maturity:	[●] years Mid-Swap Maturity to be equal to the period in calendar years from (and including) the First Reset Date to (but excluding) the following Reset Date)
20-	Mid-Swap Pages:	[Thomson Reuters Eikon SARAM3L5Y and Bloomberg SRSW5]
PROVISIONS RELATING TO REDEMPTION		
21-	Condition 9.1(b)(ii):	[Applicable/Not Applicable] (Only mark as "**Not Applicable**" if Condition 9.1(b)(iii) is specified as being applicable for the relevant Series of Sukuk)
	a- First Call Date	[●]
22-	Condition 9.1(b)(iii)	[Applicable/Not Applicable] (Only mark as "**Not Applicable**" if Condition 9.1(b)(ii) is specified as being applicable for the relevant Series of Sukuk)
	a- First Call Date	First Reset Date (The First Call Date in respect of a Series of Sukuk where Condition 9.1(b)(iii) is marked as "**applicable**" can only be the First Reset Date)
PROVISIONS IN RESPECT OF THE SUKUK ASSETS		
23-	Mudaraba Capital:	[●] per cent. of the Aggregate Nominal Amount
24-	Applicable Rate (in respect of the period from (and including) the Issue Date to (but excluding) the first Mudaraba Profit Rate Reset Date):	Initial Periodic Distribution Rate
25-	Mudaraba Profit Rate Reset Date(s):	First Reset Date and every [●] anniversary thereafter
26-	Details of the Transaction Account:	[Riyad Bank Account No: [●] with [●] for Series No.: [●]
27-	Listing and admission to trading:	Application has been made to the CMA for registration and offer of the Sukuk and to the Tadawul for the Sukuk to be listed on Tadawul.] [Provide details of any other market where the Sukuk are to be listed and traded. If a public or private offer has been or is being made simultaneously on the markets of two or more countries at the same time, and if a tranche has been or is being reserved for certain of these markets, details of any such offer or tranche must be provided here.] The listing and trading of the Sukuk is expected to commence around [●].
28-	Ratings:	[The Sukuk have been assigned the following ratings: ["[●]" by S&P Global Ratings Europe Limited (SPGRE)] ["[●]" by Fitch Ratings Ltd.] ["[●]" by Moody's Investors Service Cyprus Ltd.]] [The Sukuk have not been rated]
29-	Reasons for the offer:	[See "**Use of Proceeds**" in the Base Prospectus/give details]

30-	Estimate of total expenses related to the offer:	The offer expenses are estimated at approximately SAR [●], including the fees of the Sole Arranger, Dealer(s), Receiving Entities, legal advisors, in addition to marketing, arrangement, printing, distribution and other expenses related to the offer. These expenses will be fully borne by the Issuer
31-	Issuer to treat the Sukuk as capital/equity for Zakat purposes when calculating the Zakat base:	[Applicable/Not Applicable]
32-	Subscription method:	Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed application (an "**Investor Application**"), to the relevant Dealer(s) in the case of Institutional and Qualified Clients, or in the case of any other legal or natural persons, to the Receiving Entities, before the end of the Offer Period (as defined herein) and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application. Forms in relation to Investor Applications will be available from the relevant Dealer(s), or from the Receiving Entities, as applicable, in respect of such Series. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted. For further details, please see section 16 "**Subscription and Sale**".
33-	Receiving Entities:	[insert additional Receiving Entities' details]
34-	Allocation method:	The allocation method of each Series of Sukuk will be specified in the Investor Application for such Series of Sukuk. The acceptance of any application from a prospective investor, and the allocation of any Sukuk, will be at the sole discretion of the Issuer in consultation with the Dealer(s) in respect of the relevant Series of Sukuk.
35-	Other final terms:	[Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute "**significant new factors**" and consequently trigger the need for a supplement to the Base Prospectus)
DISTRIBUTION		
36-	Dealer[s]/distributor[s]:	[●] (Include name and address of Dealer(s)/distributor[s])

Responsibility

The Issuer accepts responsibility for the information contained in these Applicable Final Terms. To the best of the knowledge and belief of the Issuer (having taken reasonable care to ensure that such is the case) the information contained in these Applicable Final Terms is in accordance with the facts and there are no other facts, the omission of which would make any statement herein misleading.

Appointment of the Mudareb

By executing these Applicable Final Terms, the Issuer (in its capacity as Mudareb) acknowledges and agrees that the Sukukholders' Agent in its capacity as rab-al-maal has contributed the Mudaraba Capital for investment in accordance with the Master Mudaraba Agreement and accordingly a Mudaraba has been constituted in respect of the Sukuk that are the subject of these Applicable Final Terms, in accordance with the terms of the Master Mudaraba Agreement as supplemented by these Applicable Final Terms.

Signed on behalf of Riyad Bank

By:

Duly authorised

10. DESCRIPTION OF THE GROUP

OVERVIEW

The Bank was the first joint stock banking company to be established in Saudi Arabia. It is the third largest bank in Saudi Arabia in terms of consolidated total assets, which amounted to SAR 507,566 million, as at 30 September 2025.

The Group offers a wide range of banking products and financial services to individuals, small- and medium-sized enterprises (**SMEs**) and large businesses. The Group's principal business segments are:

- retail banking, which provides services to more than 3.8 million retail and SME customers in Saudi Arabia;
- corporate banking, serving institutional banking, corporate and government customers in Saudi Arabia;
- treasury and investment; and
- investment banking and brokerage (which is provided through a wholly-owned subsidiary, Riyad Capital, in accordance with Saudi Arabian regulatory requirements).

The Group also offers a range of Islamic banking products across these segments as it believes that Islamic finance provides the most inclusive means of accessing Saudi Arabian and regional liquidity and growth in Islamic finance is being supported by product innovation and impetus from regulators across the GCC. As one of the major Islamic banking participants in the region, the Group believes that it is well-placed to enhance its role and contribution in this growing market.

As at 30 September 2025, the Bank had 332 licensed branches in Saudi Arabia, a London branch, an agency in Houston and a representative office in Singapore.

As at 30 September 2025, the Group's total equity was SAR 72,995 million and its total assets were SAR 507,566 million. The Group generated total operating income, net of SAR 17,285 million and had net income of SAR 9,322 million in 2024, compared to total operating income, net of SAR 15,899 million and net income of SAR 8,046 million in 2023.

As at 30 September 2025, the Group's loans and advances, net was SAR 368,554 million and its customer deposits were SAR 325,413 million.

As at 30 September 2025, the Group's total Tier 1 and total capital adequacy ratios, calculated in accordance with Basel III as implemented in Saudi Arabia, were 15.78 per cent. and 17.81 per cent., respectively.

The Bank's shares are currently traded on the Saudi Exchange Company (Tadawul). As at 30 September 2025, the Bank's total market capitalisation was SAR 81.6 billion.

HISTORY

The Bank is a joint stock company incorporated under the laws of Saudi Arabia. It was established by Royal Decree and Council of Ministers' Resolution No. 91 dated 23 November 1957 with registered number 1010001054. The Bank operates under a banking licence granted by SAMA, which permits it to operate as a commercial bank. It is authorised under its by-laws to conduct all types of banking activities within Saudi Arabia and abroad. The Bank's registered address is King Abdullah Financial District, Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Saudi Arabia, and its telephone number is +966-011-401-3030.

The Bank's London branch was established in 1983. In 1990, the Bank also established a representative office in Singapore and an agency in Houston, USA.

The Bank's shares were floated on Tadawul in January 1993. In 2005, it increased its share capital to SAR 5.0 billion and the share capital was further increased to SAR 6.25 billion in 2006. In 2008, Riyad Capital was formed to conduct the Group's investment banking and brokerage services and the Bank's share capital was further increased to SAR 15 billion. The Bank secured SAMA licences to provide mortgages and conduct auto leasing activities in 2013. In 2014, its capital was increased to SAR 30 billion and, in April 2026, the Bank's shareholders approved an increase in its share capital to SAR 40 billion through a bonus issue of one new share for every three existing shares held, which was then announced and implemented by Edaa on 8 April 2026.

- The Bank's ability to deliver a strong performance has been acknowledged by third parties through industry awards, including:
- "Best Local Bank in Saudi Arabia" presented by EMEA Finance in 2025;
- "Outstanding Performance Award" presented by Kafalah in 2024 and acknowledging excellence in driving SME growth and support programmes;
- "Best Bank for SMEs in Saudi Arabia" presented by Euromoney and "Best Bank for SMEs in the Middle East" presented by EMEA Finance Magazine, in each case in 2024; and
- "Best Private Bank in Saudi Arabia" and "Best Local Bank in Saudi Arabia", in each case presented by EMEA Finance Magazine in 2024.

STRATEGY

Since launching its previous strategy in 2017, the Bank has successfully executed a phased transformation, moving from the sixth largest to the third largest in the market in terms of profitability. This was driven by first strengthening its core offerings in 2018, then accelerating growth in 2019. From 2020 onward, the Bank focused on comprehensive initiatives encompassing retail and corporate sales transformation, organisational health, innovation, customer experience, and inorganic moves. In addition to improving its market position, the successfully completed 2017 strategy has given the Bank a strong foundation for its new strategy, announced on 21 December 2025.

The Bank has now concluded the development of its new strategy and has a clear ambition for 2030, which is to become Saudi Arabia's most innovative bank, powering the country's growth. The Bank aims to embed its current third place market position by 2030 based on a target of growing twice as fast as its historic growth.

To achieve its ambition, the Bank has developed five core strategic pillars:

- strong shareholder value, to be achieved through consistent, sustainable financial performance;
- delighting customers and employees by creating meaningful experiences;
- a digital-first approach by leading innovation through advanced digital solutions;
- building for the future to shape long-term growth and transformation; and
- becoming the most trusted, resilient and sustainable bank to ensure stability, responsibility and lasting impact.

The Bank has identified and will execute ambitious commitments across its business units. Its aim is not just to transform the Bank, but to become a pioneer of new business ideas in Saudi Arabia.

STRENGTHS

The Group's key strengths highlighted by its rating agencies are a strong capital position, sound asset quality, a strong liquidity and funding position, resilient operating income with stable margins, improved diversification through an expanding retail book and a well-established domestic franchise underpinned by a large branch network and reasonable market shares in both corporate and retail banking.

The Bank believes that the Group's principal strengths are:

Excellent Government and corporate relationships

In part reflecting the fact that the Government is an indirect shareholder in the Bank, the Bank currently provides services to approximately 70 per cent. of all Government entities in Saudi Arabia and it has a banking relationship with approximately 60 per cent. of listed corporations in the Saudi Arabia.

Strong and well-capitalised balance sheet and solid income statement fundamentals

The Group has solid and stable capital adequacy ratios. Its Basel III total capital adequacy ratio was 17.81 per cent. as at 30 September 2025 and its Basel III Tier 1 capital ratio was 15.78 per cent. as at 30 September 2025.

The Group's net income for 2024 was SAR 9,322 million, compared to SAR 8,046 million for 2023. The Group's profitability is also supported by an efficient cost structure, with its expense to income ratio at 30.6 per cent. in 2024 and 31.3 per cent. in 2023.

Well positioned for growth in line with and to support Saudi Vision 2030

The Group believes that it remains well positioned to continue to gain from the implementation of the Government's Saudi Vision 2030. Key aspects of this vision include:

- diversification of the Saudi Arabian economy away from its historical reliance on the hydrocarbon sector, as well as opening the Saudi Arabian economy and developments which the Bank has benefitted from, and expects to continue to benefit from, given its solid position in trade finance, the strong franchise of its subsidiary, Riyad Capital, and its risk appetite which takes into account increased demand for funding from entities in non-oil sectors such as entertainment, tourism and hospitality, which are all focus sectors for the Bank;
- strengthening the private sector and promoting SMEs, where the Bank is well positioned in both areas given its strategic focus on expanding its SME business and its position as a bank to approximately 50 per cent. of all private sector Saudi corporations listed on the Tadawul;
- increasing home ownership, which the Bank is exploiting through its branch network (which is the third largest in Saudi Arabia) and through its significant focus on developing its mortgage business, including through partnerships with developers;
- a focus on developing digital infrastructure, which is an important element of the Bank's strategy;
- the creation of new job opportunities, particularly for women, which is benefitting the Bank as it already has one of the highest female workforce penetrations in the Saudi Arabian banking sector; and
- a focus on environmental and social project financing in Saudi Arabia. The establishment of the Bank's Sustainable Finance Framework in 2022 has enabled the mapping of each financed project under the related Environmental and Social Eligible category, ensuring an accurate classification of the Bank's financing facilities. In 2024, the Bank issued a second AT1 Sustainability Sukuk, in the amount of U.S.$750 million. The Bank is enhancing its Sustainable Finance Framework to ensure alignment with the most recently published ICMA and LMA principles. In addition, the Bank has set a target of SAR 20 billion in sustainable finance advanced or committed by 2030 which demonstrates its robust commitment to fostering sustainable development through targeted financial support.

Strong liquidity

The Group benefits from a strong liquidity position, with its Basel III liquidity coverage ratio at 154.14 per cent. as at 30 September 2025 compared to 145 per cent. as at 31 December 2024, 160 per cent. as at 31 December 2023 and 182 per cent. as at 31 December 2022. The Bank's net loans/customer deposits (including debt securities in issue) ratio was 101.71 per cent. as at 30 September 2025, 100.11 per cent. as at 31 December 2024, 102.28 per cent. as at 31 December 2023 and 97.43 per cent. as at 31 December 2022. The Group's customer deposits increased by 6.2 per cent. in the nine months ended 30 September 2025, from SAR 306 billion as at 31 December 2024 to SAR 325 billion as at 30 September 2025, by 20.0 per cent. in 2024, from SAR 255 billion as at 31 December 2023 to SAR 306 billion as at 31 December 2024 and by 6.3 per cent. in 2023, from SAR 240 billion as at 31 December 2022 to SAR 255 billion as at 31 December 2023.

Strong Board and senior management team

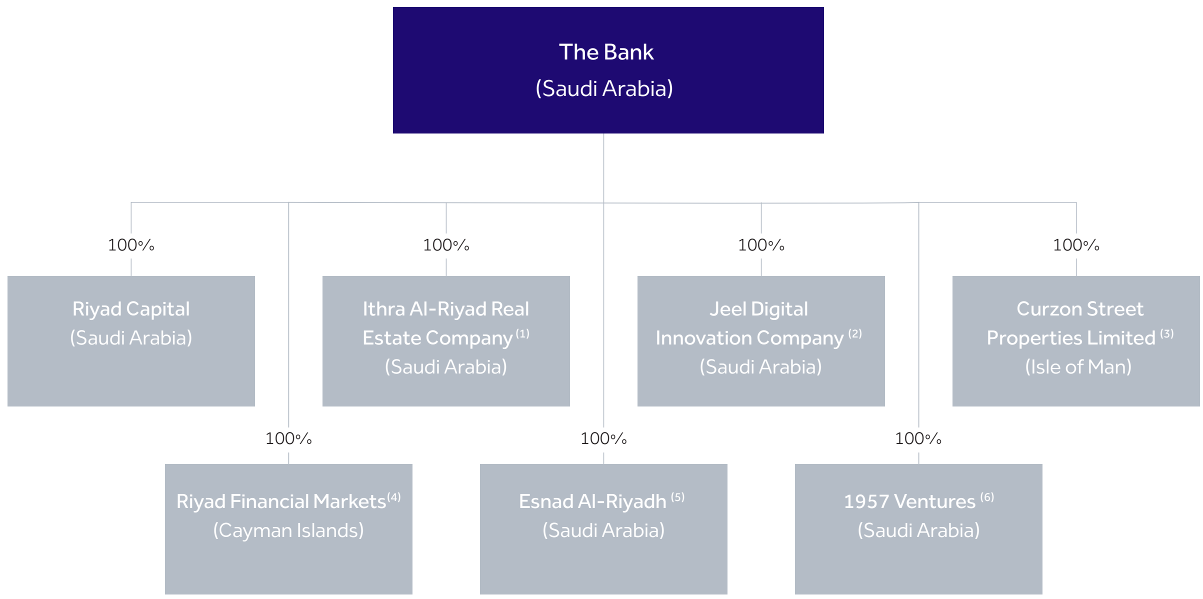
The Bank's Board comprises nine members with wide ranging experience. The current Chairman, who was appointed in October 2016, has been a Board member since 2007 and three other members have more than five years' experience on the Board. The Bank's Board includes persons who were members of the Boards of Directors of prominent Saudi Arabian companies, such as the PIF.

The Bank believes that its senior management has strong expertise and knowledge of the local market. The Bank's Board and senior management team are described in more detail under "**Management and Employees**".

GROUP STRUCTURE AND SHAREHOLDERS

Group structure

The chart below shows the Bank and its significant consolidated subsidiaries as at 30 September 2025.



Notes:

(1) This company holds, manages, sells and purchases real estate assets for owners or third parties for financing activities.

(2) This company engages in systems analysis, application and operating systems development, hosting websites, financial technology solutions and related activities.

(3) This company is a special purpose company incorporated to acquire the Bank's London branch's premises.

(4) This company executes derivative transactions with international counterparties on behalf of the Bank.

(5) This company provides human resources services exclusively for Riyad Bank and its subsidiaries.

(6) This company engages in fostering innovation by investing in building FinTech ventures and offers comprehensive support, including resources, mentorship and strategic insights.

Shareholders

The table below shows the shareholders which owned more than 5 per cent. of the Bank's share capital as at 30 September 2025, rounded to one decimal place.

	Percentage of issued share capital
PIF	21.8
GOSI	10.4
Al Nahla Trading and Contracting Company	8.7
Aseela Investment Company	8.0
Foreign shareholders	12.5
Other shareholders	38.6
	100.0

PIF and the GOSI are Government-controlled entities, which gives the Government an indirect holding of 32.14 per cent. of the Bank's shares as at 30 September 2025.

BUSINESS

The Group has four reporting segments which correspond to its principal operating businesses and are:

- **Retail banking** – which provides a range of products and services designed for individual customers and SMEs, including time deposits, current, call and savings accounts, credit cards, retail investment products and individual and consumer loans;
- **Corporate banking** – which provides a range of products and services designed for corporate customers, including time deposits, current and call accounts, cash management and trade services, overdrafts, loan and other credit facilities;
- **Treasury and investments** – which manages the Bank's investments, foreign exchange and money market liquidity within set parameters. It also caters to evolving customer needs by offering tailored commodity, foreign exchange and interest rate services; and
- **Investment banking and brokerage** – which engages in wealth management, corporate investment banking, asset management, custody and brokerage activities. This reporting segment reflects the activities of Riyad Capital described below.

The table below shows the relative significance of each reporting segment in terms of its contribution to Group total assets, Group total liabilities, Group total operating income, net and Group income before Zakat as at and for the year ended 31 December 2024.

	Corporate banking	Retail banking	Treasury and investments	Investment banking and brokerage	Total
			(per cent.)		
Total assets	51.1	25.1	23.0	0.8	**100.0**
Total liabilities	54.7	30.8	14.2	0.2	**100.0**
Total operating income, net	52.8	28.0	13.5	5.7	**100.0**
Income before Zakat	63.9	9.8	20.0	6.4	**100.0**

Corporate banking

The Group's corporate banking business has over 13,600 clients and provides banking and financial services to approximately 50 per cent. of Saudi Arabian companies listed on the Tadawul. The principal products and services offered include a current account that offers both riyal and foreign currency options, a range of time deposit options at competitive rates, a range of financing options, liquidity management solutions, payment and collection processing solutions, cash collection and delivery services, electronic payment solutions for merchants, automated payroll processing, a wide range of import and export services (including LCs, banker's acceptances, bills discounting and documentary collections) and guarantees (including standby LCs, letters of guarantee, performance guarantees, bid bonds, advance payment bonds and retention bonds).

The corporate banking business operates in four customer segments:

- wholesale banking (corporate finance, international corporates, banking and non-banking financial institutions and government and public sector entities);
- corporate banking (customers with a turnover of more than SAR 200 million);
- micro, small- and medium-sized enterprises banking (comprising customers with a turnover of up to SAR 200 million); and
- overseas branches.

The Bank has two specialised and dedicated service units to enhance its service delivery to its customer segments, namely:

- the Customer Strategy and Planning Department, whose mandate is to define the target market for each customer segment and develop detailed marketing plans for each customer segment; and
- the Customer Services Department, which provides support in handling customers' operational requirements.

The Bank is one of the market leaders in syndicated lending and project finance in Saudi Arabia. Its substantial capital base has enabled it to play an important role in lending, underwriting and arranging large, syndicated loans in the petrochemical, mining, telecommunications and infrastructure sectors. The Bank's syndicated loans business continues to grow, with the Bank being involved in 71 financings raising SAR 29,431 million in 2022, 111 financings raising SAR 40,371 million in 2023 and 77 financings raising SAR 78,300 million in 2024.

The Bank's corporate banking segment continues to focus on trade finance and receivables financing where it is one of the market leaders based on published information of banks in Saudi Arabia. Additional services provided include short- and medium-term financing, contracting finance, trade finance services, foreign exchange, cash management, payroll, hedging products and investment products.

The Bank sees the greatest potential for growth in the market serving medium enterprises with a local footprint, and it is actively targeting this sector. The Bank believes that it is well placed to take advantage of strong growth in the medium enterprise sector and has developed its strategy in consultation with the International Finance Corporation. The Kafala programme, in which the Bank is a market leader in terms of funds lent according to the Saudi Industrial Development Fund (the SIDF) is an initiative backed by the Ministry of Finance, represented by the SIDF, which aims to promote economic growth and financing to SMEs within Saudi Arabia.

The Bank also intends to maintain its leading position with multinational corporations, particularly for large corporate and project finance transactions, although this is a competitive market with comparatively lower returns.

The Bank's commitment to deliver quality service to its customers has been strengthened by continuous upgrading of technology and training. This provides a simple online point-of-access to customers from anywhere around the globe, assisting clients to easily manage their global trading activities.

Retail banking

The Group had approximately 2.64 million active retail customers as at 30 September 2025. The Group offers a wide spectrum of retail banking products to individuals and SMEs (for this segment being entities with annual sales up to SAR 2 million) through its network of 332 licensed branches and 1,679 ATMs located throughout Saudi Arabia. Many of the Group's retail banking services are also available through direct access channels such as 24-hour telephone banking, online banking and mobile banking. See "—**Delivery channels**" below.

The retail banking business has adopted a digitally enabled customer-centric approach which allows it not only to meet customer expectations, but also to respond to the rapidly evolving way in which customers want to access financial services. Retail banking continues to invest in the design and delivery of innovative services that reflect the values of its customers and are delivered when and where its customers need them. The Group's retail banking business has prioritised investment in digital channels to improve its delivery capabilities, offer customers an innovative and convenient banking experience and maintain its competitive edge.

The Group continues to concentrate on intelligent lending and strict controls, with a view to maintain a healthy and steady performance.

The products and services provided by the Group's retail banking segment include deposits, consumer loans, auto leasing, mortgage finance, credit cards, debit cards, remittance services, ATMs, interactive teller machines, kiosks, internet banking, mobile banking, Bouki, Apple Pay, a standalone mobile application "**Token**" for children, short messaging service banking and telephone banking, including interactive voice recognition.

The retail banking segment also offers business banking through its versatile product and service offerings including trade financing, cash deposit cards, payroll processing and e-services for SMEs. The SME market is rapidly expanding as Saudi Arabia's economy continues to grow and develops a broader industrial and service base through Saudi Vision 2030. The Group believes that its retail banking segment is strategically better placed than its competitors, due to (a) a large retail footprint and retail customer base, (b) well-developed digital channels and (c) a wide range of products.

The retail banking segment continues to introduce innovative service offerings that adhere to Shari'a principles, including Islamic savings accounts, Islamic overdraft accounts, Islamic personal finance, auto and real estate mortgage products. All Islamic products are reviewed and approved by an independent Shari'a Committee, comprising qualified Shari'a scholars, to ensure compliance with the principles of Shari'a.

The retail banking segment offers bespoke services to its high net-worth private banking clients through three dedicated centres. The product offering includes sophisticated banking services, investment solutions and credit services to cater to the needs of this niche client segment.

Under the brand of "**affluent banking**", the Group's retail banking segment operates 'Diamond' and 'Golden' banking segments. As at 30 September 2025, the retail banking segment had 46 dedicated Diamond banking centres with exclusive relationship managers serving the needs of the Diamond banking clients.

Treasury and investments

The Group's treasury and investments business offers a wide range of products to the Group's corporate, commercial and private clients. These products include basic foreign exchange and interest rate protection, money market and Government bonds and sophisticated hedging structures tailored on an individual basis.

The treasury and investments business also ensures that the Group's internal funding requirements are met and manages risks associated with liquidity, foreign exchange and interest rate exposures.

The Group also offers a variety of Shari'a-compliant products, including murabaha, tawaruq, Islamic return account and foreign exchange waad. The Group continues to develop new products to meet the growing needs of its customers for Shari'a-compliant products.

The treasury and investments business also manages the Group's fixed income portfolio of fixed rate and floating rate securities, as well as the Group's equity and mutual fund investments. See "**Summary Operating Performance and Financial Review—Investment securities portfolio**".

Derivatives are used by the Group for its own account to hedge interest rate and currency positions and for customer-related transactions and, to a limited extent, for proprietary trading.

The Group's treasury has an established limit structure covering various risk aspects, including gap limits, stop loss limits and value at risk (VaR) limits. Oversight and review of these limits is provided by the Bank's asset and liability management committee (the ALCO).

Investment banking and brokerage – Riyad Capital

Riyad Capital is a wholly owned subsidiary of the Bank licensed by the CMA, although in July 2025 the Bank announced that Riyad Capital had submitted an application for the registration and public offering of part of its shares to the CMA and a listing application, for listing part of its shares, to the Tadawul. Any such public offer and listing remains subject to obtaining regulatory approvals and its launch remains subject to the Bank's final approval based on the market conditions at the time and in a way that achieves the interest of the Bank and its shareholders.

Riyad Capital's principal activities are dealing in securities (both as principal and agent), underwriting, managing investment funds and clients' portfolios and providing advisory and custody services.

Riyad Capital operates the following businesses:

Wealth management

Riyad Capital's wealth management segment has a team of experienced investment advisers to support its corporate and individual clients' investment decisions. Its wealth management services include a comprehensive advisory process, customised advisory solutions, including tailored investment portfolios and discretionary portfolio management, investments in Riyad Capital's CMA-registered mutual funds which are managed in-house and by third party providers and advice on local and international equity markets and related brokerage services.

Corporate investment banking

Riyad Capital's corporate investment banking activities include a broad range of services across equity and debt capital markets and advisory services (including mergers and acquisitions). Riyad Capital participates in both public and private equity capital raisings in Saudi Arabia through initial public offerings (IPOs), rights issues, follow-on offerings and private placements. In addition, Riyad Capital is also active in arranging issues of riyal-denominated fixed income debt securities (such as bonds and sukuk) and advises both local and international clients on mergers, acquisitions and divestitures across a number of industries.

Asset management

Riyad Capital's total assets under management were SAR 102.3 billion as at 30 September 2025.

To accommodate its clients' various risk and return tolerance, Riyad Capital provides 27 public domestic and international investment funds with different asset mixes and risk profiles. These funds comprise nine Saudi equity funds, one GCC equity fund, two international equity funds (sub-managed by international fund managers), three money market funds, two fixed income funds, nine multi-asset funds of funds and one real estate investment trust.

Brokerage

Riyad Capital's securities services business provides a range of services including custody, clearing, trustee and funds administration services.

Delivery channels

The Bank's delivery channels include:

- branches – the Bank has the third largest branch network in Saudi Arabia with 332 licensed branches as at 30 September 2025 across Saudi Arabia;
- online banking – which allows customers to open current and saving accounts, apply for loans and credit cards, monitor their account activity, transfer funds locally and internationally, pay bills, pay for numerous government services, manage their credit cards, arrange time deposits, subscribe to and trade IPO shares, request services and update information;
- digital wallets – which allow customers to perform payment transactions using Bouki and Apple Pay;
- mobile banking – which allows customers to open current and savings accounts, apply for personal loans, and to perform everyday banking transactions, including fund transfers, remittance, bill and government services payments, beneficiary management, managing credit cards and redeeming loyalty points on their mobile telephone. In addition, 'Token' is a standalone mobile application for children and offers current and saving accounts, setting goals and earning rewards;
- 1,679 ATMs– through which customers can withdraw cash, makes certain transfers and payments, access IPO services and initiate certain enquiries;
- Riyad Self Service – which allows customers to issue and renew debit cards, print account statements and manage their accounts; and
- 177,968 POS terminals – which are located at merchants' premises and enable them to accept card payments from their customers.

The Group has implemented Government services, such as the SADAD payment system, on all relevant remote channels and provides "Riyad Alerts" for all customer transactions on current accounts and credit cards. It also provides cash deposit cards, business banking credit cards and e-services for SMEs to extend customer reach for this segment. The Group's digital strategy has resulted in the evolution of its website and mobile banking application from classical branding and service channels into dynamic marketing and sales engines that provide the Group with an opportunity to gain a competitive advantage in the marketplace through improved service and productivity, greater efficiency, lower costs and improved customer acquisition and retention.

International operations

The Group's international operations comprise its London branch, an agency in Houston and a representative office in Singapore as set out below. The Bank is also in the process of establishing a representative office in mainland China, subject to approval from the relevant regulatory authority. This representative office, once established, will assist the international business requirements of the Bank's private and corporate customers in mainland China, particularly in the areas of trade and finance.

London branch

The Bank's London branch assists its Saudi Arabian-based customers in meeting their business and/or investment requirements in European markets. The branch has also developed relationships with several major European corporations engaged in business and/or investment activities in Saudi Arabia and other GCC countries. The London branch's products and services include providing short and medium-term credit facilities, syndicated credit facilities, project financing (within Saudi Arabia), real estate financing, trade finance, foreign exchange and money markets.

Houston agency

The Bank is the only Saudi Arabian bank with a physical presence in the United States. Its agency in Houston, Texas, was established in 1990 to assist the Bank's Saudi Arabian-based customers in meeting their business and/or investment requirements in the U.S. market. The agency has also developed business relationships with several major U.S. corporations engaged in business and/or investment activities in Saudi Arabia and the other GCC countries. The agency offers a range of products and services on a wholesale banking basis, including trade finance and documentary credits, project finance (within Saudi Arabia), short and medium-term credit facilities and real estate financing.

Singapore representative office

The Bank established a representative office in Singapore in 1997 to assist the international business requirements of its private and corporate customers in the Asia/Pacific region, particularly in the areas of trade and finance.

The representative office's services include regional marketing and relationship management, liaising with the Bank's domestic branch network in Saudi Arabia and maintaining the Bank's correspondent banking network in the Asia/Pacific region.

COMPETITION

The Group faces competition from foreign and domestic banks in each of the different business areas in which it operates. As at 7 July 2026 and based on SAMA's website, 39 banks (comprising 11 Saudi banks, eight branches or subsidiaries of banks based in countries of the GCC other than Saudi Arabia, 16 international banks and four digital banks) were licensed to conduct commercial banking activities in Saudi Arabia through permanent establishments. Of these, four banks were noted on SAMA's website as not yet being operational.

In the corporate and investment banking sector, the Group competes to attract large national corporate clients that can provide significant volumes of business and that present opportunities to cross sell other banking services. In consumer banking, the Group primarily competes to attract the large Saudi Arabian and expatriate populations, and in particular, high net worth customers.

The Group believes that it has a strong position in the Saudi Arabian corporate, investment banking and consumer banking segments. It believes that its strong market position is attributable to its competitive advantages, including:

- its domestic systemically important bank (D-SIB) status in Saudi Arabia;
- its branch network, which is the third largest in Saudi Arabia;
- its strong risk management policies – the Group believes that its risk management policies and practices are comparable to "best practice" in the banking sector internationally;
- its size and financial strength – the Bank was the third largest Saudi Arabian bank in terms of consolidated total assets as at 30 September 2025, with a strong balance sheet and liquidity position, providing it with operational and financial flexibility;
- its wide range of banking products that cater to the needs of its corporate, retail and other customers; and
- its digital banking initiatives, such as contactless payment initiatives (including the Riyad Pay wallet app, the Riyad mobile sticker and the Smart wristband), Riyad mobile and online services, including the ability to open a second account online, SADAD account services, the immediate issuance of virtual credit cards for online transactions and the Wazen programme for Shari'a-compliant savings and Riyad foreign currency ATMs that enable customers to make withdrawals in U.S. dollars, euro, pounds sterling and UAE dirham.

BUSINESS TECHNOLOGY

The Group's Business Technology Division (the **BTD**) helps the Group's businesses to manage customer and regulatory requirements through well-defined processes and the effective use of technology. Its mandate is to embrace the latest and best technology to improve business processes, in line with the Bank's goals of generating revenue while enhancing customer experience.

The BTD continually undertakes projects to introduce new technologies and enhance existing technology infrastructure to yield better services to internal and external users. Each year the BTD undertakes a significant number of technology projects, with an average of 125 major projects per year over the three-year period from 2022 through 2024.

The BTD continuously monitors and improves its business continuity management process. The Bank has disaster recovery centres in several locations, which are periodically tested to ensure that they are ready to handle disruptive business situations.

The BTD also places particular emphasis on data protection and its IT infrastructure is backed up by an alternative data centre with a handling capacity similar to that of the primary data centre.

The Bank is committed to protecting the privacy and confidentiality of personal data about its employees, customers, business partners and other identifiable individuals and seeks to ensure compliance with all laws and regulations relating to data protection and privacy. The Bank also has an integrated set of cybersecurity requirements that are uniformly applied across all its information assets to reduce cyber risks and protect the assets from internal and external threats by focusing on primary security objectives of confidentiality, integrity and availability.

COMPLIANCE

The compliance function plays a vital role in identifying, assessing and providing advice relating to compliance with applicable laws and regulatory requirements. In addition to monitoring and reporting on compliance-related risks (which may give rise to legal and administrative penalties, financial loss or reputational damage), the compliance function is also responsible for oversight of the implementation of anti-financial crime operating systems, controls and guidelines.

The compliance division is independent, and it is organised into the five major departments set out below, each responsible for specific activities in line with the Bank's policies and SAMA requirements.

Compliance monitoring section and compliance quality assurance department

The compliance monitoring section reviews the post-implementation of regulations, using a risk-based approach, to ensure compliance with all applicable regulations. The nature, timing and extent of the monitoring activities are based on numerous factors, including a risk assessment of the activities and products offered by the Bank. The compliance monitoring department's activities are approved and driven by a fit-for-purpose compliance monitoring programme. The compliance monitoring plan is approved by the Board Audit Committee. Progress against the approved plan is presented to the Board Audit Committee on a quarterly basis.

The compliance quality assurance department is responsible for ensuring that the compliance division is aligned with regulatory requirements, internal policies and procedures and quality standards, by conducting frequent and ad hoc reviews and engaging in the significant processes. In addition, the department maintains a database of all regulatory requirements and validates their implementation.

Compliance advisory department

The compliance advisory department determines the impact of all regulatory updates on the Group's business processes. Regulatory updates include new rules, regulations, amendments to existing regulations, clarifications of existing rules and regulations and notifications. It also ensures the implementation of the rules, regulations across the Bank by conducting self-assessment and gap analysis.

The compliance advisory department is responsible for providing interpretation and advice to the business units on an ongoing basis in relation to applicable rules and regulations.

The compliance advisory department is also responsible for conducting a review of internal policies, procedures and frameworks to ensure they comply with regulatory requirements and for verifying that new products, services, outsourcing and systems are consistent with all rules and regulations and internal procedures and instructions.

Regulatory affairs and business ethics department

The regulatory affairs and business ethics department manages the relationship between the Bank and SAMA through effective communication, receiving and responding to incoming requests, monitoring actions raised from the regulatory violations, managing regulatory visits and inspections, and following up on transactions and inquiries submitted to and raised with SAMA. The department periodically reviews and updates the policies related to compliance ethics, ensures the compliance manual, policies and procedures are updated on an ongoing basis, prepares the relevant compliance reports, which are submitted to top management and the Board, and approves investment accounts and stock transactions for relevant employees according to the Bank's insider trading policy.

Anti-financial crimes department

The anti-financial crimes department comprises three units as follows:

AML/CTF unit – The AML/CTF unit ensures the Bank's compliance with anti-money laundering (**AML**) and counter-terrorist financing (**CTF**) regulations. The Money Laundering Reporting Officer is the focal point for monitoring all AML/CTF-related policies and activities within the Bank and is responsible for assessing whether suspicious activities require a Suspicious Activity Report to be filed with the Saudi Arabian Financial Intelligence Unit.

Sanctions unit – The sanctions unit's core business revolves around the implementation of sanctions-related controls. The unit conducts research about global challenges that might affect sanctions banking practice and responds to enquiries from SAMA and correspondent banks related to economic sanctions.

Client acceptance and financial crime risk assessment unit – This unit is responsible for reviewing the high-risk accounts in line with AML rules and SAMA classifications and working closely with the business to ensure that enhanced due diligence and comprehensive documents are in place to onboard customers, in addition to conducting the Bank-wide risk assessment of geographies, products, services and customers.

Whistleblowing section

The Whistleblowing section is responsible for investigating and reporting whistleblowing incidents reported by internal and external parties through various channels. This section is also responsible for spreading awareness messages and conducting training related to whistleblowing incident reporting.

11. FINANCIAL REVIEW

Set out below is a brief discussion of the Group's consolidated results of operations for the nine-month periods ended 30 September in each of 2025 and 2024 and for each of 2024, 2023 and 2022 and a discussion of the Group's financial position as at 30 September 2025 and as at 31 December in each of 2024, 2023 and 2022.

RESULTS OF OPERATIONS

Nine-month periods ended 30 September in each of 2025 and 2024

Net special commission income

The Group's net special commission income in the nine months ended 30 September 2025 was SAR 9,667 million compared to SAR 9,441 million in the nine months ended 30 September 2024, an increase of SAR 225 million, or 2.4 per cent. This increase reflected:

- an SAR 2,287 million, or 12.9 per cent., increase in special commission income, which was driven by increases in special commission income from loans and advances, investments and due from banks and other financial institutions; and
- an SAR 2,062 million, or 25.0 per cent. increase in special commission expense, which was driven by increases in special commission expense from customers deposits, debt securities in issue and term loans and due to banks and other financial institutions.

Fee and commission income, net

The Group's fee and commission income, net in the nine months ended 30 September 2025 was SAR 2,676 million compared to SAR 2,166 million in the nine months ended 30 September 2024, an increase of SAR 511 million, or 23.6 per cent. This increase reflected:

- an SAR 597 million, or 18.3 per cent., increase in fee and commission income, which was driven by increases in fee and commission income from credit facilities and advisory, trade finance and other banking services; and
- an SAR 86 million, or 7.9 per cent. increase in fee and commission expense, which was driven by increases in fee and commission expense from other banking services and card products.

Total operating income, net

The Group's total operating income, net in the nine months ended 30 September 2025 was SAR 13,717 million compared to SAR 12,630 million in the nine months ended 30 September 2024, an increase of SAR 1,087 million, or 8.6 per cent. In addition to the increases in net special commission income and fee and commission, net described above, which accounted for SAR 736 million of the increase in total operating income, net, the SAR 1,087 million increase in the Group's total operating income, net also reflected an increase of SAR 297 million, or 73.3 per cent., in trading income, net, which was driven by an increase in income from derivatives and from fair value hedges, in both cases mainly due to higher volumes compared to the nine months ended 30 September 2024.

Total operating expenses before impairment charge

The Group's total operating expenses before impairment charge in the nine months ended 30 September 2025 were SAR 4,072 million compared to SAR 3,878 million in the nine months ended 30 September 2024, an increase of SAR 194 million, or 5.0 per cent. This increase reflected increases in all categories of operating expense in the nine months ended 30 September 2025 compared to the nine months ended 30 September 2024, as the Group's business continued to grow.

Impairment charges

The Group's total impairment charges (which reflect the sum of its impairment charge for credit losses and other financial assets, net and its impairment reversal or charge for investments, net) were SAR 1,007 million in the nine months ended 30 September 2025 compared to SAR 897 million in the nine months ended 30 September 2024. The SAR 110 million, or 12.3 per cent., increase in the Group's total impairment charges in the nine months ended 30 September 2025 compared to the nine months ended 30 September 2024 principally reflected:

- an SAR 123 million, or 13.7 per cent., increase in impairment charge for credit losses and other financial assets, which mainly related to the corporate banking operating segment; and
- a decrease of SAR 13 million in impairment reversal or charge for investments, net from a charge of SAR 2 million in the nine months ended 30 September 2024 to a reversal of SAR 11 million in the nine months ended 30 September 2025.

Net income for the period

Principally reflecting the above factors, the Group recorded net income for the period of SAR 7,770 million in the nine months ended 30 September 2025 compared to SAR 7,065 million in the nine months ended 30 September 2024, an increase of SAR 705 million, or 10.0 per cent.

2024, 2023 and 2022

Net special commission income

The Group's net special commission income in 2024 was SAR 12,873 million compared to SAR 12,414 million in 2023 and SAR 10,052 million in 2022, an increase of SAR 459 million, or 3.7 per cent., in 2024 compared to 2023 and an increase of SAR 2,362 million, or 23.5 per cent., in 2023 compared to 2022.

This SAR 459 million increase in 2024 compared to 2023 reflected:

- an SAR 3,576 million, or 17.4 per cent., increase in special commission income, which was driven by increase in special commission income on loans and advances, investments and due from banks and other financial institutions; and
- an SAR 3,117 million, or 38.0 per cent. increase in special commission expense, which was driven by an increase in special commission expense on customers deposits, due to banks and other financial institutions and debt securities in issue and term loans.

This SAR 2,362 million increase in 2023 compared to 2022 reflected:

- an SAR 7,698 million, or 59.6 per cent., increase in special commission income, which was driven by increase in special commission income on loans and advances, due from banks and other financial institutions and investments; and
- an SAR 5,337 million, or 186.9 per cent. increase in special commission expense, which was driven by an increase in special commission expense on customers deposits, due to banks and other financial institutions and debt securities in issue and term loans.

Fee and commission income, net

The Group's fee and commission income, net in 2024 was SAR 2,991 million compared to SAR 2,385 million in 2023 and SAR 2,429 million in 2022, an increase of SAR 606 million, or 25.4 per cent., in 2024 compared to 2023 and a decrease of SAR 44 million, or 1.8 per cent., in 2023 compared to 2022.

The SAR 606 million increase in 2024 compared to 2023 reflected:

- an SAR 808 million, or 21.7 per cent., increase in fee and commission income, which was driven by an increase in fee and commission income on credit facilities and advisory, card products, trade finance, other banking services, share brokerage and fund management; and
- an SAR 203 million, or 15.1 per cent. increase in fee and commission expense, which was driven by an increase in fee and commission expense from card products and share brokerage.

The SAR 44 million decrease in 2023 compared to 2022 reflected:

- an SAR 172 million, or 4.8 per cent., increase in fee and commission income; and
- an SAR 216 million, or 19.1 per cent. increase in fee and commission expense.

Total operating income, net

The Group's total operating income, net for 2024 was SAR 17,285 million compared to SAR 15,899 million for 2023 and SAR 13,599 million for 2022, an increase of SAR 1,386 million, or 8.7 per cent., in 2024 compared to 2023 and an increase of SAR 2,300 million, or 16.9 per cent., in 2023 compared to 2022.

In addition to the increases in net special commission income and fee and commission, net described above, which accounted for SAR 1,065 million of the SAR 1,386 million increase in total operating income, net in 2024 compared to 2023, the increase in the Group's total operating income, net in 2024 compared to 2023 also reflected:

- an increase of SAR 171 million, or 28.1 per cent., in the Group's exchange income, net from SAR 608 million in 2023 to SAR 779 million in 2024, which was driven by favourable rates and increased volumes; and
- an increase of SAR 109 million, or 26.0 per cent., in the Group's trading income, net from SAR 420 million in 2023 to SAR 529 million in 2024. The Group's trading income, net principally comprises income from derivatives transactions and this increase was driven by an increase in income from derivatives and from fair value hedges, mainly due to higher volumes compared to 2023.

In addition to the increase in net special commission income and the change in fee and commission, net described above, which accounted for SAR 2,318 million of the SAR 2,300 million increase in total operating income, net in 2023 compared to 2022, the increase in the Group's total operating income, net in 2023 compared to 2022 also reflected an increase of SAR 201 million, or 91.8 per cent., in the Group's trading income, net from SAR 219 million in 2022 to SAR 420 million in 2023. The increase principally reflected a decrease of SAR 142 million in derivatives expenses.

The increases in the Group's total operating income, net in 2023 compared to 2022 were partly offset principally by SAR 44 million in losses on disposal of non-trading investments, net in 2023 compared to SAR 122 million in gains on disposal of non-trading investments, net in 2022, which related to both FVOCI investments and investments held at amortised cost and were driven by market conditions.

Total operating expenses before impairment charge

The Group's total operating expenses before impairment charge for 2024 were SAR 5,286 million compared to SAR 4,969 million for 2023 and SAR 4,410 million for 2022, an increase of SAR 317 million, or 6.4 per cent., in 2024 compared to 2023 and an increase of SAR 559 million, or 12.7 per cent., in 2023 compared to 2022.

The SAR 317 million increase in the Group's total operating expenses before impairment charge in 2024 compared to 2023 principally reflected:

- an increase of SAR 210 million, or 8.3 per cent., in salaries and employee-related expenses from SAR 2,542 million in 2023 to SAR 2,752 million in 2024, which was mainly due to an increase in other employees' related expenses and incremental salary increases; and
- an increase of SAR 127 million, or 8.7 per cent., in other general and administrative expenses from SAR 1,464 million in 2023 to SAR 1,591 million in 2024, which was mainly due to an increase in consultancy, audit and professional services availed, as well as miscellaneous expenditures.

The SAR 559 million increase in the Group's total operating expenses before impairment charge in 2023 compared to 2022 principally reflected:

- an increase of SAR 284 million, or 12.6 per cent., in salaries and employee-related expenses from SAR 2,258 million in 2022 to SAR 2,542 million in 2023, which was mainly due to a higher number of employees and incremental salary increases;
- an increase of SAR 154 million, or 28.5 per cent., in depreciation of property, equipment and right of use assets from SAR 541 million in 2022 to SAR 695 million in 2023, which principally reflected increased depreciation on computer hardware, software programmes, automation projects and motor vehicles driven by increases in depreciable fixed assets; and
- an increase of SAR 128 million, or 9.6 per cent., in other general and administrative expenses from SAR 1,336 million in 2022 to SAR 1,464 million in 2023.

Impairment charges

The Group's total impairment charges (which reflect the sum of its impairment charge for credit losses and other financial assets, net and its impairment charges for investments, net) were SAR 1,632 million in 2024 compared to SAR 1,972 million in 2023 and SAR 1,281 million in 2022.

The SAR 339 million, or 17.2 per cent., decrease in the Group's total impairment charges in 2024 compared to 2023 principally reflected:

- an SAR 229 million, or 12.5 per cent., decrease in its impairment charge for credit losses, net;
- an SAR 85 million, or 87.9 per cent., lower impairment charge for investments, net; and
- an SAR 25 million, or 61.4 per cent., lower impairment charge for other financial assets, net.

The decrease in the Group's impairment charge for credit losses and other financial assets, net in 2024 was driven by a net decrease of SAR 611 million, or 41.3 per cent., in impairment charge for credit losses and other financial assets, net in 2024 in the corporate banking segment offset by a net increase of SAR 358 million, or 90.9 per cent., in impairment charge for credit losses and other financial assets, net in 2024 in the retail banking segment. The decrease in the Group's impairment charge for investments, net in 2024 compared to 2023 principally reflected a decrease in ECL by SAR 85 million.

The SAR 691 million, or 54.0 per cent., increase in the Group's total impairment charges in 2023 compared to 2022 principally reflected an SAR 848 million, or 82.5 per cent., increase in its impairment charge for credit losses, net offset in part by an SAR 157 million, or 62.0 per cent., lower impairment charge for investments, net. The increase in the Group's impairment charge for credit losses in 2023 was driven by higher impairment charges for financing losses, which principally related to the commercial loans portfolio. The reduction in the Group's impairment charge for investments, net in 2023 principally reflected a decrease in ECL by SAR 157 million.

Net income

Principally reflecting the above factors, the Group recorded net income of SAR 9,322 million in 2024 compared to SAR 8,046 million in 2023 and SAR 7,019 million in 2022, an increase of SAR 1,276 million, or 15.9 per cent., in 2024 compared to 2023 and an increase of SAR 1,027 million, or 14.6 per cent., in 2023 compared to 2022.

FINANCIAL POSITION

Set out below is a discussion of the Group's funding, debt, customer loan portfolio, investment portfolio and contingent liabilities as at the date stated. Certain information in this section is not reported in the Interim Financial Statements.

Funding

Sources of funding

The Group's principal source of funding is its customer deposits. In addition, the Group's funding comprises its debt (in the form of debt securities in issue and term loans) and its due to banks and other financial institutions (being the interbank deposits accepted by it).

The Group also has access to a pool of unencumbered and liquid securities in the form of fixed income debt securities, mutual fund and equity securities that it can access to meet liquidity needs, in addition to its cash balances and placements with central banks and other financial institutions.

The Group's customer deposits were SAR 325,413 million, or 74.9 per cent. of its total liabilities, as at 30 September 2025, SAR 306,423 million, or 80.1 per cent. of its total liabilities, as at 31 December 2024, SAR 254,908 million, or 78.1 per cent. of its total liabilities, as at 31 December 2023 and SAR 240,007 million, or 79.1 per cent. of its total liabilities, as at 31 December 2022.

Maturity profile of the Group's funding

A significant proportion of the Group's funding (as described in the first paragraph of this section) is short term in nature, with 82.9 per cent. of such funding being repayable on demand or within three months and a further 10.4 per cent. being repayable within one year as at 31 December 2024, in each case calculated according to when the funding is expected to be recovered or settled. See "Risk Factors—Risks relating to the Group—The Group is subject to the risk that liquidity may not always be readily available". The issue of the Sukuk under the Programme is intended to help the Group diversify its sources of funding and to extend the average maturity of its funding base.

Customer deposits

The Group's customer deposits principally comprise demand deposits which amounted to 42.7 per cent. of its total customer deposits as at 30 September 2025 compared to 49.9 per cent. as at 31 December 2024, 46.9 per cent. as at 31 December 2023 and 51.4 per cent. as at 31 December 2022.

The Group's demand accounts mostly do not pay special commission and amounts may be withdrawn from these accounts at any time without notice. The Group's time accounts do pay special commission and amounts can be withdrawn from these accounts at their maturity.

The Group believes that its demand accounts are diversified and sticky in nature and constitute a stable and secure source of low-cost funding.

The Group accepts deposits in both riyal and a range of other currencies.

Geographical breakdown of customer deposits

The Group's customer deposits are geographically concentrated in Saudi Arabia, which comprised 99.0 per cent. of customer deposits as at 31 December 2024, 99.8 per cent. as at 31 December 2023 and 99.7 per cent. as at 31 December 2022.

See "**Risk Factors—Risks relating to the Group—The Group has significant customer and sector concentrations**" and "**Risk Factors—Risks relating to the Group—The Group is subject to the risk that liquidity may not always be readily available**".

Given the state-run and oil-driven nature of the domestic economy, the Group's deposit base is, at least in the near future, expected to remain concentrated by depositor type, namely cash-rich Government and quasi- Government entities. See "**Risk Factors—Risks relating to the Group—The Group has significant customer and sector concentrations**".

Debt

The table below shows the Bank's and the Group's indebtedness as at 31 December 2025.

	As at 31 December 2025
	Group and Bank
	(SAR million)
Debt securities in issue(1)	27,713
Term loans(2)	20,224
Other indebtedness(3)	39,082
Total	**87,019**

Source: The Group's consolidated financial statements as at and for the year ended 31 December 2025

Notes:

(1)The Group's debt securities in issue as at 31 December 2025 comprised (i) two issues of Tier 2 capital-eligible Sukuk, SAR 3 billion issued in February 2021 and U.S.$1.25 billion (SAR 4.69 billion) issued in July 2025 and (ii) over SAR 15 billion in certificates of deposit outstanding under its certificate of deposit programme.

(2)The Group's term loans comprise two U.S. dollar denominated unsecured syndicated term loans and one SAR denominated bilateral facility under which an aggregate of SAR 19.42 billion equivalent was outstanding as at 31 December 2025 and include SAR 2.55 billion trade loans outstanding as at 31 December 2025.

(3)Other indebtedness includes repurchase agreements (repos) and interbank balances, term repos and Vostro balances.

As at 31 December 2025:

- the debt table above includes the total amount of issued and outstanding debt instruments (bonds) and term loans of the Bank and the Group, all of which are unsecured and are not covered by personal guarantee and are not secured by mortgage. Neither the Bank nor the Group has any approved but unissued debt instruments (bonds);
- the debt table above includes the total amount of other indebtedness of the Bank and the Group, which includes bank account overdrafts, acceptance liabilities and acceptance credits, and hire purchase obligations, all of which are neither secured by personal guarantee nor secured by mortgage;
- there were no mortgages, rights and charges on the property of the Bank and the Group; and
- the table on page 110 under the heading "**Contingent Liabilities**" consists of the contingent liabilities and the guarantees of the Bank and the Group.

In addition, there has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and admission to listing of any Sukuk the subject of this Base Prospectus in connection with an issue or offer of any securities by the Bank or the Group. The Bank also confirms that none of the members of the Board of Directors, proposed board members, senior executives, persons involved in the offering of the securities, or experts have received any such payments or benefits.

Customer loan portfolio

The Group's customer loan portfolio (which is reflected in its statement of financial position as loans and advances, net) was SAR 368,554 million as at 30 September 2025, SAR 320,089 million as at 31 December 2024, SAR 274,398 million as at 31 December 2023 and SAR 242,365 million as at 31 December 2022. See note 8(a) to the Interim Financial Statements and to each of the Annual Financial Statements which provides a breakdown of the Group's customer loan portfolio by performing loans and advances and NPLs and by type of loan and advance as at each date stated above.

The Group's loans and advances, net are principally denominated in riyal. The Group believes that there is only limited structural cross-currency exposure as most of its assets and liabilities are match-funded in currency terms. In addition, the Group hedges a part of its currency exposure through derivative contracts.

Most of the Group's loans and advances contain terms permitting it to adjust the special commission rate payable by the customer upon any change in the relevant interbank benchmark rate.

Distribution of loans and advances, net by maturity

The table below shows the distribution of the Group's loans and advances, net by maturity (based on when they are expected to be recovered or settled) as at 31 December in each of 2024, 2023 and 2022.

	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
			(SAR million)		
As at 31 December 2024	88,971	54,621	71,573	104,924	**320,089**
As at 31 December 2023	49,558	53,438	79,781	91,621	**274,398**
As at 31 December 2022	39,959	49,411	74,714	78,281	**242,365**

Sectoral and geographical breakdowns of loans and advances, net

The Group's total loans and advances, net are concentrated on the commerce sector, which accounted for 26.2 per cent. of the Group's total loans and advances, net as at 31 December 2024. In addition, the Group's loans to the electricity, gas, water and health; manufacturing; services; banks and other financial institutions; and building and construction sectors, together comprised 36.0 per cent. of the Group's total loans and advances, net as at 31 December 2024. The Group's consumer loans and credit cards accounted for 30.0 per cent. of the Group's total loans and advances, net as at 31 December 2024.

The Group's NPLs are also concentrated in its principal sectors. As at 31 December 2024, consumer loans and credit cards accounted for 39.6 per cent. of the Group's NPLs, commerce accounted for 32.2 per cent., manufacturing accounted for 12.4 per cent. and services accounted for 7.0 per cent.

The table below shows the geographical breakdown of the Group's loans and advances, net as at 31 December in each of 2024, 2023 and 2022.

	Saudi Arabia	Other GCC and Middle East	Europe	North America	Other countries	Total
			(SAR million)			
As at 31 December 2024	307,283	5,811	5,226	1,228	542[(1)]	**320,089**
As at 31 December 2023	262,795	6,872	4,292	18	421[(2)]	**274,398**
As at 31 December 2022	231,307	5,546	4,717	795	0	**242,365**

Notes:

(1)Of which, Latin America was SAR 405 million and South East Asia was SAR 82 million.

(2)Of which, Latin America was SAR 333 million and South East Asia was SAR 61 million.

The Group's loans and advances, net are geographically concentrated on Saudi Arabia, which comprised 96.0 per cent. of the Group's total loans and advances, net as at 31 December 2024, 95.8 per cent. as at 31 December 2023 and 95.4 per cent. as at 31 December 2022. See "**Risk Factors Risks relating to the Group—The Group's customer financing portfolio, investment securities portfolio and customer deposits are concentrated in Saudi Arabia**" and "**Risk Factors—Risks relating to the Group—The Group has significant customer and sector concentrations**".

See also "**Risk Management—Credit Risk Management**" for a discussion of the Group's loan origination and monitoring procedures, its loan classification system, collateral policy and an analysis of its NPLs and provisioning and write-off policies.

Investment securities portfolio

The Group's investment securities portfolio (which is reflected in its statement of financial position as investments, net) was SAR 74,263 million as at 30 September 2025, SAR 70,120 million as at 31 December 2024, SAR 58,560 million as at 31 December 2023 and SAR 52,196 million as at 31 December 2022.

The Group's investment securities portfolio comprises fixed rate securities, floating rate securities, equity and investments in mutual funds which are held either as FVIS, FVOCI or at amortised cost, see note 7(a) to the Interim Financial Statements and to each of the Annual Financial Statements which provides a breakdown of the Group's investment securities portfolio by type of investment as at each date stated above. The securities are issued by both domestic and international issuers. The Group invests in these securities both to generate returns (as interest, dividend and capital gains) and to provide an additional source of liquidity when needed.

Counterparties and geographic concentration

The table below shows the Group's investment securities portfolio as at 31 December in each of 2024, 2023 and 2022 by type of counterparty.

	As at 31 December		
	2024	2023	2022
	(SAR million)		
Government and quasi-government	44,486	35,241	32,616
Corporate	19,893[1]	17,406[2]	15,554
Banks and financial institutions	5,741	5,913	4,026
Total	**70,120[3]**	**58,560[4]**	**52,196**

Notes:

(1)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2024 Financial Statements, this balance was SAR 19,442 million.

(2)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2023 Financial Statements, this balance was SAR 16,955 million.

(3)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2024 Financial Statements, this balance was SAR 69,669 million.

(4)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2023 Financial Statements, this balance was SAR 58,109 million.

As at 31 December 2024, government and quasi-government issuers accounted for 63.9 per cent. of the Group's investment securities portfolio.

The table below shows the geographical breakdown of the Group's investment securities portfolio as at 31 December in each of 2024, 2023 and 2022.

	Saudi Arabia	Other GCC and Middle East	Europe	North America	Other coun-tries	Total
	(SAR million)					
As at 31 December 2024	49,422[4]	1,487	14,930	4,246	35[1]	**70,120[5]**
As at 31 December 2023	37,851[6]	1,554	4,268	10,257	4,630[2]	**58,560[7]**
As at 31 December 2022	34,768	1,449	3,339	8,005	4,635[3]	**52,196**

Notes:

(1)Of which, Latin America was SAR 29 million and South East Asia was SAR 5 million.

(2)Of which, Latin America was SAR 999 million and South East Asia was SAR 546 million.

(3)Of which, Latin America was SAR 962 million and South East Asia was SAR 470 million.

(4)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2024 Financial Statements, this balance was SAR 148,971 million.

(5)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2024 Financial Statements, this balance was SAR 69,669 million.

(6)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2023 Financial Statements, this balance was SAR 37,400 million.

(7)This balance is derived from the unaudited management schedule, and the amount has been restated to correct an error and to ensure consistency with the Interim Financial Statements. In the 2023 Financial Statements, this balance was SAR 58,109 million.

The Group's investment securities portfolio is geographically concentrated in Saudi Arabia, which comprised 70.5 per cent. of the Group's investment securities portfolio as at 31 December 2024, 64.6 per cent. as at 31 December 2023 and 66.6 per cent. as at 31 December 2022.

See "**Risk Factors—Risks relating to the Group—The Group's customer financing portfolio, investment securities portfolio and customer deposits are concentrated in Saudi Arabia**" and "**Risk Factors—Risks relating to the Group—The Group has significant customer and sector concentrations**".

Contingent liabilities

The table below shows the Group's and the Bank's contingent liabilities and guarantees outstanding as at 31 December 2025.

	As at 31 December 2025
	Group and Bank
	(SAR million)
Letters of credit	8,359
Letters of guarantee	130,003
Acceptances	3,679
Irrevocable commitments to extend credit	39,396
Total	**181,438**

Source: The Group's consolidated financial statements as at and for the year ended 31 December 2025

As at 31 December 2025, there were legal proceedings of a routine nature outstanding against the Group. No significant provision has been made as management and in-house counsel believe that it is unlikely that any significant loss will arise.

12. RISK MANAGEMENT

INTRODUCTION

The role of risk management is to understand, measure and manage risk in all aspects of the Group's business. Management aims to embed a risk management culture in all the Group's business processes and to ensure that a risk management culture is adopted throughout the organisation. Accordingly, management continually seeks to improve the Group's risk management in line with industry standards and SAMA guidelines and by investing in the right people and systems.

The Group's enterprise risk management framework is focused on fully integrating enterprise-wide risk management into its operations and culture. The risk management structure broadly covers credit risk, market risk, liquidity risk, legal risk, operational risk, technology risk, cyber security and information security risks, financial crime risk, compliance and remedial management. Management seeks to ensure that risks are proactively identified and managed and it aims to achieve an appropriate balance between risk and return and to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions, emerging best practices and the products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

RISK GOVERNANCE STRUCTURE

The Board is responsible for ensuring that the Group is organised effectively and efficiently and is run in accordance with all appropriate regulatory and corporate governance requirements. Relevant corporate governance and risk-related Board committees include the Executive Committee, the Audit Committee, the Risk Management Committee, the Nomination and Compensation Committee and the Strategic Planning Group and each of these is described further in "**Management and Employees—Management—Board of Directors—Committees of the Board**". In addition, the Board has delegated certain risk monitoring and management responsibilities to management committees.

The Board carries out the core responsibilities of setting the Group's risk statement, approving the Group-wide risk frameworks and relevant policies, monitoring compliance with Board approved risk limits and monitoring progress on implementation of risk strategy-related projects as well as compliance with all regulatory matters. These high-level frameworks and policies provide the fundamental corporate governance principles and guidance for risk taking, managing and monitoring activities throughout the Group.

Risk management is an independent function from the business, headed by the Chief Risk Officer (CRO) and comprises the Credit division, the Enterprise Risk Management (ERM) division, and the anti-fraud and cyber security and information security risk functions. Risk management's responsibilities in the Bank cover all aspects of credit, market and operational risks as well as liquidity and interest rate risks in the banking book and technology risk, cyber security and information security risks and financial crime risk. The Credit division screens credit applications, monitors the credit approval process, and reviews and manages the credit portfolio and problem accounts. The ERM division assists the business areas in managing their risks by providing advice on procedural evaluation and design, risk assessment services, operational risk monitoring and investigation, the building of effective historical records, loss management capture methodology, exceptions reporting and market and fiduciary risk review and monitoring. It also manages the enterprise risk management framework, risk appetite and internal capital adequacy assessment process based on a comprehensive risk profile of the Bank.

Risk management supports the Group's capital markets businesses and the ALCO by conducting regular analysis of the Group's interest rate, foreign exchange and liquidity risks using simulation models, and monitors the risks and profitability of the treasury and investment and investment banking and brokerage businesses.

The Group's fundamental risk management goal is to build a culture of risk understanding so that better decisions can be made at every level. Risk culture is an integral part of the Group's overall corporate culture. The risk profile is embedded in the risk culture by means of internal communications and training and is monitored through periodic performance assessment.

The CRO is responsible for the actual risk profile and risk processes in the Group for all risk types (including credit, market, operational and liquidity risk,) across all products and business segments.

ENTERPRISE RISK MANAGEMENT FRAMEWORK (ERMF)

Enterprise risk management enables the Bank to identify, measure, manage and control its risks. The fully embedded ERMF covers the Bank's risk universe. In addition, the Bank's capital management framework is designed and implemented with a focus to maintain the adequacy of Bank's capital in relation to its risk profile.

RISK APPETITE FRAMEWORK

The Bank's risk appetite framework is an integral component of the Bank's ERMF and is embedded in the Bank's strategy and annual operating plan. The risk appetite framework establishes the overall approach through which the Bank ensures prudent risk-taking. It is established based on best practices and outlines the process of developing the risk appetite statement, governance, monitoring and reporting. The risk appetite statement is integrated with the Bank's strategic planning process and is approved by the Board on an annual basis. Strategic risk objectives containing a full suite of risk appetite metrics and qualitative statements are defined in the risk appetite statement for different risk types and monitored regularly by relevant oversight bodies. The Bank also expresses its risk appetite qualitatively in terms of policies, processes, procedures and controls to manage risks that may or may not be quantifiable. Specific policies have been developed for all types of risks which, taken together, create a holistic system of risk management.

CREDIT RISK MANAGEMENT

Introduction

Credit risk is the risk of losses arising from a counterparty of the Group not fulfilling its contractual obligations in accordance with the agreed terms or the quality of a counterparty deteriorating. Credit risk principally arises from the Group's lending activities (for both conventional and non-conventional banking products) that lead to loans and advances, and investment activities. There is also credit risk in off-balance sheet financial instruments, such as letters of credit, guarantees and acceptances and in loan commitments. The Group's overall credit exposure is evaluated on an ongoing basis to ensure a broad diversification of credit risk. Potential concentrations by counterparty, country, product, industry and risk grade are regularly reviewed to avoid excessive exposure and ensure broad diversification.

Credit approval process

The Bank has separate credit approval processes for its retail and commercial loans.

Retail loans

The Bank uses sophisticated risk management techniques for consumer loan acquisition and for managing its consumer loan and credit card portfolios. The 'Origination Manager Decision Module', which is used to host and automate the Bank's risk acceptance criteria for each retail product, is updated on a periodic basis and supported by origination and behavioural scorecard models in the approval and line management process.

Detailed risk acceptance criteria and limits for approving new loans, renewals, limit increases, rescheduling, deletions and other cases are set out for consumer loan and credit card products to streamline the processing of large volumes of transactions. These criteria are established based on discussions of portfolio performance among the departmental management teams responsible for each line of business and senior management committees. Provisions are calculated based on IFRS 9 rules and guidelines using an integrated modular approach in an automated environment for business and regulatory reporting. This calculation methodology uses the ECL impairment model for all performing loans and NPLs.

The Retail Risk Management Committee, which is a management committee, is tasked with oversight responsibilities for ensuring effective implementation of the Board-approved credit strategy and credit risk management framework specifically designed for credit risk arising from the Bank's retail banking business.

Commercial loans

All applications for commercial and corporate credit facilities are subject to the Bank's credit policies, including economic sector limits, underwriting standards and regulatory requirements. The credit applications generation function is handled by the relevant relationship manager. An analysis of the client's financial statements and business operations is carried out by the relationship manager and the analytics unit to confirm the client's ability to repay the proposed credit facilities and any other debt obligations. This analysis along with the Bank's understanding of the client's business model and environment are presented to the relevant approving committees.

The Bank evaluates the credit risk of all corporate and commercial customers. The financial analysis process includes assessment of revenues and profitability, operations, liquidity, cash flow, work progress (for contractor finance), capital structure and business analysis covering industry risk, management quality and company standing.

Country limits have been defined to manage cross-border risk. The Bank uses international credit risk ratings issued by international credit rating agencies to evaluate the credit risk of sovereign, international corporate and financial institutions, as well as to assign the risk rating for each country and obligor. The country and obligor credit limits are regularly reviewed by the Credit department.

Commercial credit requests must be in line with the underwriting criteria specified in the Bank's credit risk policies and product policies. Initial credit risks are analysed by the originating business segments, analytics and the line manager before being independently assessed by the credit review function.

The Bank continues to introduce new initiatives such as risk-based pricing and updating provision methodology, to address newly introduced risk assessment, control and reporting requirements. The effective implementation of these initiatives in the past has enhanced the risk management and decision-making processes at the Bank. In addition, it has also improved the infrastructure for reporting key risk-related information, particularly that used by the Board and senior management to identify, monitor and manage risks, as well as enhanced the communication of information to outside stakeholders.

General

Every extension of credit or material change to a credit facility (such as its tenor, collateral structure or major covenants) to any counterparty (whether business or personal) requires a credit approval at the appropriate authority level.

Credit rating and measurement

The Bank's risk rating system is the basis for determining the credit risk of its asset portfolio and, therefore, appropriate asset pricing, the portfolio management strategy and loss provisions and reserves. The risk rating system is also the basis for credit approval authority delegation.

The Bank uses a standard numeric credit risk-grading system which is based on its internal estimate of probability of default (PD), with customers or portfolios assessed against a range of quantitative and qualitative factors, including the counterparty's financial position, past experience and other factors.

Performing clients are rated on a 20-point scale of 1 to 20, each grade being associated with a defined level of PD. Non-performing clients are rated 21, 22 and 23. Each individual borrower is rated based on an internally developed debt rating model that evaluates risk based on financial as well as qualitative inputs. The risk rating categories drive the due diligence and approval process, and these ratings are reviewed at least annually or sooner if any adverse signs are visible.

The Bank uses Moody's credit risk system to grade customer exposures and uses historical data to calculate the PD for each obligor. The Bank also considers factors influencing the internal risk rating process such as the provision of accurate and timely financial information, timeliness of payments, the nature of the industry, the level of experience of the borrower's management, facility usage patterns and comparisons with externally available data and economic trends for the industry concerned. Upgrades and downgrades in risk ratings may take place at any time based on assessment of the above factors.

The rating of retail lending is carried out using Fair Isaac automated risk scoring tools.

Credit monitoring

The Bank attempts to control credit risk by deploying various credit risk management techniques and processes, such as risk acceptance criteria as credit risk screening tools, appropriate credit structuring, credit review process, post-disbursement monitoring of credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Bank'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 Bank 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 the exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

The Bank monitors its credit exposures on a regular basis as well as any external trends which may impact risk management outcomes. Internal risk management reports, containing information on key variables, portfolio delinquency and impairment performance, are presented to the CRO and the Board Risk Management Committee. All corporate exposures are monitored carefully for performance and reviewed formally on an annual basis or earlier. The Bank's policies mandate client visits and monitoring of accounts to make sure that any concerns on the quality of the accounts are addressed proactively.

All non-performing accounts are monitored closely by the Bank. Loans with watch list or special mention ratings are monitored and managed by a dedicated team. The CRO takes responsibility for managing and monitoring loans rated as substandard and doubtful with a view to improving the chances of collection and/or the status of the loans. All loans rated as loss are dealt with by the specialised collection and recovery function. Remedial actions include, but are not limited to, exposure reduction, security enhancement and exit of the account.

The asset quality of the Bank's retail finance portfolio is monitored closely and all 30-, 60- and 90-day past due accounts and delinquency trends are monitored continuously for each product. Individual customer behaviour is also tracked, and this forms an input for future financing decisions. Accounts which are past due are subject to a collection process, which is managed independently by the Bank's operations with oversight by the Retail Risk Management department. Write-offs and provisioning for the retail finance portfolio are carried out in accordance with SAMA guidelines.

Credit risk mitigation

The Bank seeks to mitigate potential credit losses from any given account, customer or portfolio using a range of tools, including taking collateral and/or guarantees. The reliance that can be placed on these credit mitigation resources is carefully assessed considering their legal enforceability, the market value of any collateral and the counterparty risk of any guarantor.

The Bank's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfil their obligations, and to control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Concentration risk refers to the risk from an uneven distribution of counterparties in credit or in other business relationships or from concentration in business sectors or geographical regions. Accordingly, concentration risk in the credit portfolios comes into existence through a skewed distribution of financing to (a) individual borrowers (name concentration), (b) industry/economic sectors (sector concentration) and (c) geographical regions (regional concentration). Concentrations of credit risk indicate the relative sensitivity of the Bank's performance to developments affecting any particular category of concentration. The Bank seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or business.

The Bank accepts a range of collateral types, including cash deposits; residential, commercial and industrial property; fixed assets such as motor vehicles, aircraft, plant and machinery; marketable securities; commodities; individual, corporate and bank guarantees; and LCs. The amount and type of collateral collected mainly depends on the nature of transaction and the Bank's risk mitigation policies control the approval of different collateral types.

The Bank's credit risk policy acknowledges the role played by credit risk mitigation in the management of credit risk but emphasises that collateral on its own is not necessarily a justification for financing. The primary consideration for any financing opportunity must be the borrower's financial position and ability to repay the facility from its own resources and cash flow.

The Bank's credit risk policy and procedures ensure that credit risk mitigation techniques are acceptable, used consistently, valued appropriately and with the frequency required by the policy and meet the risk requirements of operational management for legal, practical and timely enforceability.

Security valuations are made at the time of financing, and the security is revalued appropriately if there are indications that the value may have fallen over time. Guarantees and related legal contracts are often required, particularly in support of credit extended to groups of companies and weaker counterparties. Guarantor counterparties include banks, parent companies, shareholders and associated counterparties. Creditworthiness is established for the guarantor as for other counterparty credit approvals.

The Bank repossesses collateral where appropriate and this collateral is realised in accordance with its approved credit policy and credit manual pertaining to collateral management.

The credit quality of the Group's financial assets, LCs, guarantees and acceptances as at 31 December 2024 is disclosed in note 34.3 to the 2024 Financial Statements. Information on credit risk as at 31 December 2024 relating to derivative instruments is provided in note 6 to the 2024 Financial Statements and credit risk as at 31 December 2024 relating to commitments and contingencies is provided in note 20 to the 2024 Financial Statements.

Performing loans, NPLs and provisioning

The tables below show the Group's loans and advances, net by type and status as at 30 September 2025 and as at 31 December in each of 2024, 2023 and 2022.

	Overdrafts	Credit cards	Consumer loans[1]	Commercial loans	Others	Total
	(SAR million)					
As at 30 September 2025						
Performing loans and advances	7,672	1,716	99,622	259,462	1,440	**369,913**
Non-performing loans and advances	499	61	1,286	1,410	2	**3,258**
Total loans and advances	**8,171**	**1,777**	**100,908**	**260,872**	**1,442**	**373,171**
Allowance for impairment/ECL	(641)	(84)	(1,556)	(2,333)	(2)	**(4,617)**
Total	**7,530**	**1,692**	**99,352**	**258,540**	**1,440**	**368,554**
As at 31 December 2024						
Performing loans and advances	6,094	1,727	94,477	217,284	2,636	**322,218**
Non-performing loans and advances	85	73	1,184	1,829	2	**3,173**
Total loans and advances	**6,179**	**1,800**	**95,661**	**219,113**	**2,638**	**325,391**
Allowance for impairment/ECL	(498)	(85)	(1,426)	(3,290)	(3)	**(5,302)**
Total	**5,681**	**1,715**	**94,235**	**215,823**	**2,635**	**320,089**
As at 31 December 2023						
Performing loans and advances	5,691	1,473	93,840	173,080	1,773	**275,857**
Non-performing loans and advances	106	46	1,194	2,115	2	**3,464**
Total loans and advances	**5,798**	**1,519**	**95,034**	**175,195**	**1,775**	**279,321**
Allowance for impairment/ECL	(169)	(54)	(1,075)	(3,623)	(2)	**(4,922)**
Total	**5,628**	**1,465**	**93,959**	**171,572**	**1,773**	**274,398**
As at 31 December 2022						
Performing loans and advances	4,193	1,133	84,958	151,767	825	**242,876**
Non-performing loans and advances	238	46	1,264	2,690	5	**4,244**
Total loans and advances	**4,431**	**1,180**	**86,223**	**154,457**	**830**	**247,120**
Allowance for impairment/ECL	(180)	(60)	(986)	(3,526)	(3)	**(4,755)**
Total	**4,251**	**1,120**	**85,236**	**150,931**	**827**	**242,365**

Note:

(1)Includes consumer mortgage loans

The table below analyses changes in the Group's loss allowance for total loans and advances for the nine months ended 30 September 2025 and for each of 2024, 2023 and 2022.

	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL – not credit impaired)	Stage 3 (lifetime ECL – credit impaired)	Total
	(SAR million)			
Nine months ended 30 September 2025				
Balance at 1 January 2025	982	2,297	2,022	**5,302**
Transfer from Stage 2 and Stage 3 to Stage 1	159	(75)	(84)	**—**
Transfer from Stage 1 and Stage 3 to Stage 2	(27)	77	(50)	**—**
Transfer from Stage 1 and Stage 2 to Stage 3	(9)	(84)	93	**—**
Other movements (including remeasurement)	(221)	(710)	2,191	**1,260**
Charge-off and write-offs	—	—	(1,945)	**(1,945)**
Balance at 30 September 2025	**884**	**1,504**	**2,229**	**4,617**
2024				
Balance at 1 January 2024	811	2,086	2,025	**4,922**
Transfer from Stage 2 and Stage 3 to Stage 1	173	(83)	(90)	**—**
Transfer from Stage 1 and Stage 3 to Stage 2	(22)	56	(34)	**—**
Transfer from Stage 1 and Stage 2 to Stage 3	(5)	(114)	119	**—**
Other movements (including remeasurement)	24	353	1,473	**1,850**
Charge-off and write-offs	—	—	(1,471)	**(1,471)**
Balance at 31 December 2024	**982**	**2,297**	**2,022**	**5,302**
2023				
Balance at 1 January 2023	529	1,550	2,676	**4,755**
Transfer from Stage 2 and Stage 3 to Stage 1	227	(107)	(120)	**—**
Transfer from Stage 1 and Stage 3 to Stage 2	(10)	38	(28)	**—**
Transfer from Stage 1 and Stage 2 to Stage 3	(6)	(47)	53	**—**
Other movements (including remeasurement)	72	652	1,136	**1,859**
Charge-off and write-offs	—	—	(1,692)	**(1,692)**
Balance at 31 December 2023	**811**	**2,086**	**2,025**	**4,922**
2022				
Balance at 1 January 2022	629	1,472	2,413	**4,514**
Transfer from Stage 2 and Stage 3 to Stage 1	104	(53)	(52)	**—**
Transfer from Stage 1 and Stage 3 to Stage 2	(11)	70	(59)	**—**
Transfer from Stage 1 and Stage 2 to Stage 3	(8)	(37)	45	**—**
Other movements (including remeasurement)	(185)	98	1,451	**1,363**
Charge-off and write-offs	—	—	(1,123)	**(1,123)**
Balance at 31 December 2022	**529**	**1,550**	**2,676**	**4,755**

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Bank will be unable to meet its net funding requirements. 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, the Bank has diversified its funding sources and assets are managed with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities. Management monitors the maturity profile of the balance sheet to ensure that adequate liquidity is maintained. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

All liquidity policies and procedures are subject to review and approval by the ALCO. Daily reports cover the liquidity position of the Group. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO. In accordance with the BCL and the regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7 per cent. of its average demand deposits and 4 per cent. of its average saving and time deposits. In addition to the statutory deposit, the Bank also maintains liquid reserves of not less than 20 per cent. of its deposit liabilities, in the form of cash, gold, Government bonds, Treasury bills or assets which can be converted into cash within a period not exceeding 30 days. The Bank can raise additional funds through repo facilities with SAMA, from 85 per cent. to 100 per cent. of the nominal value of qualifying bonds and bills held by the Bank.

Note 36(a) to the 2024 Financial Statements contains a table summarising the maturity profile of the Group's financial liabilities as at 31 December in each of 2024 and 2023 based on contractual undiscounted repayment obligations and note 36(b) to the 2024 Financial Statements contains tables showing an analysis of the Group's assets and liabilities as at 31 December 2024 and 31 December 2023, respectively, according to when they are expected to be recovered or settled.

MARKET RISK MANAGEMENT

Introduction

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as special commission rates, foreign exchange rates and commodity and equity prices. The Group classifies exposures to market risk into trading risks and non-trading risks (also referred to as banking book risks). The market risk for the trading book is managed and monitored using VaR methodology as further discussed in note 35.1 to the 2024 Financial Statements. Market risk for the banking book is managed and monitored using a combination of VaR, stress testing and sensitivity analysis, see note 35.2 to the 2024 Financial Statements.

Special commission rate risk

Special commission rate risk arises from the possibility that changes in special commission rates will affect either the fair values or the future cash flows of the Group's financial instruments. The Group is exposed to special commission rate risk due to mismatches or gaps in the amounts of assets and liabilities and off statement of financial position instruments that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies. The Group has also established net special commission income at risk and market value at risk limits that are monitored by the ALCO. The Bank monitors positions daily and uses hedging strategies to ensure the maintenance of positions within the established gap limits.

Currency risk

Currency risk represents the risk of changes in the value of financial instruments due to changes in foreign exchange rates. The Bank has set limits on positions by currencies, which are monitored daily, and hedging strategies are also used to ensure that positions are maintained within the limits. See note 35.2 to the 2024 Financial Statements for further information on the Group's currency exposures.

Risk reporting

Risks and control effectiveness are reported to the Bank's management to ensure that managers within the business lines, and at senior levels, can engage in an informed decision-making process. As the first line of defence against risks, it is the responsibility of line and senior managers to be able to manage risks in accordance with the Board's approved risk appetite.

Risk reports are provided to managers and senior management on a regular basis to ensure that management can assure themselves that the Bank's risk positions are within limits and in line with its current strategy. Typically, these are provided to senior management on a monthly or weekly basis for the purposes of holding the various risk committee meetings and reviews. Line managers, supervisors and staff directly responsible for managing risk on a day-to-day basis receive full position reports on a more frequent basis.

The general policy within the Bank is for risk issues to be raised with the line manager first, then to escalate such issues to the senior manager responsible for that area. Risk matters are also escalated to the relevant risk committee, either immediately, if critical, or as part of the normal reporting process, if less urgent. If insufficient action is taken in response to this reporting and escalation process, staff and risk managers have the authority to take matters further, such as to the CRO, the CEO, the Bank's Internal Audit department or, in extreme cases, to the Board or to the external auditors.

Independent risk reporting is also a key component of the risk reporting controls. Separation between the group creating the risk (the risk-taking business unit) and the unit reporting the risk level (the risk-monitoring unit) is common throughout the Bank. The internal audit department continuously monitors this segregation of duties within the Bank. The Risk Management division also takes this into account when assessing the risk within business units. Much of the Bank's risk reporting is prepared and delivered by various units within the Risk Management division as an independent check.

For enterprise-wide risk reporting purposes, a tabular risk weight has been developed to provide a comprehensive description of the risk coverage in the Bank. It is based on all risk types relevant to the Bank and how each respective risk weight is governed, evaluated, managed, monitored and reported within the Bank as well as the frequency of such reporting.

The Bank deploys risk management systems for effective measurement, monitoring and reporting. For market risk, Kamakura Risk Manager is used by the Bank, which is widely acknowledged and used for VaR and other liquidity risk measures such as net interest income at risk and economic VaR. The systems are regularly assessed and upgraded for improvement in risk measurement and adherence to regulatory changes.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of direct or indirect loss arising from inadequate or failed people, processes, technology and infrastructure within the Group, and from external events (other than credit, market and liquidity risks), such as those arising from disruptive business events, natural disasters, non-compliance with legal and regulatory requirements and failure to apply generally accepted standards of corporate behaviour. The Group's objective is to manage operational risk to balance the avoidance of financial losses and damage to its reputation, assets and personnel with overall cost effectiveness.

The Group uses a comprehensive approach towards operational risk management. Its operational risk management department (**ORMD**) is an independent second line function within the Risk group. The primary responsibility of ORMD is to ensure that all the associated risks are adequately addressed and mitigated to address operational risks. The key responsibility is to have an appropriate oversight on the risk owners to ensure the existence of overall standards for the management of operational risk in the following areas:

- segregation of duties, including the independent authorisation of transactions;
- monitoring transactions and the reconciliation process;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- reporting of operational losses and proposed remedial action;
- risk awareness programmes and training;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective;
- maintaining the key risk register covering key risks and controls; and
- periodic control testing of key risks and controls.

On an annual basis, ORMD certifies the effectiveness of the internal controls across the Bank to provide reasonable assurance to the Board in ensuring the internal controls have been adequately designed and are operating effectively across the Bank to mitigate various types of risks.


بنك الرياض
Riyad Bank

13. MANAGEMENT AND EMPLOYEES

MANAGEMENT

Board of Directors

The Bank's executive management comprises the Board and a Management Executive Committee (the **MEC**).

The Board has nine members, including the Chairman who is required to be a Saudi national. Each member of the Board is appointed by the Bank's shareholders and is elected every three years. The current members of the Board were all most recently elected or re-elected in October 2025. There were nine meetings of the Board in 2024, seven in 2023 and six in 2022. The Board is required to meet at least four times a year and no less than once every three months.

The business address of each of the directors is King Abdullah Financial District, Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Saudi Arabia. There are no potential conflicts of interest between the duties owed to the Bank by the persons listed below and their private interests or other duties.

The current members of the Board are:

Name	Position
Eng. Abdullah Mohammed Al-Issa(1)(2)	Chairman
Eng. Mutaz Kusai AlAzzawi(3)(4)(5)	Vice Chairman
Mr. Ibrahim Hassan Sharbatly(6)	Member
Eng. Abdul Rahman Ismail Tarabzouni(6)(7)(8)	Member
Eng. Omar Hamad Al-Madhi(5)(6)	Member
Ms. Mona Mohammed Al-Tawil(8)(9)	Member
Mr. Hani Abdullah Al-Johani(6)(7)(10)	Member
Mr. Yasser Abdullah Al-Salman(3)(7)	Member
Dr. Mansoor Abdulaziz Al-Mansoor(7)(11)	Member

Notes:

(1)Chairman of the Strategic Planning Group

(2)Chairman of the Sustainability Committee

(3)Member of the Sustainability Committee

(4)Chairman of the Executive Committee

(5)Member of the Nomination and Compensation Committee

(6)Member of the Strategic Planning Group

(7)Member of the Executive Committee

(8)Member of the Risk Management Committee

(9)Chairman of the Audit Committee

(10)Chairman of the Risk Management Committee

(11)Chairman of the Nomination and Compensation Committee

Set out below is brief biographical information about each member of the Board.

Eng. Abdullah Mohammed Al-Issa (Chairman)

Mr. Al-Issa has been a member of the Board since 2007 and has been the Chairman of Riyad Bank since October 2016. He holds a Bachelor's degree in Industrial Engineering and a Master's degree in Engineering Project Management from Southern Methodist University, USA, and has extensive experience in management, investment and banking.

Mr. Al-Issa is currently the Chairman of the board of directors of Assila Investments.

Eng. Mutaz Kusai AlAzzawi (Vice Chairman)

Mr. AlAzzawi has been a member of the Board since 2016. He holds a Bachelor's degree in Computer Engineering from King Saud University, and has more than 22 years of experience in business, commerce and investment in the financial markets.

Mr. AlAzzawi is currently Chairman of the board of directors of Etihad Etisalat Co. (Mobily), Herfy Food Services Co. and Arabian Cement Company and a member of the board of directors of each of Saudi Industrial Construction & Engineering Project Co Ltd., Saudi Trading & Technology Co.Ltd, and AlWusataa Development Co.

He is also a board member of various other companies, including Savola Group, Savola Foods, United Sugar Co. and Afia Int'l Co. KSA.

Mr. Ibrahim Hassan Sharbatly

Mr. Sharbatly has been a member of the Board since 2016. He holds a Bachelor's degree in Business Administration from College of Commerce, Bristol UK, and has extensive experience in business, investment and real estate development.

Mr. Sharbatly is currently the Chairman of the board of directors of the First Group International Company, and the Vice Chairman of each of Al-Nahla Group, Al-Nahla Trading and Contracting Company, Al-Nahla Development Co., the Saudi Arabian Marketing and Agencies Company Ltd (SAMACO), The Saudi Arabian Marketing Agencies and Contracting Company, Al-Ameen Distinctive Development Company, Al-Ameen Distinctive Real Estate Investment Company and Fast Auto Technic (Fast). He also holds executive and board membership positions in several other companies.

Eng. Abdul Rahman Ismail Tarabzouni

Mr. Tarabzouni has been a member of the Board since 2022. He holds a Bachelor's degree in Computer Science and Engineering and a Master's degree in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, USA. He has extensive experience in the banking, technology and advisory sectors.

Mr. Tarabzouni is currently the CEO and Founder of STV (Technology Investment Platform) and holds various executive and board membership positions in other companies.

Eng. Omar Hamad Al-Madhi

Mr Al-Madhi has been a member of the Board since 2022. He holds a Bachelor's of Science degree in Engineering from the University of Pennsylvania and an MBA from Massachusetts Institute of Technology, USA. He has extensive experience in the investment field.

Mr. Al-Madhi's current position is Head of Direct Investments within the PIF's MENA Investments Division. He has previously held various roles including Senior Managing Director and Board Member at Abdul Latif Jameel Investments, Chief Executive Officer of Volkswagen Group Saudi Arabia, Assistant Deputy Governor at SAGIA, Associate at McKinsey and Company and Research Engineer at Saudi Aramco.

Mr. Al-Madhi is currently the Chairman of the boards of directors of National Automotive & Mobility Investment Company (Tasaru) and Saudi Iron and Steel Company (Hadeed), Vice Chairman of the board of directors and Chairman of the Remuneration & Nominations Committee of Jada, the Fund of Funds. He is a member of the board of directors in other companies, including ACWA Power, ElSeif Engineering Contracting Company, the Saudi Arabian Industrial Investments Company (Dussur), and the Saudi Arabian Military Industries Company (SAMI).

Ms. Mona Mohammed Al-Tawil

Ms. Al-Tawil has been a member of the Board since 2022. She holds a Bachelor's degree in Accounting from King Saud University and a Master's degree in Business Management from George Washington University, USA. She has with extensive experience in the management, financial and investment sectors.

Ms. Al-Tawil's previous positions include Chief Executive Officer of FAB Capital and Emirates NBD Capital, Head of Structured Finance in HSBC Saudi Arabia, Advisor in the Ministry of Finance and a member of the Investment and Securities Committee in the Riyadh Chamber of Commerce.

Mr. Hani Abdullah Al-Johani

Mr. Al-Johani has been a member of the Board since 2022, representing the GOSI. He holds a Bachelor's degree in Commerce from Saint Mary's University, Canada. He has extensive experience in the investment and financial transactions sectors.

Mr. Al-Johani is currently Chief Investment Officer of International Markets in Hassana Investment Company. He is also a board member in various companies, including Maarif Holding Company and Maarif Education, as well as a member of the Audit Committees in Jawda Integrated Real Estate Company, Umm Al Qura For Development and Construction, Osool Integrated Real Estate Company and RAZA Company.

Mr. Yasser Abdullah Al-Salman

Mr. Al-Salman has been a member of the Board since 2022. He holds a Bachelor's degree in Accounting from King Saud University and a Master's degree in Accounting Information Systems from Middle Tennessee State University, USA. He has extensive experience in the management and investment sectors.

Mr. Al-Salman is currently the Chief Financial Officer of the PIF. His previous positions include Chief Financial Officer of Saudi Agricultural and Livestock Investment Company (SALIC), the General Investment Manager in Mobily and the Chief Financial Officer of the Kingdom Holding Company.

Mr. Al-Salman is a Vice Chairman and member of the Audit Committee of the board of directors of King Abdullah Financial District Company, Chairman of the board of directors at TAWAL Co., member of the board of directors, member of Audit Committee and member of the Investment Committee at Saudi Arabian Military Industries (SAMI), member of the board of directors and member of the Nomination and Compensation Committee at Saudi Agricultural and Livestock Investment Company (SALIC) and member of the board of directors and member of the Audit Committee at Water Solutions Co., and Saudi Entertainment Ventures Company (SEVEN).

Dr. Mansoor Abdulaziz Al-Mansoor

Dr. Al-Mansoor has been a member of the Board since 2025. He holds a PhD in Applied Linguistics from Ball State University, USA, two Master's degrees in Human Resource Management and English from the University of Central Missouri, USA, and a Bachelor's degree in English from King Faisal University, Saudi Arabia.

Dr. Mansoor is currently the founding partner of Najd Pearl for Real Estate Development and Investment. He has held a number of leadership roles in the private and public sectors, including the chief support services officer at Qiddiya Investment Co., Vice President for Finance and Operations at King Abdullah Petroleum Studies and Research Center (KAPSARC) and the Dean of the College of Technology.

Dr. Al-Mansoor has nearly 25 years of experience in business, management, and investment. He is currently a Vice Chairman of the Board of Directors of Air Navigation Services Company and a board member of MBC Group, Etihad Etisalat Company (Mobily), and Al Jazeera Car Rental Company. He is also a board committee member of several companies, including Flyadeal, Knowledge Economic City, Al-Ula Development Company, Saudi Information Technology Company and Riyadh Central Development Company.

External members of the Board Audit Committee

In addition to the two Board members identified in the table above, the Board Audit Committee has four external members named below:

Mr. Tareq Abdullah Al-Qaraawy

Mr. Al-Qaraawy has been a member of the Board Audit Committee of Riyad Bank since 2019. He holds a Master's degree in Accounting from George Washington University, USA, and a Bachelor's degree in Accounting from King Saud University, with experience in the banking sector.

Mr. Al-Qaraawy is currently Vice Chairman, Chairman of Executive Committee and member of the Investment Committee at Amana Cooperative Insurance Company and a member of boards of directors of Osool, Bakheet Investment Company, Evening Cups for Beverages Co. and OceanX. He is a member of the Audit Committee of Savola Group and Savola Foods.

Mr. Abdullah Ahmed Al Shehri

Mr. Al Shehri has been a member of the Board Audit Committee of Riyad Bank since 2025. He holds a Master's degree in Accounting from the University of Miami, USA and a Bachelor's degree in Accounting from King Abdulaziz University, Jeddah. He has extensive experience in financial management, business development and investment.

Mr. Al Shehri is currently Chairman of the board of Tamkeen Human Resource Co., Vice Chairman of First Mills Co. and a board member of Saudi Industrial Investment Group, Innovative Care Co, Almozaini Real-Estate and Al Suliman Group.

Mr. Sattam Abdullah Al Suwailem

Mr. Al Suwailem holds a Master's degree in Economics from Western Illinois University and a Bachelor's degree in Business Administration from Rockford University, USA. He has over 20 years of experience in the fields of investment, energy and hydrogen energy infrastructure projects.

He currently serves as the CEO of Hydrogen Systems Company. He also serves on the Board of Directors of Investment Funds 1 and 2 at Riyad Capital.

Mr. Raied Ali AlSeif

Mr. AlSeif holds a Bachelor's degree in Accounting from King Saud University and has over 25 years of experience in business, trade and investment.

He currently serves as CEO of Sultan Holding Company and Investment and Business Development Manager at the Private Office of His Royal Highness Prince Sultan bin Mohammed bin Saud Al Kabeer. He also serves on the Board of Directors of Investment Funds 1 and 2 at Riyad Capital.

Furthermore, he serves on the boards of several other companies, including Al-Deraa Al-Arabiya Insurance Company, Wakad Solutions for Digital Brokerage, Barq Holding Company, Fan Al-Diplomat Company, Dar Al-Salal Sweets Factory and Dar Al-Salal Plastic Factory.

External members of the Nomination and Compensation Committee

In addition to the three Board members identified in the table above, the Nomination and Compensation Committee has the two external members named below:

Eng. Ahmad Mohammed Al-Faleh

Mr. Al-Faleh has been a member of the Nomination and Compensation Committee since 2019. He holds a Bachelor's degree in Civil Engineering from King Fahad University of Petroleum and Minerals, with experience in the corporate and construction sectors.

Mr. Al-Faleh is currently Vice Chairman of the board of directors, member of the executive committee and Chairman of the nominations and remuneration committee of Al Jouf Cement Company. He is also a board member and a member of the Executive Committee at Herfy Food Services Co., a board member and a member of the Nominations Committee at Bin Laden International Holding Group Company, and a board member and a member of the Nominations Committee at Maharah Human Resources Company. He is also a member of the board of directors at Technical United Works Company and a board member and CEO of Leading Agent Trading Co.

Mr. Ali Ahmed AlGhamdi

Mr. AlGhamdi has been a member of the Nomination and Compensation Committee since 2022. He holds a Bachelor's degree in Business Administration (Management Systems) from the Arab Open University and has experience in the human resources sector.

Mr. AlGhamdi is currently the General Manager of the Executives Benefits and Compensation and Human Resources Business Partner at Saudi Basic Industries Corporation as well as a board member of Hadeed Company.

External member of the Risk Management Committee

In addition to the two Board members identified in the table above, the Risk Management Committee has one external member named below:

Abdul Latif Ali Al-Rasheed

Mr. Al Rasheed is a member of the Risk Management Committee. He holds a Bachelor's degree in Computer Engineering from the University of New Haven, USA and a Master of Information Security from the Georgia Institute of Technology, USA.

Mr. Al-Rasheed is currently a Cyber Security General Manager at the Ministry of Industry and Mineral Resources. He has held several leading positions, including as Head of Cyber Security in ENGIE and Cyber Security Project Lead in Saudi Aramco.

External members of the Sustainability Committee

In addition to the three Board members identified in the table above, the Sustainability Committee has the two external members named below:

Mr. Sattam Abdullah AlSuwailem

See "**External members of the Board Audit Committee**" above.

Mr. Omar Hadir Al Farisi

Mr. Al Farisi is a member of the Sustainability Committee at Riyad Bank. He holds a PhD in Law from Columbia University and a Bachelor's degree in Economics from the University of Notre Dame, USA. He has extensive experience in financial management, law and corporate governance for both for-profit and non-profit organisations. He is also the founder and a board member of Diyala Advisors, LLC in New York City, USA.

Committees of the Board

There are currently six Board committees, as described below:

Executive Committee

The Executive Committee exercises the credit, banking, financial and administrative powers of the Bank which are granted by the Board.

The Executive Committee comprises five directors, namely Mutaz Kusai Al-Azzawi (Chairman), Yasser Abdullah Al-Salman, Abdul Rahman Ismail Tarabzouni, Mansoor Abdulaziz Al-Mansoor Mona Mohammed Al-Tawil and Hani Abdullah Al-Johani. The committee held 11 meetings in 2025, 11 meetings in 2024, 12 meetings in 2023 and 13 meetings in 2022.

Board Audit Committee

The Board Audit Committee helps the Board meet its responsibility to monitor the Group's financial reporting and internal control systems, control the work of the external and internal auditors, review the interim and annual financial statements, review the accounting policy in force and review compliance with regulations. The internal audit and risk management groups assess and report on the effectiveness of internal control structures across the Group and this information is included in internal audit department reports, reflecting a risk-based approach. Risk assessment of business units determines the timeframe for audits during the development of the annual audit plan. While the Board Audit Committee adopts the audit plan, it also receives all audit reports and reviews quarterly updates relating to the implementation of the audits, notes issues resulting therefrom and monitors corrective actions taken in response. The Board Audit Committee comprises one director, namely Mona Mohammed Al-Tawil (Chairman) and four external non-Board members, namely Tareq Abdullah Al-Qaraawy, Abdullah Mohammed Al Shehri, Sattam Abdullah AlSuwailem and Raied Ali AlSeif. The committee held nine meetings in 2025, nine meetings in 2024, nine meetings in 2023 and 10 meetings in 2022.

Risk Management Committee

The Risk Management Committee assists the Board in its responsibility to fully supervise the Bank's risk strategy and oversee the Group-wide risk management framework. This committee reviews acceptable risk levels, makes recommendations to the Board and monitors the Executive Management's compliance with Board approved risk limits and their consistency with the levels approved by the Board. To this end, it has access to all aspects of the risk to which the Bank is exposed and is entitled to review the extent of compliance of the Executive Management with controls to manage such risks and the adequacy of measures taken to hedge them.

The committee comprises three directors, namely Hani Abdullah Al-Johani (Chairman) and Mona Mohammed Al-Tawil and Abdul Rahman Ismail Tarabzouni and one external non-Board member, namely Abdulatif Ali Al-Rusheed. The committee held eight meetings in 2025, five meetings in 2024, six meetings in 2023 and six meetings in 2022.

Nomination and Compensation Committee

The Nomination and Compensation Committee supports the Board in respect of the Board's governance, proposes a policy of remuneration for board members, its committees and senior management officers, reviews and evaluates the adequacy and effectiveness of the remuneration, compensation and incentive policy on a regular basis. This is to ensure that the objectives are met, and that the methods of paying remuneration and adherence of the remuneration policy to SAMA rules are reviewed.

It also establishes the policy of candidacy and selection for membership of the Board and ensures that all members meet the statutory requirements of membership of the Board in accordance with the relevant regulations.

The Nomination and Compensation Committee comprises three directors, namely Mansoor Abdulaziz Al-Mansoor (Chairman), Mutaz Kusai AlAzzawi and Omar Hamad Al-Madhi and, and two external non-board members, namely Ahmad Mohammed Al-Faleh and Ali Ahmed AlGhamdi. The Nomination and Compensation Committee held six meetings in 2025, six meetings in 2024, five meetings in 2023 and six meetings in 2022.

Strategic Planning Group

The Strategic Planning Group oversees the formulation of the Bank's strategic direction while monitoring and evaluating progress towards achieving strategic objectives. It extends crucial support to the Board in strategic planning processes and strategic matters such as business development and expansion. Additionally, the Strategic Planning Group monitors the Bank's advancement towards its long-term financial and strategic objectives.

The Strategic Planning Group comprises five directors, namely Abdullah Mohammed Al-Issa (Chairman), Ibrahim Hassan Sharbatly, Hani Abdullah Al-Johani, Omar Hamad Al-Madhi and Abdul Rahman Ismail Tarabzouni. The Strategic Planning Group held one meeting in 2025 and two meetings in each of 2024, 2023 and 2022.

Sustainability Committee

The Sustainability Committee, which was formed on 31 October 2025, supports the Bank's long-term sustainability by overseeing the development, implementation and governance of its sustainability and embedded corporate social responsibility (CSR) strategy. The Sustainability Committee's responsibilities include reviewing and recommending sustainability policies, strategy, pillars and KPIs to the Board, approving implementation plans and related programmes and reviewing sustainability reports. The Sustainability Committee also oversees the preparation and integrity of sustainability disclosures, reviews CSR budgets for Board recommendation, and carries out any additional sustainability-related tasks assigned by the Board.

The Sustainability Committee comprises three directors, namely Abdullah Mohammed Al-Issa (Chairman), Mutaz Kusai AlAzzawi and Yasser Abdullah Al-Salman, and two external non-board members, namely Sattam Abdullah AlSuwailem and Omar Hadir Al Farisi.

Directors' shareholdings

The table below sets out details of the ownership of the shares of the Bank held by the members of the Board (directly and indirectly) as at 08 April 2026:

Name	Number of shares held in Riyad Bank		Shareholding percentage in Riyad Bank	
	Direct	Indirect(1)	Direct	Indirect(1)
Eng. Abdullah Mohammed Al-Issa	1,682,666	10,768,000	0.0420667	0.2692000
Eng. Mutaz Kusai AlAzzawi	2,425,332	336,000	0.0606333	0.0084000
Mr. Ibrahim Hassan Sharbatly	926,010	57,568,117	0.0231503	1.4392029
Eng. Abdul Rahman Ismail Tarabzouni	13	—	0.0000003	—
Ms. Mona Mohammed Al-Tawil	42,666	—	0.0010667	—
Dr. Mansoor Abdulaziz Al-Mansoor	21,473	—	0.0005368	—
Mr. Hani Abdullah Aljehani	—	—	—	—
Eng. Omar Hamad Almadhi	—	—	—	—
Mr. Yasir Abdullah Alsalman	—	—	—	—

Note:

(1)Includes (i) shares the directors and/or their relatives own in companies which have a shareholding in the Bank, and (ii) shares owned by the director's relatives (including spouses and minors/children) in the Bank directly.

EXECUTIVE MANAGEMENT

The current members of the Bank's executive management team are:

Name and position	Brief CV
Nadir S Al-Koraya Chief Executive Officer (**CEO**)	Nadir has been Chief Executive Officer since February 2024 and was previously Chief Treasury and Investment Officer since 2014. He joined the Bank in 2013 where he worked in the Treasury division as Treasurer. Prior to joining the Bank, he was with Samba Financial Group from 1993 to 2013. Nadir holds a Bachelor's degree in Civil Engineering and a Master's degree in Business Administration from California State University, USA.
Abdullah A Al-Oraini Chief Financial Officer (**CFO**)	Abdullah joined the Bank as its Chief Financial Officer in 2019. His experience stem from diversified work engagements in local and international banking sectors. Prior to joining the Bank, Abdullah held leadership positions at various banks, including Chief Financial Officer of Alawwal Bank, Deputy Chief Financial Officer of SABB, and Head of Capital and Liquidity Management at NCB. Abdullah holds a Bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals and a Master's degree in Management Sciences from the University of Waterloo in Canada.
Majed Hamdan Al Ghamdi Chief Wholesale Officer (**CWO**)	Majed joined the Bank as its Chief Wholesale Officer in October 2024. He was previously the chief executive officer of Retail Banking at Saudi National Bank and before that he held various positions in the retail and corporate banking groups at National Commercial Bank. Majed holds a Bachelor's degree in Industrial Engineering from King Abdul Aziz University and a Master's degree in Risk Management from New York University, Stern School of Business.
Abdulrahman Mohammed Abdulrahman Al-Huthail Chief Operating Officer	Abdulrahman was appointed as Chief Operating Officer in March 2025. Prior to this appointment, he served as Executive Vice President of Operations, where he led transformation programmes focused on automation and operational excellence. He has spent over two decades in banking operations, driving cost optimisation initiatives and strengthening portfolio quality through enhanced collection strategies. Abdulrahman holds a degree in Banking Operations from Institute of Public Administration and has completed executive training in strategic management and leadership.
Enji Ahmed Al-Ghazzawi Chief Human Capital Officer	Enji was appointed Chief Human Capital Officer in March 2025. She started her career with the Bank in 1988 and has held a range of roles within the operations function since then, including Chief Operating Officer between 2022 and 2025. Enji holds a Bachelor's degree in Administrative Science from King Saud University.
Abdulaziz Abdullah Al-Askar Chief Risk Officer (**CRO**)	Abdulaziz has been Chief Risk Officer since 2023. Previously he had been Executive Vice President, Credit since 2014. He has spent almost all his career with the Bank, starting as a trainee in 1998 and subsequently holding different corporate credit-related roles. Abdulaziz holds a Bachelor's degree in Administrative Science from King Saud University.
Houssam Humaidan AlHumaidan Chief Compliance Officer	Houssam was appointed as Chief Compliance Officer on 1 September 2024. Previously he had been Executive Director, Chief Country Compliance at Credit Suisse, Head of Compliance & Anti-Financial Crime at Deutsche Bank, Vice President, Compliance & MLRO at BNP Paribas, Assistant Vice President, Regulatory Affairs & Development Manager at the Bank and Assistant Compliance Manager at Samba Financial Group. Houssam holds a Bachelor's degree in Administrative Science from King Saud University.
Mohammed Abo Al-Naja Chief Corporate Banking Officer (**CCBO**)	Mohammed has been Chief Corporate Banking Officer since 2018, before which he was Head of the Corporate Banking Services Division (from 2014 to 2018). Having originally joined the Bank as a Senior Account Manager in 1996, Mohammed then worked as a senior manager at Samba Financial Group from 2004 until his return to the Bank in 2005. Mohammed holds a Bachelor's degree in Law from King Saud University.

Name and position	Brief CV
Abdullah Aljabr Chief Marketing and Customer Experience Officer	Abdullah was appointed as Chief Marketing and Customer Experience Officer on 29 March 2026. He has over 15 years of leadership experience in marketing, brand strategy, digital growth and customer experience. Prior to joining the Bank, he was Chief Marketing and Customer Experience Officer at Alrajhi Bank and Emkan. Abdullah holds a Master's degree in Advertising and Marketing Communications from Webster University, USA. He also holds a Bachelor's degree in Business Administration and a minor in Marketing from Qassim University, Saudi Arabia.
Hanadi Abdulrahman Al-Sheikh Chief Transformation Officer	Hanadi was appointed as Chief Transformation Officer in 2021. Hanadi has assumed different roles and responsibilities including the Chief Strategy Officer at Tadawul. Hanadi holds a Bachelor of Science degree in Computer Science from the George Washington University, USA.
Ahmed Rabie Al-Rowaili General Counsel	Ahmed was appointed as General Counsel in 2022. Ahmed has legal and governance experience including serving as the General Board Secretary of the Saudi National Bank and Head of Governance. Ahmed holds a Master's degree in Law from Seattle University, USA, and a Bachelor's degree in Administrative Science from King Saud University.
Fawaz Naif Al-Kassar Chief Internal Auditor	Fawaz was appointed Executive Vice President, Head of Internal Audit in 2020. Prior to joining the Bank, Fawaz was the Chief Internal Auditor at Arab National Bank and prior to that Chief Audit Executive at Alawwal Bank. Fawaz has diversified banking experience in risk management, corporate banking, retail banking, remedial management and audit. Fawaz holds a Master's in Business Administration from the University of Oregon, USA.
Abdulmohsen Altwaijri Chief Treasury and Investment Officer	Abdulmohsen was appointed Chief Treasury and Investment Officer in 2025. Abdulmohsen has experience in the financial sector and has held various leadership positions within the bank, including Chief Treasury & Investment Officer, Treasurer and Head of Money Market. Abdulmohsen holds a Bachelor's degree in Finance and a minor in Psychology from Roger Williams University in the USA.
Omar AlSaffaf Chief Retail Banking Officer	Omar was appointed as Chief Retail Banking Officer in May 2025. Prior to this appointment, he served as Chief Executive Officer at Dar Al Tamleek where he oversaw strategic growth and operational excellence. Omar holds a degree from the American University of Beirut.

The business address of each member of the Bank's senior management is King Abdullah Financial District, Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Saudi Arabia. There are no potential conflicts of interest between the duties owed to the Bank by the persons listed above and their private interests or other duties.

Management committees

The Bank has the following management committees responsible for overseeing various day to day business activities, risk management and the operations of the Group in general:

ALCO

The ALCO is an executive level management committee responsible for monitoring the asset and liability management of the Group, monitoring current economic and business conditions and setting strategic and tactical targets for instruments and portfolios that make up the Group's balance sheet risk, within the limits approved by the Board. The ALCO does not have primary responsibility for managing the allocation of retail and corporate credit portfolios which are managed through the credit process but must assess the impact of these portfolios on the balance sheet from a liquidity perspective. The ALCO is also responsible for ensuring wholesale trading and banking book positions are maintained within the limits approved by the Board, reviewing and approving the Group's funds transfer pricing system, tactical review of wholesale funding and investment activities, and overseeing the regulatory capital allocation and regulatory capital limits management processes.

The ALCO meets once each month and is chaired by the CEO. The other members of the ALCO are the CFO, the ALCO deputy chairman and the other members of the ALCO management committee (being the CWO, CRO, Chief Treasury and Investment Officer, Chief Retail Banking Officer, CCBO, Executive Vice President, Internal Control and Market Risk and Manager, Assets, Liabilities and Capital Management department).

Main credit committee (the MCC)

The MCC is an executive management committee that is primarily responsible for reviewing and approving the Group's large exposures in accordance with the credit authorities delegated by the Board. The MCC's principal responsibility is to act as the approving authority for credit limits that are higher than the Bank's existing co-signature credit authorities.

The MCC reviews individual exposures, related party exposures and portfolios of exposures of a similar nature or type. The MCC also has an important role in monitoring the performance of loan portfolios and other credit instruments. The MCC makes strategic decisions on pricing credit exposures, maintenance of credit exposures, recovery of non-performing credit exposures and recommendations of write-offs on large credit exposures that cannot reasonably be recovered.

Credit risk management committee (the CRMC)

In line with the Board approved credit risk management framework and credit risk strategy statement, the CRMC is an executive committee that oversees the Group's credit risk functions and undertakes the necessary measures to ensure the development and adoption of credit policies that are compliant with applicable regulatory guidelines and best international banking practices.

The main objectives of the CRMC include ensuring that the Group's credit risk management organisation structure is adequate and reflects best international banking practices, reviewing all credit risk-related policies covering new initiatives, credit programmes, IFRS 9 rules and guidelines and other credit risk-related issues, reviewing the corporate portfolio credit quality and monitoring the performance of corporate analytical models and methodologies.

Retail risk management committee (the RRMC)

The RRMC is a management committee tasked with oversight responsibilities for ensuring proper implementation of the Board's approved Credit Strategy and Credit Risk Management Framework specifically for credit risk arising from the Bank's retail banking business. The RRMC reviews and approves the retail credit risk acceptance criteria and business acceptance criteria to ensure that they are compatible with the overall lending and credit strategies and policies approved by the Board as well as associated guidelines issued by the competent authority of the Bank.

Risk management and compliance committee (the RMCC)

The RMCC is an executive committee responsible for implementing, reviewing and monitoring compliance with the policies and procedures covering risk management and regulatory compliance throughout the Bank. The RMCC, as needed or as requested, will provide guidance to other management committees which are responsible for governance of other risk types that fall under their responsibilities and authorities.

The RMCC is chaired by the CRO. The other members of the RMCC are the other members of the management committee and the Senior Compliance Manager. The composition and charter of the RMCC is approved by the CEO and documents members' responsibilities and the committee's core objectives.

One or more representatives of internal audit also attend all RMCC meetings to report on internal audit and internal control matters to management and act as an independent observer to discharge internal audit's responsibility for independent monitoring and reporting to the Board's Audit Committee.

Investment committee (the IC)

The Group maintains a substantial domestic and international investment portfolio to provide an alternative income source for the Group through investment in countercyclical investments which are expected to perform well during periods when other sources of the Group's income may not perform as well. The IC is responsible for establishing investment guidelines and mandates (including limits and parameters) for the investment managers who manage the portfolio, and for monitoring and reviewing the risks and performance of the investment portfolio. The IC is chaired by the CEO with CRO being the Vice Chairman.

People Committee

The People Committee is chaired by the CEO and comprises the management committee members of the Bank's main business functions. The People Committee considers any major employee-related issues that are either within the delegation of the executive management team or such matters as will subsequently be presented to the Bank's Board committees.

SHARI'AH COMMITTEE

The Bank's internal Shari'ah Committee consists of three Saudi Arabian scholars who specialise in Islamic jurisprudence and economics. The committee is responsible for reviewing and supervising all proposed Islamic banking policies and business practices, to ensure that the Bank complies with all relevant Shari'a principles. The committee also provides advice and explanations relating to Shari'a matters and fatwas related to the Group's Islamic products. The Shari'ah Committee provides final authorisation for the Bank to proceed with an Islamic banking product.

EMPLOYEES

The Bank had 5,618 full time employees as at 30 September 2025 compared to 5,683 full time employees as at 31 December 2024, 5,870 as at 31 December 2023 and 5,593 at 31 December 2022. Companies in Saudi Arabia are required by the Ministry of Labour to ensure that a certain percentage of their staff are Saudi nationals. This requirement is known as Saudization. The Bank's Saudization ratio, that is the ratio of Saudi nationals to non-Saudi nationals, was 96 per cent. as at 30 September 2025.

The Bank reviews its remuneration and reward practices to ensure that they continue to encourage the Bank's employees to perform to the maximum of their capabilities while also providing the Bank with access to external talent.

In addition to a base salary and incentive and longevity-of-employment bonuses, the Bank offers its employees a housing and holiday allowance, as well as in-kind benefits such as medical insurance, life insurance, a savings incentive scheme and voluntary pension plans.

The Bank has a structured approach to the acquisition and development of talent to meet the needs of the business. Critical positions are systematically identified and comprehensive succession plans and individual development plans are aligned to ensuring that a capable and high-performing talent pipeline is maintained.

Development activities focus on the continuous improvement of employees' behavioural as well as technical capability with clarity provided through well-defined career plans leading from entry-level positions through to senior executive roles.

To achieve this, the Bank partners with recognised international learning and leadership institutions to provide employees with a clear understanding of best global practice, tailored to the local operating environment.

The CEO sponsors the Bank's annual engagement survey which seeks employee feedback. The positive impact of this survey has been demonstrated by a marked increase in the Bank's annual engagement, with over 78 per cent. of the Bank's employees participating in the most recent survey.

Training is an important component of the Bank's strategic aim of attracting and retaining highly qualified and motivated personnel. To that end, the Bank has an extensive training programme for its new and existing employees designed to equip them with the skills and know-how necessary to perform their functions with efficiency and to enhance their internal promotion opportunities. As part of its efforts to build and test its recruitment pool, the Bank also offers training programmes to high school and university graduates. The Bank has three regional training centres, one each in Riyadh and the Eastern and Western provinces.

14. SUMMARY OF CERTAIN PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of certain principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such principal Transaction Document. Copies of such Transaction Documents will be available for inspection at the offices of the Issuer and the Sukukholders' Agent (see Section 17, entitled "**Legal and General Information – Documents available for inspection**").

Master Mudaraba Agreement

The Master Mudaraba Agreement has been entered into on 09 July 2026G between the Issuer (as Mudareb) and the Sukukholders' Agent (as Rab-al-Maal) and is governed by the laws and regulations of Saudi Arabia.

Under the Master Mudaraba Agreement, the Sukukholders' Agent (acting as rab-al-maal on behalf of the Sukukholders) will irrevocably appoint the Issuer as Mudareb in respect of each Series.

In respect of each Tranche, the Sukukholders' Agent shall, on the relevant Issue Date, pay an amount equal to the Mudaraba Capital for that Tranche to the Mudareb to apply as the capital of the Mudaraba of the relevant Series in accordance with the terms of the Master Mudaraba Agreement.

The Mudaraba of each Series will commence on the date of payment of the Mudaraba Capital of the first Tranche of that Series by the Sukukholders' Agent (on behalf of the Sukukholders) to the Mudareb and will end: (1) on the date (being, in respect of each Mudaraba, the "**Mudaraba End Date**") on which the Sukuk of that Series are (i) purchased and cancelled in full in accordance with Condition 9.2 (Purchase) and 9.3 (Cancellation) or (ii) redeemed in whole but not in part in accordance with the Conditions, following the constructive liquidation of the relevant Mudaraba in accordance with the terms of the Master Mudaraba Agreement; or (2) (if earlier) in the case of a Write-down resulting in the reduction of the Aggregate Nominal Amount of each Sak then outstanding under the relevant Series to nil, on the Non-Viability Event Write-down Date.

In accordance with the terms of the Master Mudaraba Agreement, the Mudareb shall invest the Mudaraba Capital in relation to each Tranche on the relevant Issue Date on an unrestricted co-mingling basis in the fully Shari'a compliant banking activities of the Mudareb carried out through the general mudaraba pool of the Issuer comprising (a) the Issuer's shareholders' equity; (b) proceeds of all Shari'a compliant current, savings and investment deposit accounts with the Issuer; (c) any other Shari'a compliant source of funds from financial and investment activities included in the general mudaraba pool by the Issuer from time to time; and (d) following contribution of Mudaraba Capital from time to time in respect of a Mudaraba, the Mudaraba Capital of each Mudaraba then existing (the "**General Mudaraba Pool**") in accordance with an investment plan scheduled to the Master Mudaraba agreement (the "**Investment Plan**"). The Mudaraba of each Series shall, following investment of the Mudaraba Capital of that Mudaraba in the General Mudaraba Pool in accordance with the Investment Plan, constitute pro rata undivided assets in the General Mudaraba Pool (being the "**Mudaraba Assets**" of that Mudaraba).

In the Master Mudaraba Agreement, the Mudareb will:

- a- acknowledge and agree that the Investment Plan is prepared by it with due skill, care and attention;
- b- represent and warrant to the Sukukholders' Agent that the Investment Plan is fair and accurate in all material respects; and
- c- acknowledge that:
  - i- the Sukukholders' Agent will enter into each Mudaraba in reliance on the Investment Plan; and
  - ii- the terms of the Investment Plan shall apply to each Mudaraba.

The Mudareb is authorised to co-mingle any of its own Shari'a compliant assets from time to time with the Mudaraba Assets during the term of any Mudaraba, provided that prior to the calculation of any Mudaraba Profit or Final Mudaraba Profit for a relevant Mudaraba the Mudareb shall deduct a proportion of any profit earned for its own account. For the purposes of such calculation the proportion deducted shall be equal to the ratio of (A) the value of the co-mingled assets (excluding the relevant Mudaraba Assets) to (B) the value of the co-mingled assets (including the relevant Mudaraba Assets).

The Mudareb will manage the Mudaraba of each Series based on its expertise and shall be entitled to share in the profit arising from each Mudaraba in accordance with the terms of the Master Mudaraba Agreement. The Master Mudaraba Agreement provides that the Mudareb shall, subject to certain conditions relating to Non-Payment Election, Non-Payment Event or the Mudaraba End Date occurring (as applicable):

a- one Business Day prior to each Mudaraba Profit Distribution Date (other than a Mudaraba Profit Distribution Date which corresponds to the Mudaraba End Date of such Mudaraba), on the basis of a constructive liquidation of the relevant Mudaraba by the Mudareb, calculate and distribute the Mudaraba Profit for the relevant Mudaraba Profit Distribution Period (if any) on such Mudaraba Profit Distribution Date, between the Sukukholders' Agent (for and on behalf of the Sukukholders) and the Mudareb; and

b- on the Mudaraba End Date of each Mudaraba calculate and distribute the Mudaraba Profit for the final Mudaraba Profit Distribution Period of each Mudaraba (if any),

in each case, between the Sukukholders' Agent (for and on behalf of the Sukukholders) and the Mudareb in accordance with the following profit-sharing ratio:

a- the Sukukholders (as Rab-al-Maal), 99 per cent.; and

b- the Mudareb, 1 per cent.

If, in respect of a Mudaraba, the Mudareb elects (at its sole discretion but subject to the terms of the Master Mudaraba Agreement) to make a payment of the Mudaraba Profit (excluding any Final Mudaraba Profit) or the Final Mudaraba Profit of that Mudaraba is otherwise payable pursuant to the Master Mudaraba Agreement and Sukukholders' Agent's share of the Mudaraba Profit (the "**Rab-al-Maal Mudaraba Profit**") or the Sukukholders' Agent's share of the Final Mudaraba Profit (the "**Rab-al-Maal Final Mudaraba Profit**") (as applicable) payable to Sukukholders' Agent (for and on behalf of the Sukukholders) on any Mudaraba Profit Distribution Date, or the Mudaraba End Date in the case of the Rab-al-Maal Final Mudaraba Profit, is (1) greater than the then applicable Periodic Distribution Amount for the corresponding period, the amount of any excess shall be credited to a reserve account for the Rab-al-Maal (in respect of each Mudaraba, the "**Mudaraba Reserve**") and the Rab-al-Maal Mudaraba Profit or the Rab-al-Maal Final Mudaraba Profit (as applicable) payable to Sukukholders' Agent (for and on behalf of the Sukukholders) shall be reduced accordingly; or (2) less than the then applicable Periodic Distribution Amount for the corresponding period, the Mudareb:

first, shall utilise any amount standing to the credit of the Mudaraba Reserve to make payments to, or to the order of, the Sukukholders in order to cover such shortfall; and

second, 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.

If, in respect of a Mudaraba, the Mudareb elects to make payments from its own cash resources, it shall be entitled to recover such amounts on the relevant Mudaraba End Date from the Excess Liquidation Proceeds (as defined below) of that Mudaraba but not, for the avoidance of doubt, from the Sukukholders.

The Mudaraba Reserve for each Mudaraba shall be recorded by the Mudareb through a book-entry ledger account; will not be required to be maintained in a separate defined bank account; and shall be reflected in the relevant Mudaraba Accounts; and the Mudareb shall (prior to any Mudaraba End Date) be entitled to invest amounts standing to the credit of a Mudaraba Reserve in the same manner as it invested the related Mudaraba Capital in accordance with the Investment Plan.

The Master Mudaraba Agreement does not require the Mudareb to make payments to the Sukukholders' Agent of amounts equal to, or sufficient to enable the Sukukholders' Agent to pay, any amounts due under the Sukuk of any Series irrespective of the amount of Mudaraba Profit generated by any Mudaraba Assets at the relevant time or (as the case may be) irrespective of the amount of Dissolution Mudaraba Capital generated by any liquidation of a Mudaraba, and the Sukukholders' Agent acknowledges in the Master Mudaraba Agreement that there is no guarantee of any return from the Mudaraba Assets.

If a Non-Payment Event occurs in respect of a Series, the Mudareb will be prohibited from paying the Final Mudaraba Profit (and, as a result, the Rab-al-Maal Final Mudaraba Profit) on the Mudaraba End Date or the Mudaraba Profit (and, as a result, the Rab-al-Maal Mudaraba Profit) on a relevant Mudaraba Profit Distribution Date, in each case in respect of the Mudaraba of the relevant Series. The Mudareb may in its sole discretion elect that the Rab-al-Maal Mudaraba Profit (but not the Rab-al-Maal Final Mudaraba Profit payable on any Mudaraba End Date) (in whole or in part) will not be paid on any Mudaraba Profit Distribution Date (being a "**Non-Payment Election**"). The Mudareb may not, however, make a Non-Payment Election once it has given notice regarding the liquidation of the Mudaraba in accordance with the Master Mudaraba Agreement.

In respect of each Series, if the Issuer makes a Non-Payment Election or a Non-Payment Event occurs, then the Mudareb shall: (i) in the case of a Non-Payment Election, not later than 14 calendar days prior to such event; and (ii) in the case of a Non-Payment Event, as soon as practicable thereafter but in any case no later than five Business Days prior to the relevant Mudaraba Profit Distribution Date or Mudaraba End Date, as the case may be, give notice to the Sukukholders' Agent in accordance with the Master Mudaraba Agreement, providing details of the Non-Payment Election (including, if relevant, details of any partial payment to be made) or Non-Payment Event, as the case may be. However, any failure to provide such notice will not invalidate the cancellation of the relevant payment of the Relevant Rab-al-Maal Mudaraba Profit Amount or Periodic Distribution Amount.

In the absence of notice of such Non-Payment Election or Non-Payment Event, as the case may be, having been given, the fact of non-payment of the Relevant Rab-al-Maal Mudaraba Profit Amount (or any part thereof) on the relevant Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) shall be evidence of the occurrence of a Non-Payment Election or Non-Payment Event, as the case may be. In respect of each Series, Sukukholders and the Sukukholders' Agent shall have no right to require payment of any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit (or any part thereof, as applicable) not paid as a result of either (in the case of Rab-al-Maal Mudaraba Profit only) a Non-Payment Election or (in the case of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit) a Non-Payment Event (in each case irrespective of whether notice of such Non-Payment Election or Non-Payment Event has been given) and any such non-payment in whole or in part, as applicable, of Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit (in the case of a Non-Payment Event only) or a Periodic Distribution Amount in such circumstance shall not constitute an Event of Default with respect to such Series. The Mudareb shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (or any part thereof, as applicable) (whether from its own cash resources, from the relevant Mudaraba Reserve or otherwise). In respect of any Series, if a Non-Payment Election or a Non-Payment Event occurs, Mudaraba Profit of such Series for the relevant period which is not paid to the Sukukholders of such Series in such circumstances shall be credited by the Mudareb to the relevant Mudaraba Reserve for the Rab-al-Maal.

In respect of any Series, if any amount of Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit payable is not paid as a consequence of a Non-Payment Election or a Non-Payment Event, as the case may be, then from the date of such Non-Payment Election or Non-Payment Event (the "Dividend Stopper Date"), the Bank will be prohibited, so long as any of the Sukuk of any Series are outstanding, from undertaking any of the payments outlined in Condition 7.4 (Dividend and Redemption Restrictions) (which include, but are not limited to, declaring or paying distributions or dividends, declaring or paying profit and directly or indirectly redeeming, purchasing cancelling, reducing or otherwise acquiring any Ordinary Shares) until: (i) the next following payment of Rab-al-Maal Mudaraba Profit; or (ii) (as the case may be) payment of the Rab-al-Maal Final Mudaraba Profit, in each case following the Dividend Stopper Date, has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Sukukholders with respect to such Series.

The Master Mudaraba Agreement provides that if a Non-Viability Event occurs at any time on or after the Issue Date of the first Tranche of a Series and prior to the Effective Date, a Write-down (in whole or in part, as applicable) in respect of the relevant Series will take place in accordance with the terms of the Master Mudaraba Agreement on the Non-Viability Event Write-down Date, In the case of a Write-down resulting in:

a- in full in relation to any Series, there will be a final liquidation of the Mudaraba of that Series with effect from the relevant Non-Viability Event Write-down Date and the Sukukholders and Sukukholders' Agent shall not be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series; and

b- in part only in relation to any Series, the Mudaraba Capital of that Series shall be reduced in proportion to the Aggregate Nominal Amount of the Sukuk of that Series that are to be Written-down with effect from the Non-Viability Event Write-down Date and the Sukukholders of the relevant Series and Sukukholders' Agent shall not be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series that relate to the proportion of the Mudaraba Capital of that Series that has been reduced.

Subject to certain conditions as set out in the Master Mudaraba Agreement, the Mudareb may (in its sole discretion) liquidate the Mudaraba of a Series in whole, but not in part, on the basis of a final constructive liquidation of such Mudaraba, the Mudaraba for the purposes of (i) firstly, returning the outstanding Mudaraba Capital (the "**Dissolution Mudaraba Capital**") to the Sukukholders of the relevant Series; and (ii) secondly, (to the extent such amount is payable pursuant to the terms of the Master Mudaraba Agreement) paying the Rab-al-Maal Final Mudaraba Profit to the Sukukholders of the relevant Series (the aggregate of (i) and (ii) being the "**Rab-al-Maal Liquidation Proceeds**") on the Mudaraba End Date, in the following circumstances:

a- if Condition 9.1(b)(ii) is marked as applicable in the relevant Applicable Final Terms, on any date during the period commencing (and including) the First Call Date to (and including) the First Reset Date or any Mudaraba Profit Distribution Date thereafter or (b) if Condition 9.1(b)(iii) is marked as applicable in the relevant Applicable Final Terms, on the First Call Date or any Mudaraba Profit Distribution Date thereafter, as the case may be, by giving not less than 15 nor more than 30 days' prior notice to the Sukukholders' Agent (the "**Issuer Call Option**"); or

b- on any date, on or after the Issue Date of the first Tranche of the relevant Series (whether or not a Periodic Distribution Date), by giving not less than 15 nor more than 30 days' prior notice to the Sukukholders' Agent:

  i- upon the occurrence of a Tax Event; or

  ii- upon the occurrence of a Capital Event.

Any such final constructive liquidation in whole under the Master Mudaraba Agreement will also be subject to the condition that, with respect to the relevant Series, Liquidation Proceeds of that Mudaraba are at least equal to the Required Liquidation Amount (the "**Liquidation Condition**"). If the Mudareb, in its sole discretion, proposes to exercise its option to liquidate the Mudaraba of a Series in whole, but not in part, on the basis of a final constructive liquidation of that Mudaraba in accordance with the terms of the Master Mudaraba Agreement, and, based on the constructive liquidation of the relevant Mudaraba, the liquidation proceeds of that Mudaraba which would be generated upon such liquidation are less than the Required Liquidation Amont with respect to such Series (the difference between such Liquidation Proceeds and the Required Liquidation Amount being the "**Shortfall**"), the Bank (as Mudareb) would, if it were to proceed with an actual liquidation, be in breach of the Liquidation Condition and as a result of such breach the Sukukholders of such Series would suffer a loss in an amount equal to the Shortfall. In the event that there is or will be a Shortfall, the Mudareb shall (in its sole discretion) either:

a- continue investing the Mudaraba Capital of such Series in the Mudaraba of that Series, and accordingly the Mudareb shall not proceed with the final constructive liquidation of that Mudaraba and as a result no distribution of the relevant Liquidation Proceeds shall occur; or

b- proceed with the final constructive liquidation of the relevant Mudaraba and indemnify the Sukukholders of the relevant Series in respect of the Shortfall.

The "**Required Liquidation Amount**" means, in respect of each Mudaraba: (a) the Mudaraba Capital of such Mudaraba; (b) subject to a Non-Payment Event not having occurred, the Final Mudaraba Profit for such Mudaraba; and (c) any amount that remains outstanding for recovery pursuant to the terms of the Master Mudaraba Agreement.

If the Mudareb gives a notice of liquidation pursuant to the Issuer Call Option or following the occurrence of a Tax Event of Capital Event in respect of the Mudaraba of a Series and, after giving such notice but prior to the relevant liquidation date specified in such notice, a Non-Viability Event occurs, the relevant notice of liquidation shall be automatically rescinded and shall be of no force and effect, the Mudaraba of that Series will not be liquidated on the scheduled date of liquidation and instead a Write-down shall occur in respect of that Series in accordance with the terms of the Master Mudaraba Agreement (as outlined above). Following the giving of a Non-Viability Notice and prior to the relevant Non-Viability Event Write-Down Date, the Mudareb shall not be entitled to give a notice of liquidation in respect of the Issuer Call Option or following the occurrence of a Tax Event of Capital Event.

The Mudaraba of a Series will automatically be liquidated in whole but not in part if an Event of Default occurs in relation to that Series and a Dissolution Notice is delivered pursuant to Condition 11.1 (Events of Default) and the Sukukholders' Agent may at its discretion, and shall if requested by the relevant Sukukholders of the relevant Series in accordance with Condition 11.2(a) (Proceedings for Winding-Up), as applicable, take any action specified in Condition 11.2(a) (Proceedings for Winding-up), and the Mudareb acknowledges that the Sukukholders of the relevant Series shall in such case be entitled to claim for all amounts in respect of the Mudaraba Capital, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit and any other payments in respect of the relevant Series due in accordance with the terms of the Master Mudaraba Agreement in such winding-up, bankruptcy, dissolution or liquidation (or analogous event), provided that certain conditions relating to subordination, Non-Payment Event and Non-Payment Election contained in the Master Mudaraba Agreement are satisfied.

If, following the liquidation of a Mudaraba, the relevant Rab-al-Maal Liquidation Proceeds payable to or to the order of the Sukukholders on the Mudaraba End Date of the relevant Series is greater than the then applicable Dissolution Distribution Amount of that Series, the amount of any excess (the "Excess Liquidation Proceeds") shall be credited to the Mudaraba Reserve of the relevant Series and the relevant Required Liquidation Amount payable to or to the order of the Sukukholders shall be reduced accordingly.

After payment in full of the amounts due and payable to or to the order of the Sukukholders pursuant to the terms of the Master Mudaraba Agreement, neither the Sukukholders' Agent nor any Sukukholder will have any further right or claim to any assets of the Mudareb in respect of the relevant Series.

The Mudareb shall not be responsible for any losses to the Mudaraba Capital of any Series suffered by the Sukukholders or the Sukukholders' Agent unless such losses are caused by: (i) the Mudareb's breach of the Master Mudaraba Agreement; or (ii) the Mudareb's gross negligence, wilful misconduct or fraud.

Subject to the Bank: (A) obtaining prior approval of the Financial Regulator (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so require(s)); and (B) being in compliance with the Applicable Regulatory Capital Requirements at the time of purchase, the Bank or any of its Subsidiaries, may purchase the Sukuk at such price(s) and upon such other conditions as may be agreed upon between the Bank or the relevant Subsidiary (as the case may be) and the relevant Sukukholder(s). Upon any such purchase, the Bank shall deliver such Sukuk to the Registrar for cancellation and, upon such cancellation, the Mudaraba Capital of the relevant Series shall be reduced by the nominal amount of the Sukuk so cancelled.

The Mudareb shall exercise its rights, powers and discretions as arise under the Master Mudaraba Agreement (together with any other incidental rights, powers, authorities and discretions), and shall take such action as it deems appropriate, in each case:

- a- in accordance with material applicable laws;
- b- with the degree of skill and care that it would exercise in respect of its own assets; and
- c- without prejudice to the terms of the Master Mudaraba Agreement, in a manner that is not repugnant to Shari'a.

The Mudareb will agree in the Master Mudaraba Agreement that all payments by it to or to the order of the Sukukholders of any Series shall be made free and clear of and without withholding or deduction for any taxes imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom or any political sub-division or authority thereof or therein having the power to tax ("**Taxes**"), unless such withholding or deduction of Taxes is required by law. In such event, the Master Mudaraba Agreement provides for the payment by the Mudareb of such additional amounts, and/or if Additional Amounts are payable by the Issuer in respect of the Sukuk of any Series in accordance with Condition 12 (Taxation), amounts equal to such Additional Amounts, by payment to the Transaction Account in Saudi Riyals by wire transfer for same day value, so that full amounts which otherwise would have been due and payable to, or to the order of the Sukukholders of the relevant Series (in the absence of such withholding or deduction) is received in the relevant Transaction Account, provided that no such additional amount and/or amounts equal to such Additional Amounts shall be payable to or to the order of a Sukukholder who is not, or at any time ceases to be, a Qualified Person.

Master Declaration of Agency

The Master Declaration of Agency has been entered into on 09 July 2026G between the Issuer and the Sukukholders' Agent and is governed by the laws and regulations of Saudi Arabia.

Pursuant to the Master Declaration of Agency, each Sukukholder, by completing an Investor Application or by subscribing to, acquiring or holding Sukuk, shall be deemed:

- a- to have appointed the Sukukholders' Agent as its agent and representative in relation to the relevant Series with full capacity, powers, duties and authority in relation to the Sukuk on the terms set out in the Master Declaration of Agency, each relevant Supplemental Declaration of Agency and the Conditions; and
- b- to have ratified and accepted the entry by the Sukukholders' Agent into the Transaction Documents to which it is a party and performance by the Sukukholders' Agent of its obligations thereunder; and
- c- to have given an irrevocable and unconditional instruction requiring the Sukukholders' Agent to, on the relevant Dissolution Date of a Series, upon satisfaction of the Relevant Obligations in full, transfer and/or assign the remaining Sukuk Assets of the relevant Series to the Issuer and with effect from any Non-Viability Event Write-down Date, to comply with the provisions of Condition 10 (Write-down at the Point of Non-Viability) and the related provision contained in the Master Mudaraba Agreement.

In relation to each Series, the Sukukholders' Agent shall:

- a- accept its appointment as agent of the Sukukholders on the terms set out in the Master Declaration of Agency, each Supplemental Declaration of Agency and the Conditions;
- b- agree to comply with the terms of the Master Declaration of Agency and the other Transaction Documents; and
- c- declare, and the Issuer hereby acknowledges, that, with effect from the first Issue Date with respect to a Series, the Sukukholders' Agent holds the benefit of the relevant Sukuk Assets of that Series as agent of the relevant Sukukholders pro rata according to the share of the Aggregate Nominal Amount of the Sukuk of that Series held by each Sukukholder, in accordance with the terms set out in the Master Declaration of Agency.

Subject to the terms of the Master Declaration of Agency, the Sukukholders' Agent further agrees to perform the duties specified for it as Sukukholders' Agent in the Conditions.

The Issuer shall covenant and undertake with the Sukukholders' Agent that, so long as any Sukuk remains outstanding, to the order of the Sukukholders' Agent, it shall pay the Periodic Distribution Amounts and the relevant Dissolution Distribution Amount of each Series, as and when each payment shall be required to be made in accordance with the Applicable Final Terms and the Conditions, and shall make such payments in the manner specified in the Applicable Final Terms, the Conditions and the Payment Administration Agreement.

The Issuer shall further covenant and undertake with the Sukukholders' Agent to comply with those provisions of the Master Declaration of Agency, the other Transaction Documents, the Applicable Final Terms and the Conditions which are expressed to be binding on it and to perform and observe the same.

The Master Declaration of Agency shall specify, including, without limitation, that in relation to each Series:

- a- if an Event of Default has occurred and is continuing, the Sukukholders' Agent may, by notice in writing to the Issuer and the Payment Administrator, require the Payment Administrator, until notified in writing by the Sukukholders' Agent to the contrary and so far as permitted by applicable law, to act thereafter as its agent in accordance with the Payment Administration Agreement;
- b- the Sukukholders' Agent may, subject to applicable laws, without any consent or sanction of the Sukukholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Sukukholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or prospective breach of any of the covenants or provisions contained in the Master Declaration of Agency, each relevant Supplemental Declaration of Agency, any other Transaction Document, the Applicable Final Terms or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Master Declaration of Agency, any relevant Supplemental Declaration of Agency, the Applicable Final Terms and the Conditions;
- c- the Sukukholders' Agent may, subject to applicable laws, from time to time and at any time without the consent of the Sukukholders concur with the Issuer in making any modification to the Master Declaration of Agency, the Applicable Final Terms, the Conditions or any other Transaction Documents which, in the opinion of the Sukukholders' Agent, it may be proper to make provided the Sukukholders' Agent is of the opinion that:
  - i- such modification is not materially prejudicial to the interests of the Sukukholders and is not in contravention of an express direction by Extraordinary Resolution, or request in writing by at least one-fifth of the Aggregate Nominal Amount of the Sukuk then outstanding; or
  - ii- such modification is of a formal, minor or technical nature or made to correct a manifest error or to comply with mandatory provisions of law (including but not limited to as a consequence of any Applicable Statutory Loss Absorption Regime becoming effective after the Issue Date which imposes requirements with respect to the Sukuk and the Sukuk Assets which are not expressly provided for in Condition 10 (Write-down at the Point of Non-Viability) and/or the related provisions contained in the Transaction Documents); and

If and to the extent that the Issuer exercises its rights under Condition 16 (Further Issues) to issue additional Sukuk in respect of a Series, on the date upon which any additional Sukuk in respect of a Series are created and issued pursuant to the provisions of clause 4.6(A) (Additional Sukuk) of the Master Declaration of Agency, each of the Issuer and the Sukukholders' Agent will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Sukuk and the holders of such additional Sukuk so issued, agreeing and declaring that the relevant Mudaraba Assets (in respect of the issuance of the additional Sukuk) and the Mudaraba Assets in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Sukuk are commingled and shall collectively comprise part of the Sukuk Assets for the benefit of the holders of the existing Sukuk for the relevant Series and the holders of such additional Sukuk pro rata according to the Aggregate Nominal Amount of Sukuk held by each Sukukholder, in accordance with the Master Declaration of Agency.

The Sukukholders' Agent may resign its appointment at any time upon not less than 30 days' prior notice to the Issuer, subject to certain limitations, including that such resignation may not take effect within 30 days before or after a scheduled payment date of any Sukuk and shall not take effect until a successor Sukukholders' Agent has been duly appointed and notice of such appointment has been given to the Sukukholders. In addition, the Sukukholders may revoke the appointment of the Sukukholders' Agent by way of an Extraordinary Resolution upon not less than 30 days' prior notice, provided that such revocation shall not take effect until a successor has been duly appointed in accordance with the Master Declaration of Agency.

The appointment of the Sukukholders' Agent will terminate automatically if (a) the Sukukholders' Agent becomes incapable of performing its obligations under the Transaction Documents; (b) a secured party takes possession of, or a receiver, manager or similar officer is appointed over, all or any material part of its assets or undertaking; (c) the Sukukholders' Agent admits in writing its insolvency or inability to pay its debts as they fall due; (d) an administrator or liquidator is appointed over, or an application is made for such appointment in respect of, the Sukukholders' Agent; (e) the Sukukholders' Agent takes steps to reschedule, defer or restructure its obligations, enters into any arrangement or composition with its creditors, or declares a moratorium; (f) an order is made or an effective resolution is passed for the windingup of the Sukukholders' Agent; or (g) any event occurs having an effect analogous to any of the abovementioned events.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SELF SERVICE

15. TAXATION AND ZAKAT

The statements herein regarding taxation/Zakat are based on the laws of Saudi Arabia in effect as of the date of this Base Prospectus and are subject to any changes in law or relevant rules and practices occurring after such date, which could have a retroactive effect. These include the Income Tax Law issued by Royal Decree No. M/1 dated 15/01/1425H (corresponding to 6 March 2004) and its By-Laws issued under Ministerial Resolution ("**MR**") No. 1535 dated 11/06/1425H (corresponding to 29 July 2004), as amended from time to time (collectively the "**Income Tax Law**"), and recently issued the Zakat Regulations issued through MR 1007 dated 19/08/1445H (corresponding to 29 February 2024) (the "**Zakat Regulations**") which are effective for financial years starting from 1 January 2024 and replace previous resolutions and rules related to the collection of Zakat (except for MR No. 2218 dated 07/07/1440H (corresponding to 14 March 2019), MR No. 57732 dated 03/11/1443H (corresponding to 2 June 2022) and MR No. 15417 dated 02/03/1444H (corresponding to 28 September 2022)) and the Value Added Tax (VAT) Law issued under Royal Decree number M113 dated 02/11/1438H (corresponding to 25 July 2017), as amended, and its implementing regulations issued by ZATCA's Board of Directors Resolution No. 3839 dated 14/12/1438H (corresponding to 5 September 2017) as amended (the "**VAT Law**").

The following is a general description of certain tax/Zakat considerations relating to the Sukuk issued under the Base Prospectus and it is only summary does not purport to be a comprehensive description of all the tax/Zakat considerations relating to the this Base Prospectus and is not intended as tax/Zakat advice which may be relevant for a decision to subscribe for, purchase, own or dispose of the Sukuk and does not purport to deal with the tax/Zakat consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Sukuk should consult their Zakat and tax advisers as to the consequences under the Zakat and tax laws and regulations of the country, as applicable, in which they are resident for tax and Zakat purposes of acquiring, holding and disposing of the relevant Sukuk and receiving payments under those Sukuk. This summary is based upon the laws in force in the Kingdom as in effect on the date of this Base Prospectus and is subject to any change in laws that may take effect after such date, which changes could be made on a retroactive basis.

Unless otherwise stated, capitalised terms in this section shall have the meanings given to them in "**Definitions**" below.

Overview of Saudi Tax and Zakat

Corporate Income Tax

According to the Income Tax Law, resident capital companies owned by non-GCC persons are subject to corporate income tax at a rate of 20 per cent. on the shares of the foreign partner or shareholder. Non-residents who carry out business in the Kingdom through a Permanent Establishment (as defined below) are also subject to the same rate of corporate income tax, unless these legal entities are engaged in oil and hydrocarbon. This tax applies on net income, after deducting allowable costs and making certain other tax adjustments.

Moreover, a non-resident person having taxable income from sources in the Kingdom without having a Permanent Establishment therein also falls under the ambit of Income Tax Law (i.e. either the income may be subject to withholding tax ("**WHT**") or capital gain tax depending on the source of income and this shall be considered as a full and final discharge of tax liability).

Resident companies that are wholly-owned by GCC persons or persons subject to Zakat, as listed below under the sub-section entitled "**Zakat**", are subject to Zakat instead of corporate income tax.

However, as per the Income Tax Law and the Zakat Regulations, legal entities resident in the Kingdom, excluding those engaged in oil, hydrocarbon, and natural gas production, which are jointly owned by GCC and non-GCC persons, are subject to corporate income tax on the portion of profit related to the non-GCC ownership share. Meanwhile, Zakat is applied to the ownership percentage held by GCC persons.

Shares in a resident company held directly by GCC persons or via GCC companies (where the shareholding structure does not fall outside of the GCC) in a resident company are subject to Zakat and not income tax. In determining the tax/Zakat profile of a legal entity resident in the Kingdom, the Zakat, Tax and Customs Authority ("**ZATCA**") applies a "look-through" approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC(in other words, at the ultimate shareholder level). However, "look-through" approach only applies to shareholders that are GCC resident persons. Therefore, the percentage of the share capital of a legal entity resident in the Kingdom that is owned by a shareholder entity incorporated outside the GCC, is subject to corporate income tax regardless of the nationalities of the ultimate shareholders in such non-GCC incorporated entity.

Additionally, as per the Income Tax Law, Saudi tax/Zakat resident entities in the Kingdom which are engaged in oil and hydrocarbon production activities are subject to corporate income tax in Kingdom irrespective of the nationality of their shareholders/owners. The income tax rates applicable to such entities range from 50 per cent. to 85 per cent. depending on the level of total capital investment of such entity.

Zakat

Zakat is a religious levy computed based on the Zakat Regulations and subject to varying interpretations and complex computation rules. Separate Zakat computation rules are applicable for the calculation of Zakat by Zakat payers who are engaged in financing activities in the Kingdom licensed by the SAMA, direct and indirect finance funds licensed by the CMA and Zakat payers who are engaged in non-financing activities in the Kingdom.

According to the Zakat Regulations, the following are subject to the provisions of the Zakat Regulations:

- the Saudi resident person who carries out an activity in the Kingdom, under a license /applicable rules and regulations;
- Saudi-owned sole proprietorship that is established in the Kingdom in accordance with the applicable rules and regulations;
- Resident companies wholly owned by GCC persons and for companies jointly owned by GCC and non-GCC persons, on the ownership percentage held by such GCC persons;
- finance funds licensed by the CMA;
- state-owned companies and resident companies owned by the Public Investment Fund; and
- Resident companies listed on a financial market in the Kingdom, on the shares held by GCC persons and non-GCC persons (with the exception of the shares of non-Saudi founders in accordance with the articles of association or relevant regulatory documents).

Notwithstanding the above, Zakat is not assessed on or applicable to:

a- resident capital companies (i.e. limited liability companies, closed joint stock companies, listed entities, single shareholder companies) operating in the oil and hydrocarbon production sector, whether they are natural or legal persons, resident or non-resident, except the shares of these companies owned directly or indirectly in capital companies;

b- any entity (or Zakat payer) which is exempted by a decision of ZATCA or the Ministry of Finance;

c- any resident entity with non-GCC ownership (on the percentage owned by non-GCC shareholders) and a non-resident who carries out business in the Kingdom through a Permanent Establishment, as they will be subject to corporate income tax; and

d- Charity associations, endowments ("**Awqaf**") and companies wholly owned by Awqaf and non-profit companies are exempt from Zakat subject to certain conditions.

As per the Zakat Regulations, if a Zakat payer is following the Gregorian year, Zakat will be levied at approximately 2.578 per cent. (prorated Zakat rate) on all the elements of Zakat base (including adjusted profits). Moreover, there are maximum and minimum limits for Zakat base and Zakat payers will settle Zakat according to these limits, unless their Zakat base is negative and they are in an adjusted loss situation (in which case, no Zakat will be due).

As per the Zakat Regulations, receivable loans, subordinated/additional financings and equivalents provided to the investee may be considered as deductible, subject to the fulfilment of certain conditions. Furthermore, as per Article 55 of the Zakat Regulations, sukuks are allowed as deductions from the Zakat base of the investors provided that the following conditions are met:

a- the investment is not held for trading purposes;

b- the sukuk issuer elects to treat these issuances as capital/equity for Zakat purposes, regardless of the classification of such instruments in the financial statements, and the issuer has declared through any document acceptable to ZATCA, to elect to treat them as capital/equity in the Zakat return. Once elected, the sukuk issuer may not change the treatment of the sukuk in their Zakat return during the tenor of the sukuk

As at the date of this Base Prospectus, subject to any changes to tax and Zakat regulations, and unless the Sukukholders are otherwise notified, the Bank (Tax Identification Number: 3000002743) intends to treat each Series of Sukuk as capital/equity for Zakat purposes (such treatment to be specified in the Applicable Final Terms) for so long as they are outstanding.

Special Zakat Rules for Financing Activities

Special Zakat rules (Zakat Calculation for Financing Companies) are set out in Chapter 2, Section VII, Sub-section 1 of the Zakat Regulations. These are applicable to resident Zakat payers engaged in financing activities such as banking and financing companies licensed by SAMA and direct or indirect financing funds licensed by the CMA. These Zakat rules are based on the attributable method in computing Zakat, by calculating the Zakatable assets and sources of funds subject to Zakat which depend on the residual maturity profile of all assets and liabilities.

The rules provide for minimum and maximum cap amounts for the Zakat base depending on the net profit or net loss of the Zakat payer as per their financial statements.

Special Zakat Rules for Investment Funds

Special Zakat Rules for Investment Funds are set out in Chapter 2, Section VII, Sub-section 3 of the Zakat Regulations.

Under the Special Zakat Rules for Investment Funds:

1- investment funds are not subject to Zakat but are required to register and submit Zakat base calculation (information declaration to ZATCA);

2- unitholders in such funds are subject to Zakat, except in the case of:

  a- a unitholder in a finance fund (direct or indirect);

  b- a unitholder which (i) is a 100 per cent. direct or indirect owner of the fund and (ii) has submitted a consolidated declaration with such fund; and

  c- a unitholder subject to Zakat on a deemed basis.

Under the Special Zakat Rules for Investment Funds, investments in investment funds are deductible from the Zakat base of unitholders, provided that:

1- such investments are held for non-trading purposes;

2- calculation of Zakat on such investments is performed in accordance with paragraph 3 below and is set out either (i) in unitholders' audited financial statements or (ii) a certificate is prepared in accordance with the Special Zakat Rules and approved by a chartered accountant licensed in the Kingdom; and

3- Zakat on such investment is calculated by the following formula:

   the fund's zakat base × percentage of the unitholders' share in such fund × applicable Zakat rate.

Withholding Tax

Residents of the Kingdom and the Permanent Establishments of a non-resident persons in the Kingdom are required to withhold taxes on certain payments to non-residents, including to residents of the other GCC countries, if such payment is derived from a source of income in the Kingdom. WHT rates vary from 5 per cent. to 20 per cent. depending on the nature of the underlying payment.

Income earned by Sukukholder from their investments in the Sukuks in the nature of profit on debts should be considered akin to a Loan Charge as per Article 5(1) of the By-laws to Income Tax Law. Loan Charges paid to a non-resident attract 5 per cent. WHT unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty (see below).

WHT is imposed on payments against services and not the sale of goods. Services are defined to mean any work performed for consideration other than the purchase and sale of goods and other property.

A Loan Charge paid to non-Residents attracts five per cent. WHT unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty between Saudi Arabia and the country of such non-Resident beneficiary.

In view of the above, payment of periodic distributions by the Issuer to non-resident Sukukholders will be subject to a five per cent. WHT as a Loan Charge.

The Transaction Documents provide that payments by the Issuer (in its relevant capacity) shall be made free and clear of, and without, withholding or deduction for, or on account of, any present or future Taxes (as defined in the Conditions), unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Issuer of additional amounts so that the full amount which would otherwise have been due and payable is received by Sukukholder. In addition, Condition 12 (Taxation) provides that all payments by the Issuer in respect of the Sukuk shall be made without withholding, retention or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer shall pay additional amounts so that the full amount which otherwise would have been due and payable under the Sukuk is received by the parties entitled thereto, subject to certain exceptions described in Condition 12 (Taxation).

Capital Gains Tax ("CGT")

According to Article 2 of the Income Tax Law, persons subject to Taxation include non-residents in the Kingdom with taxable income generated from sources in the Kingdom and without a Permanent Establishment for tax purposes in the Kingdom.

Further, Article 1(2) of the By-Laws to the Income Tax Law defines the applicable tax on such a person to the following:

a- WHT, if the income generated is stipulated under Article 68 of the Income Tax Law (as discussed in "— **Withholding Tax**" and "—**Certain tax and Zakat implications for Sukukholders — Sukukholders who are not resident in the Kingdom without a Permanent Establishment**"); and

b- capital gains tax as per the general provisions of the Income Tax Law, if the income is derived from disposal of fixed and traded assets, or from disposal of shares in a resident company.

Based on the above, if the sale of the Sukuk by the Sukukholders is considered a source of income in the Kingdom, then the related income (or capital gain) will be subject to tax at a rate of 20 per cent. according to the rules for computation of capital gain tax provided in the Income Tax Law for non-residents (including GCC residents in countries other than the Kingdom which do not have a Permanent Establishment).

Capital gains realised from the disposal of securities (such as the Sukuk) traded inside or outside the Kingdom are exempt from income tax in the Kingdom if the following conditions are met:

1- the disposal is carried out in accordance with the regulations of the financial market in Saudi Arabia (Tadawul) or the disposal is carried out outside of the Kingdom, but such securities are also traded on Tadawul; and
2- The investor did not hold the securities before the effective date of the Income Tax Law (i.e., 30 July 2004).

The above exemption provided in the Income Tax Law may be applicable to the Sukuk provided that such Sukuk is listed on Tadawul in the Kingdom.

Capital gains realised from the disposal of the Sukuk by Resident Sukukholders will not be subject to capital gains tax. However, such gains, realised by Zakat-paying Resident Sukukholders, will be subject to Zakat as part of their income subject to Zakat.

Certain tax and Zakat implications for Sukukholders

A- Sukukholders who are GCC persons and resident in the Kingdom

1- Legal entities resident in the Kingdom and wholly owned by GCC persons

Sukukholders who are legal entities resident in the Kingdom and wholly owned by GCC persons are subject to Zakat with respect to all income in the nature of profit, Loan Charge or capital gains realised on the sale or transfer of the Sukuk as such income will be part of such Sukukholders' gross income subject to Zakat. It should be noted that the above summary does not consider the extent to which such Sukukholders would be liable to Zakat as a consequence of acquiring, holding or disposing of its Sukuk.

Additionally, as mentioned above, per Article 55 of the Zakat Regulations, Sukukholders are allowed to take deduction of the Sukuk from their Zakat base, provided that the conditions specified in Article 55 are met (Please see section 15 "**Taxation and Zakat: Zakat**").

2- Legal entities resident in the Kingdom but not wholly owned by GCC persons

Sukukholders that are legal entities resident in the Kingdom owned jointly by GCC persons and non-GCC persons are subject to Zakat and corporate income tax in the Saudi Arabia, based on the percentage of ownership held by GCC and non-GCC shareholders, respectively in respect of any income earned/ received in the nature of profit or Loan Charge in respect of the Sukuk or capital gains realised on the sale or transfer of the Sukuk as such income will be part of such Sukukholder's gross income subject to Zakat/Income tax in the Kingdom.

3- Sukukholders that are GCC natural persons with a permanent residence in the Kingdom

Sukukholders that are GCC natural persons and resident in Saudi Arabia are not subject to Zakat in Saudi Arabia as per the Zakat Regulations in respect of any income received in the nature of profit, Loan Charge or capital gains realised in respect of the Sukuk unless such Sukukholder performs any business activity in Saudi Arabia (other than holding the Sukuk) and carries such activities through a license as required under the applicable laws and regulations. If such income is connected to such Sukukholder's business activities in Saudi Arabia, such amounts will generally be subject to Zakat in Saudi Arabia.

B- Sukukholders who are Non-GCC persons and resident in the Kingdom

Sukukholders that are non-GCC persons and resident in the Kingdom will be subject to corporate income tax in the Kingdom. Income in the nature of a profit, Loan Charge or capital gains realised in respect of the Sukuks will be part of such Sukukholder's Saudi Arabian reportable gross income. Such gross income, less deduction of allowable costs and certain other tax adjustments, will be subject to 20 per cent. corporate income tax (other than in respect of persons engaged in oil and hydrocarbon and natural gas production where the prescribed income tax rates for such activities will be applicable).

For Sukukholders that are non-GCC natural persons and resident in the Kingdom, these Sukukholders may be subject to Saudi Arabian income tax, if the activity is construed as a business activity (intended to generate profit). Such prospective Sukukholders are therefore advised to consult their own tax/Zakat advisers as to the applicable tax/Zakat laws in respect of acquiring, holding and/or disposing of Sukuks and/or receiving any payments thereunder.

C- Sukukholders who are not resident in the Kingdom without a Permanent Establishment

Direct payments by the Bank (if any) that are in the nature of a Loan Charge (other than capital gain realised from disposal of Sukuk) in respect of the Sukuks (as provided by the Terms and Conditions of the Sukuks) to Sukukholders that are resident outside the Kingdom are subject to WHT at a rate of 5 per cent. as per Saudi Arabian domestic tax law.

As mentioned above, as per Condition 12 (Taxation), the Issuer will make all Sukuk payments free and clear of, and without, deduction or withholding of taxes, and if withholding is required by law, to gross up the payments, subject to specified exceptions. Please see section 15 "**Taxation and Zakat: Withholding Tax**".

Non-resident entities having a Permanent Establishment in the Kingdom are subject to Saudi Arabian corporate income tax at the rate of 20 per cent. in respect of any profit payments received or gain realised in respect of the Sukuk and attributable to such Permanent Establishment, but will not be subject to Zakat (unless they are GCC persons and fulfil the conditions of persons subject to Zakat as per the Zakat Regulations).

However, any capital gains realised by a non-resident from disposal/transfer of Sukuk that is listed on Tadawul in the Kingdom will be exempt, subject to the conditions mentioned in "**Capital Gains Tax (CGT)**" sub-section above.

Furthermore, any transfer of the profit by the Permanent Establishment (whose profit was subjected to corporate income taxor Zakat) to its head office outside Saudi Arabia will be considered to be a distribution of profit and will be subject to a five per cent. WHT as per Saudi Arabian domestic tax law.

Indirect Tax

Value Added Tax (VAT)

The Kingdom introduced VAT with effect from 1 January 2018 pursuant to ratifying the GCC Framework Agreement with the remaining GCC member states. The VAT legislation was implemented in the Kingdom in line with the GCC Framework Agreement. The VAT Implementing Regulations have recently been amended, with most changes taking effect from 18 April 2025. These amendments introduce updates to several articles of the Regulations.

All goods and services supplied within or imported into the Kingdom are subject to VAT, unless they are classified as exempt or outside the scope for VAT purposes. Certain supplies are prescribed to be subject to VAT at a rate of zero (including qualifying medicines and medical goods, investment metals, qualified military goods, supplies to diplomatic missions, exports and international transportation). From 1 July 2020, the standard rate of VAT was increased from 5 per cent. to 15 per cent. and is applicable on all the standard-rated taxable supplies made in the Kingdom.

Certain financial services, including those where the consideration payable in respect of the services is by way of an implicit margin or spread (including but not limited to interest, spread, margin or other implicit margin), are treated as exempt supplies from a Saudi Arabian VAT perspective. Further, the exemption also applies to the issue or transfer of a debt security, equity security, or any other transferable document recognising an obligation to pay a monetary amount to the bearer.

"**Sukuk**" is not a defined term for Saudi Arabian VAT purposes, but is akin in nature to a debt security and should be exempt for Saudi Arabian VAT purposes where the supply is made by a registered taxpayer in the Kingdom as a part of its regular economic activity. However, the issue of securities by persons residing outside the Kingdom would be outside the scope of VAT in Saudi Arabia. Any additional fee, such as an administration charge in relation to the issue of a security, would be treated as consideration for a taxable supply subject to VAT where the supply is made in Saudi Arabia. Such an additional fee could be subject to VAT under a reverse charge mechanism if it is received by a VAT-registered taxpayer in the Kingdom from a supplier located outside Saudi Arabia.

Profits generated by holding the Sukuk or trading gains from its sale should be treated as VAT-exempt or outside the scope of VAT (depending on the client-specific circumstances of the transaction) for Saudi Arabian VAT purposes. The VAT exemption does not apply to fees charged by brokers or other intermediary parties for their services.

Further, should certain services be subject to Saudi Arabian VAT, supplies that are not related to Saudi Arabian real estate services and in other cases prescribed by law may qualify for a zero rating if supplied to a Saudi Arabian non-resident who benefits from the service outside of Saudi Arabia, subject to the fulfilment of the relevant conditions as mentioned in Article 33 of the Saudi Arabian VAT implementing regulations. Otherwise, the services would be subject to VAT at the standard rate of 15 per cent.

The precise reporting requirements related to the various payments and receipts associated with the aforementioned transactions will depend on the residence of the Sukukholders, their types of activity and whether they are registered for Saudi Arabian VAT purposes. However, with the exception of explicit fees or charges, any trading gains should not be subject to VAT as they should either be treated as outside the scope or exempt for the purposes of Saudi Arabian VAT.

General

For the purposes of this summary:

"**GCC**" means the Gulf Cooperation Council which comprises of Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom and the United Arab Emirates.

"**GCC person**" means (a) a citizen of any of the member country of the GCC, (b) a legal entity owned by GCC citizens and established under the laws of a GCC country.

"**Activity**" means A business activity in all its forms, including commercial, professional, or craft activities, or any other similar activity intended to achieve profit, and it includes the use of movable and immovable property.

"**Loan Charge**" as defined in Article 5(1) of the By-Laws to Income Tax Law means an amount paid for the use of money.

This includes income realised from loan transactions of any type, whether secured by guarantees or not, or by giving rights to participate in the profits of the debited person or not. It also includes income realised from governmental and non-governmental bonds.

"**Permanent Establishment**" means a permanent enterprise of a non-resident in the Kingdom which represents a permanent place for the non-resident's activity where it conducts the activity either fully or partly; this also includes the activities conducted by the non-resident through a dependent agent (dependent agent having the meaning specified in the Income Tax Regulation). A non-resident carrying out an activity in the Kingdom through a licensed branch (as defined in Article 4(b)4 of the Income Tax Regulation) is considered to have a Permanent Establishment in the Kingdom;

A person is "**resident**" in the Kingdom for tax purposes (as defined in Chapter 2—Article 3 of the Income Tax Law and Article 4 of the Zakat Regulations), if it meets the following conditions:

i. a natural person is considered a tax resident in the Kingdom for a taxable year if such person meets either of the two following conditions:
   1- such person has a permanent place of abode in the Kingdom and is physically present in the Kingdom for a total of not less than 30 days in the taxable year, whether continuous or aggregated; or
   2- such person is physically present in the Kingdom for a period of not less than 183 days in the taxable year, whether continuous or aggregated; and
ii. a company is considered a tax resident in the Kingdom during a taxable year if it meets either of the following conditions:
   1- it is formed in accordance with the Saudi Companies Law; or
   2- its place of central control and management is located in the Kingdom.

Sukukholders should not be deemed to be resident in the Kingdom solely by reason of holding any Sukuks.

16. SUBSCRIPTION AND SALE

Programme Agreement

The Sole Arranger and Dealer(s) has entered into a programme agreement dated 09 July 2026G (as the same may be amended, supplemented or novated, the "**Programme Agreement**") with the Issuer. Pursuant to the Programme Agreement, the Issuer has agreed with the Sole Arranger and Dealer(s) a basis upon which the Sole Arranger and Dealer(s) may from time to time agree to procure persons to purchase Sukuk issued under the Programme. Any such agreement will extend to those matters stated under section 7 "**Terms and Conditions of the Sukuk**". The Issuer may pay each relevant Dealer a commission as agreed between the Issuer and the Dealer in respect of Sukuk placed by it.

Under the Programme Agreement, the relevant Dealer may from time to time agree with the Issuer to arrange the placement of Sukuk issued under the Programme. In connection with each issuance, the relevant Dealer will use reasonable endeavours to procure investors willing to purchase the Sukuk at the Issue Price. The relevant Dealer may also distribute offering materials, solicit expressions of interest from prospective investors and coordinate the submission of investor applications.

The Issuer has agreed to indemnify the Sole Arranger and Dealer(s) against certain liabilities in connection with the offer and sale of the Sukuk. The Programme Agreement entitles the Sole Arranger and Dealer(s) to terminate any agreement that they make to place Sukuk in certain circumstances prior to payment for such Sukuk being made to the Issuer.

Application by Prospective Investors

The investor presentation period for each Tranche will be notified to prospective investors and will be outlined in the Applicable Final Terms (in respect of each Tranche, the "**Offer Period**"). The Issue Date for each Tranche of Sukuk will be a date notified by the Issuer and the relevant Dealer(s) to the prospective investors after the end of the relevant Offer Period and shall be specified in the Applicable Final Terms. During the Offer Period, the relevant Dealer(s) may solicit expressions of interest from prospective investors for acquiring the Sukuk of the relevant Series, during which time the Issuer and the relevant Dealer(s) shall consult and agree on the Profit Rate, the Margin and/or the Initial Periodic Distribution Rate, as the case may be.

Persons wishing to purchase the Sukuk of the relevant Series will be required to submit a duly completed application (an "**Investor Application**"), to the relevant Dealer(s) in the case of Institutional and Qualified Clients, or in relation to any other natural or legal persons, to the Receiving Entities, before the end of the Offer Period and shall make payment for the Sukuk of such Series as per the instructions contained in the Investor Application. Forms in relation to Investor Applications will be available from the relevant Dealer(s), or from the Receiving Entities, as applicable, in respect of such Series. Applications to purchase Sukuk for less than the Specified Denomination will not be accepted.

Persons wishing to purchase the Sukuk will be required to declare that they have read and understood this Base Prospectus (including section 6 and section 7 entitled "**Risk Factors**" and "**Terms and Conditions of the Sukuk**", respectively) and the terms and conditions of the Investor Application and accept in full and agree to the basis on which the offer of Sukuk is made. They will also be required to declare that all the information provided in the Investor Application is true and correct.

Allocation of the Sukuk of each Tranche will be at the discretion of the Issuer and the relevant Dealer(s) and will be made following the end of the Offer Period. Once the allocation of Sukuk of such Tranche has been completed, the Issuer will cause the Profit Rate, the Margin and/or the Initial Periodic Distribution Rate, as the case may be, and the aggregate nominal amount, together with the anticipated aggregate net proceeds, of the Sukuk of such Tranche, to be communicated to investors.

All prospective investors must carefully read the Conditions prior to completing an application for the purchase of the Sukuk since the execution of the Investor Application constitutes acceptance of, and agreement to, the Conditions.

Allocation method of each Series of Sukuk

The relevant subscription periods, deadlines for the submission of the Investor Applications and the payment of subscription monies, the basis of the allocation and the final allocation process of each Series of Sukuk (the "Offering Process") will be at the sole discretion of the Issuer and the Sole Arranger and the Dealer(s). Without prejudice to the aforementioned, the Issuer along with the Sole Arranger and the Dealer(s) will endeavour to ensure that, during the Offering Process, the: (i) subscription period will commence and remain open for a period of up to 30 days; (ii) the allocation of the Sukuk of the relevant Series will be determined within a period of 15 days from the closing date of the subscription period; and (iii) the refund of excess subscription monies, if any, or subscription monies, as the case may be, will be made no later than 15 days from the date the allocation has been determined by the Issuer and the Sole Arranger and the Dealer(s). The details of the Offering Process in respect of each Series of Sukuk will be outlined in the announcement made by the Issuer on the Tadawul website and in the Investor Application. The registration of the Sukuk of each Series will be made upon satisfaction by the Issuer of all relevant regulatory requirements and as specified in the Registry Agreement.

The Kingdom of Saudi Arabia

The Sole Arranger and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will only offer the Sukuk in the Kingdom in accordance with any laws or regulations applicable in the Kingdom governing the issue, offering and sale of securities.

General

The Sole Arranger and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers any Sukuk or possesses or distributes this Base Prospectus.

Offers and sales of the Sukuk in the secondary market may only take place in compliance with any applicable restrictions and requirements in the relevant jurisdiction and in all cases, the Sukuk shall not be offered or sold to retail clients outside of the Kingdom.

None of the Issuer, the Dealers, the Sole Arranger, the Sukukholders' Agent and any of their respective affiliates represents that Sukuk may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Sukuk may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of Sukuk.

Transfers and Payments

The Registrar will maintain the Register in respect of the Sukuk in accordance with the provisions of the Registry Agreement. Investors must either maintain an account directly with the Registrar or through a custodian or other intermediary in order to hold Sukuk. All the transfers shall be effected as per Condition 3 (Transfers of Sukuk).

In addition, pursuant to Condition 8 (Payments) all payments under the Sukuk will be made to Saudi Riyal denominated accounts in the Kingdom as notified from time to time to the Registrar and the Payment Administrator. Accordingly, investors will need to make appropriate arrangements to receive payments under the Sukuk in such an account. Investors are required to consult with their own advisers as to the requirements of setting up the accounts referred to above and must take any necessary action in respect of opening such account themselves. None of the Issuer, the Sukukholders' Agent, the Payment Administrator, the Sole Arranger and the Dealers shall have any responsibility for ensuring that investors comply with the correct process, regulations and requirements in relation to opening such accounts in order to hold Sukuk and receive payments and none of them accept any liability for any loss arising directly or indirectly as a consequence of any action or inaction in respect of setting up such accounts.

Sole Arranger and the Dealers transacting with the Issuer

The Sole Arranger, the Dealers and each of their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business for which they may receive fees.

In particular, in the ordinary course of its business activities, the Sole Arranger, the Dealers and each of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates (including the Sukuk). The Sole Arranger, the Dealers and each of their respective affiliates that have a financing relationship with the Issuer and its affiliates routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, the Sole Arranger, the Dealers and each of their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Sukuk. Any such short positions could adversely affect future trading prices of the Sukuk. The Sole Arranger, the Dealers and each of their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with any offering of Sukuk, the Sole Arranger, the Dealers and each of their respective affiliates may act as an investor for its own account and may take up Sukuk in the offering and in that capacity may retain, purchase or sell for its own account such Sukuk and any securities of the Issuer or related investments and may offer to sell such securities or other investments otherwise than in connection with an offering. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Listing and commencement of trading

The date on which each Series of Sukuk will be traded and listed will be determined at a later stage and announced in due course, and will also be included in the Applicable Final Terms of each Series of Sukuk.

17. LEGAL AND GENERAL INFORMATION

Litigation

The Issuer and the Group are parties to a number of lawsuits and disputes within their ordinary course of business, including cases relating to debt collection. The Issuer confirms that neither the Issuer nor any other member of the Group is subject to any claims or legal proceedings that may, separately or jointly, materially affect the Group's operations or financial position.

Authorisation of Sukuk

The establishment of the Programme, the creation and issue of the Sukuk and the Issuer's entry into the Transaction Documents has been authorised by a resolution of the Board of Directors of the Issuer dated 11/05/1447H (corresponding to 02/11/2025G).

On 29/12/1447H (corresponding to 15/06/2026G), the Issuer obtained the Authority's approval for the registration and public offering of sukuk under an issuance programme with an aggregate value not exceeding SAR 10 billion (SAR 10,000,000,000).

The Issuer was granted a conditional approval by Tadawul in respect of listing of the Sukuk on Tadawul on 08/09/1447H (corresponding to 25/02/2026G).

On 22/09/1447H (corresponding to 11/03/2026G), the Issuer obtained SAMA's non-objection in relation to the issuance of the Sukuk for an aggregate amount of up to SAR 5 billion. Any issuance of Sukuk which exceeds such aggregate amount of SAR 5 billion will be subject to the Issuer obtaining further SAMA approval.

Significant or Material Change

There has been no significant change in the financial performance or position of the Issuer or of the Group since 31 December 2025 (being the date of the consolidated financial statements as at and for the year ended 31 December 2025) and there has been no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2025 (being the date of the latest published audited financial statements).

Independent auditors

The current joint auditors of the Issuer are KPMG and Deloitte.

Each of the 2022 Financial Statements and the 2023 Financial Statements were jointly audited by PwC and EY in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. PwC and EY issued an unqualified joint audit report on both the 2022 Financial Statements and the 2023 Financial Statements.

The 2024 Financial Statements were jointly audited by EY and Deloitte in accordance with the International Standards on Auditing that are endorsed in Saudi Arabia. Deloitte and EY issued an unqualified joint audit report on the 2024 Financial Statements.

The consolidated financial statements as at and for the year ended 31 December 2025 were jointly audited by KPMG and Deloitte in accordance with International Standards on Auditing that are endorsed in Saudi Arabia. KPMG and Deloitte issued an unqualified joint audit report on the consolidated financial statements as at and for the year ended 31 December 2025.

The Interim Financial Statements were jointly reviewed by KPMG and Deloitte in accordance with the International Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity endorsed in Saudi Arabia. KPMG and Deloitte issued an unqualified joint review report on the Interim Financial Statements.

Each of PwC, EY, KPMG and Deloitte is an institution authorised by SOCPA, the professional body that oversees audit firms in the Kingdom, to conduct independent audits of corporations in the Kingdom.

As at the date of this Base Prospectus, PwC, EY, KPMG, Deloitte and the advisors listed on pages xii to xiii have given and not withdrawn their written consent to the incorporation by reference in the Base Prospectus of their respective joint audit and/or joint review reports appended to the relevant Annual Financial Statements, the consolidated financial statements as at and for the year ended 31 December 2025 and/or the Interim Financial Statements, as the case may be, publication of their names, logos and statements / reports (as applicable) in this Base Prospectus as presented herein.

Expert's Statement

The Base Prospectus does not include statements from any experts.

Guarantees

The Bank confirms that it will not provide any guarantees, pledges or other similar commitments in connection with the Sukuk.

Declarations

The directors of the Issuer hereby make the following declarations in respect of each Series of Sukuk issued pursuant to the Programme:

a- Each issuance will not constitute a breach of the relevant laws and regulations in Saudi Arabia.

b- Each issuance will not constitute a breach of any contract/agreement entered into by the Issuer.

Furthermore, the directors of the Issuer hereby make the following additional declarations:

a- There has not been any commissions, discounts, brokerages or other non-cash compensation granted within the three years immediately preceding the application for registration and offer of securities that are the subject of this Base Prospectus in connection with the issue or offer of any securities by the Issuer or any of the Issuer's subsidiaries.

b- There has not been any material adverse change in the financial or trading position of the Issuer or its subsidiaries in the three financial years preceding the application for registration and offer of securities that are subject to this Base Prospectus and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of the Base Prospectus.

c- Other than as mentioned in the section titled "Directors' Shareholdings" of this Base Prospectus, they do not have any shareholding or interest of any kind in the Issuer or any of the Issuer's subsidiaries, and nor does any relative of theirs.

Subscription Undertakings

By completing the Investor Application, each investor:

a- agrees to subscribe for the Issuer's Sukuk in such number as specified in the Investor Application;

b- declares that they have read the Base Prospectus and understood all its content;

c- declares that they have thoroughly understood and accept the risks in relation to subordination of the Sukuk and the circumstances in which holders of the Sukuk may suffer loss as a result of holding the Sukuk, in particular, as a result of cancellation of payments;

d- declares that they have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk, including for an indefinite period of time;

e- accepts all offering instructions and terms mentioned in the Base Prospectus, Investor Application and Applicable Final Terms;

f- accepts the number of Sukuk allocated thereto (to the maximum of the amount subscribed for) according to the Investor Application and other subscription instructions and terms mentioned in the Investor Application and Base Prospectus;

g- undertakes not to cancel or amend the Investor Application after submitting it to the Sole Arranger, any of the Dealers or any of the Receiving Entities, as applicable; and

h- undertakes that they will not assign their right to claim damages caused directly by incorrect or incomplete material information contained in the Base Prospectus, or by omitting any material information that should have been part of the Base Prospectus and could affect their decision to purchase the Sukuk.

Overview of the market and trading process

In 1990G, full electronic trading of securities in the Kingdom was introduced. The Tadawul system was founded in 2001G as the successor to the Electronic Securities Information System. Trading in securities occurs through a fully integrated trading system covering the entire trading process, from the execution of the trade transaction through settlement thereof via the DSS which is managed by Edaa. Trading occurs each Business Day between 10:00 am and 3:00 pm (Sunday through Thursday of each week), during which time orders are executed. Outside such hours, orders can be entered, amended or cancelled from 9:30 am to 10:00 am. New entries and inquiries can be made from 10:00 am of the opening session. These times may be changed by Tadawul.

Transactions take place through the automatic matching of orders. Each order is accepted and its priority determined according to the price. In general, market orders (orders placed at best price) are executed first, followed by limit orders. If several orders are generated at the same price, they are executed according to the time of entry. The Tadawul system distributes a comprehensive range of information through various channels, including in particular the Tadawul website on the internet and Tadawul information link, which supplies trading data in real time to information providers such as Reuters and Bloomberg.

Transactions are automatically settled during the day, i.e., the transfer of securities takes place once the transaction is executed. Issuers are required to disclose all material information and decisions that are important for investors via the Tadawul system. Tadawul is responsible for the surveillance and monitoring of the market participants in terms of their compliance with the Listing Rules approved by the Board of the CMA pursuant to its Resolution Number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017G) as amended by its Resolution Number (1-46-2026) dated 13/10/1447H (corresponding to 01 April 2026G) and as further amended (if applicable), from time to time) to ensure fair trading and an orderly market.

Allocation method of each Series of Sukuk

The relevant subscription periods, deadlines for the submission of the Investor Applications and the payment of subscription monies, the basis of the allocation and the final allocation process of each Series of Sukuk (the "**Offering Process**") will be at the sole discretion of the Issuer and the Sole Arranger and the Dealer(s). Without prejudice to the aforementioned, the Issuer along with the Sole Arranger and the Dealer(s) will endeavour to ensure that Offering Process maintains the (i) subscription period to commence and remain open for a period of up to 30 calendar days; (ii) the allocation of the Sukuk of the relevant Series to be determined within a period of 15 calendar days from the closing date of the subscription period; and (iii) the refund of excess subscription monies, if any, or subscription monies, as the case may be, to be made no later than 15 calendar days from the date the allocation has been determined by the Issuer and the Sole Arranger and the Dealer(s). In any case, the details of the Offering Process will be specified in the announcement made by the Issuer on Tadawul website in respect of each Series of Sukuk and in the Investor Application of the relevant Series of Sukuk. The registration of the Sukuk of each Series will be made upon satisfaction by the Issuer of all relevant regulatory requirements and as specified in the Registry Agreement.

Documents available for inspection

For so long as any of the Sukuk are current and not less than three days prior to the start of the offering, copies of the following documents will be available for inspection at the Issuer's head office at King Abdullah Financial District (KAFD), Financial Boulevard - Al Aqeeq District - Building No. 3128, Postal Code 13519 – Secondary No. 6671, Riyadh, Kingdom of Saudi Arabia and the Sukukholders' Agent's head office at Riyad Bank Tower, King Abdullah Financial District (KAFD), 3128 Financial Boulevard, Al Aqeeq District, 13519 - 6671, Riyadh, Kingdom of Saudi Arabia during official business hours on each weekday (other than a Friday, Saturday and public holiday):

a- A copy of the CMA's announcement approving the registration and offering of the Sukuk;

b- A copy of Tadawul's approval on the listing of the Sukuk;

c- SAMA's non-objection on the issuance of the Sukuk;

d- The resolution by the Issuer's board of director approving the establishment of the Programme and the issuance of the Sukuk;

e- Royal Decree and Council of Ministers' Resolution No. 91 dated 01/05/1377H (corresponding to 23 November 1957G) approving the incorporation of Riyad Bank as a Saudi Arabian joint stock company;

f- The articles of association and bylaws of the Issuer;

g- The commercial registration certificate of the Issuer;

h- The Financial Statements and the consolidated financial statements as at and for the year ended 31 December 2025;

i- The Transaction Documents; and

j- the consent letters for:

  i- The Financial Advisor, Sole Arranger and Dealer to include its name and logo in the Base Prospectus;

  ii- The Legal Advisor for the Issuer to include its name and logo in the Base Prospectus; and

  iii- The Legal Advisor for the Financial Advisor, Sole Arranger and Dealer to include its name and logo in the Base Prospectus.

18. WAIVERS

The Issuer has submitted an application to the CMA for the waiver of the requirement under Annex 15 (19) (3) of the ROSCOs, which relates to including any contracts or arrangement, in effect or contemplated, in which a director or senior executive or any of their relatives has an interest and that is related to the business of the Issuer or any of the Issuer's subsidiaries as part of the documents available for inspection. Pursuant to this waiver, the Issuer will not be making such documents available for inspection. The board of the CMA has issued a resolution approving this waiver on 29/12/1447H (corresponding to 15/06/2026G).

19. TOTAL EXPENSES RELATED TO THE PROGRAMME ESTABLISHMENT

The total expenses related to the Programme establishment are estimated at approximately SAR 13,443,125 (Thirteen Million Four Hundred Forty-Three Thousand One Hundred Twenty-Five Saudi Riyals), including the fees of the auditors and legal advisors. These expenses will be fully borne by the Issuer. For the avoidance of doubt, these expenses do not include the costs that are incurred as a result of each issuance, which will be determined at the stage of each issuance and will be incorporated in the Applicable Final Terms.

APPENDIX 1: THE ISSUER'S BYLAWS

Ministry of Commerce

Riyad Bank Bylaws

Listed Joint Stock Company

Head Office: Riyadh **Electronic Version No.: 3** **Request No.: 1223003**

Riyad Bank Bylaws
(Listed Joint Stock Company)

Chapter I: Company Incorporation

Article (1): Incorporation

In accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 AH, its Implementing Regulations, and these Bylaws, a Saudi listed joint-stock company is incorporated as follows:

Article (2): Company Name

Riyad Bank (Listed Joint Stock Company)

Article (3): Company Head Office

The Company's head office shall be located in Riyadh City.

Article (4): Objectives of the Company

The Company shall carry on and perform the following activities:

Chapter	Category
Financial and Insurance Activities	Other Types of Financial Brokerage
Financial and Insurance Activities	Finance Lease
Financial and Insurance Activities	Other Forms of Loan Grants
Financial and Insurance Activities	Other Activities that Support Financial Services Activities

The Company shall conduct its activities in accordance with the applicable laws and after obtaining the necessary licenses from the competent authorities, if any.

Article (5): Company Term

• The term of the Company is ninety-nine (99) years commencing from the date of its registration in the Commercial Register, and it may be extended by a resolution issued by the Extraordinary General Assembly at least one year prior to its expiry.

Article (6): Participation and Ownership of Companies

The Company may, on its own, establish or incorporate limited liability companies or closed joint-stock companies, in accordance with the capital permitted by law. It may also enter into partnerships with others, own shares and interests in other existing companies, or merge with them. The Company shall have the right to participate with others in the incorporation of joint-stock companies or limited liability companies, after fulfilling the requirements of the applicable laws and instructions in this regard. The Company may also dispose of such shares or interests, provided that this does not include acting as intermediary in their trading, within the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions, after obtaining the prior written non-objection of the Saudi Central Bank.

Article (7): Registered Office

The Company's head office shall be located in Riyadh City. The Company may, by resolution of the Board of Directors and within the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions, establish branches, offices, representatives, or agencies inside or outside the Kingdom of Saudi Arabia, after obtaining the prior written non-objection of the Saudi Central Bank.

Article (8): Objects

The Company shall carry on and implement the following objects: to undertake, whether for its own account or for the account of others, within the Kingdom of Saudi Arabia and abroad, all banking and investment business, including, by way of example and not limitation: receiving monies; accepting deposits and funds held in safekeeping; opening current, time and savings accounts; establishing, managing and leasing safe-deposit boxes; issuing certificates of deposit and bonds, or instruments related thereto, whether secured or unsecured, and redeeming the same; providing credit facilities in their various forms, including opening various types of credits, entering into loans of different maturities, and accepting and providing various types of guarantees and sureties; drawing, paying and collecting commercial papers, bankers' cheques, transfers, payment orders and the like; accepting, discounting and pledging bills of exchange and promissory notes, and dealing in them in all forms; opening documentary credits, accepting or confirming the same and all matters related thereto; issuing local and foreign letters of guarantee, accepting them and dealing therewith; dealing in shares and bonds, and carrying out all activities related to securities, sukuk and their trading; carrying out transfers of all kinds, and foreign exchange and currency exchange operations; carrying out investment, storage and custody activities in respect of assets of all kinds; leasing safe-deposit boxes to others; working to provide and market savings vehicles and investment opportunities for its own account and for others; acting as agent, correspondent or representative for foreign and local banks; acting in any capacity in managing businesses and funds for others and collecting the same for its own account or for others; settling amounts due on behalf of others; acting as trustee for the investment of funds; providing assistance and advice in that regard to others; and participating or contributing, by any means, in companies and establishments carrying on activities that fall within the Company’s objects, or that assist in achieving such objects, or merging with or acquiring the same, within the limits and subject to the provisions set out in the Banking Control Law and the relevant laws and regulations, after obtaining the prior written non-objection of the Saudi Central Bank. The Company shall carry on its activities in accordance with the applicable laws and regulations and after obtaining the necessary licenses from the competent authorities, if any.

Chapter II: Capital and Shares

Article (9): Capital

The Company's issued capital is set at forty billion Saudi Riyals (SAR 40,000,000,000), divided into four billion (4,000,000,000) equal nominal shares with a nominal value of ten (10) Saudi Riyals each, all of which are ordinary cash shares. The paid-up amount of the issued capital is forty billion Saudi Riyals (SAR 40,000,000,000), and the cash amounts paid in respect of the issued capital have been deposited with one of the licensed banks.

Article (10): Subscription to Shares

The shareholders have subscribed to all shares of the issued capital amounting to SAR 40,000,000,000, fully paid.

Article (11): Preferred Shares

The Extraordinary General Assembly may, after obtaining the prior written non-objection of the Saudi Central Bank, issue preferred shares or redeemable shares, or resolve to purchase preferred shares or ordinary shares, or convert ordinary shares into preferred shares, or preferred shares into ordinary shares. Approval of the Extraordinary General Assembly shall not be required if the resolution issuing shares of a certain type or class provides for their automatic conversion into another type or class upon the fulfilment of specified conditions or after the lapse of a specified period set out in the resolution approving the issue. Preferred shares shall not carry voting rights at shareholders' general assemblies, and shall entitle their holders to a higher percentage of the Company's net profits than holders of ordinary shares after setting aside the statutory reserve, within the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions.

Article (12): Purchase and Sale of Company Shares and Granting Finance to Employees

The Company may, within the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions, and after obtaining the prior written non-objection of the Saudi Central Bank: (1) purchase its ordinary or preferred shares, including for use as treasury shares, in accordance with the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions issued by the competent authorities; (2) sell treasury shares in one or more stages, provided that the prescribed maximum limits are not exceeded and that any such sale takes place during the periods permitted by law; (3) purchase shares and allocate them to the Company's employees under an employee share programme in accordance with the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions issued by the competent authorities. In all cases, shares purchased by the Company shall carry no voting rights at shareholders' general assemblies; and (4) grant finance to its employees under employee incentive programmes, whether on a profit basis or otherwise.

Article (13): Seizure of Shares and Sale of Shares Not Fully Paid

Within the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions, the Company may place a lien on shares owned by any shareholder and on any unpaid profit entitlements due to that shareholder, as security for the repayment of loans or discharge of obligations owed by such shareholder to the Company, whether incurred individually or jointly with another person. If the shareholder fails to pay its debts within ten working days from the date of demand, the Board of Directors may sell the pledged shares by auction, satisfy the Company's dues from the sale proceeds, and return any surplus to the shareholder or its representative. The shareholder shall pay the value of the share on the prescribed due dates; if the shareholder defaults, the Board of Directors may, after notice by publication in a daily newspaper circulated in the city of the Company's head office, by registered letter, or through modern technological means, sell the share at public auction or on the stock market, as the case may be, in accordance with the limits and subject to the provisions of the Banking Control Law and the relevant laws and instructions issued by the competent authority. The Company shall recover the amounts due to it from the sale proceeds and return the balance to the shareholder. If the sale proceeds are insufficient, the Company may recover the remaining amount from all assets of the shareholder. Nevertheless, a defaulting shareholder may, up to the day of sale, pay the amount due together with the expenses incurred by the Company in this regard. The Company shall cancel the sold share in accordance with the provisions of this Article, issue to the purchaser a new share bearing the number of the cancelled share, and record the sale in the share register together with the name of the new owner.

Article (14): Issuance of Shares

Shares shall be nominal and may not be issued for less than their par value. However, they may be issued for more than this value, in which case the difference in value shall be added to a separate item within shareholders' equity, and the uses of this difference shall be determined in accordance with what is permitted by law. A share is indivisible against the Company; if a share is owned by multiple persons, they must choose one of them to represent them in exercising the rights related thereto, and these persons shall be jointly and severally liable for the obligations arising from the ownership of the share.

Article (15): Trading of Shares

Shares shall be tradable in accordance with the provisions of the Capital Market Law and its implementing regulations, subject to compliance with the instructions issued by the Saudi Central Bank.

Article (16): Capital Increase

1. The extraordinary general assembly may decide to increase the Company's capital, provided the capital has been fully paid up and in compliance with the requirements of the Companies Law, its regulations, and related laws and instructions. 2. The extraordinary general assembly may, in all cases, allocate the shares issued upon capital increase, or a portion thereof, to the employees of the Company and its subsidiaries, or some of them. Shareholders are not permitted to exercise their priority right when the Company issues shares allocated to employees. 3. A shareholder who owns a share at the time the extraordinary general assembly decides to approve the capital increase has the priority right to subscribe to the new shares issued in exchange for cash contributions. They shall be notified of their priority, if any, by registered letter to their address in the shareholders' register or by announcement through modern technical means regarding the decision to increase the capital, the terms of subscription, how to subscribe, the duration, and the start and end dates, in consideration of the type and class of share they own. 4. The extraordinary general assembly may suspend the priority right of shareholders to subscribe to a capital increase in exchange for cash contributions, or grant the priority right to non-shareholders in cases it deems appropriate for the Company's benefit. 5. The shareholder has the right to sell or waive the priority right in accordance with the limits and provisions contained in the Banking Control Law and the related regulations and instructions issued by the competent authorities. With due observance of what is stated in paragraph -4- above, the new shares shall be distributed among the holders of priority rights who requested to subscribe in proportion to their ownership of the priority rights out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares, with due observance of the type and class of share they own. The remaining new shares shall be distributed among the holders of priority rights who requested more than their entitlement, in proportion to their ownership of the priority rights out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares. Any remaining shares shall be offered to third parties, unless the extraordinary general assembly decides otherwise or the Capital Market Law stipulates otherwise. 7. The decision of the extraordinary general assembly related to the capital increase shall be adopted in accordance with the limits and provisions contained in the Banking Control Law and related regulations and instructions and after obtaining the written non-objection of the Saudi Central Bank.

Article (17): Capital Decrease

The extraordinary general assembly may, after obtaining written non-objection from the Saudi Central Bank, decide to reduce the capital in accordance with the limits and provisions contained in the Banking Control Law and related regulations and instructions, if it exceeds the Company's needs or if it incurs losses. In the latter case alone, the capital may be reduced below the minimum limit stipulated in the Companies Law, the Banking Control Law, and the instructions issued by the Saudi Central Bank. The reduction decision shall only be issued after a statement is recited at the extraordinary general assembly, prepared by the Board of Directors, regarding the reasons necessitating the reduction, the Company's obligations, and the effect of the reduction on fulfilling them. A report from the Company's auditors shall be attached to this statement. If the capital reduction is a result of it exceeding the Company's needs, creditors must be invited to express their objections within the legally specified period from the date set for holding the extraordinary general assembly to make the reduction decision, provided that the invitation is accompanied by a statement clarifying the amount of capital before and after the reduction, the date of the assembly, and the effective date of the reduction. If a creditor objects and submits their documents to the Company within the mentioned period, the Company must pay their debt if it is due immediately, or provide them with sufficient guarantee to fulfill it if it is a future obligation, in accordance with the limits and provisions contained in the Banking Control Law and related regulations and instructions.

Article (18): Debt Instruments and Financing Sukuk

The Company may, in accordance with the Capital Market Law and with due observance of the provisions of the Banking Control Law as they may be amended from time to time - and after obtaining written non-objection from the Saudi Central Bank, issue or offer debt instruments, including without limitation sukuk and bonds, whether primary or secondary, in any currency, directly through a program in one part or several parts, in one stage or several stages, or through a series of issuances at any time, and offer them publicly or privately within or outside the Kingdom of Saudi Arabia.

Chapter III: Board of Directors

Article (19): Company Management

(A) After satisfying the fit and proper requirements determined by the Saudi Central Bank and obtaining its no-objection letter, the Company shall be managed by a Board of Directors composed of nine (9) members, who must be natural persons elected by the Ordinary General Assembly of shareholders for a term not exceeding four (4) years.
(B) The Board of Directors shall operate as follows:
The quorum for a Board meeting shall be the attendance of fifty percent (50%) of the members of the Board of Directors.

The legal quorum for the adoption of resolutions shall be the approval of fifty-one percent (51%) of the members present.
Board members may give proxy for attendance at meetings.

Article (20): Expiration or Termination of Board Membership

1. Membership of the Board shall terminate upon expiry of its term or upon the cessation of the member's eligibility in accordance with any law or instructions in force in the Kingdom. The General Assembly may, based on a recommendation of the Board of Directors, terminate the membership of any member who, without a legitimate excuse acceptable to the Board of Directors, fails to attend three consecutive meetings or five separate meetings during the term of membership.

Article (21): Powers of the Board of Directors

Without prejudice to the powers reserved to the General Assembly, the Board of Directors shall have the powers necessary to manage the Company so as to achieve its purposes.

Judicial powers	Representation before Courts	Hearing and Responding to lawsuits	Delegation is permitted
		Reconciliation	Delegation is permitted
		Rejecting and accepting arbitration	Delegation is permitted
		Rejecting and accepting reconciliation	Delegation is permitted
		Acknowledgment and denial	Delegation is permitted
		Waiver	Delegation is permitted
		Pleading	Delegation is permitted
		Defense	Delegation is permitted
		Claim	Delegation is permitted
		Litigation	Delegation is permitted

	Appointment of Arbitrators	Delegation is permitted
	Appointment of Attorneys	Delegation is permitted
	Representation before Notary Publics	Delegation is permitted
	Use and implementation of all electronic services of the Ministry of Justice	Delegation is permitted
	Delegating or authorizing third parties to implement the electronic services of the Ministry of Justice	Delegation is permitted

The Board of Directors shall obtain the approval of the general assembly before selling assets whose value exceeds fifty percent (50%) of the total value of the Company's assets, whether the sale is made through a single transaction or multiple transactions. In this case, the transaction that results in exceeding the fifty percent (50%) threshold shall be the transaction requiring the general assembly's approval. This percentage shall be calculated from the date of the first transaction conducted within the preceding twelve (12) months. Within the limits of its authority, the Board of Directors may delegate one or more of its members, or third parties, to carry out specific acts or transactions.

Article (22): Board Members' Remuneration

1. The remuneration of the Board of Directors shall consist of an attendance allowance for Board meetings, taking into account, when determining such remuneration, the provisions of the Companies Law and its Implementing Regulations.
2. The Board of Directors' report to the ordinary general assembly at its annual assembly shall include a comprehensive statement of all amounts received or entitled to be received by each member of the Board during the fiscal year, including remuneration, meeting attendance allowances, expense allowances, and other benefits.

The report shall also include a statement of amounts received by the Board members in their capacity as employees or administrators, or amounts received for technical, administrative, or consultancy services. Additionally, it shall contain a statement of the number of Board meetings held and the number of meetings attended by each member.

Article (23): Powers of the Chairman, Vice-Chairman, Managing Director, and Board Secretary

After obtaining the prior written non-objection of the Saudi Central Bank:
At its first meeting, the Board of Directors shall appoint from among its members a Chairman of the Board, and it may appoint from among its members a Managing Director. The Board of Directors shall also, at its first meeting, appoint from among its members a Vice-Chairman.
1. The Board of Directors shall appoint a Chief Executive Officer from among its members or from others.

The Chairman of the Board shall have the following powers:

Judicial powers	Representing before Courts	Hearing claims and responding thereto	May exercise these powers individually	Delegation is permitted
		Reconciliation	May exercise these powers individually	Delegation is permitted
		Accepting and rejecting arbitration	May exercise these powers individually	Delegation is permitted
		Accepting and rejecting settlement	May exercise these powers individually	Delegation is permitted

		Acknowledgment and denial	May exercise these powers individually	Delegation is permitted
		Waiver	May exercise these powers individually	Delegation is permitted
		Pleading	May exercise these powers individually	Delegation is permitted
		Defense	May exercise these powers individually	Delegation is permitted
		Claim	May exercise these powers individually	Delegation is permitted
		Litigating	May exercise these powers individually	Delegation is permitted
	Appointment of Arbitrators	May exercise these powers individually	Delegation is permitted	
	Appointment of Lawyers	May exercise these powers individually	Delegation is permitted	
	Representing before Notary Publics	May exercise these powers individually	Delegation is permitted	
	Use and implementation of all electronic services of the Ministry of Justice	May exercise these powers individually	Delegation is permitted	
	Authorizing third parties to implement the electronic services of the Ministry of Justice	May exercise these powers individually	Delegation is permitted	

The Board of Directors shall appoint a Board Secretary, who may be selected from among its members or from others.The Chairman of the Board may, by written resolution, delegate some of his powers to other Board members or to third parties to perform specific act or acts. The Vice-Chairman shall replace the Chairman of the Board in his absence whenever the Board has a Vice-Chairman.

Article (24): Expiration of the Board of Directors' Term, Resignation, or Dismissal of its Members

Prior to the expiry of its term, the Board of Directors shall convene the general assembly to elect a new Board for a new term. If the election cannot be conducted and the term of the current Board expires, its members shall continue performing their duties after obtaining the written non-objection of the Saudi Central Bank, until a new Board of Directors is elected, provided that the period during which the outgoing Board continues to serve shall not exceed the duration prescribed by the applicable laws and regulations. Membership of the Board of Directors shall terminate upon the expiration of its term or upon the expiration of the eligibility conditions of any member in accordance with any laws or regulations in force in the Kingdom of Saudi Arabia. However, the general assembly may, at any time, dismiss all or any of the members of the Board of Directors, without prejudice to the right of the dismissed member to claim compensation from the Company if such dismissal occurs without an acceptable reason or at an inappropriate time. A member of the Board of Directors may resign from his position by submitting a written notice addressed to the Chairman of the Board. If the Chairman resigns, the notice shall be addressed to the remaining Board members and the Board Secretary, and the resignation shall become effective, in both cases, on the date specified in the notice. In all cases, the Saudi Central Bank and any other competent authorities shall be notified in accordance with the applicable laws and regulations.

Article (25): Vacancy on the Board of Directors

If a position on the Board of Directors becomes vacant, the Board shall, by majority vote and after obtaining the written non-objection of the Saudi Central Bank, appoint a temporary member to fill the vacant position, provided that such member possesses the required expertise and competence. The new member shall complete the remaining term of his predecessor, in accordance with the limits and provisions stipulated under the Banking Control Law and the relevant laws and regulations. The Capital Market Authority, the Commercial Register, and other competent authorities shall be notified within the period prescribed by law, and the appointment shall be submitted to the general assembly at its first assembly for approval. If the conditions required for the Board of Directors to convene are not satisfied due to the number of its members falling below the minimum prescribed under the Companies Law or these Bylaws , the remaining members must invite the general assembly to convene, within the legally prescribed period, to elect the required number of members.

Article (26): Quorum of Board Meetings and Resolutions

A Board meeting shall not be valid unless attended by at least five (5) members in person or by proxy for another Board member. The proxy shall be granted pursuant to a written authorization, provided that no member acting by proxy may hold more than one proxy, and subject in all cases to the instructions of the Saudi Central Bank. Board resolutions shall be adopted by a majority of the votes of the members present or represented at the meeting. In the event of a tie, the side for which the Chairman of the Board, or in his absence the Vice-Chairman, votes shall prevail. The Board may also adopt resolutions by circulation through modern technological means unless any member requests in writing that a Board meeting be convened for deliberation. Any resolution adopted in this manner shall be submitted to the Board at its next meeting to be recorded in the minutes of that meeting. A resolution of the Board of Directors shall take effect from the date of its issuance unless it provides for its effectiveness at another time or upon the fulfilment of specified conditions.

Article (27): Committees of Board of Directors

The Board of Directors may establish such principal and subsidiary committees as it deems appropriate to monitor and oversee the Company's operations. The Board shall approve the operating charters of such committees in accordance with the limits and provisions set forth in the Banking Control Law and the relevant laws, regulations, and instructions issued by the Saudi Central Bank and other competent authorities. Such charters shall define the duties, responsibilities, term, scope of work, and authorities granted to these committees, and shall disclose the relevant details in the Board of Directors' report in accordance with the disclosure requirements prescribed by the competent authorities.

Article (28): Audit Committee

The Audit Committee shall be formed in accordance with the limits and provisions set forth in the corporate governance instructions issued by the competent authorities, and in compliance with the relevant applicable laws and regulations, after obtaining the written approval of the Saudi Central Bank.

Article (29): Meetings of the Board of Directors

The Board of Directors shall meet at least four (4) times during each financial year upon the invitation of its Chairman. Meetings shall be held by the appropriate means and in the manner determined by the Chairman. The Chairman shall convene the Board whenever so requested in writing by any member.

Article (30): Powers of the Board of Directors

Without prejudice to the provisions of the Banking Control Law, the instructions issued by the Saudi Central Bank, and the Companies Law, and while observing the authorities vested in the general assembly the Board of Directors shall collectively have the broadest powers to manage the Company in a manner that achieves its purposes. The Board shall exercise all powers and carry out all acts and transactions that the Company is entitled to perform under these Bylaws , without exception to the powers and authorities granted to it. Its powers include, but are not limited to: Accepting or canceling the option sale; granting and obtaining loans; mortgaging, receiving, accepting, and modifying mortgage; receiving compensation, amounts, and debts in cash or by ordinary or bank cheques and disbursing the same, purchasing and accepting the transfer of real estate, acknowledging receipt of purchase price, deferred sales, and the right to transfer property against deeds or through exchange; updating deeds and registering them in the Comprehensive Deeds System; amending neighborhood names and layouts; selling and transferring real estate before notaries and receiving the value via bank cheques in the name of the Company, signing lease agreements and rental contracts, delivering and receiving properties between lessors and lessees, collecting rents in cash or by cheques, receiving property deeds; partitioning, dividing, merging, and transferring real estate deeds; relinquishing parts of property with or without compensation; transferring property to heirs or to the State; modifying property areas, lengths, owners' names and data; obtaining replacements for lost deeds, pledging, releasing pledges, accepting pledges, modifying pledges; exchanging or bartering properties with or without compensation, buying and selling shares, bonds, and goods on behalf of the Company or its clients, receiving their value, exchanging them, distributing dividend s and coupons, opening accounts of all types, inside or outside the Kingdom, managing and operating them by deposits, withdrawals, cheques, or transfers, authorizing signatures and transfers to and from accounts, activating accounts, updating account information, closing and settling accounts; signing all commercial papers and negotiable instruments and endorsing and assigning them; and, in general, signing all banking transactions of the Company and fully representing the Company in its dealings with banks and other entities, signing memoranda of incorporation, participating in companies, amending them, including capital increases, participating in mergers and consolidations, liquidations, and conversions from limited liability to joint-stock companies and vice versa, before notaries, the Ministry of Commerce, and the Ministry of Investment, obtaining, amending, renewing, canceling the commercial registration, adding business activities, concluding all types of commercial agency agreements in the name of the Company, obtaining and renewing licenses, liaising with the Saudi Authority for Intellectual Property, the Ministry of Commerce, the Ministry of Investment, and other governmental authorities, registering the Company's trade names and trademarks, representing the Company in its boards of directors, appointing and terminating employees, recruiting and sponsoring personnel, entering into contracts for incorporation, supply, insurance, contracting, transportation, and various services; signing cashier's cheques, guarantees, letters of credit, transfers, and all types of negotiable instruments, endorsing and collecting their value; making acknowledgments on behalf of the Company; settlement of receivables and claims from debtors; denial or dispute forgery; enter into compromise, waiver, deferment, or settlement agreements, with or without consideration; collect all amounts in cash or by cheques. Within the limits of its authority, the Board may delegate any or all of its powers to third parties, authorize agents to sub-delegate to others such powers…, and continue such delegation successively as needed.

Article (31): Powers of the Chairman, Vice-Chairman, Managing Director, and Board Secretary

The Board of Directors shall appoint from among its members a Chairman and a Vice-Chairman of the Board. The Board may also appoint a Managing Director in accordance with the limits and provisions set forth in the Banking Control Law and the relevant laws and regulations, after obtaining the written non-objection of the Saudi Central Bank. No person shall simultaneously serve as Chairman of the Board and hold any Executive position in the Company. The Chairman of the Board shall, in addition to the powers delegated to him by the Board, and subject to the provisions of the Banking Control Law and the instructions issued by the Saudi Central Bank, have the authority to sign on behalf of the Company individually and to accept or cancel option sale; grant and obtain loans; pledge, receive, release, accept, and modify pledges; receive compensation, amounts, and debts in cash or by ordinary or bank cheques, and disburse them, purchase real estate and accept the transfer of property; acknowledge receipt of purchase price; execute deferred sales; exercise the right to transfer property against deeds or through exchange; update deeds and enter them in the Comprehensive Deeds System; amend neighborhood names and layouts; sell and transfer real estate before notaries, courts, and authorized registrars approved by the Ministry of Justice, and receive the payment via bank cheques in the name of the Company, sign lease agreements and rental contracts, deliver and receive properties between lessors and lessees, collect rents in cash or by cheques, and receive property deeds, partition, divide, merge, and manage real estate deeds; relinquish portions of property with or without consideration; and transfer property to heirs or to the State and all its competent authorities, accept expropriation and object thereto, liaise with the Real Property Register and the National Company for Real Estate Registration Services in respect of sale procedures, receipt of the sale proceeds by a certified cheque in the name of the Company, subdivision and partition, purchase and payment of the price, amendment of areas, boundaries, plot numbers, plans, owners' names and data, obtain replacement title deeds, mortgaging, redemption of mortgage, acceptance of mortgage, amendment of mortgage, increase or decrease of the mortgage value, exchange and consideration-based or non-consideration transactions, requesting first-time registration of property, accessing the Real Property Register, requesting amendment of the Real Property Register, registering judicial rulings in the Real Property Register, annotating entries in the Real Property Register, filing grievances before the Real Estate General Authority, and consenting to any reduction in area, with respect to undeveloped (white) lands, to liaise with the White Land Fees Program, amend the information registered on the electronic portal, submit objections, deliver and receive documentation and documents, submit refund requests and receive certified bank cheques in the name of the Company, shall also have the right to liaise with the Agricultural Development Fund for obtaining clearance certificates confirming the absence of any outstanding financial obligations, to request the conversion of agricultural lands into residential lands, to deal with municipalities, ministries, governmental authorities, and to amend the owner's name and add the Commercial Registration number and Unified Number, whenever required, with respect to ships and marine vessels, to accept, amend, and redeem mortgages sign all documents related thereto, with respect to shares and bank accounts, to purchase and sell shares, bonds, and goods on behalf of the Company or its clients, receive their proceeds, replace or exchange them, accept the pledge of shares, amend such pledge and discharge it, distribute and receive dividends and coupons; to open accounts of all types, including current and investment accounts, inside or outside the Kingdom of Saudi Arabia, manage and operate such accounts by way of deposits, cash withdrawals, cheques, or transfers; approve signatures, effect transfers to and from such accounts, activate accounts, update account information, close and settle accounts; sign all commercial papers and negotiable instruments and endorse and assign them, and, in general, signing all banking transactions of the Company and fully representing the Company in its dealings with banks and other entities, inside or outside the Kingdom of Saudi Arabia, signing memoranda of incorporation, participating in companies, amending them, including capital increases, participating in mergers and consolidations, liquidations, and conversions from limited liability to joint-stock companies and vice versa, before notaries, the Ministry of Commerce, the Ministry of Investment, Ministry of Municipal and Rural Affairs and Housing, its branches, directorates, and departments, representing the Company in the companies in which it participates within or outside the Kingdom of Saudi Arabia, selling, purchasing, assigning and accepting the assignment of shares and equity interests in companies in which the Company holds ownership, whether partially or wholly owned, inside or outside the Kingdom of Saudi Arabia, obtaining, amending, renewing, canceling the commercial registration, adding business activities, concluding all types of commercial agency agreements in the name of the Company, obtaining and renewing licenses, liaising with the Saudi Authority for Intellectual Property, its branches, directorates, and departments, registering the Company's trade names and trademarks, assigning trademarks or canceling them, transferring trademarks, amending trademarks, and filing objections against the refusal to register trademarks or against any amendments thereto, appointing and terminating employees, recruiting and sponsoring personnel, entering into contracts for incorporation, supply, insurance, contracting, transportation, and various services; signing guarantees, all types of letters of credit, transfers, and all types of negotiable instruments, endorsing and cashing their value; to act on behalf of the Company, its management, branches, and offices inside and outside the Kingdom of Saudi Arabia, by attending proceedings and representing the Company in litigation, pleading, defending, contesting, and pursuing any claims filed by or against the Company before all court levels, including first instance, appeal, cassation, before all courts, judicial bodies, and committees of all jurisdictions, including, without limitation, banking, financing, insurance, and tax committees, the Committees for the Resolution of Securities Disputes, the Public Prosecution and its branches, medical and labor committees, arbitration panels inside and outside the Kingdom, endowment departments, the Supreme Court, any judicial authority, all ministries, authorities, governmental and non-governmental bodies and institutions of every type, all ministries, bodies, authorities, public institutions, both governmental and non-governmental, in all their departments, municipalities, the Border Guard, Balady system, engineering offices for issuing survey resolutions, the Border Protection Field Committee, Community Development Committee for submitting and signing compensation applications, the Holy Mosque Squares Committee for submitting and signing compensation requests, the police and security authorities, the forgery and counterfeiting division, forensic evidence departments, enforcement and control authorities, all ports of entry, traffic departments for filing theft reports and canceling theft reports, contesting violations, settlement and adjudication of violations, and obtain data reports in all regions of the Kingdom of Saudi Arabia, annotate judgments, seek enforcement, receive judgments, appoint experts, request oath-taking and reject it, serve and receive notices, request attachment and its ratification and release, initiate both types of partition, submit and receive all petitions, memoranda, reports, written and oral responses, attestations and testimony, judgments, resolutions, contracts, documents, request execution and enforcement procedures, request imprisonment of defaulting debtors, their release, travel bans, attachment of their assets, sign on behalf of the Company all that is required in this regard and submit the same to competent governmental and non-governmental authorities, making acknowledgments on behalf of the

Company; settlement of receivables and claims from debtors; denial or dispute forgery; enter into compromise, waiver, deferment, or settlement agreements, with or without consideration; collect all amounts in cash or by cheques. The Chairman of the Board shall have the authority to appoint and engage lawyers, certified public accountants, legal, advisory, and administrative firms inside and outside the Kingdom of Saudi Arabia. The Chairman of the Board shall also, within the limits of his powers, have the right to delegate to third parties all or part of its powers and to authorize such attorneys to sub-delegate to others, successively and consecutively. In cases where the Chairman of the Board is absent, the Vice Chairman shall replace him and exercise the aforementioned powers. The Board of Directors shall, after obtaining the written no-objection of the Saudi Central Bank, appoint a Secretary of the Board from among its members or from others, who shall be entrusted with the duties determined by the Board, and whose remuneration shall be determined by the Board. The term of office of the Chairman, Vice Chairman, Managing Director, and Secretary of the Board, who is also a Board member shall not exceed their respective terms of membership in the Board; however, they may be reappointed. The Board may, at any time, dismiss any of them without prejudice to the right of the dismissed person to claim compensation if such dismissal occurs without legal cause or at an inappropriate time.

Article (32): Board of Directors Deliberations

The deliberations and resolutions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the attending Board members, and the Board Secretary. Such minutes shall be entered in a special register to be signed by the Chairman of the Board and the Board Secretary. Modern technological means may be used for recording deliberations.

Article (33): Management of the Company

The management shall be vested in a Board of Directors comprising nine (9) members, elected by the shareholders' ordinary general assembly after obtaining the prior written non-objection of the Saudi Central Bank to their nomination, for a term not exceeding three (3) years; such members may be re-elected in accordance with the limits and provisions set out in the Banking Control Law and the applicable laws and regulations.

Article (34): Remuneration of Board Members

Members of the Board of Directors shall receive remuneration, allowances, and benefits, whether financial or in kind, commensurate with the number of meetings attended by each member, in accordance with the remuneration policy approved by the General Assembly and in a manner consistent with the Companies Law, its implementing regulations, and the rules issued by the Capital Market Authority and the Saudi Central Bank. The Company shall also pay the Chairman and members the actual expenses incurred by them in attending Board meetings or committee meetings, including travel and accommodation expenses.

Article (35): Expiration or Termination of Board Membership

Members of the Board shall attend Board meetings regularly, including by using technological means, and shall not be absent except for a legitimate excuse notified in advance to the Chairman. If a member fails to participate in three meetings in a year without an excuse that warrants such absence, a replacement member shall be appointed in his place.

Chapter IV: Shareholders' Assemblies

Article (36): Notice of Assemblies

1. General and extraordinary general assemblies shall be convened by a resolution of the Board of Directors. The Board of Directors shall convene the ordinary general assembly within thirty (30) days from the date of a request made by the auditor or by one or more shareholders representing at least ten percent (10%) of the Company’s voting shares. The auditor may also convene the ordinary general assembly if the Board of Directors fails to issue the notice within thirty (30) days from the date of the auditor’s request.
2. The request referred to in paragraph (1) of this Article must specify the matters on which the shareholders are to vote.
3. The notice of an assembly shall be issued at least twenty-one (21) days prior to the scheduled date of the assembly. Such notice shall be given by:
a. Sending registered letters to the shareholders at the addresses recorded in the shareholders’ register, or by publishing the notice through modern technological means; and
b. Submitting a copy of the notice along with the agenda with the Commercial Register, and, in the case of a Company listed on the financial market at the date of the notice, submitting a copy to the Capital Market Authority.
4. The notice of the general assembly shall include, at a minimum, the following:

a. A statement identifying the person entitled to attend the assembly of the general assembly, the right of such person to appoint a proxy of his or her choice other than a member of the Board of Directors, and the shareholder's right to discuss the matters included on the agenda, to raise questions, and the manner in which voting rights may be exercised.
b. The place, date, and time of the assembly.
c. The type of the assembly, whether an ordinary general assembly or an extraordinary general assembly.
d. The assembly agenda, including the items required for shareholder vote.

Article (37): Voting in Assemblies.

1. The election of the members of the Board of Directors shall be conducted by Cumulative Voting. Members of the Board of Directors shall not participate in voting on resolutions of the general assembly relating to businesses or contracts in which they have a direct or indirect interest, or which involve a conflict of interest.

Article (38): Preparation of Assembly Minutes

1. Minutes shall be prepared for each assembly of the general assembly, setting out the number of shareholders present in person or by proxy, the number of shares held by them in person or by proxy, the number of votes attached thereto, the resolutions adopted, the number of votes approved in favor of or against each resolution, and a comprehensive summary of the discussions held during the assembly. The minutes shall be recorded on a regular basis following each assembly in a special register and shall be signed by the Chairman of the assembly, the Secretary thereof, and the vote counters.

Article (39): Attendance at Assemblies

Each shareholder shall have the right to attend the general assemblies of Shareholders, and may appoint another person to act on his behalf, provided that such person is not a member of the Board of Directors, an employee of the Company, an external auditor, or anyone permanently engaged to perform technical or administrative work for the bank, for the purpose of attending the general assembly.

Article (40): Powers of the Ordinary General Assembly

Without prejudice to the matters reserved to the extraordinary general assembly, the ordinary general assembly shall have jurisdiction over all matters relating to the Company. It shall convene at least once a year within the six (6) months following the end of the Company’s financial year, and additional ordinary general assemblies may be convened whenever necessary.

Article (41): Powers of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the authority to amend the Company's Bylaws, except for matters the law prohibits from being amended. It may also adopt resolutions on matters that fall within the jurisdiction of the Ordinary General Assembly, subject to the same terms and procedures prescribed for the Ordinary General Assembly.

Article (42): Quorum for Ordinary General Assemblies

A meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least one quarter of the Company's shares carrying voting rights. If the quorum required for holding this meeting is not met, a second meeting may be held one hour after the end of the period specified for the first meeting, provided that the notice for the first meeting states that a second meeting may be held. In all cases, the second meeting shall be valid regardless of the number of voting shares represented therein.

Article (43): Quorum for Extraordinary General Assemblies

A meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least one half of the Company's shares carrying voting rights. If the quorum required for the first meeting is not met, a second meeting may be held one hour after the end of the period specified for the first meeting, provided that the notice for the first meeting states that a second meeting may be held. In all cases, the second meeting shall be valid if attended by shareholders representing at least one quarter of the Company's shares carrying voting rights. If the quorum required for the second meeting is not met, a third meeting shall be called in accordance with the provisions of the Bylaws, and the third meeting shall be valid regardless of the number of voting shares represented therein.

Article (44): Resolutions of the General Assemblies

Resolutions of the ordinary general assembly shall be adopted by the approval of a majority of the voting rights represented at the assembly. Resolutions of the extraordinary general assembly shall be adopted by the approval of two-thirds of the voting rights represented at the assembly. However, if the resolution relates to an increase or reduction of the share capital, extension of the Company's term, dissolution of the Company before the expiry of the term prescribed therein these Bylaws , merger with another Company, or division into two or more companies, such resolution shall not be valid unless approved by three-quarters of the voting rights represented at the assembly.

Article (45): Discussion In the Assemblies

Each shareholder shall have the right to discuss the matters listed on the agenda of the general assembly and to address questions in respect thereof to the members of the Board of Directors and the External Auditor. The Board of Directors or the External Auditor shall answer shareholders' questions to the extent that such answers do not prejudice the Company's interests. If a shareholder deems that the response to their question is insufficient, they may refer the matter to the general assembly, whose decision in this regard shall be binding. One or more shareholders representing at least ten percent) of the Company's shares carrying voting rights shall have the right to add one or more items to the agenda upon its preparation, and the competent authority may amend this percentage as it deems appropriate.

Article (46): Voting in Assemblies

Members of the Board of Directors shall not participate in voting on resolutions of the general assembly relating to businesses and contracts in which they have a direct or indirect interest or which involve a conflict of interest. A Board member shall also not participate in voting on any resolution issued in this regard by the Board or by the general assembly. The Board shall disclose to the general assembly, at the time of its assembly, the businesses and contracts in which any Board member has a direct or indirect interest, and such disclosure shall be accompanied by a special report prepared by the Company's external auditor in accordance with the auditing standards approved in the Kingdom of Saudi Arabia.

Chapter V: Auditors

Article (47): Appointment of External Auditors

The Company shall have two external auditors licensed to practice in the Kingdom of Saudi Arabia, appointed by the general assembly after obtaining the prior written non-objection of the Saudi Central Bank. The general assembly shall determine their remuneration, term of engagement, and scope of work, and may also dismiss them, without prejudice to their right to compensation if such dismissal is made at an inappropriate time or for an unlawful reason. The Chairman of the Board shall notify the competent authorities of the resolution of dismissal and its reasons within the period prescribed by law.

Article (48): Powers of the External Auditor

The external auditor shall, at any time, have the right to inspect the Company's books, records, and other documents, and shall also have the right to request the data and clarifications they deem necessary to verify the Company's assets, and the extent of its compliance with the provisions of the Banking Control Law and the instructions of the Saudi Central Bank, as well as any other matters falling within the scope of their duties. The Chairman of the Board of Directors shall enable the external auditor to perform their duty. If the auditor encounters a difficulty in this regard, they shall state that in a report submitted to the Board of Directors. If the Board fails to facilitate the auditor’s work, the auditor shall request the Board to convene the shareholders or the general assembly, as the case may be, to consider the matter. The auditor may himself convene such assembly if the Board does not do so within thirty (30) days from the date of the auditor’s request.

Chapter VI: Company Finances and Dividend Distribution

Article (49): Fiscal Year

The Company's Fiscal Year shall be twelve (12) Gregorian months, starting from 01 January and ending on 31 December.
2. A separate balance sheet shall be prepared for the transitional period resulting from the fiscal year adjustment.

Article (50): Financial Documents

1. The Board of Directors shall, at the end of each fiscal year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the preceding fiscal year. This report shall include the proposed method of profit distribution. The Board shall place these documents at the disposal of the external auditors before the deadline prescribed by law for convening the General Assembly. (2) The documents referred to in paragraph (1) of this Article shall be signed by the Chairman of the Board, the Chief Executive Officer, and the Chief Financial Officer. They shall be published on the Tadawul website and the Company's website, and copies thereof shall be deposited at the Company's head office for shareholders to review before the deadline prescribed by law. (3) The Chairman of the Board shall provide shareholders with the Company's financial statements, the Board's report after signing, and the external auditors' report, unless they are published electronically, before the deadline prescribed by law for convening the General Assembly. A copy of the aforementioned documents shall also be provided to the Saudi Central Bank.

Article (51): Dividend Distribution

The Company's annual net profits, as approved by the General Assembly, shall be distributed after deducting general expenses, other costs, and the reserves necessary to cover doubtful debts, investment losses, and contingent liabilities deemed necessary by the Board of Directors, in accordance with the provisions of the Banking Control Law and the instructions of the Saudi Central Bank and after obtaining the prior written non-objection of the Saudi Central Bank, as follows: (1) twenty-five percent (25%) of the net profits shall be set aside to form the Company's statutory reserve. The General Assembly may resolve to discontinue this allocation when such reserve reaches one hundred percent (100%) of the paid-up capital. (2) The General Assembly may, based on a proposal from the Board of Directors, resolve to create reserves by appropriating a specified percentage of the net profits to the extent that serves the Company's interests or ensures, as far as possible, the distribution of stable profits to shareholders. The General Assembly may also allocate amounts from the net profits for the Company's social purposes. (3) Thereafter, an appropriate percentage of the remainder shall be distributed to shareholders within the limits of distributable profits, whether annually, semi-annually, or quarterly.

Article (52): Entitlement to Dividends

A shareholder shall be entitled to its share of dividends in accordance with the resolution issued by the General Assembly in this regard. The resolution shall specify the entitlement date and the distribution date. Entitlement to dividends shall accrue to shareholders registered in the shareholders' register at the end of the day specified for entitlement.

Article (53): Distribution of Dividends to Preferred Shares

1. If no profits are distributed for any fiscal year, no profits may be distributed for subsequent years unless the percentage specified in accordance with the Companies Law has first been paid to the holders of preferred shares for that year. 2. If the Company fails, for three consecutive years, to pay the percentage specified under the Companies Law to the holders of such shares, the special assembly of the holders of those shares, convened in accordance with the Companies Law, may resolve either that they attend the Company's General Assembly meetings and participate in voting, or that representatives be appointed for them to the Board of Directors in proportion to the value of their shares in the capital, until the Company is able to pay all preferential profits allocated to the holders of such shares for previous years.

Article (54): Company Losses

If the Company's losses reach one half of the paid-up capital, the Board of Directors must immediately disclose such losses to the Saudi Central Bank and state the recommendations made in this regard within the period prescribed by law from the date on which the Board becomes aware of such losses. The Board shall also call an Extraordinary General Assembly within the period prescribed by law to consider the continuation of the Company and the adoption of any measures necessary to address such losses, taking into account the instructions issued by the Saudi Central Bank.

Chapter VI: Dissolution and Liquidation of the Company

Article (55): Liability Claim

1. The General Assembly or the shareholders may file a liability claim against the members of the Board of Directors for violation of the provisions of the law or these Bylaws, in accordance with the relevant laws and instructions. 2. One or more shareholders representing five percent (5%) of the Company's capital may file the liability claim prescribed for the Company if the Company

fails to do so, provided that such shareholder(s) are shareholders in the Company at the time of filing the claim and that they notify the members of the Board of Directors of their intention to file the claim before the period prescribed by law from the date of filing. 3. A shareholder may file a personal claim against members of the Board of Directors if the error committed by them causes special harm to that shareholder.

Article (56): Company Liquidation

1. Before the Extraordinary General Assembly adopts a resolution to dissolve the Company, the Board of Directors shall obtain the prior written non-objection of the Saudi Central Bank and prepare a statement confirming that the Company's assets are sufficient to satisfy its debts by the end of the proposed liquidation period and that the Company is not insolvent under the Bankruptcy Law. Such statement shall be presented to the Extraordinary General Assembly within the period prescribed by law from the date of its preparation for a resolution on the dissolution of the Company. 2. If the statement referred to in paragraph (1) of this Article indicates that the Company's assets are insufficient to satisfy its debts or that the Company is insolvent under the Bankruptcy Law, the General Assembly may not resolve to dissolve the Company; otherwise, the shareholders shall be jointly liable for any outstanding debts of the Company. 3. Upon the issuance of the liquidation resolution, the Company shall enter into liquidation. The Company shall be liquidated in accordance with the provisions of the Bankruptcy Law and the instructions of the Saudi Central Bank, and shall retain legal personality to the extent necessary for liquidation. The liquidation resolution shall be issued by the Extraordinary General Assembly after obtaining the prior written approval of the Saudi Central Bank. The liquidation resolution shall include the appointment of the liquidator, determination of its powers and fees, any restrictions imposed on its powers, and the period required for liquidation, which shall not exceed the period prescribed by law. The powers of the Board of Directors shall cease upon dissolution of the Company; however, they shall remain in charge of managing the Company and, as against third parties, shall be deemed liquidators until the liquidator is appointed. Shareholders' assemblies shall remain in existence during the liquidation period, and their role shall be limited to exercising powers that do not conflict with the powers of the liquidator.

Chapter VII: Final Provisions

Article (57): Final Provisions

1. The Company shall be subject to the laws applicable in the Kingdom of Saudi Arabia.

2. Any provision in these Bylaws that conflicts with the Companies Law shall be disregarded and the provisions of the Companies Law shall apply in its place. Any matter not provided for in these Bylaws shall be governed by the Companies Law and its Implementing Regulations.
3. The founders acknowledge the accuracy of the information and provisions contained in these Bylaws and their conformity with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 AH and its Implementing Regulations, and confirm that all requirements and instructions issued by the Ministry of Commerce in accordance with the Law have been fulfilled. The founders shall bear responsibility for, and all legal and financial consequences arising from, this acknowledgement. The founders are aware of the Ministry's right to take the necessary legal measures in the event of any violation of or conflict with the provisions set out in these Bylaws. Prior written no-objection of the Saudi Central Bank must also be obtained before the issuance of the Company's Bylaws or any amendment thereto.

Article (58): Regulatory Requirements

Any provision in these Bylaws that conflicts with the provisions of the Banking Control Law or the instructions of the Saudi Central Bank shall be disregarded and the relevant provisions of such laws and instructions shall apply in its place. Any matter not provided for in these Bylaws shall be governed by the Companies Law and its Implementing Regulations.

These Bylaws have been reviewed by the founders and approved by the Ministry's authorized representative. The Bylaws have been published in the Aamaly e-magazine, and the validity of the Bylaws may be verified through the following link: https://emagazine.aamaly.sa

This version of the Bylaws was issued pursuant to the resolution of the Extraordinary General Assembly / the resolution of the capital owner dated 17/10/1447 AH.
These Bylaws do not require the official seal of the Ministry of Commerce.

Date of amendment: 16/04/2026

APPENDIX 2 :PRONOUNCEMENT OF MEMBERS OF THE SHARI'A COMMITTEE

بنـك الرياض
Riyad Bank

اللجنة الشرّعية
Sharia Committee

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الموضوع: الطرح العام لبرنامج صكوك من الشريحة الأولى الإضافية لرأس المال مقومة بالريال السعودي ("البرنامج") لبنك الرياض

الحمد لله وحده والصلاة والسلام على نبينا محمد وعلى آله وصحبه أجمعين، وبعد:

فقد عرضت إدارة المصرفية الإسلامية على اللجنة الشرعية لبنك الرياض ("اللجنة الشرعية") الهيكلة والآلية المبينة أدناه فيما يتعلق بالإصدار المقترح لصكوك من الشريحة الأولى الإضافية لرأس المال (يشار إليها بلفظ "الصكوك" وإلى كل منها بأنه "صك") على شكل فئات (يُشار إلى كل منها بأنه "فئة") من قبل بنك الرياض ("المصدر") بموجب "البرنامج" الذي أنشأه بنك الرياض.

1- هيكلة البرنامج وآليته:

إصدار الصكوك

(1) يقوم المُصدر فيما يتعلق بكل فئة وبموجب شريحة واحدة أو أكثر من كل "فئة" (يُشار إلى كل منها بلفظ "شريحة")، بإصدار الصكوك (التى ستكون مستمرة ، بمعنى أنه ليس لها تاريخ استرداد محدد) للمستثمرين ("حملة الصكوك") والحصول على المبالغ الناشئة عن ذلك ("المتحصلات").

(2) بموجب إعلان وكالة رئيسى ("إعلان الوكالة الرئيسى") سوف يتم إدخال تاريخ الوكالةفيما بين المصدر وشركة الرياض المالية (يشار إليها بصفتها وكيلاً لحملة الصكوك ونائباً عنهم بلفظ "وكيل حملة الصكوك"، وتشمل هذه الإشارة أي خلف لها فى صفة وكيل حملة الصكوك فيما يخص الصكوك)، والمكمّل بإعلان وكالة تكميلى بين الأطراف أنفسهم فيما يخص شريحة الصكوك ذات العلاقة (يشار إلى كل منها بلفظ "إعلان الوكالة التكميلى"، ويشار إلى كل منها مع إعلان الوكالة الرئيسى بلفظ "إعلان الوكالة")، يعيّن وكيل حملة الصكوك وكيلاً لحملة الصكوك ونائباً عنهم فيما يخص شريكة الصكوك المعنية.

(3) بموجب إعلان الوكالة الرئيسى، يحتفظ وكيل حملة الصكوك بما يلى فيما يخص كل فئة:

(أ) المتحصلات النقدية الناتجة عن إصدار تلك الفئة، ريثما يتم تحويلها وفقاً لأحكام مستندات المعاملة؛

(ب) كافة حقوقه وملكيته ومصالحه ومنافعه واستحقاقاته من وقت لآخر، الحالية منها والمستقبلية، فى الأصول التى تشكل "أصول المضاربة" الخاصة بتلك الفئة ؛

(ج) كافة حقوقه وملكيته ومصالحه ومنافعه واستحقاقاته، الحالية منها والمستقبلية، فى مستندات المعاملة (باستثناء ما يتعلق بأي تأكيدات مقدّمة من المصدر – بأي صفة كانت – بموجب أي من مستندات المعاملة وتعهدات معينة مقدّمة إلى وكيل حملة الصكوك بموجب إعلان الوكالة الرئيسى)؛

(د) كافة المبالغ التى تُقيّد من وقت لآخر على الجانب الدائن من حساب المعاملة القائم باسم وكيل حملة الصكوك (لصالح حملة الصكوك وبالنيابة عنهم) ("حساب المعاملة") والخاص بتلك الفئة؛

وكافة العوائد المحققة مما سبق (يشار إلى كل ما سبق جميعاً بلفظ "أصول الصكوك")، وذلك لصالح حملة الصكوك وبالنيابة عنهم بالنسبة والتناسب مع القيمة الاسمية للصكوك التى يحملها كل حامل صكوك وفقاً لإعلان الوكالة الرئيسى والشروط. ويمثل كل صك حصة ملكية غير مجزأة فى أصول الصكوك ذات العلاقة وتحل كل الصكوك فى مرتبة واحدة من الأولوية بعضها مع بعض.

(4) فيما يخص كل فئة، قد ينشئ المصدر ويصدر من وقت إلى آخر صكوكاً إضافية بنفس الشروط والأحكام الخاصة بالصكوك القائمة ضمن تلك الفئة، وذلك بحيث يوحّد ذلك الإصدار الإضافى مع تلك الصكوك القائمة لتشكل فئة واحدة. وفى تلك الحالة، يبرم كل من المصدر ووكيل حملة الصكوك إعلاناً بخلط الأصول لصالح حملة الصكوك الحالية وبالنيابة عنهم وكذلك حملة الصكوك الإضافية، يتفقان بموجبه ويعلنان أن أصول المضاربة ذات العلاقة (الخاصة بإصدار الصكوك الإضافية) وأصول المضاربة الموجودة مباشرة قبل إنشاء وإصدار الصكوك الإضافية قد تم مزجها بحيث تصبح جميعها ضمن أصول الصكوك.

(5) فيما يخص كل عملية مضاربة، يلتزم المضارب بالتأكد وبصورة مستمرة خلال مدة المضاربة من أن القيمة الإجمالية لمحفظة الأعمال تساوي أو تزيد عن رأس مال المضاربة.

اتفاقية المضاربة الرئيسية

(6) عملاً باتفاقية المضاربة الرئيسية ("اتفاقية المضاربة الرئيسية")، بين بنك الرياض (بصفته "المضارب") ووكيل حملة الصكوك (بصفته رب المال نيابة عن حملة الصكوك)، يتم إنشاء مضاربة ("المضاربة") فى تاريخ الإصدار لكل فئة، يساهم فيها وكيل حملة الصكوك بالمتحصلات باعتبارها رأس مال المضاربة لغرض استثمارها وفقاً لأحكام اتفاقية المضاربة الرئيسية.

(7) فيما يتعلق بكل "فئة"، تبدأ المضاربة بتاريخ قيام وكيل حملة الصكوك (نيابة عن حملة الصكوك) بدفع رأس مال المضاربة للشريحة الأولى من تلك الفئة إلى المضارب (ويوافق ذلك تاريخ الإصدار) وتنتهى فى التاريخ الذي تُسترد فيه صكوك تلك الفئة بالكامل، وذلك بعد إجراء التصفية الحكمية للمضاربة الخاصة بتلك الفئة وفقاً لأحكام اتفاقية المضاربة ("تاريخ انتهاء المضاربة") أو قبل ذلك بـ"تاريخ واقعة الخصم عند عدم الجدوى" وذلك فقط فى حالة خصم قيمة تلك الفئة بالكامل. وعليه، فإن اتفاقية المضاربة الرئيسية لن يكون لها تاريخ إنهاء محدد مسبقاً.

(8) عملاً "بخطة الاستثمار" التى تنص عليها اتفاقية المضاربة الرئيسية، سيقوم المضارب باستثمار رأس مال المضاربة الخاص بكل مضاربة على أساس المضاربة برأس مال مخلوط غير المقيدة فى أنشطة بنك الرياض المصرفية المتوافقة [كلياً] مع أحكام الشريعة الإسلامية [فقط] والتى تجري من خلال "وعاء المضاربة العام" وفقاً لخطة الاستثمار. يتألف وعاء المضاربة العام مما يلى: (أ) ملكية مساهمى بنك الرياض، (ب) عوائد كافة الحسابات الجارية وحسابات التوفير وحسابات الاستثمار المودعة لدى بنك الرياض والمتوافقة مع الشريعة، (ج) أي مصدر أموال آخر متوافق مع الشريعة ومشمول ضمن وعاء المضاربة العام من قبل بنك الرياض من وقت إلى آخر، (د) رأس مال المضاربة لأي عملية مضاربة فى إصدار جديد من وقت إلى آخر، ورأس مال المضاربة لكل مضاربة قائمة آنذاك.

يُشكّل رأس مال المضاربة، عقب استثمار رأس مال المضاربة الخاص بعملية المضاربة ذات الصلة فى وعاء المضاربة العام (وفقاً لخطة الاستثمار)، بالنسبة والتناسب أصولاً غير مجزأة فى محفظة الأعمال التى يتم

القيام بها من خلال وعاء المضاربة العام (ويشار إليها فيما يخص كل فئة بلفظ "أصول المضاربة")، مع أحقّية المضارب وفق تقديره المحض والمطلق بخلط أي من أصوله المتوافقة مع الشريعة مع أصول المضاربة من وقت إلى آخر.

ترتيبات تقاسم الأرباح ودفع أرباح المضاربة

(9) فيما يتعلق بكل فئة، يوزع صافي الربح (إن وجد) من المضاربة ("ربح المضاربة") فيما بين وكيل حملة الصكوك (لصالح حملة صكوك تلك الفئة وبالنيابة عنهم) والمضارب وفقاً لنسبة تقاسم الأرباح التالية:

(أ) تسعة وتسعون في المائة (99%) لوكيل حملة الصكوك (لصالح حملة صكوك تلك الفئة وبالنيابة عنهم) (بصفة رب المال) ("ربح المضاربة المستحق لرب المال ")؛

(ب) واحد في المائة (1%) للمضارب.

(10) يقوم المصدر باستخدام "ربح المضاربة المستحق لرب المال" من كل مضاربة في سداد مبالغ التوزيعات الدورية لحملة الصكوك من الفئة ذات الصلة وذلك وفقاً لأحكام الصكوك.

(11) يكون توزيع ربح المضاربة، وبالتالي قيام المضارب بسداد "ربح المضاربة المستحق لرب المال"، خاضعاً للتقدير المحض للمضارب، حيث يحق للمضارب اختيار عدم توزيع أرباح المضاربة وعدم دفع ربح المضاربة المستحق لرب المال في أي "تاريخ توزيع لأرباح المضاربة" (عدا تاريخ انتهاء المضاربة للفئة المعنية) ("خيار عدم الدفع"). ومع ذلك، لا يجوز للمضارب أن يمارس خيار عدم الدفع عند قيامه بتوجيه إشعار لحملة الصكوك بشأن تصفية المضاربة ذات الصلة.

(12) بالإضافة إلى ما تقدم أعلاه، لا يحق للمضارب دفع ربح المضاربة (وبالتالي دفع ربح المضاربة المستحق لرب المال) أو ربح المضاربة النهائي (وبالتالي دفع ربح المضاربة النهائي المستحق لرب المال) في تاريخ توزيع أرباح المضاربة ذي الصلة أو تاريخ انتهاء المضاربة ذي الصلة (كما يكون عليه الحال)، وذلك فيما يتعلق بالمضاربة الخاصة بالفئة ذات الصلة، وذلك في أي من الحالات التالية:

(أ) إذا كان المبلغ الذي يُعادل "مبلغ التوزيع الدوري" الخاص بالفئة ذات الصلة (والذي يشمل لهذا الغرض أي "مبالغ إضافية" كما هو منصوص عليه في الشروط) والذي سيدفعه بنك الرياض من "ربح المضاربة المستحق لرب المال" أو "ربح المضاربة النهائي المستحق لرب المال"، حسب الحالة، عندما يتم جمعه مع أي توزيعات أو مبالغ تكون مستحقة الدفع من قبل بنك الرياض (سواء كمضارب أو غير ذلك) في نفس التاريخ (أو تكون مستحقة بشكل أو بآخر في ذلك التاريخ) جراء أي التزامات أخرى فيما يتعلق بـ "التزامات التساوي من حيث المرتبة" و"الالتزامات الثانوية" فإنه يزيد عن أرباح بنك الرياض القابلة للتوزيع (بما في ذلك الأرباح المستبقاة الموحدة والاحتياطيات الموحدة بعد تحويل أي مبالغ إلى احتياطيات غير قابلة للتوزيع، وكل ذلك وفق ما يحتسبه بنك الرياض حسب أحدث بياناته المالية الموحدة)؛ أو

(ب) إذا كان بنك الرياض (بصفته المضارب أو بأي صفة أخرى) في تاريخ توزيع أرباح المضاربة أو تاريخ انتهاء المضاربة (حسب الحالة) مُخلّاً (أو أن هذه الدفعة ستجعل منه مُخِلّاً) بمتطلبات رأس المال التنظيمية المطبقة عليه بحسب ما تنص عليه "متطلبات رأس المال التنظيمية المعمول بها" (بما في ذلك أي قيود على الدفع جراء الإخلال بأي احتياطيات لرأس المال تفرضها "الجهة الإشرافية المالية" على المضارب) أو كان المبلغ الذي سيدفعه بنك الرياض سيشكل إخلالاً من ذلك النوع من قبله؛ أو

(ج) إذا طلبت الجهة الإشرافية المالية من بنك الرياض: (1) عدم سداد "مبلغ ربح المضاربة المستحق لرب المال" ذي الصلة أو (2) عدم سداد "مبلغ التوزيع الدوري" ذي الصلة لحملة الصكوك.

(يُشار إلى كل منها بلفظ "حالة عدم السداد").

تبعات حالة عدم السداد أو ممارسة خيار عدم الدفع

(13) إذا لم يقم المضارب بسداد أرباح المضاربة فى تاريخ توزيع أرباح المضاربة ذات الصلة جراء: (1) وقوع "حالة عدم سداد"، أو (2) قيام المضارب بممارسة "خيار عدم الدفع" (فيما عدا حالة "أرباح المضاربة المستحقة لرب المال المستحقة بتاريخ انتهاء المضاربة الخاص بتلك الفئة ("ربح المضاربة النهائى المستحق لرب المال"))، فإنه لا يحق لرب المال (ولا لحملة الصكوك) المطالبة بسداد أي من "أرباح المضاربة المستحقة لرب المال" أو ربح المضاربة النهائى المستحق لرب المال. وفيما يتعلق بكل فئة، فإن أي أرباح من المضاربة الخاصة بتلك الفئة عن الفترة ذات الصلة، والتى لم تدفع إلى حملة صكوك تلك الفئة فى مثل تلك الظروف، سيجري قيدها فى الحساب الاحتياطى لتلك المضاربة ("احتياطى المضاربة").

(14) إذا لم يقُم المضارب بسداد أرباح المضاربة المستحقة لرب المال بتاريخ توزيع أرباح المضاربة ذي الصلة جراء وقوع "حالة عدم سداد" أو (فيما عدا حالة أرباح المضاربة النهائية المستحقة لرب المال) جراء ممارسة "خيار عدم الدفع"، فعندها يحظُر على بنك الرياض إعلان أو سداد أي توزيعات و/أو أرباح و/أو أي دفعات أخرى على أي أسهم عادية أو أوراق مالية عادية صادرة بشكل مباشر أو غير مباشر عن بنك الرياض وتحتل مرتبة أدنى أو متساوية مع "الالتزامات ذات الصلة"، وعلى أي استرداد لتلك الأسهم أو الأوراق أو شرائها أو إلغائها أو تخفيضها أو حيازتها بأي وجه آخر (بشكل مباشر أو غير مباشر) وذلك لحين السداد التام (أو تخصيص أو تجنيب مبلغ مساو لتلك المبالغ بالكامل) لمصلحة حملة الصكوك فيما يخص بالفئة المعنية المتأثرة بخيار عدم الدفع أو حالة عد السداد: (1) للدفعة التالية من أرباح المضاربة المستحقة لرب المال أو (2) (حسب الحالة) أرباح المضاربة النهائية المستحقة لرب المال .

احتياطى المضاربة

(15) إذا كان "ربح المضاربة المستحق لرب المال" من أي عملية مضاربة والواجب الأداء لوكيل حملة الصكوك (لصالح حملة الصكوك وبالنيابة عنهم) بأي تاريخ توزيع أرباح المضاربة أكبر من مبلغ التوزيع الدوري المتفق عليه مسبقاً المُنطبق آنذاك عن الفترة نفسها، فعندها يحتفظ المضارب بتلك الزيادة ويقيد قيمتها فى حساب احتياطى فى دفتر حسابات (يشار إليه بلفظ "احتياطى المضاربة" فيما يتعلق بكل عملية مضاربة) ويتم تخفيض المبلغ المقترح لسداد مبلغ "ربح المضاربة المستحق لرب المال" تبعاً لذلك.

(16) إذا كان "ربح المضاربة المستحق لرب المال" من أي عملية مضاربة والواجب الأداء لوكيل حملة الصكوك (لصالح حملة الصكوك وبالنيابة عنهم) بأي تاريخ لتوزيع أرباح المضاربة أقل من مبلغ التوزيع الدوري المُنطبق آنذاك، فعندها: (أ) على المضارب أولاً استخدام أي مبلغ فى حساب الدائن فى احتياطى المضاربة، و (ب) يحق للمضارب ثانياً (حسب تقديره المحض) أن يختار تغطية ذلك النقص من موارده النقدية الخاصة (دون أن يكون ملزماً بذلك) على سبيل التبرع. فيما يخص الفقرة (ب) أعلاه، للمضارب استرداد المبلغ من احتياطى المضاربة فى تاريخ انتهاء المضاربة الخاص بالفئة المعنية.

التصفية النهائية للمضاربة

(17) وفق شروط معينة، يجوز للمضارب (حسب تقديره المحض) إجراء تصفية كلية وليس جزئية للمضاربة ذات الصلة الخاصة بأي فئة في الحالات التالية:

(أ) إذا تم التعيين في الشروط النهائية ذات الصلة: في أي تاريخ خلال الفترة التي تبدأ من بداية "تاريخ الاستدعاء الأول" إلى نهاية "تاريخ إعادة الضبط الأول" أو أي "تاريخ توزيع أرباح مضاربة" بعد ذلك، في تاريخ الاستدعاء الأول أو أي تاريخ توزيع أرباح مضاربة بعد ذلك، حسبما يقتضيه الحال؛ أو

(ب) في تاريخ إصدار الفئة أو أي تاريخ يليه سواءً وافق تاريخ توزيع أرباح مضاربة أم لا ، وذلك عند وقوع واقعة ضريبية؛ أو

(ج) في تاريخ إصدار الفئة أو أي تاريخ يليه سواءً وافق تاريخ توزيع أرباح مضاربة أم لا ، وذلك عند وقوع حالة رأسمالية تنظيمية (بحيث تقوم الجهة الإشرافية المالية بإشعار بنك الرياض خطياً باستبعاد القيمة الاسمية القائمة للصكوك (كلياً أو جزئياً) من رأس المال الموحد من الشريحة الأولى لبنك الرياض).

(18) تخضع التصفية أعلاه لشروط معينة، بما في ذلك أنه فيما يتعلق بالفئة ذات الصلة وفي حالة التصفية النهائية بالكامل، يجب أن تكون عوائد التصفية مساوية على الأقل ل"مبلغ التصفية المطلوب" (يشار إلى هذا الشرط بلفظ "شرط التصفية"). ويكون مبلغ التصفية المطلوب مساوياً لمجموع:

(أ) المبلغ الاسمي للصكوك القائمة للفئة ذات الصلة (رأس مال المضاربة)؛

(ب) شريطة عدم وقوع حالة عدم السداد، ربح المضاربة النهائي لعملية المضاربة ذات الصلة؛ و

(ج) أي مبالغ لا تزال مستحقة التحصيل من قبل المضارب.

(19) إذا قرر المضارب، وفق تقديره المحض، ممارسه حقه في إجراء تصفية كلية للمضاربة فيما يتعلق بفئة معينة على أساس التصفية الحكمية لأصول المضاربة ذات الصلة:

(أ) إذا كانت عوائد التصفية المتوقع تحقيقها من عملية التصفية أقل من مبلغ التصفية المطلوب لتلك الفئة، فعندها يُقر المضارب بأنه يكون قد أخل بشرط التصفية وأن حملة صكوك تلك الفئة سيتكبدون جراء ذلك الإخلال خسارة بمبلغ يعادل الفرق بين (1) عوائد التصفية و(2) مبلغ التصفية المطلوب ("**العجز**")؛ أو

(ب) إذا كانت عوائد التصفية المتوقع تحقيقها من عملية التصفية تساوي أو تزيد عن مبلغ التصفية المطلوب لتلك الفئة، فعندها يقوم المضارب بتصفية المضاربة ذات الصلة وسداد مبلغ التصفية المطلوب إلى حملة صكوك تلك الفئة أو لأمرهم وذلك بتاريخ انتهاء المضاربة ذي الصلة. وتدفع بعد ذلك أي مبالغ متبقية من عوائد التصفية مع أي مبالغ أخرى تكون مقيدة على الجانب الدائن من احتياطي المضاربة إلى المضارب باعتبارها رسوماً تحفيزية نظير أدائه بموجب اتفاقية المضاربة الرئيسية؛

(20) عند وقوع الحالات التي ينص عليها البند 19(أ) أعلاه، يجب على المضارب فيما يخص كل من الفئات المعنية إما:

(أ) الاستمرار في استثمار رأس مال المضاربة الخاص بالفئة ذات الصلة في مضاربة تلك الفئة، وبذلك لا يجوز للمضارب المضي في التصفية الحكمية النهائية لتلك المضاربة؛ أو

(ب) المضي في التصفية الحكمية النهائية للمضاربة في تلك الفئة وتعويض حملة صكوك الفئة ذات الصلة عن قيمة العجز، وبذلك يلتزم المضارب بتحويل الأموال إلى حساب المضاربة الخاص بالفئة المعنية بمبلغ كافٍ لضمان أن يكون مجموع عوائد التصفية مع المبلغ الذي جرى تحويله مساوياً لمبلغ التصفية المطلوب؛

لما كان المضارب يتمتع وحده دون غيره بالصلاحية التقديرية لتصفية المضاربة ذات الصلة في الحالة الأخيرة، وحيث أنه لا يحق لحملة الصكوك إلزام المضارب بالتصفية إذا أظهرت التصفية الحكمية النهائية وجود عجز، فإن تغطية العجز الذي يقدمه المضارب إلى حملة الصكوك أو لأمرهم لا يعتبر ضماناً من قبل اللجنة الشرعية.

(21) يلتزم المصدر عند التصفية الحكمية النهائية الكلية للمضاربة الخاصة بالفئة ذات الصلة باستخدام أي مبالغ يتلقاها جراء ذلك في سداد مبلغ الاسترداد المستحق لحملة الصكوك المعنيين من تلك الفئة وفقاً لأحكام الصكوك.

الأحكام العامة لاتفاقية المضاربة الرئيسية والشروط

(22) تفادياً لأي التباس، يقر وكيل حملة الصكوك بأنه ليس هناك ضمان لتحقيق أي عوائد من أصول المضاربة. وإذا تكبد وكيل حملة الصكوك خسارة جراء إخلال المضارب بأي من التزاماته المقررة في اتفاقية المضاربة الرئيسية أو جراء إهمال جسيم أو سوء تصرف متعمد أو احتيال من جانب المضارب، فعندها يلتزم المضارب بتعويض رب المال تعويضاً تاماً عن تلك الخسارة وأن يسدد لوكيل حملة الصكوك، عند الطلب، قيمة تلك الخسارة. وتكون الالتزامات المنصوص عليها في هذا البند بمرتبة ثانوية تجاه الالتزامات الأخرى ذات الأولوية لبنك الرياض. ويتحمل وكيل حملة الصكوك وحده أي خسائر أخرى.

الشطب عند عدم القدرة على الاستمرار

تخضع التزامات المضارب بموجب اتفاقية المضاربة الرئيسية للشطب (كلياً أو جزئياً، حسب الحالة) عند وقوع "حالة عدم القدرة على الاستمرار " في المستقبل.

وتقع "حالة عدم القدرة على الاستمرار " فيما يتعلق بفئة معينة إذا قامت الجهة الاشرافية المالية بإخطار بنك الرياض خطياً بأنها قررت أن بنك الرياض قد أصبح أو سيصبح غير قادر على الاستمرار دون: (1) شطب قيمة الصكوك، أو (2) ضخ رأس مال إضافي من القطاع العام.

عند وقوع حالة عدم القدرة على الاستمرار ، يلتزم المضارب بإخطار وكيل حملة الصكوك وحملة صكوك تلك الفئة وفقاً لشروط اتفاقية المضاربة والشروط ("**إشعار عدم الجدوى**"). ويتم "الخصم" فيما يخص فئة الصكوك المعنية في التاريخ المحدد في إشعار عدم الجدوى بحيث أنه فيما يتعلق بأي فئة (1) في حالة الشطب الكلي فقط، سيكون هناك تصفية نهائية للمضاربة فيما يتعلق بتلك الفئة، و (2) في حالة الشطب الجزئي فقط، يتم خصم رأس مال المضاربة لتلك الفئة بالتناسب مع القيمة الاسمية للصكوك ذات الصلة التي سيجري شطب قيمتها. وعند وقوع الحالة (1) أعلاه، لا يحق لحملة الصكوك ووكيل حملة الصكوك المطالبة بأي مبالغ فيما يتعلق بأصول المضاربة ذات الصلة بتلك الفئة. وعند وقوع الحالة (2) أعلاه، لا يحق لحملة الصكوك ووكيل حملة الصكوك المطالبة بأي مبالغ فيما يتعلق بأصول المضاربة ذات الصلة بتلك الفئة التي تتعلق بنسبة رأس مال المضاربة التي جرى شطبها .

2- مستندات المعاملة:

المستندات الرئيسية الخاصة بالبرنامج هي كما يلي:

1- إعلان الوكالة الرئيسى

2- اتفاقية إدارة الدفعات

3- اتفاقية المضاربة الرئيسية

على حملة الصكوك المحتملين عدم الاعتماد على البيان الوارد أعلاه فى اتخاذ قرار الاستثمار فى الصكوك، وينبغى عليهم استشارة مستشاريهم الشرعيين قبل اتخاذ أي قرار.

3- رأي اللجنة الشرعية:

إن اللجنة الشرعية، بعد الاطلاع على هيكلة البرنامج وآليته (وآخذة بالاعتبار "الشطب عند عدم القدرة على الاستمرار") على النحو المبين أعلاه، قررت بموجبه أن هيكلة البرنامج متوافقة مع أحكام ومبادئ الشريعة الإسلامية، ويجوز لكل من له مصلحة شراء الصكوك، كما يجوز لحملة الصكوك بيع حصتهم فى السوق الثانوية بالأسعار السائدة (والتى يمكن أن تكون بالسعر الاسمى أو بعلاوة أو بخصم).

والله ولى التوفيق.

فضيلة الشيخ الدكتور
زيد بن عبدالعزيز الشثري
عضو اللجنة الشرعية

فضيلة الشيخ الدكتور
محمد بن عبدالله بوطيبان
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