

IMPORTANT NOTICE

THE BASE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NON U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) AND ARE OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached base offering circular following this page (the “**Base Offering Circular**”), 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 Offering Circular. In reading, accessing or making any other use of the Base Offering Circular, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Offering Circular, including any modifications made to them from time to time, each time you receive any information from Alinma AT1 Sukuk Limited (the “**Trustee**”) and Alinma Bank (the “**Bank**”) as a result of such access.

RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY CERTIFICATES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE CERTIFICATES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY 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 IS AVAILABLE AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

SECURITIES DESCRIBED IN THE BASE OFFERING CIRCULAR DO NOT CONSTITUTE “ALTERNATIVE FINANCE INVESTMENT BONDS” (“**AFIBS**”) WITHIN THE MEANING OF ARTICLE 77A OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (REGULATED ACTIVITIES) ORDER 2001 (SI 2001/544), AS AMENDED, AND WILL REPRESENT INTERESTS IN A COLLECTIVE INVESTMENT SCHEME (AS DEFINED IN THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE “**FSMA**”)) WHICH HAS NOT BEEN AUTHORISED, RECOGNISED OR OTHERWISE APPROVED BY THE UK FINANCIAL CONDUCT AUTHORITY. ACCORDINGLY, THE BASE OFFERING CIRCULAR IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM (THE “**UK**”).

THE DISTRIBUTION IN THE UK OF THE BASE OFFERING CIRCULAR, ANY PRICING SUPPLEMENT (AS DEFINED HEREIN) AND ANY OTHER MARKETING MATERIALS RELATING TO THE SECURITIES IS BEING ADDRESSED TO, OR DIRECTED AT: (A) IF THE DISTRIBUTION OF THE SECURITIES IS BEING EFFECTED BY A PERSON WHO IS NOT AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS WHO ARE INVESTMENT PROFESSIONALS AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**FINANCIAL PROMOTION ORDER**”); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF PERSONS DESCRIBED IN ARTICLE 49 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL PROMOTION ORDER; AND (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY

BE MADE IN ACCORDANCE WITH THE FINANCIAL PROMOTION ORDER; AND (B) IF THE DISTRIBUTION IS EFFECTED BY A PERSON WHO IS AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS FALLING WITHIN ONE OF THE CATEGORIES OF INVESTMENT PROFESSIONAL AS DEFINED IN ARTICLE 14(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (PROMOTION OF COLLECTIVE INVESTMENT SCHEMES) (EXEMPTIONS) ORDER 2001 (THE “**PROMOTION OF CISS ORDER**”); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF A PERSON DESCRIBED IN ARTICLE 22 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE PROMOTION OF CISS ORDER; AND (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE PROMOTED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”).

FOR A MORE COMPLETE DESCRIPTION OF RESTRICTIONS ON OFFERS AND SALES, SEE “*SUBSCRIPTION AND SALE*”.

In the UK, the Base Offering Circular must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Base Offering Circular relates is available in the UK only to the Relevant Persons, and will be engaged in only with such persons.

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Base Offering Circular or make an investment decision with respect to the Certificates described therein, (1) each prospective investor in respect of the Certificates being offered outside of the United States in an offshore transaction pursuant to Regulation S must be a non-U.S. person (as defined in Regulation S) and outside of the United States and (2) each prospective investor in respect of the securities being offered in the UK must be a Relevant Person. By accepting this e-mail and accessing, reading or making any other use of the Base Offering Circular, you shall be deemed to have represented to the Arrangers and the Dealers (both, as defined in the Base Offering Circular) that (1) you have understood and agree to the terms set out herein, (2) you are a non-U.S. person (within the meaning of Regulation S) and are outside the United States, and are not acting for the account or benefit of any U.S. person, and the electronic mail (or e-mail) address to which, pursuant to your request, the attached Base Offering Circular has been delivered by electronic transmission is not located in the United States, its territories and possessions or in any State of the United States or the District of Columbia (3) in respect of the Certificates being offered in the UK, you are (or the person you represent is) a Relevant Person, (4) you consent to delivery by electronic transmission, (5) you will not transmit the Base Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Dealers and (6) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase of any of the Certificates.

The Base Offering Circular may not be distributed in the Kingdom of Saudi Arabia (the “**Kingdom**” or “**Saudi Arabia**”) except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia (the “**CMA**”) pursuant to its resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017), as amended by its resolution number 3-114-2024 dated 4/4/1446H (corresponding to 7 October 2024) and as further amended from time to time (the “**Rules on the Offer of Securities and Continuing Obligations**”).

The CMA 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. 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 an authorised financial advisor.

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. In particular, prospective purchasers of the Certificates agree and acknowledge that the Saudi Central Bank assumes no liability whatsoever to any purchaser of the Certificates for any loss arising from, or incurred as a result of, the occurrence of a Non-Viability Event. See *“Risk Factors – The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, and without, any losses being required to be borne by the Bank’s shareholders”* and *“Risk Factors – Certificateholders’ right to receive payment of the face amount of the Certificates and the Certificateholders’ 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 you do not understand the contents of this document, you should consult an authorised financial adviser.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised, to deliver or disclose the contents of the Base Offering Circular, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received the Base Offering Circular by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the **“Reply”** function on your e-mail software, will be ignored or rejected. If you receive the Base Offering Circular by e-mail, your use of this e-mail 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 materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and a Dealer or any affiliate of the relevant Dealer is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the Trustee and the Bank in such jurisdiction.

Under no circumstances shall the Base Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached Base Offering Circular who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the final Base Offering Circular.

None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates accepts any responsibility whatsoever for the contents of the Base Offering Circular or for any statement made or purported to be made by any of them, or on their behalf, in connection with the Trustee or any offer.

The Base Offering Circular has been sent 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 Arrangers, the Dealers, the Trustee, the Bank, the Delegate, the Agents nor any person who controls or is a director, officer, employee or agent of any Arranger, Dealer, the Trustee, the Bank, the Delegate, the Agents nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from each Dealer.

None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates make any representation as to the suitability of any Certificates to fulfil any green, social or sustainability criteria of prospective investors or to fulfil any green, social, environmental or sustainability criteria or labels (including

in relation to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and any related technical screening criteria, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and any implementing legislation and guidelines, or any similar legislation in the UK or any requirements of such criteria and/or labels as they may evolve from time to time). None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates have undertaken, nor are they responsible for (1) any assessment of the green, social or sustainable projects; (2) any verification as to whether the projects meet any such criteria; or (3) any monitoring of the use of proceeds of any Certificates. Prospective investors should make their own investigation and refer to the Sustainable Finance Framework (as defined herein) and the second party opinion issued by Sustainalytics which was published on 7 March 2024 and is accessible at the Bank's website (the "**Second Party Opinion**"). The contents of this webpage, the Sustainable Finance Framework and the Second Party Opinion do not form part of the Base Offering Circular, and none of the Arrangers, any of the Dealers, the Delegate or any of the Agents makes any representation as to the suitability or contents thereof.

If a Tranche of Sustainable Certificates is at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that such listing or admission to trading will be obtained in respect of any Sustainable Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Certificates concerned.

Any term which is not compliant with *Shari'a* principles used in this Base Offering Circular has been included to give the correct meaning to a particular statement or a Condition and does not impact the *Shari'a* compliant nature of the Transaction Documents or the Certificates.

The distribution of the Base Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Base Offering Circular comes are required by the Arrangers, the Dealers, the Trustee and the Bank, to inform themselves about, and to observe, any such restrictions.



Alinma AT1 Sukuk Limited

(an exempted company incorporated with limited liability in the Cayman Islands)

U.S.\$1,000,000,000

Additional Tier 1 Capital Certificate Issuance Programme

Under the U.S.\$1,000,000,000 additional tier 1 capital certificate issuance programme (the “**Programme**”) described in this base offering circular (the “**Base Offering Circular**”), Alinma AT1 Sukuk Limited (in its capacity as issuer and trustee, as applicable, the “**Trustee**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue additional tier 1 capital certificates (the “**Certificates**”) denominated in any currency agreed between the Trustee and the Dealers (as defined below). Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$1,000,000,000 (or its equivalent in other currencies, calculated as provided for in the Programme Agreement described herein), subject to increase as described herein.

The Certificates may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer(s) appointed under the Programme from time to time by the Trustee and Alinma Bank (the “**Bank**” or the “**Obligor**”) (each a “**Dealer**” and together, the “**Dealers**”), which appointment may be for a specific issue of Certificates or on an ongoing basis. References in this Base Offering Circular to the “**relevant Dealer(s)**” shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Certificates.

In respect of each Series (as defined herein), if a Non-Viability Event (as defined herein) occurs prior to the Effective Date (as defined herein), 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. In such circumstances, the Certificates of such Series shall be cancelled (in the case of a Write-down in whole) or Written-down (as defined herein) in part on a *pro rata* basis (in the case of a Write-down in part) by the Trustee and the Certificateholders’ rights to the Trust Assets (including the Mudaraba Assets (as defined herein)) shall automatically be deemed to be irrevocably and unconditionally Written-down in a proportion corresponding to the relevant Write-down Amount (as defined herein). See “*Risk Factors – Certificateholders’ right to receive payment of the face amount of the Certificates and the Certificateholders’ 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 Certificates issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the ability of the Trustee to fulfil its obligations under the Certificates, see “*Risk Factors*”. In particular, there are risks inherent in the holding of the Certificates, including the risks relating to subordination of claims in connection therewith and the circumstances in which a Certificateholder may suffer losses as a result of holding the Certificates. See “*Risk Factors – The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, and without, any losses being required to be borne by the Bank’s shareholders*”.

The Periodic Distribution Amount payable, subject to and in accordance with the terms and conditions of the Certificates (the “**Conditions**”), on each Periodic Distribution Date: (a) for the Initial Period, shall be an amount equal to the Initial Periodic Distribution Amount (each as defined in the Conditions); and (b) during each Reset Period (if any), shall be the relevant amount calculated on the basis of the aggregate of the Margin and the Relevant Reset Rate on the relevant Reset Determination Date (each as defined in the Conditions) in accordance with the provisions of Condition 7.4. Payments of profit amounts under the Master Mudaraba Agreement (as defined herein) are subject to mandatory cancellation if a Non-Payment Event (as defined herein) occurs,

and are otherwise at the sole discretion of the Bank (as Mudareb). Any Periodic Distribution Amounts not paid as aforesaid will not accumulate and neither the Trustee nor the Certificateholders shall have any claim in respect thereof.

In respect of each Series, the payment obligations of the Bank under the Master Mudaraba Agreement (including all payments which are the equivalent of principal and profit) (the “**Relevant Obligations**”) will, in any Winding-up Proceeding (as defined herein), rank (i) subordinate and junior to all Senior Obligations but not further or otherwise; (ii) *pari passu* with all other *Pari Passu* Obligations; and (iii) in priority to all Junior Obligations (each as defined herein).

The Certificates of each Series are perpetual securities and have no fixed or final redemption date. Unless the Certificates have previously been redeemed or purchased and cancelled as provided herein, the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, redeem all but not some only of the Certificates on the applicable Call Date (as defined herein). In addition, upon the occurrence of a Tax Event or a Capital Event (each as defined herein), the Certificates may be redeemed in whole (but not in part) by the Trustee (but only upon the instructions of the Bank (acting in its sole discretion)), at any time on or after the Issue Date in accordance with the Conditions.

Each Tranche (as defined herein) of Certificates will be constituted by: (i) a master trust deed (the “**Master Trust Deed**”) dated 15 May 2025 entered into by the Trustee, the Bank and HSBC Corporate Trustee Company (UK) Limited as delegate of the Trustee (in such capacity, the “**Delegate**”); and (ii) a supplemental trust deed (each a “**Supplemental Trust Deed**”) in relation to the relevant Tranche. Certificates of each Series confer on the holders of the Certificates from time to time (the “**Certificateholders**”) the right to receive payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the “**Trust**”).

Application has been made to the London Stock Exchange plc (the “**London Stock Exchange**”) for the Certificates issued under the Programme during the period of 12 months from the date of this Base Offering Circular to be admitted to the London Stock Exchange’s International Securities Market (the “**ISM**”). The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK MiFIR**”).

The ISM is a market designated for professional investors. Certificates admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the “FCA”). The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

References in this Base Offering Circular to the Certificates being “admitted to trading” (and all related references) shall mean that such Certificates have been admitted to trading on the ISM. The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Bank and the relevant Dealer(s). The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market. The applicable Pricing Supplement (as defined below) will state whether or not the relevant Certificates will be listed and/or admitted to trading and, if so, on which exchange the Certificates are to be listed.

This Base Offering Circular does not constitute a prospectus for the purposes of a listing or an admission to trading on any market in the United Kingdom (“**UK**”) which has been designated as a regulated market for the purposes of UK MiFIR and has not been approved by the FCA pursuant to the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019.

This Base Offering Circular does not constitute a prospectus for the purposes of a listing or an admission to trading on any market in the European Economic Area (the “**EEA**”) which has been designated as a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, “**MiFID II**”), and has not been approved by the competent authority in any member state of the EEA pursuant to Regulation (EU) 2017/1129.

Notice of the aggregate face amount of Certificates, profit (if any) payable in respect of such Certificates, the issue price of such Certificates and other information which is applicable to each Tranche of such Certificates will be set out in a pricing supplement (the “**Pricing Supplement**”), which with respect to Certificates to be admitted to trading on the ISM, will be delivered to the London Stock Exchange. Copies of the Pricing Supplement in relation to Certificates to be admitted to trading on the ISM will also be published on the website of the London Stock Exchange through a regulatory information service or may be published in such other manner permitted by the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time, the “**ISM Rulebook**”).

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Certificates 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**”)). For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Offering Circular, see “*Subscription and Sale*”.

Each Series of Certificates will initially be represented by a global certificate in registered form (a “**Global Certificate**”). Global Certificates will be deposited on the relevant issue date with, and registered in the name of a nominee for, a common depositary (the “**Common Depositary**”) on behalf of Euroclear Bank SA NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). The provisions governing the exchange of interests in Global Certificates for definitive Certificates are described in “*Summary of Provisions Relating to the Certificates While in Global Form*”.

The Bank has been assigned a long term rating of “A-” with a “stable outlook” by Fitch Ratings Limited (“**Fitch**”), “A3” with a “positive outlook” by Moody’s Investors Service Limited (“**Moody’s**”) and “A-” with a stable outlook by S&P Global Ratings Europe Limited (“**S&P**”). The Certificates will not be rated by any rating agency upon their issue.

Each of Fitch and Moody’s is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). Neither Fitch nor Moody’s is established in the EEA and has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**EU CRA Regulation**”). The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the EU CRA Regulation and has not been withdrawn. The rating issued by Moody’s has been endorsed by Moody’s Deutschland GmbH in accordance with the EU CRA Regulation and has not been withdrawn. Each of Fitch Ratings Ireland Limited and Moody’s Deutschland GmbH is established in the EEA and is registered under the EU CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Moody’s Deutschland GmbH is included on the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). S&P is established in the EEA and is registered under the EU CRA Regulation. As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). S&P is not established in the UK and has not applied for registration under the UK CRA Regulation. The rating issued by S&P has been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation and has not been withdrawn. S&P Global Ratings UK Limited is established in the UK and is registered in accordance with the UK CRA Regulation.

The transaction structure relating to the Certificates (as described in this Base Offering Circular) has been approved by The Internal Shari’a Supervisory Committee of Abu Dhabi Islamic Bank PJSC, the Shariah Committee of Alinma Bank, the Shariah Committee of Alinma Capital Company, the Internal Shariah Supervision Committee of Emirates NBD – Islamic, the Shari’a advisers of J.P. Morgan Securities plc and the Global Shariah Supervisory Committee of Standard Chartered Bank as, in their view, complying with the *Shari’a* principles as applicable to, and as interpreted by, them. Prospective Certificateholders should not rely on the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own independent *Shari’a* advisers as to whether the proposed transaction described in the approvals referred to above, including the tradability of the Certificates in the secondary market, is in compliance with *Shari’a* principles (including, without limitation, their individual standards of compliance relating thereto). Prospective Certificateholders 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* advisers.

This Base Offering Circular may not be distributed in the Kingdom of Saudi Arabia (the “**Kingdom**” or “**Saudi Arabia**”) except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of Saudi Arabia (the “**CMA**”) pursuant to its resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017), as amended by its resolution number 3-114-2024 dated 4/4/1446H (corresponding to 7 October 2024) and as further amended from time to time (the “**Rules on the Offer of Securities and Continuing Obligations**”). The CMA does not make any representation as to the accuracy or completeness of this Base Offering Circular and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Offering Circular. 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 Base Offering Circular, you should consult an authorised financial adviser.

The Saudi Central Bank (“**SAMA**”) 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. In

particular, prospective purchasers of the securities agree and acknowledge that SAMA assumes no liability whatsoever to any purchaser of the securities 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 document, you should consult an authorised financial adviser. The distribution of this document and the offering, sale and delivery of the Certificates in any jurisdiction other than the Kingdom may be restricted by law.

Arrangers

Alinma Capital Company

J.P. Morgan

Dealers

Abu Dhabi Islamic Bank

Alinma Capital Company

Emirates NBD Capital

Goldman Sachs International

J.P. Morgan

Standard Chartered Bank

The date of this Base Offering Circular is 15 May 2025

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE OFFERING CIRCULAR AND OFFERS OF CERTIFICATES GENERALLY

This Base Offering Circular comprises admission particulars for the purpose of the ISM Rulebook. This Base Offering Circular does not comprise a prospectus for the purposes of either Regulation (EU) 2017/1129 or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA, and has not been approved as such by the competent authority in any member state of the EEA or the FCA.

The Trustee and the Bank accept responsibility for the information contained in this Base Offering Circular and the applicable Pricing Supplement for each Series of Certificates issued under the Programme. To the best of the knowledge of the Trustee and the Bank (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Offering Circular should be read and construed together with any amendments or supplements hereto, with any information incorporated by reference herein and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Pricing Supplement.

Certain information under the headings “*Risk Factors*”, “*The Kingdom’s Banking Sector and Regulations*”, and “*Business Description of the Group*” has been extracted from industry sources and information provided by third-party sources that the Bank believes to be reliable (including the General Authority for Statistics (“**GASTAT**”), the SAMA, the Ministry of Finance, the Ministry of Economy and Planning and the International Monetary Fund (the “**IMF**”), the Organisation for Petroleum Exporting Countries (“**OPEC**”), the Saudi Stock Exchange (“**Tadawul**”) and the Saudi Credit Bureau (“**SIMAH**”)) and, in each case, the relevant source of such information is specified where it appears under those headings. Each of the Trustee and the Bank confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources referred to, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The language of this Base Offering Circular is English. Certain technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates have authorised the whole or any part of this Base Offering Circular and none of them makes any representation or warranty (and no such representation or warranty is implied) or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Offering Circular or any responsibility for any acts or omissions of the Trustee, the Bank or any other person in connection with this Base Offering Circular or the issue and offering of the Certificates under the Programme.

No person has been authorised to give any information or to make any representation other than those contained in this Base Offering Circular in connection with the Programme or the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents (each as defined herein). Neither the delivery of this Base Offering Circular nor any offering or sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the Trustee or the Bank since the date hereof or the date upon which this Base Offering Circular has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Trustee or the Bank since the date hereof or the date upon which this Base Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Offering Circular and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Circular comes are required by the Trustee, the Bank, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Certificates 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). Each purchaser of the Certificates in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. Prospective purchasers are hereby notified that the offer, sale or delivery of Certificates to it will be made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S. For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Offering Circular, see “*Subscription and Sale*”.

The Trustee and the Bank have confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Offering Circular contains all information which is (in the context of the Programme or the issue, offering and sale of the Certificates) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in the Base Offering Circular are honestly held or made; that the Base Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme or the issue, offering and sale of the Certificates) not misleading in any material respect. Reasonable enquiries have been made to ascertain or verify the foregoing.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Arrangers or Dealers or any affiliate of the Arrangers or Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Arrangers or Dealer or such affiliate on behalf of the Trustee in such jurisdiction.

This Base Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Trustee, the Bank, the Arrangers or the Dealers to subscribe for, or purchase, any Certificates.

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Delegate or the Agents accepts any responsibility for the contents of this Base Offering Circular or for any other statement made, or purported to be made, by the Arrangers, the Dealers, the Delegate, the Agents or on its or their behalf in connection with the Trustee, the Bank or the issue and offering of the Certificates or any responsibility for any acts or omissions of the Trustee, the Bank or any other person in connection with this Base Offering Circular or the issue and offering of Certificates under the Programme. Each of the Arrangers, the Dealers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Offering Circular or any such statement. Neither this Base Offering Circular nor any other such statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents that any recipient of this Base Offering Circular or any other such statements should purchase the Certificates. Each potential purchaser of Certificates should determine for itself the relevance of the information contained in this Base Offering Circular and its purchase of Certificates should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers, the Delegate or the Agents undertakes to review the financial condition or affairs of the Trustee or the Bank during the life of the arrangements contemplated by this Base Offering Circular, nor to advise any investor or potential investor in Certificates issued under the Programme of any information coming to the attention of any of the Arrangers, the Dealers, the Delegate or the Agents.

Admission to trading on the ISM is not to be taken as an indication of the merits of the Trustee, the Bank or the Certificates. The Certificates may not be a suitable investment for all investors. Each potential investor in any

Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Offering Circular or any applicable supplement hereto;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact such investment will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including Certificates where the currency for any Dissolution Distribution Amount or Periodic Distribution Amount (each as defined herein) payments are different from the potential investor's home currency;
- (d) understands thoroughly the terms of the relevant Certificates and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict the ability of certain investors to make investments in Certificates. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Certificates are legal investments for it, (ii) Certificates can be used as collateral for various types of raising of finance and (iii) other restrictions apply to its purchase or pledge of any Certificates by the investor. The Certificates may not satisfy an investor's requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the Certificates from a sustainability perspective. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules and regulations.

The Certificates to which this Base Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Certificates offered should conduct their own due diligence on the Certificates. If you do not understand the contents of this Base Offering Circular you should consult an authorised financial adviser.

The proceeds of certain issuances of Certificates may be used by the Bank to achieve objectives set out in the Bank's Sustainable Finance Framework (as defined in "*Use of Proceeds*" below). None of the Trustee, the Arrangers, the Dealers, the Delegate or the Agents make any representation as to the suitability or content of the Sustainable Finance Framework and none of the Bank, the Trustee, the Arrangers, the Dealers, the Delegate or the Agents make any representation as to the suitability of the second party opinion issued by Sustainalytics in respect of the Sustainable Finance Framework which was published on 7 March 2024 on the Bank's website (the "**Second Party Opinion**"). Further, the contents of the Sustainable Finance Framework and the Second

Party Opinion do not form part of the Base Offering Circular, and none of the Arrangers, any of the Dealers, the Delegate or the Agents makes any representation as to the suitability or contents thereof. Each prospective investor should refer to the Bank's Sustainable Finance Framework and the Second Party Opinion and determine for itself the relevance of such information for the purposes of an investment in the Certificates together with any other investigation it deems necessary. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued. Furthermore, the Second Party Opinion is for information purposes only.

None of the Trustee, the Delegate, the Agents, the Bank, the Arrangers or the Dealers nor any of their respective affiliates make any representation as to the suitability of the Certificates, including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market, or to fulfil any green, social, environmental or sustainability criteria required by any prospective investors.

No advice is given by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents in respect of taxation or *Shari'a* matters relating to any Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN *SHARI'A* ADVISER, TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO *SHARI'A*, TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the issue date of the relevant Tranche and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

EU MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Certificates may include a legend entitled "MiFID II Product Governance", which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The applicable Pricing Supplement in respect of any Certificates may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”), and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE “SFA”)

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), unless otherwise specified in the applicable Pricing Supplement, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

VOLCKER RULE

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund” and (iii) entering into certain relationships with “covered funds”. The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a “banking entity” as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. If investment by “banking entities” in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding (a) the status of the Trustee under the Volcker Rule (including whether it is a “covered fund” for their purposes) or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

NOTICE TO RESIDENTS IN THE UK

The Certificates do not constitute “alternative finance investment bonds” (“**AFIBs**”) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended, and will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) which has not been authorised, recognised or otherwise approved by the UK Financial Conduct Authority. Accordingly, any Certificates must not be marketed in the UK to the general public and this Base Offering Circular is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of this Base Offering Circular, any applicable Pricing Supplement and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial

Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the UK may not receive and should not act or rely on this Base Offering Circular, any applicable Pricing Supplement or any other marketing materials in relation to any Certificates.

Prospective investors in the UK in any Certificates are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the UK Financial Services Compensation Scheme. Any prospective investor intending to invest in any investment described in this Base Offering Circular should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Offering Circular and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the “**CBB**”) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Offering Circular and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Offering Circular or related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Offering Circular. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Base Offering Circular must be read by the addressee only and must not be issued, passed to or made available to the public generally.

NOTICE TO RESIDENTS OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the CMA.

The CMA 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. 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 an authorised financial advisor.

NOTICE TO RESIDENTS IN THE STATE OF QATAR

Any Certificates will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Offering Circular has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar.

NOTICE TO RESIDENTS IN THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Certificates and this Base Offering Circular shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Certificates.

NOTICE TO RESIDENTS OF THE STATE OF KUWAIT

Unless all necessary approvals from the Kuwait Capital Markets Authority (the “**Kuwait CMA**”) pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) (the “**CML Rules**”), together with the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable or regulation in the State of Kuwait, have been given in relation to the marketing of, and sale of, the Certificates (the “**Kuwait CMA Approval**”), the Certificates may not be offered for sale, nor sold, in the State of Kuwait.

This Base Offering Circular is not for general circulation to the public in the State of Kuwait nor will the Certificates be sold by way of a public offering in the State of Kuwait. In the event where the Certificates are intended to be purchased onshore in the State of Kuwait pursuant to a Kuwait CMA Approval, the same may only be so purchased through a licensed person duly authorised to undertake such activity pursuant to the CML Rules. Investors from the State of Kuwait acknowledge that the Kuwait CMA and all other regulatory bodies in the State of Kuwait assume no responsibility whatsoever for the contents of this Base Offering Circular and do not approve the contents thereof or verify the validity and accuracy of its contents. The Kuwait CMA, and all other regulatory bodies in the State of Kuwait, assume no responsibility whatsoever for any damages that may result from relying (in whole or in part) on the contents of this Base Offering Circular. Prior to purchasing any Certificates, it is recommended that a prospective holder of any Certificates seeks professional advice from its advisers in respect to the contents of this Base Offering Circular so as to determine the suitability of purchasing the Certificates.

NOTICE TO RESIDENTS IN MALAYSIA

Any Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Offering Circular or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b), read together with Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia (the “**CMSA**”), as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Bank and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Offering Circular.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The financial information of the Bank and its consolidated subsidiaries (the “**Group**”) set forth herein has, unless otherwise indicated, been extracted, without material adjustment, from the Group’s:

- unaudited interim condensed consolidated financial statements as at and for the three months ended 31 March 2025, which include comparative financial information for the three months ended 31 March 2024 (the “**Interim Financial Statements**”);
- audited consolidated financial statements as at and for the year ended 31 December 2024, which include comparative financial information as at and for the year ended 31 December 2023 (the “**2024 Financial Statements**”); and
- audited consolidated financial statements as at and for the year ended 31 December 2023, which include comparative financial information as at and for the year ended 31 December 2022 (the “**2023 Financial Statements**” and, together, with the 2024 Financial Statements, the “**Annual Financial Statements**”),

each incorporated by reference into this Offering Circular.

The Interim Financial Statements were prepared in accordance with International Accounting Standard-34 Interim Financial Reporting (“**IAS-34**”) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“**SOCPA**”). The Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2024 Financial Statements.

The Annual Financial Statements were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA and in compliance with the provisions of the Banking Control Law, the Regulations for Companies in the Kingdom and by- laws of the Bank.

The Saudi Riyal is the functional currency of the Bank and the presentation currency for the Financial Statements. The Financial Statements and financial information included elsewhere in this document have, unless otherwise noted, been presented in Saudi Riyal.

Independent Auditors

The Interim Financial Statements have been jointly reviewed by KPMG Professional Services (“**KPMG**”) and Ernst & Young Professional Services (Professional LLC) (“**EY**”) in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” as endorsed in the Kingdom, as stated in their joint review report incorporated by reference into this Offering Circular.

The Annual Financial Statements have been jointly audited by KPMG and EY in accordance with International Standards on Auditing (“**ISAs**”) as endorsed in the Kingdom, as stated in their respective joint audit reports incorporated by reference into this Offering Circular.

The address of KPMG is Roshn Front, Airport Road, P.O. Box 92876, Riyadh 11663, the Kingdom of Saudi Arabia (Commercial Registration No. 1010425494), the address of EY is Head Office, Al Faisaliah Office Tower, 14th Floor, King Fahad Road, P.O. Box 2732, Riyadh 11461, Kingdom of Saudi Arabia.

Sources of Financial Information and Reclassification of 2023 Financial Information

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

- in the case of the financial information as at, and for the three months ended, 31 March 2025 and the financial information for the three months ended 31 March 2024, from the Interim Financial Statements;
- in the case of the financial information as at, and for the years ended, 31 December 2024 and 31 December 2023, from the 2024 Financial Statements; and
- in the case of the financial information as at, and for the year ended, 31 December 2022, from the 2023 Financial Statements.

Certain line item reclassification and rearrangement changes were made to the comparative financial information as at and for the year ended 31 December 2023 included in the 2024 Financial Statements to match the presentation in the 2024 Financial Statements; however, no significant rearrangements or reclassifications have been made in the 2024 Financial Statements.

Alternative Performance Metrics (“APMs”)

This Offering Circular includes certain non-IFRS financial measures which the Group uses in the analysis of its business and financial position, each of which constitutes an APM. However, the Group believes that these measures provide useful supplementary information to both investors and the Group’s management, as they facilitate the evaluation of the Group’s performance. The APMs are not measurements of the Group’s operating performance or liquidity under IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under IFRS. The APMs relate to the reporting periods described in this Offering Circular and are not intended to be predictive of future results. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS. Unless otherwise stated, the list below presents the Group’s alternative performance measures:

- cost to income ratio (calculated as operating expenses before impairment charges divided by total operating income);
- cost of risk (calculated as the ratio between impairment charge of financing), net of recoveries for a given year/period and average funded credit facilities (calculated as the simple average of gross financing as at the start and end of the year/period during the same year/period);
- non-performing financings (“NPFs”) coverage ratio (calculated as allowance for impairment on financing divided by NPFs);
- NPF ratio (calculated as NPFs divided by gross financing);
- SAMA financing to deposit ratio (calculated in accordance with SAMA regulations as financing, net divided by the sum of customers’ deposits weighted by maturity, eligible SAMA placements in the Bank and Tier 1 sukuk);
- financing to deposit ratio (calculated as financing, net divided by customers’ deposits);
- financing to funding sources ratio (calculated as financing, net divided by the sum of due to SAMA, banks and other financial institutions and customers’ deposits);

- net income margin (calculated as net income for the year / period after zakat divided by total operating income for the year/period).
- net profit margin (Calculated as income from investments and financing, net for the year / period divided by average profit-earning assets);
- return on average assets ratio (calculated as net income for the year/period after zakat divided by average total assets (calculated as the simple average of total assets as at the start and end of the year/period));
- return on average equity ratio (calculated as net income for the year/period after zakat divided by average equity attributable to the shareholders of the Bank (calculated as the simple average of equity attributable to the shareholders of the Bank as at the start and end of the year/period));
- CET 1 ratio (calculated in accordance with SAMA regulations and represents common equity tier 1 capital divided by total Pillar I risk-weighted assets);
- tier 1 capital adequacy ratio (calculated in accordance with SAMA regulations and represents tier 1 capital divided by total Pillar I risk-weighted assets);
- total capital adequacy ratio (calculated in accordance with SAMA regulations and represents the sum of tier 1 and tier 2 capital divided by total Pillar I risk-weighted assets);
- leverage ratio (calculated in accordance SAMA regulations and represents tier 1 capital divided by total exposures);
- liquidity coverage ratio (calculated in accordance with SAMA regulations and represents high-quality liquid assets divided by expected net cash outflows); and
- net stable funding ratio (calculated in accordance with SAMA regulations and represents total available stable funding divided by total required stable funding).

None of the APMs have been audited or reviewed by KPMG or EY.

Presentation of Other Information

Currencies

Unless otherwise indicated, in this Offering Circular, all references to:

- “**riyal**” and “**SAR**” are to the lawful currency of Saudi Arabia;
- “**euro**” and “**€**” are to the currency introduced at the third stage of the European economic and monetary union pursuant to the Treaty Establishing the European Community, as amended; and
- “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency of the United States.

Translations of amounts from riyal to U.S. dollars in this Offering Circular 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 Offering Circular have been converted at this rate.

Third Party and Market Share data

This Offering Circular 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, which use such financial and other information to publish statistical information. 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 Offering Circular, 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 Offering Circular is referred to as having been estimated. All such estimates have been made by the Group using its own information and other market information which is publicly available. The Group 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 Group cannot guarantee that a third party expert using different methods would reach the same conclusions.

Statistical information relating to Saudi Arabia included in this Offering Circular has been derived from official public sources, including GASTAT, SAMA, the Ministry of Finance, the Ministry of Economy and Planning, the IMF and 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 Group to investors who have purchased Certificates 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.alinma.com>. The information on this website or any other website mentioned in this Offering Circular or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Offering Circular, and investors should not rely on it.

Definitions

In this Offering Circular, references to:

- a **"billion"** are to a thousand million;
- **"Financial Statements"** are to the Annual Financial Statements and Interim Financial Statements;
- the **"GCC"** are to the Cooperation Council (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (**"UAE"**));
- **"Government"** are to the government of the Kingdom;
- the **"MENA region"** are to the Middle East and North Africa region; and
- **"Saudi Arabia"** or **"the Kingdom"** are to the Kingdom of Saudi Arabia.

In this Offering Circular, 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 present the Group's results in thousands of riyal. Certain financial statements data in this Offering Circular has been expressed in millions of riyal and rounded to zero decimal places, with 0.50 being rounded up and 0.49 being rounded down. In addition, certain financial statement data in this Offering Circular has been expressed in billions of riyal and rounded to one decimal place, with 0.050 being rounded up and 0.049 being rounded down. As a result of such rounding, the totals of financial statement data presented in tables in this Offering Circular 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.

In addition, all percentage data in this Offering Circular has been rounded to one decimal place, with 0.050 being rounded up and 0.049 being rounded down.

Dates

Certain dates in this Offering Circular 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 Offering Circular may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning the Group's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify as forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*" "*Business Description of the Group*" and other sections of this Offering Circular. 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 Offering Circular, 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*", "*Business Description of the Group*" and "*The Kingdom's Banking Sector and Regulations*", which include a more detailed description of the factors that might have an impact on the Bank's business development and on the industry sector in which the Bank operates.

The risks and uncertainties referred to above include:

- macro-economic and financial market conditions (and changes thereof);
- 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 Bank'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 Saudi riyal;

- liquidity risks, including the inability of the Group to meet its contractual and contingent cash flow obligations or the inability to fund its operations; and
- changes in interest or profit 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 Offering Circular. Without prejudice to any requirements under applicable laws, the Trustee and the Bank expressly disclaim any obligation or undertaking to disseminate after the date of this Offering Circular 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Offering Circular 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 Offering Circular, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify as forward-looking statements. These forward-looking statements are contained in the sections entitled “Risk Factors” “Business Description of the Group” and other sections of this Base Offering Circular. 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 Offering Circular, or if any of the Bank’s underlying assumptions prove to be incomplete or inaccurate, the Bank’s actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections “*Risk Factors*”, “*Business Description of the Group*” and “*The Kingdom’s Banking Sector and Regulations*”, which include a more detailed description of the factors that might have an impact on the Bank’s business development and on the industry sector in which the Bank operates.

The risks and uncertainties referred to above include:

- macro-economic and financial market conditions (and changes therein), including changes in commodity prices and inflation;
- 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 Bank’s portfolio of financing and investing assets;
- the effects of, and changes in, laws, regulations or governmental policy affecting the Bank’s business activities;
- removal or adjustment of the peg between the U.S. dollar and the Saudi riyal;
- liquidity risks, including the inability of the Bank to meet its contractual and contingent cash flow obligations or the 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 Offering Circular. Without prejudice to any requirements under applicable laws, the Trustee and the Bank expressly disclaim any obligation or undertaking to disseminate after the date of this Base Offering Circular 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.

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RISK FACTORS

Each of the Trustee and the Bank believes that the following factors may affect both the Trustee's ability to pay amounts owing under the Certificates and the Bank's ability to satisfy its obligations under the Transaction Documents (as defined in the Conditions). These factors are contingencies which may or may not occur. However, should any of these factors occur, it would have the potential to materially adversely affect the Bank's business, results of operations, financial condition and prospects and thereby affect the Bank's ability to perform its obligations under the Transaction Documents.

Factors which each of the Trustee and the Bank believes may be material for the purpose of assessing the market risks associated with the Certificates are also described below.

Each of the Trustee and the Bank believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Trustee to pay Periodic Distribution Amounts (as defined in the Conditions), Dissolution Distribution Amounts (as defined in the Conditions) or other amounts on or in connection with the Certificates and of the Bank to pay amounts owing under the Transaction Documents may occur for other reasons and neither the Trustee nor the Bank represents that the statements below regarding the risks of holding the Certificates are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Base Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. Words and expressions defined elsewhere in this Base Offering Circular shall have the same meanings in this section.

Factors that may affect the Trustee's ability to fulfil its obligations under or in connection with the Certificates

The Trustee has no operating history and no material assets

The Trustee is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 27 March 2025 and has no operating history. The Trustee has not as at the date of this Base Offering Circular engaged, and will not engage, in any business activity other than the issuance of Certificates, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets, including the right to receive amounts paid by the Bank under the Transaction Documents. Therefore, the Trustee is subject to all the risks to which the Bank is subject to the extent that such risks could limit the Bank's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The Certificates represent limited recourse obligations of the Trustee and the recourse of the Certificateholders against the Trustee in relation to the Certificates of each Series is limited to the Trust Assets relating to that Series and the proceeds from those Trust Assets.

The ability of the Trustee to pay amounts due on Certificates will be dependent upon receipt by the Trustee from the Bank of amounts to be paid under the Transaction Documents (which in aggregate may not be sufficient to meet all claims under the Certificates of any Series and the Transaction Documents). See “ – Risks relating to the Bank and its ability to fulfil its obligations

under the Transaction Documents” below. Risks Relating to the Bank and its Ability to Fulfil its Obligations Under the Transaction Documents.

The Group operates in a competitive industry

All sectors of the Saudi Arabian market for financial and banking services are highly competitive. Based on SAMA’s website, there are 37 commercial banks licensed to operate in the Kingdom, of which 14 are incorporated in the Kingdom with three banks being digital banks (namely STC Bank, D360 Bank and Vision Bank). D360 bank commenced its operations in January 2025 and the two other digital banks, STC Bank and Vision Bank, are in a pilot phase of operations. Of the remaining 23 licensed foreign banks, seven are branches or subsidiaries of banks based in other GCC countries (namely Abu Dhabi Commercial Bank, Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Bank Muscat, Qatar National Bank and First Abu Dhabi Bank), ten are international banks (namely Deutsche Bank, BNP Paribas, J.P. Morgan Chase, N.A., National Bank of Pakistan, T.C. Ziraat Bankası A.Ş., Industrial and Commercial Bank of China, MUFG Bank, Ltd., UBS AG (formerly Credit Suisse Bank), Standard Chartered Bank and National Bank of Iraq) and six have been licensed but are yet to commence operations under their licences (namely Trade Bank of Iraq, Bank of China Limited, Banque Misr, National Bank of Egypt, Sohar International Bank, and Bank of Jordan). Given the growing trend towards liberalisation of the banking industry in the Kingdom, allowing the presence of both foreign banks and digital banks, and the rise of digital banking globally, the Group faces the prospect of a further increased competitive environment in the future.

The Saudi Arabian market is becoming increasingly competitive, and this may increase the pressure on the Group to improve the range and sophistication of the products and services it currently offers. Competition in its key areas of operation may limit the Group’s ability to implement its growth strategy, increase its client base and expand its operations and/or reduce or reverse its asset growth rate and profit margins on the services it provides. If the Group experiences increasing margin pressure, for example the recently licensed digital banks may have lower operating cost models and be capable of generating higher returns from asset growth when they commence operations, and rising operating expenses as the banking sector in the Kingdom develops and/or the Group is not able to compete effectively against its competitors and/or the Group incurs significant additional costs as it seeks to compete effectively, these factors could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

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

Risks arising from adverse changes in the credit quality and recoverability of financings, securities and amounts due from counterparties are inherent in a wide range of the Group’s businesses, principally in its financing and investment activities. Credit risks could arise from a deterioration in the credit quality of specific financing customers, issuers and counterparties of the Group, or from a general deterioration in local or global economic conditions, or from systemic risks within the financial system, any or all of which could affect the recoverability and value of the Group’s assets and require an increase in the Group’s provisions for the impairment of financings, securities and other credit exposures.

In particular, the Group is exposed to the risk that its customers may not meet their obligations in respect of financing advanced by the Group and that the collateral (if any) securing the financing advanced may be insufficient, each of which could:

- affect the recoverability and value of the Group’s assets;
- result in an increase in non-performing financing (“NPFs”); and
- require an increase in the Group’s provisions for the impairment of financing, securities and other credit exposures.

Some of the Group's customers have historically experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs. Some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to the Group.

As at 31 December 2024, the Group's financing, net, NPFs and allowance for impairment amounted to SAR 202,308 million, SAR 2,182 million and SAR 3,759 million, respectively. As at 31 December 2023, the Group's financing, net, NPFs and allowance for impairment amounted to SAR 173,624 million, SAR 2,862 million and SAR 4,433 million, respectively, as compared to SAR 146,492 million, SAR 2,920 million and SAR 3,981 million as at 31 December 2022. The Group's impairment charge on financing, net of recoveries amounted to SAR 1,050 million for the year ended 31 December 2024, SAR 1,272 million for the year ended 31 December 2023 and SAR 1,198 million for the year ended 31 December 2022.

In addition, financial service institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Group interacts on a daily basis. The Group routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers and commercial banks, resulting in significant credit concentration. As a result, the Group is exposed to counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. Moreover, problems at certain financial institutions in the Kingdom or in other countries could cause general market concerns over the health of financial institutions. Furthermore, these problems could lead to reduced access to liquidity and funding for financial institutions and/or a decline in the value of their debt or equity instruments, possibly including the Certificates, such risk being sometimes referred to as "contagion effect". In addition, many of the hedging and other risk management strategies utilised by the Group also involve transaction counterparties that are financial institutions. The "systemic risk" has further been exacerbated by the recent collapse of a number of banks worldwide, such as Credit Suisse in Europe and Silicon Valley Bank and Signature Bank in the United States. In addition, the Group has in the past witnessed an increase in payment delays and requests for restructuring and waivers of covenants, especially since the increase in systemic risks triggered by the coronavirus ("COVID-19") pandemic.

Any increase in systemic risk in the future could have a material adverse effect on the Group's ability to raise new funds and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's financing, net, investment portfolio and customers' deposits are concentrated in the Kingdom

As at 31 December 2024, 98.9 per cent. of the Group's financing, net and 93.3 per cent. of the Group's investments, net were concentrated in the Kingdom. As at 31 December 2024, the Group's customers' deposits represented 89.4 per cent. of the Group's total liabilities, with 99.9 per cent. of the Group's customers' deposits as at 31 December 2024 being concentrated in the Kingdom.

As a result of the concentration of the Group's financing and investment portfolios and deposit base in the Kingdom, any deterioration in general economic conditions in the Kingdom or any failure of the Group to effectively manage its risk concentrations could have a material adverse effect on its business, financial condition, results of operations and prospects than on that of a more geographically diversified Bank. See also "– Risks Relating to the Economic, Political and Regulatory Environment in the Kingdom" below.

The Group has significant customer and sector concentrations

The Group's financial condition is sensitive to volatility and downturns in the industry sectors in which its financing is concentrated.

The Group's financing portfolio is concentrated in a small number of industry sectors. As at 31 December 2024, the Group's financing, net to "real estate business" and "services" accounted for 30.2 per cent. of the Group's financing, net. Accordingly, the Group's significant exposure to the "real estate business" and "services" sectors, combined with any downturn or adverse trends in these sectors, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, as at 31 December 2024, the Group's top 20 financing customers accounted for 34.7 per cent. of the Group's gross financing.

Within its financing portfolio, the Group's exposure to the Government and quasi-Government entities accounted for 10.7 per cent. of its financing, net and 73.3 per cent. of its investments, net as at 31 December 2024. The financial condition and ongoing profitability of Government-controlled or Government-related entities largely depends upon Government spending and policy. The Group is therefore exposed to shifts in Government spending and policy and the impact of such shifts on the level of economic activity in the Kingdom and in turn, on the Group's Government-related customers, over which it has no control. The Group's failure to adequately foresee and assess any such shifts may have an adverse effect on its business, results of operations, financial condition and prospects.

In addition, the Group's exposure to the retail segment accounted for 24.6 per cent. of the Group's financing, net as at 31 December 2024. Any deterioration in the performance of the Kingdom's economy, stagnation or a reduction in levels of personal income, individual purchasing power and consumer confidence, either generally or specifically in respect of the banking sector, as well as any overleveraging or instability in the consumer finance market and any resulting regulatory restrictions, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects, and, in particular, may increase the proportion of NPFs and allowance for impairment on financing thus adversely impacting the Group's profitability and reducing its capital. If the consumer market overheats and consumers become overleveraged and start to default due to various factors discussed above, the Group could be required to create significantly greater provisions to reflect rising credit risk and default rates on its retail finance portfolio, which could negatively affect its profit, capital generation and capital adequacy levels.

As at 31 December 2024, the concentration of the Group's top 20 customers' deposits accounted for 36.0 per cent. of total customers' deposits with the single largest name concentration standing at 12.1 per cent. The Government and quasi-Government depositors accounted for 37.8 per cent. of the Group's customers' deposits as at 31 December 2024. Any withdrawal or non-renewal of the Group's customers' deposits by any one or more of its material depositors (including the Government and quasi-Government depositors) could require the Group to obtain replacement funding from other sources. There could be no assurance that such funding will be available on commercially acceptable terms or at all, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. See – "*The Group faces liquidity and funding risks*" below.

The Group faces liquidity and funding risks

The Group is exposed to liquidity risk due to the maturity mismatches between its assets and liabilities. Although the Group's management has diversified funding sources and assets are managed taking liquidity into consideration, maintaining an adequate balance of cash and cash equivalents, any maturity mismatches between the Group's assets and liabilities (including by reason of an unexpected withdrawal of funds by the Group's customers) may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

There is a correlation between the Group's liquidity position and the potential deterioration in financial positions of other institutions, corporations and commercial companies. This is because such deterioration may lead to tighter liquidity constraints and a higher cost of funds in the interbank financing market. In the financial services sector, the default of an institution on repayments may affect other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. A market perception of lack of credit worthiness or questions about certain counterparties could lead to liquidity problems at the market level, which could adversely affect financial institutions, including banks and securities firms with which the Group deals on a daily basis. In a worst-case scenario, this could have an adverse impact on the Group's ability to obtain funding, which may affect its business, financial position, results of operations and future prospects.

The Group meets a significant portion of its funding requirements through short-term funding sources, primarily from customers' deposits. As at 31 December 2024, customers' deposits accounted for 89.4 per cent. of the Group's total liabilities. 45.2 per cent. of the Group's customers' deposits as at 31 December 2024 were demand deposits. In the event of any downturn in confidence in the Group or the banking sector in the Kingdom more generally, the Group's customers could seek to withdraw their demand deposits or decide not to roll over their time-based deposits on maturity and consequently the Group may not have the necessary funds to meet its liabilities as they fall due, which will have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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, volatility in benchmark rates, prices of securities or commodities and currency exchange rates. In particular, an increase in benchmark rates generally may decrease the value of the Group's fixed-rate financings and securities and may increase the Group's funding costs. In addition, fluctuations in benchmark rates may result in a pricing gap between the Group's rate-sensitive assets and liabilities. Benchmark 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.

Changes in profit rate levels and spreads may also affect the Group's future cash flows (by adversely impacting the margin realised between the Group's financing and investment activities and its funding costs). Changes in debt and equity prices may also affect the values of the Group's investment and trading portfolios.

Although the Group monitors profit and cost rates with respect to its assets and liabilities and seeks to match its profit and cost rate positions, rate movements may lead to mismatches between the rates on its profit-earning assets and cost-bearing liabilities which, in turn, may adversely affect the Group's net income. If the Group's cost of funding increases and it is not able to pass the increased costs on to all or a significant portion of its existing financing customers in a timely manner or at all due to market, competitive or other conditions, this could have a material adverse effect on its business, results of operations, financial condition or prospects.

The U.S. Federal Reserve raised U.S. overnight interest rates by 25 basis points in March 2022, 50 basis points in May 2022, 75 basis points in each of June 2022, July 2022, September 2022 and November 2022, 50 basis points in December 2022 and 25 basis points in each of February 2023, March 2023, May 2023 and July 2023 before reducing them by 50 basis points in September 2024 and by 25 basis points in each of November 2024 and December 2024. Tracking these movements, SAMA increased both its repo rate and its reverse repo rate by 25 basis points in March 2022, 50 basis points in each of May 2022 and June 2022, 75 basis points in each of July 2022, September 2022 and November 2022, 50 basis points in December 2022 and 25 basis points in each of February 2023, March 2023, May 2023 and July 2023, before reducing them by 50 basis points in September 2024 and by 25 basis points in each of November 2024 and December 2024. Further rate changes

from central banks across the world could be forthcoming and it is unclear what impact these measures will ultimately have on their respective economies. Accordingly, aggressive or unexpected monetary policy tightening by the U.S. Federal Reserve could shock the markets, adversely affecting asset prices and ultimately economic growth. Accordingly, aggressive or unexpected monetary policy tightening by the U.S. Federal Reserve could shock the markets, adversely affecting asset prices and ultimately economic growth. Furthermore, many of the world's economies are experiencing elevated inflation, which is expected to remain as such for longer than previously forecast. According to the IMF's January 2025 World Economic Outlook Update, global headline inflation was projected at 4.2 per cent. and 3.5 per cent. for 2025 and 2026, respectively, in each case down from an average of 6.7 per cent. in 2023 and 5.8 per cent in 2024 (per IMF's October 2024 World Economic Outlook), with advanced economies returning to their inflation targets sooner than emerging market and developing economies. However, as with the growth outlook, considerable uncertainty surrounds these inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict, which caused increases to energy prices and food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilisers). In addition, increased tensions in the Middle East evidenced by the war between Israel and Hamas, the conflict between Israel and Iran, the fall of the Assad regime in Syria, attacks on shipping in the Red Sea region and consequent attacks by United States and British military aircraft on Al Houthi bases in Yemen and intensified U.S. sanctions against the Russian oil sector and "shadow fleet" have also impacted oil prices. In addition, while demand grew rapidly in 2021, various bottlenecks held back supply, including outbreak-induced factory closures, restrictions at ports, congested shipping lanes, container shortfalls and worker shortages because of quarantines. Although supply bottlenecks are generally anticipated to ease as production responds to higher prices, the Russia-Ukraine conflict, widespread sanctions on Russian persons, entities and institutions, as well as the increased tensions in the Middle East are likely to prolong disruptions in some sectors for the remainder of 2025.

Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate debt, which could have negative implications for equity and real estate markets) and the Group's customers and counterparties (leading to lower recoverability), which, in turn, could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition, the global economy may be adversely impacted by the implementation of new tariffs and restrictions or intensification of trade policies. For example, in April 2025, the U.S., Asian and European stock markets plunged in response to tariffs announced by the U.S. administration and a number of economies in response to the U.S. administration's actions. The long-term effect of these tariffs is difficult to quantify at this stage, with projections ranging from further inflationary pressures to the global recession. If any of these risks materialise, they could negatively impact the value of the Group's investment and trading portfolio and the financial position of the Group's customers which, in turn, could indirectly adversely affect the Group's business, results of operations, financial condition or prospects.

The Group is also exposed to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. 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.

Adverse movements in exchange rates may also adversely impact the revenues and financial condition of the Group's depositors, financing customers and other counterparties which, in turn, may impact the Group's deposit base and the quality of its credit exposures to certain financing customers and other counterparties.

The Group's net foreign exchange exposure is mostly denominated in U.S. dollars (to which the riyal is pegged). In addition, the Group's market risk positions are monitored using various indicators such as value at risk, stress testing and sensitivity analyses which are subject to internal and regulatory limits. However, there can be no assurance that the Group will be able to protect itself from any adverse effects of a currency revaluation or future volatility in exchange rates or from a significant change in the prices of its securities. See also "*Risks Relating to the Economic, Political and Regulatory Environment in the Kingdom – Any alteration to, or abolition of, the foreign exchange "peg" of the riyal or other regional currencies at a fixed exchange rate to the U.S. dollar will expose the Group to U.S. dollar foreign exchange movements against the riyal or other such currencies*" below.

The Group's risk management policies, systems 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 as a result of unidentified credit, liquidity, market or operational risks, should they occur.

Although the Group invests substantial time and effort in its risk management systems and believes it has implemented the appropriate policies, systems and procedures to control and mitigate these risks, its 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 as a result of any failure to successfully implement new risk management policies, systems and procedures in the future, may have a material adverse effect on the Group's reputation, business, results of operations, financial condition or prospects.

The Group is subject to operational risk inherent in banking activities

The Group is subject to the risk of incurring losses or undue costs due to the inadequacy or failure of internal processes or systems or human error, or from errors made during the execution or performance of operations, clerical or record-keeping errors, business disruptions (caused by various factors such as software or hardware failures and communication breakdowns), failure to execute outsourced activities, criminal activities (including credit fraud and electronic crimes), unauthorised transactions, robbery and damage to assets. The financial services industry is exposed to the risk of misconduct by employees, which could involve, among other things, the improper use or disclosure of confidential information, violation of laws and regulations concerning money laundering, or embezzlement and fraud, any of which could result in regulatory sanctions or fines, as well as serious reputational or financial harm for the Group.

The proper functioning of the Group's risk management, internal controls, accounting, customer service and other information technology systems, such as financing origination, are critical to the Group's operations.

Although the management believes the Group's risk management policies and procedures are adequate and that the Group is currently in compliance in all material respects with all laws, standards and recommendations applicable to it, any failure of the Group's risk management system to detect unidentified or unanticipated risks, or to correct operational risks, or any failure of third parties to adequately perform key outsourced activities, such as card processing and the transportation of cash, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. See “– *The Group's risk management policies, systems and procedures may leave it exposed to unidentified or unanticipated risks*” above.

The Group is dependent on its ICT systems and any disruption to these systems could materially disrupt the Group's business

The Group depends on its information communication technology (“ICT”) infrastructure to process transactions on an accurate and timely basis, and to store and process substantially all of the Group's business and operating data. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other ICT systems, as well as the communication networks between its branches and main data processing centres, are critical to the Group's business and its ability to compete effectively. The Group's business activities would be materially disrupted if there were to be a partial or complete failure of any of the ICT systems or communications networks or a partial or complete failure of external systems (for example, those of the Group's vendors or counterparties). Such failures can be caused by a variety of factors, including natural disasters, extended power outages, computer viruses and malicious acts as well as inadequate change management processes for existing and new systems. The proper functioning of the Group's ICT systems also depends on accurate and reliable data and other system input, which are subject to human error. Any failure or delay in recording or processing the Group's transaction data could subject it to claims for losses and regulatory fines and penalties.

The Group has an Operational Risk team which is tasked with monitoring and controlling the operational risks of the Group. Functions of this unit are guided by the Operational Risk Policy and Framework. The Group has also set up a disaster recovery data centre (housing back-up ICT operations and data storage systems) for use in the event of a catastrophe or failure of its primary data centre and ICT infrastructure. However, there can be no assurance that these safeguards will be fully effective in all circumstances and any failure could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's business is dependent on its ICT systems which are subject to potential cyber-attack

Technology, information and cyber security risks continue to impact financial institutions and other businesses across the globe, with the threats increasing in both volume and sophistication. The attack surface continues to expand significantly with the increasing trend of digitalisation. The Group is working with various third parties as part of its digital transformation initiatives and could be adversely affected by a security breach or information breach suffered by such third parties. Additionally, remote working arrangements prompted by the pandemic, the movement of information to cloud environments and the emergence of internet of things technologies has increased the need to invest in order to deal with the ever-changing cyber threat landscape whilst protecting the Group's data, information, technology and networks and ensuring the comprehensive and continuous management of cyber threats. Potential cyber risk encompasses loss of availability of banking services, disruption to business and technology services and critical data breaches including unauthorised access to personally identifiable information and financial data. While the Group continuously invests in cybersecurity initiatives to stay ahead of the changing threat landscape, any failures could expose the Group to unplanned downtime and lost business, reputational risk, and financial losses including from regulatory penalties.

The Group is subject to litigation risk

In the ordinary course of its business, the Group may pursue litigation claims against third parties and may face litigation claims and/or regulatory proceedings filed against it. The Group has a dedicated legal team, which

instructs external counsel (if required), takes out insurance for a range of risks and calculates a legal risks capital charge which it adds to its overall operational risks required capital charge. However, any such litigation could still result in substantial costs and diversion of management attention and resources. The outcome of litigation is inherently uncertain and an unfavourable resolution of one or more material claims could result in the Group's costs not being recovered or in damages being assessed against the Group, which may not be covered by the Group's insurance. Any failure by the Group to identify and adequately control any legal and/or regulatory risk may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Bank and certain of its subsidiaries are highly regulated entities and changes to, or to the interpretation or enforcement of, applicable laws or regulations, or the failure to comply with such laws or regulations by any of these entities could have an adverse impact on the Group's business

The Bank and certain of its subsidiaries are subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of financial institutions, ensure their compliance with economic, social and other objectives and limit their exposure to risk. For example, the Law on the Treatment of Systemically Important Financial Institutions, issued pursuant to Royal Decree No. M/38 dated 25/04/1442H (corresponding to 11 December 2020) which came into effect in June 2021 (the “**SIFI Law**”) provides for the relevant regulator to determine whether a financial institution should be deemed to be systemically important. As of the date of this Offering Circular, the Bank has not been designated as a systemically important financial institution under the SIFI Law. However, there can be no assurance that the Bank will not be so designated in the future. The objectives of the SIFI Law include the protection of the financial system and sector in the Kingdom and minimising dependence on government support by instead utilising the resources of the relevant financial institution. Should a systematically important financial institution become unstable, affecting its continuation and ability to fulfil its obligations, 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 bondholders or sukukholders of the relevant financial institution, which may include the Certificateholders.

These laws, regulations and other rules may limit the activities of the Group and increase its cost of doing business. Changes in these laws and regulations (such as those pursuant to Basel III and SAMA's Basel III Final Post Crisis Reforms Regulation (circular number 44047144) effective from 1 January 2023 (the “**Basel IV Regulation**”)) and the manner in which they are interpreted or enforced may affect the Group's reserves, revenue and performance and may have a material adverse effect on the Group's business, results of operations, financial condition or prospects. All of these factors could have a negative effect on the Group's regulatory capital position, which, in turn, may limit the Group's ability to exercise its strategy. In addition, a breach of regulatory guidelines could expose the Group to potential liabilities, sanctions and reputational damage. Although the Group works closely with its regulators and, in particular, continually monitors compliance with SAMA and CMA regulations and policy, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

In addition, in order 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 are often 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 also increased international scrutiny of banks operating in all markets, including the Kingdom, in connection with sanctions, anti-money laundering (“**AML**”), anti-terrorist financing and other regulations, some of which are international in their operation. These laws and regulations require the Group, amongst other

things, to adopt and enforce “know your customer” (“KYC”) policies and procedures and to report suspicious and large transactions 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. The Bank’s ability to comply with all such applicable laws and rules is driven by the robustness of its ICT, compliance, audit and reporting systems and procedures, as well as its ability to attract and retain qualified compliance and risk management personnel. In the event of actual or alleged compliance breaches, the Bank or any of its subsidiaries may become subject to investigation and judicial or administrative proceedings, which could result in penalties or lawsuits (including by customers) for damages, the loss of its ability to do business in the international banking market or in specific jurisdictions, the loss of its banking licence or material damage to its reputation, each of which could have a material adverse effect on the Group’s business, results of operations, financial condition or prospects.

The Group may face difficulties raising capital

In order for the Group to fund its growth strategy and enter into new lines of business, it will be required to expand its base of operations while continuing to meet regulatory capital adequacy requirements.

As at 31 December 2024, the Group’s tier 1 capital adequacy ratio (calculated under the Basel IV Regulation) was 16.7 per cent. and its total capital adequacy ratio was 17.7 per cent.

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 the Basel IV Regulation, 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, a significant increase in financing in 2025 would likely reduce the Group’s capital adequacy ratios and any losses experienced by it in future periods would have a similar effect. In addition, regulatory requirements in relation to the calculation and required levels of capital adequacy may change from time to time, including as a result of new guidelines issued by the Basel Committee. The Group may also need to increase its capital as a result of market perceptions of adequate capitalisation levels and the perceptions of rating agencies.

If the Group requires additional capital in the future, there can be no assurance that it will be able to obtain this capital on favourable terms, in a timely manner or at all. Moreover, should its capital ratios fall close to regulatory minimum levels or its own internal minimum levels, the Group may need to adjust its business practices, including reducing the risk and leverage of certain activities. 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. Any of these factors could have a material adverse effect on the Group’s business, financial condition, results of operations or prospects.

The Group could be adversely affected if it fails to manage its growth properly

The Group has experienced significant growth in many of its business segments in recent years. The Group intends to continue its growth in order to meet its strategic objectives, although whether this can be achieved is largely dependent on the performance of the Saudi Arabian economy and, in particular, the price of oil. See “– *Risks Relating to the Economic, Political and Regulatory Environment in the Kingdom – The Kingdom’s economy is highly dependent on oil revenue*” below. The management of the Group’s growth will require, among other things, continued development of its financial and information management control systems, the ability to integrate new products and services, its ability to attract and retain sufficient numbers of qualified

management and other personnel, the continued training of such personnel, the presence of adequate supervision and the maintenance of consistency in customer services. If the Group fails to manage its growth properly, such failure may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's continued success depends on its ability to attract key management and qualified personnel

The Group's continued success will depend, in part, on its ability to continue to attract, retain and motivate qualified and skilled personnel, including foreign and Saudi Arabian nationals. There is significant competition in the Saudi banking industry for personnel with relevant expertise due to the disproportionately limited number of available and/or qualified individuals relative to the high level of demand. In addition, the Group is not insured against loss that may be incurred as a result of the departure of any of its key personnel. The loss of certain members of the Group's senior management team or any significant number of its mid-level managers and skilled professionals, or their counterparts within the Group's subsidiaries and associates, may result in a loss of organisational focus, poor execution of operations and corporate strategy or an inability to identify and execute potential strategic initiatives.

In addition, the Government has introduced a number of initiatives which require private sector entities to employ a certain proportion of nationals of the Kingdom among their employees (a measure known as "Saudisation"). As at 31 December 2024, the Bank's Saudisation level was 93.1 per cent., and the Bank strives to encourage and increase the employment of young nationals of the Kingdom. However, if further changes are implemented to the Government's Saudisation policies, such changes may adversely affect the Group's ability to recruit foreign employees in the future.

The Group's failure to manage its personnel needs successfully, including retaining key members of its senior management team and/or recruiting new qualified personnel at a pace consistent with its growth, could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group is exposed to reputational risks related to its operations and its reputation may be adversely affected if any of its Islamic finance products are deemed to be non-Shari'a-compliant

The Group depends on the trust and confidence of its customers to succeed in its business. The Group is exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation whether or not valid, 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 as a whole. 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.

The Group currently offers a range of Islamic finance products. All of these products are reviewed and approved by The Shariah Committee of Alinma Bank (the "***Shari'a Committee***"). In doing so, each member of the *Shari'a* Committee must employ his interpretative efforts in accordance with methodological rules and/or principles of Islamic jurisprudence. While various Islamic schools of thought agree on the general methodology and the basic principles of interpretation, they may disagree on particular rules. If any issues are called into question relating to the extent of the *Shari'a* compliance of *Shari'a* Committee-approved products offered by the Group, the Group's reputation could be negatively affected which may in turn have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

A negative change in the Bank's credit ratings could adversely affect the Bank's ability to access the debt capital markets and may increase its funding costs

The Bank's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining the Bank's cost of financing. The profit rates of the Bank's financings are partly dependent on its credit ratings. As of the date of this Offering Circular, the Bank's long-term corporate ratings were "A-" with a "stable outlook" by Fitch and "A2" with a "stable outlook" by Moody's. A securities 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.

There can be no assurance that any of the Bank's ratings will remain the same in the future. Any actual or anticipated changes in the Bank's credit ratings may affect the market value of the Certificates. A downgrade of the Bank's credit ratings (or a negative change of outlook) may increase its cost of financing and may also limit its or its subsidiaries' or associates' ability to raise capital and funding, each of which could adversely affect its business, financial condition, results of operations and prospects.

A failure to successfully manage environmental, social and governance ("ESG") matters, including the implementation of the Group's ESG strategy, could adversely affect the Group's reputation and ability to obtain external financing.

Businesses are increasingly expected to behave in a responsible manner on a variety of ESG matters, by governmental and regulatory authorities, as well as counterparties such as suppliers, customers, investors and the public at large. This context, driven in part by a rapidly changing regulatory framework in the United States, United Kingdom and Europe, is raising new challenges and influencing businesses' strategic decisions in relation to ESG matters.

In April 2023, the Group adopted its sustainability strategy (the "**Sustainability Strategy**"). See also "*Business Description of the Group – Sustainability*". However, no assurance can be given that the Group will be able to successfully execute the Sustainability Strategy. The Group may also be unable to meet the increasingly demanding criteria used by credit rating agencies in their credit rating assessment processes, which may result in a downgrade of the Group's rating. In light of the rapidly changing views on acceptable levels of action across a range of ESG topics from the investor community and the public at large, the Bank may be unable to meet expectations, which, in turn, may adversely affect the Group's reputation and ability to obtain external financing.

Risks Relating to the Economic, Political and Regulatory Environment in the Kingdom

The Group is subject to economic and political risks in the Kingdom

The Group has all of its operations, and the majority of its assets, in the Kingdom and, accordingly, its business may be affected by the financial, political and general economic conditions prevailing from time to time in the Kingdom and/or the Middle East generally.

Like other countries in the Middle East, the Kingdom could be affected by political and social unrest in the region. In particular, since early 2011, there has been on-going political unrest in a range of countries in the MENA region, including Egypt, Algeria, Libya, Bahrain, Yemen, Syria, Tunisia, Kuwait, Lebanon, Jordan, Iraq and Oman. In October 2023, Israel declared war on Hamas. In mid-2024, Israel commenced military operations against Hezbollah in Lebanon and in late 2024 and into 2025 Israel conducted military operations in Syria. Although the conflicts between Israel and Hamas and Israel and Hezbollah are currently subject to limited term ceasefires, there is no assurance that the ceasefires will remain in place or that either conflict will be successfully

resolved. These and other actions have also led to increasing tensions between Israel and Iran and Israel and Hezbollah, and the situation remains volatile and uncertain.

In addition, the Kingdom has experienced occasional terrorist attacks and other disturbances in recent years, including incidents in Jeddah, Medina and Qatif in July 2016, oil tanker sabotage and drone strikes on a crude oil pipeline in May 2019. On 14 September 2019, the Abqaiq processing facility and the Khurais oil field in the Kingdom were damaged in a major act of sabotage. This resulted in the temporary interruption of the Kingdom's production by an estimated 5.7 million barrels of crude oil per day, 2.0 billion cubic feet of associated gas, 1.3 billion cubic feet of dry gas, 500 million cubic feet of ethane and 0.5 million barrels of gas liquids. On 23 November 2020, an explosion took place as a result of a terrorist attack by a projectile, causing a fire in a fuel tank at a Saudi Aramco petroleum products distribution terminal in the north of Jeddah. In December 2021, two people were killed in Jizan in a projectile attack blamed on Yemen's Al-Houthi rebels. In March 2022 Saudi Aramco Group's refineries in Riyadh and Yasref and petroleum products distribution terminals in Jeddah and Jizan regions were attacked. See also "*The Kingdom's economy is highly dependent on oil revenue*" below. While the political situation in the Kingdom has remained stable, the Government faces a number of challenges, arising mainly from the relatively high levels of population growth and unemployment amongst Saudi Arabian youth and the security threat posed by certain groups of extremists.

Investors in emerging markets such as the Kingdom should also be aware that these markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

The Kingdom's economy is highly dependent on oil revenue

The Kingdom's economy is highly dependent upon oil revenue. As at 31 December 2024, the Kingdom had approximately 17.1 per cent. of proven global crude oil reserves (according to OPEC Annual Statistical Bulletin 2024).

According to GASTAT, the oil sector accounted for 27.9 per cent., 29.6 per cent. and 32.3 per cent. of the Kingdom's real GDP and 27.8 per cent., 31.4 per cent. and 38.7 per cent. of the Kingdom's nominal GDP in each of 2024, 2023 and 2022, respectively. In addition, oil exports accounted for 73.2 per cent., 77.3 per cent. and 79.5 per cent. of the Kingdom's total exports by value in 2024, 2023 and 2022, respectively and oil revenues accounted for 60.1 per cent., 62.2 per cent. and 67.6 per cent. of total Government revenue in 2024, 2023 and 2022, respectively.

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.

As oil is the Kingdom's most important export, any change in oil prices affects various macroeconomic and other indicators, including, but not limited to, nominal GDP, Government revenues, balance of payments and foreign trade. International oil prices have fluctuated significantly in the past, and may remain volatile in the future. In 2022, the yearly average OPEC Reference Basket price was U.S.\$100.08, compared to U.S.\$69.89 in 2021, which was principally driven by supply uncertainties caused by the Russian invasion of Ukraine in February 2022 and sanctions imposed by major countries around the world on Russia as a result. In 2023, the yearly average OPEC Reference Basket price was U.S.\$82.95, principally driven by changes towards the end of 2022 in the sanctions regime imposed on Russia and announcements by OPEC and non-OPEC members towards the end of 2022 and in early 2023 with the aim of stabilising oil prices. In 2024, the yearly average OPEC Reference Basket price was U.S.\$ 79.89 per barrel. The annual average price per barrel of Arabian Light

Crude Oil (which is one of the five grades of crude oil produced by the Kingdom and constitutes part of the OPEC Reference Basket) has also moved in line with these trends.

In addition, terrorist attacks, acts of sabotage and other disturbances (or any prolonged period of reduced production following any other incident relating to critical oil and gas infrastructure) may have a significant impact on global oil and gas prices or demand and a corresponding impact on the Kingdom's hydrocarbon exports, Government revenues and the economy as a whole. See “– *The Group is subject to economic and political risks in the Kingdom*” above.

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

- regional and global economic and political developments, including the Russia-Ukraine conflict and international response measures;
- maintenance of the sanctions regimes relating to Venezuela and Iran;
- general economic and political developments in oil-producing regions, particularly in the Middle East;
- 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, global economic and political conditions, prices and availability of new technologies using alternative fuels;
- the impact of pandemics (such as COVID-19); and
- global weather and environmental conditions.

Prolonged periods of low oil prices and low demand in the future for oil may have a material adverse effect on the Kingdom's economy and revenues, and may result in an increase in budget deficits and a decrease in liquidity and funding in the financial sector. The Kingdom has financed past budget deficits by borrowing or raising funding and utilising its reserves and it may need to do so again. Any reduction in foreign exchange reserves and/or additional borrowing or funding could result in foreign exchange outflows and have a tightening effect on liquidity and credit expansion which may not be mitigated by any adjustments in Government spending aimed at offsetting the adverse effects of any of the foregoing. Any such significant adverse effect on the Kingdom's economy could, in turn, have an adverse effect on the Group's business, financial condition, results of operations or prospects.

There can be no assurance that the Government's efforts to diversify the Kingdom's economy will be successful and such efforts may have undesirable effects

While the oil sector accounts for a significant portion of the Kingdom's economy (see “– *The Kingdom's economy is highly dependent on oil revenue*” above), in recent years the Government has invested heavily in diversifying the Kingdom's economy to reduce its reliance on oil revenues. The Government has in recent years announced various measures aimed at, among other things, achieving increased diversification of the Kingdom's economy. Such measures include the National Transformation Program 2020, which envisages, among other things, the transformation of the Kingdom's healthcare sector, further development of the Kingdom's infrastructure, including through the construction of seawater desalination plants, expansion of

digital transformation, development of the tourism sector and other initiatives aimed at achieving Saudi Vision 2030.

Through Saudi Vision 2030, the Government is seeking to implement far-reaching reforms of the Kingdom's economy and society. Some of the measures envisaged include 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 Bank is itself focused on the hospitality, privatisation and renewable energy segments of Saudi Vision 2030, especially in Mecca and Medina. The implementation of these and other similar measures may be a lengthy and complex process, and there can be no assurance that these measures will not have unexpected or undesirable consequences in the Kingdom.

There can be no assurance that the increased contribution of the non-oil sector to the Kingdom'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 Programs (a series of programmes which aim to achieve the strategic objectives of the 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 Programs, 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 the Kingdom's economy. Any failure to diversify the Kingdom's economy may result in the economy remaining susceptible to the risks associated with the oil sector. Any material deterioration in the Kingdom's economic and financial condition would be likely to also negatively affect its banking sector and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Investing in emerging markets generally involves a higher degree of risk

Investors should be aware that investments in emerging markets such as the Kingdom involve a higher degree of risk than investments in more developed markets, including risks such as higher volatility, limited liquidity and changes in the legal, economic and political environment. The Kingdom's economy is susceptible to future adverse effects similar to those suffered by other emerging market countries. In addition, as a result of "contagion", the Kingdom could be adversely affected by negative economic or financial developments in other emerging market countries, which could in turn adversely affect the trading price of the Certificates.

Specific emerging markets country risks that may have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects include, among other things:

- political, social and economic instability, riots, insurrection or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion, malicious acts or revolution;
- government actions or interventions, including expropriation or nationalisation of assets, increased protectionism, the introduction of tariffs or subsidies;
- changing fiscal and tax regimes;
- arbitrary or inconsistent government action, including capricious application of tax laws and selective tax audits;
- changes to laws and regulations or their interpretation or enforcement;

- difficulties and delays in obtaining requisite governmental licences, permits or approvals or renewing existing ones;
- cancellation, nullification or unenforceability of contractual rights; and
- under-developed industrial and economic infrastructure.

In addition, changes in investment policies or shifts in the prevailing political or economic climate in Saudi Arabia could result in the introduction of increased regulations with respect to, among other things:

- price controls;
- export and import controls;
- zakat, income and other taxes;
- customs and immigration;
- foreign ownership restrictions;
- foreign exchange, currency and capital controls; and
- labour and welfare benefit policies.

In addition, there can be no assurance that the market for securities bearing emerging market risk, such as the Certificates, will not be affected negatively by events elsewhere, especially in the emerging markets. 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 the Certificates is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

A slowdown in the economies of the Kingdom's key trading partners could adversely affect the Kingdom's economy

The Kingdom has strong trading relationships with many countries, particularly major oil-importing economies such as China, the United States, Japan, South Korea, India and several states of the European Union. To the extent that there is a slowdown in the economies of any of these countries, this may have a negative impact on the Kingdom's foreign trade and balance of payments, which could have a material adverse effect on the Kingdom's economic and financial condition.

Any sustained market and economic downturn or geopolitical uncertainties in the United States, China or any of the Kingdom's other key trading partners may exacerbate the risks relating to the Kingdom's trade with those countries which, in turn, may have a negative impact on the Kingdom's foreign trade and balance of payments. In particular, demand for crude oil and, consequently, the price of crude oil may be adversely affected and this may have a material adverse effect on the Kingdom's economic and financial condition.

Any material deterioration in the Kingdom's economic and financial condition would be likely to also negatively affect its banking sector and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

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

The Kingdom 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 the Kingdom (the “**KSA 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 KSA Courts, decisions of the KSA 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 KSA 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.

As the legal environment remains subject to continuous development, investors in the Kingdom and the GCC countries may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in the Kingdom and the GCC countries may have a material adverse effect on the rights of holder 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, financial condition, results of operations or prospects.

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

Companies in the Kingdom are in general required by the Ministry of Human Resources and Social Development to ensure that a certain percentage of their staff are Saudi nationals. The Bank aims to recruit, train and retain Saudi nationals to comply with the relevant regulations, although, in common with other corporate entities in the Kingdom, the Bank experiences competition for, and may occasionally find it difficult to recruit and retain, qualified Saudi nationals. Failing to achieve the stipulated percentage could cause the Bank to be questioned by the Ministry of Human Resources and Social Development for non-compliance with these requirements which could, in turn, have an adverse effect on the Bank’s reputation.

In addition, in recent years, the Kingdom has tightened controls on the employment of foreign workers, required increased localisation of the operations of foreign investors in the Kingdom 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 a particular segment of business, including, in particular, in the “real estate” and “services” sectors, which comprises a significant proportion of the Group’s credit exposure. If any changes in the Kingdom’s labour laws negatively affect the Group’s financing 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 financing customer, or a group of financing customers, could have a substantial negative effect on the Group.

Any alteration to, or abolition of, the foreign exchange “peg” of the riyal or other regional currencies at a fixed exchange rate to the U.S. dollar will expose the Group to U.S. dollar foreign exchange movements against the riyal or other such currencies

The Group maintains its accounts and reports its results in riyals. The riyal has been pegged to the U.S. dollar since 1986. In addition, the following oil-producing GCC countries have their currencies pegged 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 an increase in the

rate of decline of the Government's reserve assets, will not lead the Government to reconsider its exchange rate policy.

Any such de-pegging or re-evaluation to the current exchange rate either in the Kingdom or across the wider region, particularly if such de-pegging or re-evaluation 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 Kingdom's economic and financial condition and, in turn, on the Group's business, financial condition, results of operations or prospects.

The statistical data contained in this Offering Circular 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 OPEC. 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 Offering Circular and actual results, and between statistics included in this Offering Circular and corresponding data previously published by or on behalf of the bodies listed above. Consequently, the statistical data contained in this Offering Circular should be treated with caution by prospective investors.

Risks relating to the Certificates

Capitalised terms not defined in this section "Risks relating to the Certificates" have the meanings given to them in "Terms and Conditions of the Certificates".

Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' 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 Certificates, a Non-Viability Event (as defined below) occurs at any time on or after the Issue Date of the first Tranche issued under such Series and prior to the date on which the Applicable Statutory Loss Absorption Regime becomes effective, 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, the Certificates of that Series will be permanently cancelled (in the case of a Write-down in whole) or permanently Written-down in part on a *pro rata* basis (in the case of a Write-down in part), as determined by the Financial Regulator, by the Trustee in accordance with the Conditions and (except as described in paragraph (d) of the definition of Write-down in the Conditions) all rights of any Certificateholder to payment of any amounts under or in respect of the Certificates of that Series (including, without limitation, the Dissolution Distribution Amount and any amounts arising as a result of, or due and payable upon the occurrence of, a Dissolution Event (each as defined in the Conditions)) in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Periodic Distribution Amounts) (each as defined in the Conditions) shall, as the case may be, be cancelled or Written-down *pro rata* among the Certificateholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event or notice in relation thereto. Where a Write-down in part is required by the Financial Regulator, a Write-down in part may occur on one or more occasions as determined by the Financial Regulator. Further, a Write-down in full or in part of the Certificates of a Series could occur prior to the Ordinary Shares absorbing losses in full. A Write-down shall not constitute a Dissolution Event.

The Conditions do not in any way impose restrictions on the Bank 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.

Certificateholders will lose the entire amount or, as the case may be, a material amount, of their investment in the Certificates as a result of a Write-down and moreover, in such event, it is likely that Certificateholders will suffer losses in respect of their investment in the Certificates 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 that the Financial Regulator has notified the Bank in writing that it has determined that the Bank is, or will become, Non-Viable without:

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

The Group's current and future Junior Obligations or Pari Passu Obligations might not include write-down or similar features comparable to those of the Certificates. As a result, it is possible that the Certificates 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, Certificateholders may be subject to losses ahead of holders of certain Junior Obligations and/or Pari Passu Obligations.

Basel III reforms and risk of a change in the regulations relating to loss absorption affecting the Certificates

On 13 January 2011, 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 event” 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 Bank, to implement the additional requirements imposed by the January 13 Annex from 1 January 2013. See “– *Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' 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.

In particular, The Law on the Treatment of Systemically Important Financial Institutions M/38 dated 25/04/1442H (corresponding to 10 December 2020) (the “**SIFI Law**”), provides that in respect of any systemically important financial institution, subject to certain conditions being met which include, among

others, the financial institution being in distress or likely to become distressed, SAMA may, among other things, amend the rights of the holders of capital instruments.

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 of the date of this Base Offering Circular, 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), would likely constitute an Applicable Statutory Loss Absorption Regime for the purposes of the Certificates.

The Conditions provide that, on or after the date on which the Applicable Statutory Loss Absorption Regime becomes effective, 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, the provisions of Condition 10 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 Certificates as is required or permitted by such Applicable Statutory Loss Absorption Regime.

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 be similar to the loss absorption provisions set out in Condition 10 or otherwise be in the interests of Certificateholders.

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

The circumstances triggering a Write-down are unpredictable and Certificateholders may suffer losses in respect of their holding of the Certificates ahead of, and without, any losses being required to be borne by the Bank’s shareholders

The occurrence of a Non-Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside of the Group’s control. The occurrence of a Non-Viability Event is subject to, *inter alia*, a subjective determination by the Financial Regulator. As a result, the Financial Regulator may require a Write-down in circumstances that are beyond the control of the Group and with which the Group may not agree. See “– *Certificateholders’ right to receive payment of the face amount of the Certificates and the Certificateholders’ 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 Certificates of a Series and could lead to the Certificateholders losing some or all of their investment in the relevant Certificates 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, Certificateholders of a Series may suffer losses in respect of their holding of the relevant Certificates of a Series ahead of, or without, any losses being required to be borne by the Bank's shareholders.

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

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

The payment obligations of the Bank under the Master Mudaraba Agreement are conditional, subordinated and unsecured obligations

Prospective investors should note that, subject to Condition 10 (see “ – *Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' 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 8, the Relevant Obligations with respect to each Series of the Certificates are conditional upon satisfaction of the Solvency Condition (and, in the case of payments of profit (other than in respect of Rab-al-Maal Final Mudaraba Profit payable on any Mudaraba End Date 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 Bank in relation thereto.

In respect of each Series of the Certificates, payments of Periodic Distribution Amounts will be made by the Trustee provided that the Bank (as Mudareb) shall have paid to the Trustee profit amounts equal to such Periodic Distribution Amount pursuant to the terms of the Master Mudaraba Agreement. In this regard, 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(b). In such case, there may not be sufficient assets to satisfy the claims of the holders of the Certificates in full.

No limitation on issuing senior securities; subordination

Other than the limitations in relation to the issue of further Additional Tier 1 Capital by the Bank as set out in Condition 4(d) which limits the circumstances in which Additional Tier 1 Capital of the Bank can be issued that ranks senior to each Series of the Certificates, there is no restriction in the Conditions or in the terms of the Transaction Documents on the Bank (in its capacity as Mudareb or otherwise) incurring additional financing or issuing securities or creating any guarantee or contractual support arrangement which would rank senior to each Series of Certificates and the obligations of the Bank under the Master Mudaraba Agreement (the “**Bank Senior Obligations**”). The issue of or the creation of any such Bank Senior Obligations may reduce the likelihood of the Solvency Conditions being met and/or the amount recoverable by the relevant Certificateholders of a Series on a winding-up of the Bank. Accordingly, in the winding-up of the Bank and after payment of the claims of Senior Creditors, there may not be a sufficient amount to satisfy the amounts owing to the relevant Certificateholders of a Series. See also “ – *The payment obligations of the Bank under the Master Mudaraba Agreement are conditional, subordinated and unsecured obligations*”.

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

The Bank may elect (any such election being a “**Non-Payment Election**”), in its sole discretion and by instructing the Trustee to such effect, to not make payment of a Periodic Distribution Amount (in whole or in part) to Certificateholders on the corresponding Periodic Distribution Date as more particularly provided in Condition 8.2, except that no such election may be made in respect of the Periodic Distribution Amount payable on the date on which the Certificates of such Series are to be redeemed in whole at the Bank’s discretion in accordance with Condition 9.1.

In addition, if, in respect of any Series, 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 Bank 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 Bank by the Financial Regulator)), the Bank (in its capacity as Mudareb) shall be prohibited from paying Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit, as applicable, on any 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 Trustee shall be prohibited from paying Periodic Distribution Amounts to the Certificateholders on the corresponding Periodic Distribution Date, as more particularly provided in, Condition 8.1.

In relation to the paragraph above, “**Distributable Profits**” is defined in the Conditions as the amount of the Bank’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 Bank 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 31 December 2024, the Bank’s Distributable Profits amounted to SAR 3,059 million. In addition, as at the date of this Base Offering Circular, the Bank 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 Certificates) 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 8.1(b).

If, in respect of any Series, 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 then, from the date of such Non-Payment Election or Non-Payment Event (the “**Dividend Stopper Date**”), the Bank 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 Bank to defer or otherwise not to make such payments) and from redeeming, purchasing, cancelling, reducing or otherwise acquiring 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 Bank), 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 Trustee in accordance with the Master Mudaraba Agreement), as more particularly described in Condition 8.4.

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 8.3, the fact of non-payment of the Rab-al-Maal Mudaraba Profit (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 a Non-Payment Event, as the case may be. Accordingly, the Certificateholders 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 (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 8.3) and the consequential non-payment of any Periodic Distribution Amount in such a circumstance shall not constitute a Dissolution Event. Any Periodic Distribution Amounts not paid following either a Non-Payment Election or a Non-Payment Event will not accumulate or compound. The Bank shall not have any obligation to make any subsequent payment in respect of any such unpaid profit (whether from its own cash resources, from the relevant Mudaraba Reserve or otherwise) and the Trustee will not have any obligation to make any subsequent payment in respect of any such Periodic Distribution Amounts.

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 Certificates.

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

The Certificates are perpetual securities which have no scheduled payment date. The Trustee is under no obligation to redeem the Certificates of any Series at any time and the Certificateholders have no right to call for their redemption unless a Bank Event occurs.

The Bank Events and Certificateholders' rights following a Bank Event, in respect of any Series, are set out in Condition 12 and further described in “– *Due to the deeply subordinated nature of the obligations arising under the Certificates, the Conditions contain limited Dissolution Events and remedies*”. In respect of each Series, the Dissolution Events in the Conditions are limited to: (a) Bank Events (including: (i) a failure by the Mudarabah to pay an amount equivalent to principal or profit (including Additional Amounts) due and payable by it under the Master Mudaraba Agreement, and such failure continues for a period of (in the case of an amount which is equivalent to payment of principal) seven days or more or (in the case of an amount which is equivalent to payment of profit) 14 days or more (save, in each case, where such failure occurs solely as a result of the occurrence of a Non-Payment Event or a Non-Payment Election); or (ii) 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 Bank in accordance with applicable law or the Bank 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); and (b) Trustee Events (being similar in nature to Bank Events in respect of the Trustee), all as more fully described in the Conditions.

In certain circumstances the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, redeem the Certificates of a Series on the relevant Call Date of that Series and, on any date on or after the Issue Date, if a Tax Event or a Capital Event occurs (the determination of a Capital Event being at the discretion of the Financial Regulator), as more particularly described in Condition 9.1, although there is no assurance that the Bank will require it to do so. Any such redemption will also be subject to a number of conditions, as set out in Condition 9.1(a), including obtaining the prior consent of the Financial Regulator (unless such consent is no longer required by the Financial Regulator and/or by the Capital Regulations). There can be no guarantee that the approval of the Financial Regulator will be received on time or at all.

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

- the Trustee (upon the Bank's instruction) exercises its rights to redeem the Certificates in accordance with Condition 9.1;
- the Trustee is directed by an Extraordinary Resolution of the Certificateholders, or by the Delegate (acting in accordance with the Master Trust Deed and the Conditions), following a Bank Event to redeem the Certificates; or
- they sell their Certificates.

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

If the Certificates are redeemed, there can be no assurance that Certificateholders 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 Certificates. Potential investors should consider reinvestment risk in light of other investments available at that time. See also “ – *Absence of secondary market/limited liquidity*” for a description of the risks relating to the ability of holders of Certificates to sell the Certificates in the secondary market.

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

Investors are advised that each Certificate will cease to accrue profit from the due date for redemption (following liquidation of the Mudaraba). Consequently, should payments owing to relevant Certificateholders of a Series 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 7.3.

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

In respect of each Series, the Dissolution Events in the Conditions are limited to: (a) Bank Events (including: (i) a failure by the Mudareb to pay an amount equivalent to principal or profit (including Additional Amounts) due and payable by it under the Master Mudaraba Agreement, and such failure continues for a period of (in the case of an amount which is equivalent to payment of principal) seven days or more or (in the case of an amount which is equivalent to payment of profit) 14 days or more (save, in each case, where such failure occurs solely as a result of the occurrence of a Non-Payment Event or a Non-Payment Election); or (ii) 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 Bank in accordance with applicable law or the Bank 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); and (b) Trustee Events (being similar in nature to Bank Events in respect of the Trustee), all as more fully described in the Conditions.

In addition, the Trustee may be prohibited from making, or instructed by the Bank not to make, payments of Periodic Distribution Amounts on the relevant Certificates of a Series in accordance with Condition 8 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*”.

Moreover, pursuant to Condition 12, upon the occurrence of any Bank Event in respect of a Series, the Mudaraba for that Series will be liquidated in accordance with the provisions of the Master Mudaraba Agreement and the remedies available to the Trustee, the Delegate and/or the Certificateholders (as applicable) are limited to giving notice to the Trustee and the Bank that the Certificates are, and shall immediately become, due and payable without presentation, demand, protest or other notice of any kind at their aggregate face amount together with any Outstanding Payments (as defined in the Conditions) and thereafter: (i) instituting any steps, actions or proceedings for the winding-up or bankruptcy of the Bank and/or (ii) proving in the winding-up of the Bank and/or (iii) claiming in the liquidation of the Bank and/or (iv) taking such other steps, actions or proceedings which, under the laws of the Kingdom, have an analogous effect to the actions referred to paragraphs (i) to (iii) above, in each case, for the payment of amounts due under the Master Mudaraba Agreement. 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 Certificates when the same have become due pursuant to the Master Mudaraba Agreement and the Conditions.

Furthermore, the claims of Senior Creditors of the Bank will first have to be satisfied in any winding-up, bankruptcy, dissolution, liquidation or analogous proceedings before the Certificateholders may expect to obtain any amounts in respect of their Certificates and prior thereto Certificateholders 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 KSA bankruptcy and other laws. Therefore there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances. See also “ – *Compliance with bankruptcy law in Saudi Arabia may affect the Bank’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 the Certificates with effect from each 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 Certificates is fixed until the First Reset Date (with a reset of the initial profit rate on the First Reset Date as set out in the Conditions and every Reset Date thereafter), 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 Certificates may also change, but in the opposite direction. If the market return rate increases, the market value of a Series of Certificates would typically decrease. If the market return rate falls, the market value of the Certificates would typically increase. Certificateholders should be aware that movements in these market return rates can adversely affect the market value of the Certificates of a Series and can lead to losses for the Certificateholders if they sell the Certificates.

The Certificates are limited recourse obligations of the Trustee

The Certificates of a Series are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Trustee is limited to the Trust Assets of the relevant Series and the proceeds of the Trust Assets of the relevant Series are the sole source of payments on the Certificates of that Series. Upon the receipt by the Trustee of a Dissolution Notice in accordance with the terms of Condition 12.1, the sole rights of each of the Trustee and/or the Delegate (acting on behalf of the Certificateholders) will be (subject to Condition 12.3) against the Bank to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will have no recourse to any assets of the Trustee (other than the Trust Assets in the manner and to the extent contemplated in the Transaction Documents), the Delegate or the Agents or any of their respective affiliates in respect of any shortfall in the expected amounts due on the Certificates. The Bank is

obliged to make certain payments under the Transaction Documents to which it is a party directly to, or to the order of, the Trustee or the Delegate, and the Trustee and/or the Delegate will have direct recourse against the Bank to recover such payments due to the Trustee pursuant to the Transaction Documents. In addition, no Certificateholder shall be entitled to proceed directly against the Trustee or the Bank or to take the actions, steps or proceedings referred to in Conditions 12.3(a) and 12.3(b), unless the Delegate or the Trustee, as the case may be, having become bound so to proceed (i) fails to do so within a reasonable period or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, and in each case such failure or inability is continuing.

After enforcing or realising the rights in respect of the Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 5(b), the obligations of the Trustee in respect of the Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums from the Trustee remaining unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Bank shall be (in accordance with Condition 12.3) to enforce their respective obligations under the Transaction Documents. Accordingly, there can be no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets (which, as described above, will be by way of enforcing each of the Trustee's and the Bank's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Certificates of the relevant Series.

No Guarantees

Investors should be aware that no guarantee is given in relation to any amounts payable by the Bank under the Certificates issued under the Programme or any of the Transaction Documents by the Bank, the shareholders of the Bank or by any other person.

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for any Series of Certificates will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of the Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of each Series of Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. The Certificates of any Series generally may have a more limited secondary market liquidity and may be subject to greater price volatility than conventional debt securities as they are perpetual securities (see “ – *The Certificates are perpetual securities, which may be subject to redemption (subject to certain conditions)*”), are subordinated (see “ – *The payment obligations of the Bank under the Master Mudaraba Agreement are conditional, subordinated and unsecured obligations*”), will be fully and permanently written down upon the occurrence of a Non-Viability Event (see “ – *Certificateholders' right to receive payment of the face amount of the Certificates and the Certificateholders' 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 may be restricted in certain circumstances (see “ – *Payments of Periodic Distribution Amounts may be cancelled and are non-cumulative*”). If a Series of Certificates 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 Certificates. Furthermore, certain shareholders and related parties of the Bank may participate in the offering of any Series of Certificates. The secondary market liquidity of the Certificates 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 Certificates.

Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

Investment in the Mudaraba Assets

Pursuant to the Mudaraba Agreement (as defined in the Conditions), the proceeds of the issue of each Tranche of Certificates will be contributed by the Trustee (as “**Rab-al-Maal**”) to the Mudareb on the relevant Issue Date, which proceeds will form the capital of the Mudaraba of the relevant Series and which may be subject to change after the relevant Issue Date in accordance with Condition 9.2 (the “**Mudaraba Capital**”). The Mudaraba Capital will be co-mingled with (i) shareholders’ equity, (ii) proceeds of all current, savings and investment deposit accounts with the Bank (as “**Mudareb**”), and (iii) any other source of funds included in the General Mudaraba Pool (as defined in the Master Mudaraba Agreement) by the Mudareb from time to time, and invested, on an unrestricted co-mingling Mudaraba basis, by the Mudareb, in the Business Portfolio (as defined below) carried out through the General Mudaraba Pool and, following investment of the Mudaraba Capital, the Mudaraba Capital shall constitute *pro rata* undivided assets in the General Mudaraba Pool (the “**Mudaraba Assets**”) with a view to earning profit therefrom, which will in turn be applied towards payments due to Certificateholders in respect of the relevant Certificates.

Limited investigation or enquiry will be made and no due diligence will be conducted in respect of any Mudaraba Assets. The investment activities of the Mudaraba will be carried out by the Bank, and the Certificateholders shall have no ability to influence such activities. The Bank shall be granted the express entitlement to co-mingle its *Shari’a*-compliant assets in the General Mudaraba Pool assets and, as a result, it may not be possible to identify the Mudaraba Assets separately from the assets of the Bank.

If any of the risks relating to the business of the Bank mentioned above (see “ – *Risks relating to the Bank and its ability to fulfil its obligations under the Transaction Documents*”) materialise or otherwise impact the Bank’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 Bank’s ability to fulfil its payment obligations under the Master Mudaraba Agreement and consequently, the Trustee’s ability to make payments in respect of the Certificates.

Furthermore, whilst the Mudareb has agreed in the Master Mudaraba Agreement to ensure that the Mudaraba Capital 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. In addition, the Trustee and the Mudareb have agreed in the Master Mudaraba Agreement that the Mudareb shall not be responsible for any losses to the Mudaraba Capital suffered by the Trustee 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, potential investors are advised that any claim by or on behalf of the Trustee for the Mudaraba Capital following any Dissolution Event may be reduced if and to the extent that the Mudareb is able to prove that any losses to the 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, Certificateholders may lose all or some of their investment. It is not possible to state with certainty what approach any court with jurisdiction will take in such circumstances.

Credit ratings assigned to the Bank or the Certificates may not reflect all the risks associated with an investment in the Certificates and may be subject to revision or withdrawal

One or more independent credit rating agencies may assign credit ratings to the Bank or the Certificates. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and other factors that may affect the value of any Series of Certificates, and will not reflect the

deeply subordinated nature of the Bank's payment obligations under the Transaction Documents if such ratings relate to senior payment obligations of the Bank. Credit rating agencies could also seek to rate the Bank without having been requested to do so by the Bank. Such unsolicited ratings may be lower than any ratings sought by the Bank, which could have an adverse effect on the value of any Series of Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. The Trustee has no obligation to inform Certificateholders of any revision, downgrade or withdrawal of its current or future credit ratings. A suspension, downgrade or withdrawal at any time of a credit rating assigned to the Bank and/or the Certificates may adversely affect the trading price of the Certificates.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (ii) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Bank or any Series of Certificates changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EU or the UK, as applicable, and the Certificates may have a different regulatory treatment, which may impact the value of the Certificates and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Offering Circular. Any real or anticipated changes in the Bank's credit ratings generally will affect the market value of any Series of Certificates.

The Certificates may be subject to exchange rate risks and exchange controls

Neither the Trustee nor the Bank has any control over factors that generally affect exchange rate risks, such as economic, financial and political events, and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in future.

The Trustee will pay all amounts due on any Certificates, and the Bank will make any payments pursuant to the Transaction Documents, in the Specified Currency. If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency, such investor may therefore bear certain exchange rate risks. These include the risks that: (a) exchange rates may

significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency); and (b) authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. Any appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency-equivalent value of the Dissolution Distribution Amount payable in respect of the Certificates; and (iii) the Investor's Currency-equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of any amounts on a Certificate. As a result, investors may receive less than expected, or no payment at all.

Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Certificates which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination, would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

A Certificateholder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Certificate in respect of such holding (should definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a definitive Certificate. If definitive Certificates are issued, holders should be aware that definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may also be illiquid and difficult to trade.

Enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, the subject of arbitration under the Rules (as defined in the Conditions)

Prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, the subject of arbitration under the Rules (as defined in the Conditions). In such circumstances, the arbitrator should apply English law, being the governing law of the relevant Transaction Document in determining the obligations of the parties.

***Shari'a* requirements in relation to interest awarded by an arbitrator**

In accordance with applicable *Shari'a* principles, each of the Trustee, the Bank and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by any arbitrator in connection with any dispute under any of the Transaction Documents to which it is a party. Should there be any delay in the enforcement of an arbitral award against the Bank, interest may well accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest. Certificateholders should note that the Trust Assets specifically exclude any rights which have been expressly waived by the Trustee in any of the Transaction Documents (which, to the extent applicable, would extend to any award of interest made in favour of the Trustee by an arbitrator in respect of a dispute).

There can be no assurance as to the impact of a change in the laws governing the Certificates or the Transaction Documents

The structure of each issue of Certificates under the Programme is based on English law and administrative practices in effect as at the date of this Base Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practices after the date of this Base Offering Circular, nor can any assurance be given as to whether any such change could adversely affect the ability of the Bank to make payments under the Transaction Documents to which it is a party and/or the Trustee to make payments under any Series of Certificates, or the ability of the Trustee or the Bank to otherwise comply with their respective obligations under the Certificates and the Transaction Documents to which they are a party.

Certificates are subject to modification by a majority of the Certificateholders of a Series without the consent of all of the Certificateholders

The Master Trust Deed contains provisions for calling meetings of the Certificateholders (including by way of conference call or by use of a telephony or electronic platform or facility) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates of the relevant Series for the time being outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Certificates are held in global form in the clearing systems, the Trustee, the Bank and the Delegate (as the case may be) will be entitled to rely upon:

- a) where the terms of the proposed resolution have been notified to the Certificateholders through the relevant clearing system(s), approval of a resolution proposed by the Trustee, the Bank or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (in a form satisfactory to the Delegate) by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates of the relevant Series for the time being outstanding; and
- b) where electronic consent is not being sought, consent or instructions given in writing directly to the Trustee, the Bank or the Delegate (as the case may be) by (a) accountholders in the clearing systems with entitlements to such global certificate or (b), where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held whether such beneficiary holds directly with the accountholder or via one or more intermediaries. For the purposes of establishing the entitlement to give any such consent or instruction, the Trustee, the Bank and the Delegate (as the case may be) shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above.

A written resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Certificateholders, including a modification of the Conditions that would otherwise be required to be passed at a meeting of Certificateholders satisfying the special quorum in accordance with the provisions of the Master Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held.

These provisions permit defined majorities to bind all of the Certificateholders of the relevant Series (including Certificateholders who did not attend or vote at the relevant meeting, Certificateholders who did not sign a

written resolution, Certificateholders who did not participate in any electronic consents sought by the Trustee as well as Certificateholders who voted in a manner contrary to the majority).

The Conditions also provide that the Delegate may, without the consent or approval of the Certificateholders, agree to the substitution of another company in place of the Trustee under the Certificates, in the circumstances described in Condition 12.2.

The Master Trust Deed also provides that the Delegate may, without the consent or sanction of Certificateholders (a) agree to any modification of the Trust Deed (including the Conditions) or any other Transaction Document that (in the opinion of the Delegate) is of a formal, minor or technical nature, or is made to correct a manifest error, or (b)(i) give its consent under the Transaction Documents and agree to any other modification of the Trust Deed (including the Conditions) or any other Transaction Document or to any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any of the other Transaction Documents or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, provided in each case that such modification, consent, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and (x), in the case of modifications referred to in paragraph (b)(i) above, other than in respect of a matter which requires a special quorum resolution (as defined in the Master Trust Deed) and (y) in the case of consent, waiver, authorisation or determination referred to in paragraph (b) above, provided that such consent, waiver, authorisation or determination is not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least one-fifth of the aggregate face amount of the Certificates of the relevant Series then outstanding. Any such modification, consent, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine and shall be binding on the Certificateholders and shall, unless the Delegate otherwise decides (in the case of paragraph (a) above), be notified by the Trustee to the Certificateholders in accordance with Condition 18 as soon as practicable thereafter.

The Delegate may request that the Certificateholders provide an indemnity and/or security and/or pre-funding to its satisfaction

Pursuant to the Conditions and the Master Trust Deed, the Delegate may, in certain circumstances, request the Certificateholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any action on behalf of Certificateholders. The Delegate shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact on when such actions can be taken.

Investors in the Certificates must rely on Euroclear and Clearstream, Luxembourg procedures

Each Series of Certificates will be represented on issue by a Global Certificate that may be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the interests in each Global Certificate held through it. While the Certificates of each Series are represented by a Global Certificate, investors will be able to trade their interests only through the relevant clearing systems and their respective participants, and the Trustee will discharge its payment obligations under the relevant Series of Certificates by making payments through the relevant clearing systems. A holder of an interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the relevant Series of Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, interests in any Global Certificate. Holders of interests in a Global Certificate will not have a direct right to vote in respect of the

Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The use of proceeds of any issue of Certificates identified as Sustainable Certificates in the applicable Pricing Supplement may not meet investor expectations or requirements or be suitable for an investor's investment criteria

The Bank intends to allocate an amount at least equal to the net proceeds from each issue of Certificates identified as Sustainable Certificates (“**Sustainable Certificates**”, which includes Green Certificates, Social Certificates and Sustainability Certificates (each as defined in “*Use of Proceeds*”)) in the applicable Pricing Supplement (the “**equivalent amount**”) to finance and/or refinance, in whole or in part new or existing projects (the “**Eligible Assets**”) that promote the categories set out in the Sustainable Finance Framework as described in “*Use of Proceeds*”.

The Bank will exercise its judgment and sole discretion in determining the assets that will be financed or refinanced by the equivalent amount. If the use of the proceeds of Sustainable Certificates is a factor in any potential investor's decision to invest in Sustainable Certificates, that investor should carefully consider the disclosure in “*Use of Proceeds*” and “*Business Description of the Group— Sustainable Finance Framework*” and consult with its legal or other advisers and make any other investigation such investor deems necessary before making an investment in Sustainable Certificates. In particular, no assurance is given by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that the use of the equivalent amount for any Eligible Sustainable Projects (as defined in “*Use of Proceeds*” below) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. In addition, the Sustainable Finance Framework is subject to change at any time without notice.

Furthermore, notwithstanding the Bank's intention stated above, potential investors should be aware that the Bank has no contractual obligation to use the equivalent amount as stated in, or to provide the reports described in, “*Use of Proceeds*”. In addition, no assurance is given by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that the application of such equivalent amount to the relevant Eligible Sustainable Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe or at all, or that such proceeds will be totally or partially disbursed as planned. Nor can there be any assurance that such Sustainable Certificates or the activities or projects they finance, refinance or invest in will have the results or outcome (whether or not related to environmental, social or other objectives) originally expected or anticipated by the Bank. Any such event or failure by the Bank to use the equivalent amount as stated or to provide the reports and/or the fact that the maturity of an Eligible Sustainable Project may not match the duration of any Sustainable Certificates and/or the failure by the Bank to meet any environmental, social or sustainability targets and/or any changes to the composition of the Eligible Sustainable Projects before the applicable maturity date or any applicable optional redemption date of the applicable Sustainable Certificates and/or failure of the Eligible Sustainable Projects to perform as expected will not: (i) give rise to any claim in contract of a holder of any Sustainable Certificates against the Trustee, the Bank, any other member of the Group, the Arrangers, any Dealer, the Delegates, the Agents or any other person; (ii) create an obligation of the Bank to redeem the relevant Sustainable Certificates; (iii) create an option for the holders of the relevant Sustainable Certificates to redeem such Sustainable Certificates; (iv) create an incentive to redeem; or (v) compromise the ability of the relevant Sustainable Certificates to qualify as Additional Tier 1 Capital of the Bank or have any impact on the status and/or ranking of such Sustainable Certificates, but such failures, events and facts may affect the value and/or the trading price of Sustainable Certificates and/or have adverse consequences for certain investors with portfolio mandates to invest in green or social assets.

Investors should be aware that Sustainable Certificates will be subject to non-viability loss absorption to the same extent and with the same ranking as any other Certificate which is not a Sustainable Certificate. See

further, “ – *Certificateholders’ right to receive payment of the face amount of the Certificates and the Certificateholders’ 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*”. Further, proceeds from any Sustainable Certificates will cover all losses in the balance sheet of the Bank regardless of their “sustainable” label and whether such losses arise from “sustainable” or other assets.

The net proceeds of the issue of Sustainable Certificates which, from time to time, are not earmarked towards Eligible Sustainable Projects are intended by the Bank to be invested in cash, cash equivalents and/or marketable securities, in accordance with the Group’s cash management policies and excluding investments covered by the exclusions referenced in “*Use of Proceeds*”. While the Bank will earmark an amount equivalent to the net proceeds of the issue of any Sustainable Certificates in a general funding account, there can be no assurance that the Sustainable Certificates or the proceeds therefrom will not be used to absorb any and all losses of the Bank, regardless of whether or not such losses stem from green, sustainable, social or other assets, in the same way as the Bank’s other instruments not classified as Sustainable Certificates which may be called upon to cover all losses on the balance sheet. In addition, there will be no direct or contractual link between any Sustainable Certificates and any Eligible Sustainable Projects (or any other environmental, social or similar targets set by the Bank) and consequently neither payments of principal and profit (as the case may be) on, nor an investor’s right to accelerate payment of, the Sustainable Certificates shall depend on the application of an amount equal to the net proceeds of any issue of Sustainable Certificates, the performance of the relevant Eligible Sustainable Projects or the performance of the Bank in respect of any such environmental, social or similar targets.

An Eligible Sustainable Project may, during the life of the project, due to changes in the Sustainable Finance Framework and/or circumstances of the project or any other reasons, no longer satisfy the eligibility criteria set out in the Sustainable Finance Framework. The reallocation of such proceeds to new Eligible Sustainable Projects may not be possible or may be delayed. No representation or assurance is given or made by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that the equivalent amount used for financing or refinancing of Eligible Sustainable Projects will always satisfy the eligibility criteria.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green”, “sustainable”, “social” or an equivalently labelled project or as to what precise attributes are required for a particular project to be so considered and no assurance can be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not change significantly. Accordingly, no assurance is or can be given (whether by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person) to investors that: (a) any projects or uses the subject of, or related to, any Eligible Sustainable Projects will meet any or all investor expectations or requirements regarding such “green”, “sustainable”, “social” or other equivalently labelled performance objectives (including in relation to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called “**EU Taxonomy**”) or the EU Taxonomy as it forms part of UK domestic law by virtue of the EUWA, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the “**EU Green Bond Regulation**”), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “**SFDR**”) and any implementing legislation and guidelines, or any similar legislation in the UK or any requirements of such criteria and/or labels as they may evolve from time to time) and, accordingly, the status of any Certificates as being “sustainable” (or equivalent) could be withdrawn at any time; (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Sustainable Projects; (c) the Sustainable Finance Framework will be aligned with the EU Taxonomy, the EU Green Bond Regulation, the SFDR or any other present or future sustainability framework or guidelines; or (d) any event with an adverse environmental, social or other connotation will not occur during the life of any Sustainable Certificate, which event may affect the value of

such Sustainable Certificate, and/or have adverse consequences for certain investors in such Sustainable Certificate. It is not clear if the establishment of the European Green Bond Standard label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, sustainable use of proceeds securities that do not comply with the requirements of the European Green Bond Standard label or the optional disclosures regime, such as the Sustainable Certificates issued under this Programme. It could, in future, result in reduced liquidity or lower demand or could otherwise affect the market price of any Sustainable Certificates issued under this Programme that do not comply with those standards proposed under the European Green Bond Standard.

The Sustainable Finance Framework is intended to be aligned with the ICMA Green Bond Principles (2021 version) (with June 2022 Appendix I), Social Bond Principles (2023 version) and Sustainability Bond Guidelines (2021 version), each as referred to in the Sustainable Finance Framework and published by the International Capital Markets Association (the “**ICMA Principles**”). The Bank has appointed Sustainalytics to assess its Sustainable Finance Framework and its alignment with the ICMA Principles, and to issue the Second Party Opinion.

None of the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person makes any representation or gives any assurance as to the Sustainable Finance Framework’s compliance or alignment with the ICMA Principles. Furthermore, none of the Sustainable Finance Framework, the Second Party Opinion, the ICMA Principles or any associated reports, verification assessments or the contents of the Bank's website have been verified nor do they constitute or form part of any offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Sustainable Certificates and are not incorporated in or form part of this Base Offering Circular.

None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates makes any representation as to nor are they responsible for (i) the suitability of any Sustainable Certificates to fulfil any environmental, social and/or sustainability criteria required by prospective investors, (ii) whether the net proceeds of the issuance of any such Certificates will be used to finance and/or refinance relevant Eligible Sustainable Projects, including their sustainability criteria or (iii) the characteristics of relevant Eligible Sustainable Projects or businesses to whom the proceeds of such Certificates are to be allocated, including their sustainability characteristics. None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates have undertaken, nor are they responsible for, any assessment of or due diligence in respect of the Sustainable Finance Framework, the Eligible Sustainable Projects or the eligibility criteria, any verification of whether the Eligible Sustainable Projects meet the eligibility criteria, or the assessment, verification or monitoring of the use of proceeds. For the purposes of an investment in any Sustainable Certificates, prospective investors should make their own investigation and should determine for themselves the relevance of the Sustainable Finance Framework, the Second Party Opinion and the information contained in this Base Offering Circular regarding the use of proceeds and its investment in any Sustainable Certificates should be based upon such investigation as it deems necessary.

The Bank cannot provide any assurances regarding the suitability or reliability of any second party opinion (including the Second Party Opinion) or admission to any index obtained with respect to Sustainable Certificates

No assurance or representation can be given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion (including the Second Party Opinion) or certification of any third party (whether or not solicited by the Bank or the Trustee) which may or may not be made available in connection with the issue of Sustainable Certificates (including, for the avoidance of doubt, the entry of the details of Eligible Sustainable Projects into the Bank’s Sustainable Finance Register, as described in the Sustainable Finance Framework) and in particular with any of the businesses and projects funded with the equivalent amount to fulfil any green, environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such

report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Offering Circular. Any such report, assessment, opinion or certification is not, nor should it be deemed to be, a recommendation by the Bank, the Trustee, the Arrangers or any other person to buy, sell or hold Sustainable Certificates. Any such report, assessment, opinion or certification is only current as at the date that opinion was initially issued and is based upon the judgment of the opinion provider. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in Sustainable Certificates. The providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or any regulatory or other regime. Furthermore, a second party opinion (including the Second Party Opinion) may not reflect the potential impact of all the risks related to the structure or market, or the additional risk factors discussed above or the other factors that may affect the value of the Sustainable Certificates or the projects financed or refinanced thereby, in an amount corresponding to the equivalent amount.

If a Tranche of Sustainable Certificates is at any time listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any Sustainable Certificates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Bank, the Trustee, the Arrangers, the Dealers, the Delegate, the Agents or any other person that any such listing or admission to trading will be obtained in respect of any Sustainable Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Certificates concerned.

Risks relating to Enforcement

There are uncertainties around the choice of English law as the governing law of the Transaction Documents and around enforcing foreign arbitral awards in the Kingdom

The Certificates and the Transaction Documents are expressed to be governed by English law, and the parties thereto have agreed to refer any unresolved disputes in relation thereto to arbitration under the LCIA Arbitration Rules with an arbitral tribunal with its seat in London. The Bank is a Saudi Arabian company and is incorporated in and has its operations and the majority of its assets located in Saudi Arabia.

Any foreign arbitral award, including an LCIA award, should be enforceable in Saudi Arabia in accordance with the terms of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the “**New York Convention**”), subject to filing a legal action for recognition and enforcement of foreign arbitral awards with the enforcement courts of Saudi Arabia (the “**Enforcement Courts**”). As a party to the New York Convention, Saudi Arabia has an obligation to recognise and enforce foreign arbitral awards unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Saudi courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of Saudi Arabia. In addition, the Enforcement Courts may decline to enforce foreign arbitral awards if the requirements of enforcing foreign arbitral awards are not met. These requirements include that: (a) the arbitral award does not conflict with public policy in Saudi Arabia; (b) there is reciprocity in the enforcement of arbitral awards between the courts of Saudi

Arabia and the country in which the award was made; (c) the courts of Saudi Arabia do not have jurisdiction over the dispute and the award has been issued in accordance with the jurisdictional rules of the country in which such award was made; (d) the respective parties to the dispute were present, duly represented and able to defend themselves; (e) the award was final in accordance with the rules of the court; and (f) the award is not conflicting with any ruling or order issued by a court of competent jurisdiction on the same matter in Saudi Arabia. There can therefore be no assurance that the Saudi courts will enforce a foreign arbitral award in accordance with the terms of the New York Convention (or any other multilateral or bilateral enforcement convention). In addition, even if such requirements were met, Certificateholders should also be aware that if any terms of the Certificates or the Transaction Documents were found to be inconsistent with public policy in Saudi Arabia (including *Shari'a* law and principles) or any mandatory law of, or applicable in, Saudi Arabia, they would not be enforced by the Enforcement Courts.

In particular, the courts and judicial committees of the Kingdom will require any arbitral award pursuant to the arbitration agreement to satisfy certain requirements, including compliance with the principles of *Shari'a*. Accordingly, in any proceedings relating to the Certificates or the Transaction Documents in the Kingdom, *Shari'a*, as interpreted in the Kingdom, may be applied by the relevant court or judicial committee. The courts and judicial committees of Saudi Arabia have the discretion to deny the enforcement of any contractual or other obligations, if, in their opinion, the enforcement thereof would be contrary to the principles of *Shari'a*. As such there can be no assurance that the Saudi courts will recognise and enforce any arbitral award made under the arbitration agreement.

In addition, whilst the choice of English law as the governing law of the Certificates and the Transaction Documents does not contravene the laws and regulations of the Kingdom, the courts and judicial committees of the Kingdom may not recognise the choice of English law.

The choice of forum clause may not be upheld by a Saudi Arabian judicial body

The choice of forum clause in relation to the Certificates and the Transaction Documents may not be upheld by a Saudi Arabian court. Under Saudi Arabian law, only a court will finally determine the appropriate adjudicating forum for the dispute, notwithstanding the contractual election of the parties to the agreement. However, the Arbitration Law issued by Royal Decree No M/34, dated 24/5/1433 AH (corresponding to 16 April 2012) provides that a Saudi Arabian court must dismiss a claim if the defendant raises an arbitration agreement as its first defence in the case.

The interpretation of the compliance of the Certificates and Transaction Documents with Shari'a principles may differ amongst Saudi courts and judicial committees

Prospective Certificateholders should note that Saudi law, and, in particular, the relevant principles of Islamic law are generally construed and applied by Saudi Arabian adjudicatory bodies pursuant to the teachings of the Hanbali school of jurisprudence. There are majority and minority views within the Hanbali school of jurisprudence either of which may be applied in any particular case. In this regard, the courts and judicial committees of Saudi Arabia 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*.

Prospective Certificateholders should note that to the best of the Trustee's and the Bank's knowledge, no securities of a similar nature to the Certificates have previously been the subject of adjudicatory interpretation or enforcement in Saudi Arabia.

Prospective Certificateholders should note that different *Shari'a* advisers and courts and judicial committees in Saudi Arabia may form different opinions on identical issues and therefore prospective Certificateholders should consult their own legal and *Shari'a* advisers to receive an opinion, as to the compliance of the Certificates

and the Transaction Documents with *Shari'a* principles. Prospective Certificateholders should also note that although the Shariah Committee of Alinma Bank has approved the transaction structure relating to the Certificates (as described in this Base Offering Circular), and each of the Internal Shari'a Supervisory Committee of Abu Dhabi Islamic Bank PJSC, the Shariah Committee of Alinma Capital Company, the Internal Shariah Supervision Committee of Emirates NBD – Islamic, the Shari'a advisers of J.P. Morgan Securities plc and the Global Shariah Supervisory Committee of Standard Chartered Bank has confirmed that the transaction structure relating to the Certificates (as described in this Base Offering Circular) as, in their view, complying with *Shari'a* principles as applicable to, and interpreted by, them, such approvals would not bind a court or judicial committee in Saudi Arabia, including in the context of any insolvency or bankruptcy proceedings relating to the Bank, and any court or judicial committee in Saudi Arabia will have the discretion to make its own determination about whether the Transaction Documents comply with the laws of Saudi Arabia and *Shari'a* principles and therefore are enforceable in Saudi Arabia.

There are concerns as to the effectiveness under Saudi Arabian law of any transfer of an interest in an asset in Saudi Arabia on behalf of foreign nationals without a corporate presence in Saudi Arabia and the relevant licensing requirements having been met

The Foreign Investment Law issued under Royal Decree No. M/1 dated 5/1/1421H (corresponding to 10 April 2000), as last amended by Council of Ministers' Decision No. 83 dated 30/1/1443H (corresponding to 8 September 2021) and the Anti-Concealment Law issued by Royal Decree No. M/4 dated 1/1/1442H (corresponding to 20 August 2020) prohibit persons and Saudi Arabian companies from doing business in Saudi Arabia on behalf of foreign nationals unless they meet certain requirements, including certain licensing requirements. The Trustee and the Bank could be interpreted as contravening this prohibition by entering into the Transaction Documents to which it is a party.

As a result, the transactions contemplated by the Transaction Documents may be considered void as a result of non-compliance with any of the matters specified above. If that is the case, a Saudi adjudicatory body is likely to require that the Obligor return to the Trustee the relevant issue proceeds less any Mudaraba Profit already paid in respect of the relevant Series. It is uncertain whether the parties will be entitled to any damages.

Courts and judicial committees in Saudi Arabia may not give effect to the Bank Events

Prospective Certificateholders should note that the courts and judicial committees of Saudi Arabia may not give effect to any of the Bank Events other than those Bank Events 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 Certificateholders should note that should any provision of the Transaction Documents be construed by a court or judicial committee in Saudi Arabia 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 Bank pursuant to the Transaction Documents or in relation to any Series may not be enforceable under the laws and regulations of Saudi Arabia in certain circumstances. As such, Certificateholders may ultimately not be able to enforce the Trustee's and/or the Bank's relevant obligations under the Transaction Documents.

Compliance with bankruptcy law in Saudi Arabia may affect the Bank's ability to perform its obligations under the Transaction Documents

If the Bank's insolvency satisfied the eligibility conditions for one of the bankruptcy procedures under the Bankruptcy Law (issued pursuant to Royal Decree No. M/50 dated 28/05/1439H (corresponding to 13 February 2018)), as amended by Royal Decree No. M/89 dated 09/07/1441H (corresponding to 4 March 2020) (the

“**Bankruptcy Law**”), this could adversely affect the Bank’s ability to perform its obligations under the Transaction Documents to which it is a party and, in turn, affect the Trustee’s ability to perform its obligations in respect of the Certificates. The Bankruptcy Law, which came into effect on 18 August 2018, remains relatively new and several provisions are untested or are subject to different interpretations. Therefore, there is some uncertainty as to the practical application of certain provisions under the Bankruptcy Law. In particular, there is little precedent to predict how claims by or on behalf of the Certificateholders and/or the Delegate would be resolved in the event of the Bank satisfying the eligibility conditions of any such bankruptcy procedures and, accordingly, it is uncertain exactly how and to what extent the Transaction Documents would be enforced by a Saudi Arabian adjudicatory body in that situation. Therefore, there can be no assurance that Certificateholders will receive payment of their claims in full or at all in these circumstances. In addition, there is a material likelihood that a Saudi Arabian adjudicatory body could consider void a contractual provision that seeks to terminate a contract in the event of a protective settlement or financial restructuring procedure being instigated. This is based on article 23 of the Bankruptcy Law, which states that contracts should continue during protective settlement or financial restructuring procedures and any condition to the contrary is deemed null and void. It is open to a contractual party to apply for its contract to be terminated, pursuant to article 24 of the Bankruptcy Law, if the party undergoing protective settlement fails to satisfy its contractual obligations in the period after the commencement of the protective settlement procedure.

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.

In case of a write down in a Non-Viability Event, see further “ – *Certificateholders’ right to receive payment of the face amount of the Certificates and the Certificateholders’ 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*”.

A court may not grant an order for specific performance

In the event that the Bank fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include (i) obtaining an order for specific performance of the Bank’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 Saudi Arabia. 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 Trustee and the Delegate to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Bank to perform its obligations set out in the Transaction Documents to which it is a party. Damages for loss of profits, consequential damages or other speculative damages are not awarded in Saudi Arabia 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.

The terms of the Master Trust Deed may not be enforceable in Saudi Arabia

The English law concept of a trust does not exist as such in Saudi Arabia. Accordingly, there is no certainty that the terms of the Master Trust Deed and any Supplemental Trust Deed (each of which will be governed by English law) would be enforced by the courts of Saudi Arabia and, as such, there can be no assurance that the obligations of the Trustee and/or the Delegate under the Master Trust Deed and any Supplemental Trust Deed to act on behalf of the Certificateholders in accordance with their instructions (given in accordance with the Conditions of the Certificates) are enforceable as a matter of contract under the laws of Saudi Arabia or that the

courts and judicial committees of Saudi Arabia would recognise any claim of the Delegate on behalf of Certificateholders under the Transaction Documents pursuant to the Master Trust Deed.

No assurances can be given as to change of law after the date of this Base Offering Circular

The structure of each issue of Certificates under the Programme is based on English law, Cayman Islands law, the laws of Saudi Arabia and administrative practices in effect as at the date of this Base Offering Circular. No assurance can be given as to the impact of any possible change to, or interpretation of, English, Cayman Islands or Saudi law or administrative practices in such jurisdiction after the date of this Base Offering Circular, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of the Bank to comply with its obligations under the Transaction Documents to which it is a party.

Risks relating to Taxation

Taxation risks on payments

Payments made by the Bank to the Trustee under, or pursuant to, the Transaction Documents are, and payments by the Trustee in respect of the Certificates could become, subject to taxation in Saudi Arabia. The relevant Transaction Documents require the Bank to pay additional amounts in the event that any withholding, retention or deduction for, or on account of, Taxes is required by applicable law to be made in respect of payments made by it to the Trustee which are intended to fund Periodic Distribution Amounts and Dissolution Distribution Amounts and/or if Additional Amounts are payable by the Trustee in respect of the Certificates of any Series in accordance with Condition 13. Condition 13 provides that the Trustee is required to pay Additional Amounts in respect of any such withholding, retention or deduction for, or on account of, Taxes imposed by Cayman Islands law in certain circumstances. In the event that the Trustee fails to pay any such Additional Amounts in respect of any such withholding, retention or deduction on payments due in respect of the Certificates to Certificateholders, the Bank has unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all Additional Amounts required to be paid in respect of the Certificates pursuant to Condition 13 in respect of any withholding, retention or deduction in respect of any tax as set out in that Condition.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Interim Financial Statements with the joint review report thereon (an electronic copy of which is available at: <https://ir.alinma.com/media/kcfh202f/interim-condensed-consolidated-financial-statements-unaudited-for-the-period-ended-march-31-2025.pdf>);
- (b) the 2024 Financial Statements with the joint audit report thereon (an electronic copy of which is available at: <https://www.alinma.com/-/media/Project/Alinma/PDF-Files/Financial-Statements--EN/2014/English-consolidated-financial-statements-December-2024.pdf>); and
- (c) the 2023 Financial Statements together with the joint audit report thereon (an electronic copy of which is available at: <https://www.alinma.com/-/media/Files/FinancialResults/2023/English%20consolidated%20financial%20statements%20December%202023%20-%20Final.pdf>).

(together, the “**Documents Incorporated by Reference**”).

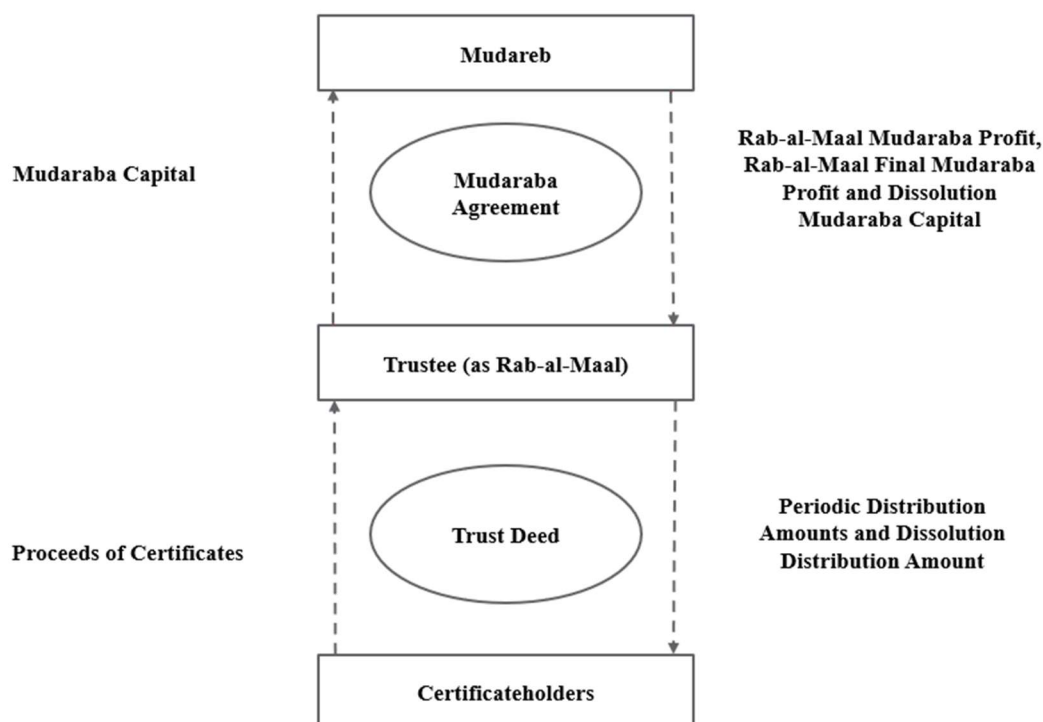
The Documents Incorporated by Reference shall be incorporated in, and form part of, this Base Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Offering Circular to the extent that 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 Offering Circular. Those parts of the Documents Incorporated by Reference in this Base Offering Circular which are not specifically incorporated by reference in this Base Offering Circular are either not relevant for prospective investors in the Certificates or the relevant information is included elsewhere in this Base Offering Circular. Any documents themselves incorporated by reference in the Documents Incorporated by Reference in this Base Offering Circular shall not form part of this Base Offering Circular.

Copies of the Documents Incorporated by Reference in this Base Offering Circular may be obtained from the registered office of the Trustee and from the specified office of the Principal Paying Agent during usual business hours and will be available for viewing on the Bank’s website at <https://ir.alinma.com/>.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to each Series of Certificates issued under the Programme. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in this Base Offering Circular. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Offering Circular for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read this entire Base Offering Circular carefully, especially the risks of investing in the Certificates discussed under “Risk Factors”.

Structure Diagram



Principal Cash Flows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche, the Certificateholders will pay the issue price in respect of the Certificates to the Trustee. In respect of each Series, pursuant to the Trust Deed, the Trustee will declare a trust, in favour of the Certificateholders of such Series, over:

- the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the assets from time to time constituting the Mudaraba Assets of that Series (as defined below);
- any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (other than in relation to any representation given by the Bank

(acting in any capacity) to the Trustee pursuant to any of the Transaction Documents and the covenants given to the Trustee by the Bank pursuant to clause 13.1 of the Master Trust Deed); and

- (d) any and all moneys standing to the credit of the Transaction Account of the relevant Series from time to time,

and all proceeds of the foregoing (together, the “**Trust Assets**”).

The proceeds of the issue of each Tranche of Certificates will be contributed by the Trustee (as Rab-al-Maal) to the Mudareb on the relevant Issue Date, which proceeds will form the capital of the Mudaraba of the relevant Series and which may be subject to change after the relevant Issue Date in accordance with Condition 9.2 (the “**Mudaraba Capital**”) pursuant to the Master Mudaraba Agreement. The Mudaraba Capital will be co-mingled with (i) shareholders’ equity, (ii) proceeds of all *Shari’a*-compliant current, savings and investment deposit accounts with the Mudareb, and (iii) any other *Shari’a*-compliant source of funds included in the General Mudaraba Pool from time to time and invested, on an unrestricted co-mingling Mudaraba basis, by the Mudareb, in its fully *Shari’a*-compliant banking activities (the “**Business Portfolio**”) carried out through the General Mudaraba Pool and, following investment of the Mudaraba Capital, the Mudaraba Capital shall constitute *pro rata* undivided assets in the General Mudaraba Pool (the “**Mudaraba Assets**” for that Mudaraba).

Periodic payments by the Trustee

In respect of a Series, unless a Non-Payment Event or a Non-Payment Election has occurred, prior to each Periodic Distribution Date, the Mudareb shall distribute the profit generated by the relevant Mudaraba to both the Trustee and the Mudareb in accordance with an agreed profit sharing ratio (99 per cent. to the Trustee (as Rab-al-Maal) and 1 per cent. to the Mudareb). In respect of a Series, the Trustee shall apply its share of the profit (if any) generated by the relevant Mudaraba on each Periodic Distribution Date to pay the relevant Periodic Distribution Amount due to the Certificateholders of such Series on such date.

In respect of a Series, payments of Rab-al-Maal Mudaraba Profit (as defined in the Master Mudaraba Agreement) by the Bank (as Mudareb) will not be made in circumstances where a Non-Payment Event has occurred or a Non-Payment Election has been made. The Mudareb shall not have any obligation to make any subsequent payment in respect of such unpaid profit (whether from its own cash resources, from the relevant Mudaraba Reserve (as defined below) or otherwise).

Under the terms of the Master Mudaraba Agreement, the Mudareb shall be expressly entitled to co-mingle any of its own fully *Shari’a*-compliant assets from time to time with the Mudaraba Assets of any Mudaraba.

Dissolution payments and redemption by the Trustee and the Mudareb

Each Mudaraba is a perpetual arrangement with no fixed end date. Accordingly, each Series of Certificates issued under the Programme are perpetual securities in respect of which there is no fixed redemption date.

Subject to certain conditions set out in clause 7 of the Master Mudaraba Agreement, the Bank (as Mudareb) may at its option liquidate the Mudaraba of any Series in whole, but not in part, on the basis of a final actual liquidation of such Mudaraba in accordance with the Master Mudaraba Agreement in the following circumstances:

- (a) on the relevant Call Date, by giving not less than 20 nor more than 35 days’ prior notice to the Trustee;
or
- (b) on any date on or after the relevant Issue Date (whether or not a Periodic Distribution Date), by giving not less than 20 nor more than 35 days’ prior notice to the Trustee:
 - (i) upon the occurrence of a Tax Event; or

- (ii) upon the occurrence of a Capital Event.

In respect of each Series, the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, upon receipt of notice in accordance with paragraph (a) above redeem all, but not some only, of such Series of Certificates, and upon receipt of notice in accordance with paragraph (b) above redeem all, but not some only, of such Series of Certificates, in each case by giving not less than 15 nor more than 30 days' prior notice to the Certificateholders, all as more particularly described in the Conditions and following final actual liquidation of the relevant Mudaraba, as described above.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Offering Circular and, in relation to the terms and conditions of any particular Tranche, the applicable Pricing Supplement. The Trustee and any relevant Dealer(s) may agree that Certificates shall be issued in a form other than that contemplated in the Terms and Conditions of the Certificates, in which event, if appropriate, a supplement to the Base Offering Circular will be published.

Words and expressions defined in “Terms and Conditions of the Certificates” and “Summary of Provisions Relating to the Certificates While in Global Form” shall have the same meanings in this overview.

| | |
|--------------------------------------|---|
| Bank | Alinma Bank |
| Trustee | Alinma AT1 Sukuk Limited, an exempted company with limited liability incorporated on 27 March 2025 under the Companies Act (as amended) of the Cayman Islands with company registration number 420122 and with its registered office at c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party. |
| Bank (LEI) | 558600HPAUTN6XSVBK93 |
| Trustee (LEI) | 254900PKP2060GO4VI45 |
| Ownership of the Trustee | The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 ordinary shares of U.S.\$1.00 each, of which 250 shares are fully paid up and issued. The Trustee’s entire issued share capital is held on trust for charitable purposes by Walkers Fiduciary Limited under the terms of a share declaration of trust dated 3 April 2025 (the “ Share Declaration of Trust ”). |
| Administration of the Trustee | The affairs of the Trustee are managed by Walkers Fiduciary Limited, a licensed trust company in the Cayman Islands (the “ Trustee Administrator ”), with registered office at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands, who will provide, amongst other things, corporate administrative services, registered office services, director services and act as share trustee for and on behalf of the Trustee pursuant to the corporate services agreement dated 29 April 2025 between, amongst others, the Trustee and the Trustee Administrator (the “ Corporate Services Agreement ”). |
| Arrangers | Alinma Capital Company and J.P. Morgan Securities plc (the “ Arrangers ”). |

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| Dealers | Abu Dhabi Islamic Bank PJSC, Alinma Capital Company, Emirates NBD Bank P.J.S.C., Goldman Sachs International, J.P. Morgan Securities plc, Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Series of Certificates. |
| Delegate | HSBC Corporate Trustee Company (UK) Limited (the “ Delegate ”). In accordance with the Master Trust Deed, the Trustee will, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its delegate and attorney and to exercise certain present and future rights, powers, authorities and discretions vested in the Trustee by certain provisions of the Master Trust Deed in accordance with the terms of the Master Trust Deed. In particular, the Delegate shall be entitled (and, in certain circumstances, shall be obliged), subject to being indemnified and/or secured and/or pre-funded to its satisfaction, to take enforcement action in the name of the Trustee against the Bank (in any capacity) following a Dissolution Event. |
| Principal Paying Agent and Transfer Agent | HSBC Bank plc |
| Registrar | HSBC Bank plc |
| Initial Programme Size | Up to U.S.\$1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Programme Agreement. |
| Method of Issue | The Certificates may be issued on a syndicated or non-syndicated basis. The specific terms of each Series will be recorded in the applicable Pricing Supplement. |
| Issuance in Series | Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates 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 Periodic Distribution Amounts start to accrue. |
| Currencies | Subject to any applicable legal or regulatory restrictions, Certificates may be denominated in any currency (each a “ Specified Currency ”) agreed between the Trustee, the Bank and the relevant Dealer. |

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| Issue Price | <p>Certificates may be issued at any price on a fully-paid basis, as specified in the applicable Pricing Supplement. The price and amount of Certificates will be determined by the Trustee and the Bank and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.</p> |
| Denomination of Certificates | <p>The Certificates will be issued in such denominations as may be agreed between the Trustee, the Bank and the relevant Dealer(s), save that the minimum denomination of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency.</p> |
| Status | <p>Each Certificate will represent an undivided ownership interest in the Trust Assets of the relevant Series, will be a limited recourse obligation of the Trustee and will rank <i>pari passu</i> without any preference or priority with all other Certificates; see Condition 4(a).</p> |
| Subordination | <p>The Relevant Obligations will (a) constitute Additional Tier 1 Capital of the Bank, (b) constitute direct, unsecured, conditional and subordinated obligations of the Bank, and (c) upon the occurrence and continuation of any Winding-Up Proceeding, rank (i) subordinate and junior to all Senior Obligations (as defined in the Conditions) but not further or otherwise, (c) <i>pari passu</i> with all other Pari Passu Obligations (as defined in the Conditions) and (d) in priority only to all Junior Obligations (as defined in the Conditions); see Condition 4(b).</p> |
| Trust Assets | <p>The Trust Assets of the relevant Series will be (a) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (b) any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the assets from time to time constituting the Mudaraba Assets of that Series; (c) any and all of the rights, title, interests, benefits and entitlements, present and future of the Trustee in, to and under the Transaction Documents (other than in relation to any representation given by the Bank (acting in any capacity) to the Trustee pursuant to any of the Transaction Documents and the covenants given to the Trustee by the Bank pursuant to clause 13.1 of the Master Trust Deed);</p> |

(d) any and all moneys standing to the credit of the Transaction Account of the relevant Series from time to time; and all proceeds of the foregoing (together, the “**Trust Assets**”).

Periodic Distributions

Subject to and in accordance with the Conditions, Certificateholders of each Series are entitled to receive, on each Periodic Distribution Date, the Periodic Distribution Amounts calculated on the basis of the Profit Rate specified in the applicable Pricing Supplement.

The Profit Rate for a Series will be reset on each Reset Date in respect of that Series on the basis of the aggregate of the Margin and the Relevant Reset Rate on the relevant Reset Determination Date.

In respect of a Series, if the Bank makes a Non-Payment Election or a Non-Payment Event occurs, the Trustee shall not pay the corresponding Periodic Distribution Amounts (or any part thereof, as applicable) and neither the Bank nor the Trustee shall have any obligation to make any subsequent payment in respect of any unpaid Periodic Distribution Amount as more particularly described in Condition 8. In such circumstances, distributions will not be cumulative and any distributions which are not paid will not accumulate or compound and the Certificateholders will have no right to receive such distributions at any time, even if other distributions are paid in the future.

Redemption of Certificates

The Certificates of each Series are perpetual securities and accordingly do not have a fixed or final redemption date. The Certificates of a Series may be redeemed in whole but not in part only in accordance with the provisions of Condition 9.1. Pursuant to Condition 9.1(b), the Trustee may (but only upon the instructions of the Bank (acting in its sole discretion)), on any Call Date, redeem all, but not some only, of the Certificates of a Series at the Trustee Call Amount. 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, all but not some only, of the Certificates of the relevant Series may be redeemed in accordance with Conditions 9.1(c) and 9.1(d).

The redemption of any Series of Certificates, pursuant to Condition 9.1, is subject to the conditions described in Condition 9.1(a).

Limited Recourse

Proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of a Series. Save as otherwise provided in Condition 4(c), the Certificates do not represent an interest in any of the Trustee, the Delegate, the Bank, any of the Agents or any of their respective affiliates. If the proceeds of the relevant Trust Assets are insufficient to make all payments due in respect of any Series of Certificates, the relevant Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders, employees or agents in their capacity as such) (other than the relevant Trust Assets in the manner and to the extent contemplated by the Transaction Documents), or of the Trustee Administrator, the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise and any unsatisfied claims of the Certificateholders shall be extinguished.

In respect of each Series, the Bank is obliged to make certain payments under the Transaction Documents directly to, or to the order of, the Trustee or the Delegate. Such payment obligations form part of the relevant Trust Assets and the Trustee and/or the Delegate will, subject to Condition 4(b) and Condition 12.3, have recourse against the Bank to recover payments due to the Trustee from the Bank pursuant to such Transaction Documents notwithstanding any other provision of Condition 4(c). Such right of the Trustee and the Delegate shall constitute an unsecured claim against the Bank. None of the Certificateholders, the Trustee or the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Bank in connection with the enforcement of any such claim. See Condition 4(c) for further details.

Non-Viability/Write-down of the Certificates

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 date on which an Applicable Statutory Loss Absorption Regime becomes effective in respect of such Series, 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, 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. In such circumstances, in relation to the relevant Series, the Certificateholders' rights to the relevant Trust Assets shall automatically be deemed to be irrevocably and unconditionally Written-down in a proportion corresponding to the relevant Write-down Amount and the relevant Certificates shall be cancelled (in the case of the relevant Write-down Amount corresponding to the full proportion of the face amount of the Certificates then outstanding) or Written-down in part on a *pro rata* basis in a proportion corresponding to the Write-down Amount (in the case of the relevant Write-down Amount corresponding to less than the full proportion of the face amount of the Certificates then outstanding) by the Trustee. See Condition 10.

Dissolution Events

Subject to Condition 12, if, in relation to a Series, a Bank Event occurs and if so requested in writing by the Certificateholders of at least one-fifth of the aggregate face amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of the Certificateholders in accordance with Condition 12.1, the Delegate shall give a Dissolution Notice to the Trustee, whereupon the Mudaraba of that Series will be liquidated in accordance with the provisions of the Master Mudaraba Agreement and the Delegate shall, subject to Condition 12.3, take the actions referred to therein.

Form and Delivery of the Certificates

The Certificates will be issued in registered form only. The Certificates of each Series will be represented on issue by interests in a Global Certificate, which will be deposited with, and registered in the name of a nominee for, a Common Depositary for Euroclear and Clearstream, Luxembourg. Individual Certificates evidencing holdings of Certificates will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances described under "*Summary of Provisions Relating to the Certificates While in Global Form*".

Clearance and Settlement

Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg. Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with

Withholding Tax

the usual rules and operating procedures of the relevant clearing system.

All payments in respect of the Certificates are to be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction, unless such withholding, retention or deduction is required by law. In such event, the Trustee has agreed to pay such Additional Amounts as shall result in receipt by the Certificateholders (after such withholding, retention or deduction) of such net amounts as would have been receivable by them had no such withholding, retention or deduction been required, subject to and in accordance with Condition 13.

Further, in accordance with the terms of the Master Trust Deed, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay Additional Amounts pursuant to Condition 13, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any such withholding, retention or deduction) equals any and all Additional Amounts, required to be paid by it in respect of the Certificates pursuant to Condition 13.

The Master Mudaraba Agreement provides that payments thereunder by the Bank to the Trustee shall be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future Taxes (as defined in the Master Mudaraba Agreement), unless such withholding, retention or deduction is required by law. In such event, and/or if Additional Amounts are payable by the Trustee in respect of the Certificates of any Series in accordance with Condition 13, the Master Mudaraba Agreement provides for the payment by the Bank of such Taxes and/or Additional Amounts by payment to the Transaction Account of the relevant Series in the Specified Currency by wire transfer for same day value so that the net amounts received by the Trustee or the Certificateholders, as the case may be, shall equal the respective amounts

Listing and Admission to Trading

that would have been received in the absence of such withholding, retention or deduction and in the absence of the withholding, retention or deduction to which Condition 13 applies.

Application has been made to the London Stock Exchange for the Certificates to be admitted to trading on the ISM during the period of 12 months after the date hereof.

Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, the Bank and the relevant Dealer(s) in relation to the relevant Tranche.

The applicable Pricing Supplement will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchange and/or market.

Certificateholder Meetings

A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 15.

Tax Considerations

See “*Taxation*” for a description of certain tax considerations applicable to the Certificates.

Governing Law and Dispute Resolution

The Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.

Each Transaction Document and any non-contractual obligations arising out of or in connection with it will be governed by, and construed in accordance with, English law.

In respect of any dispute under any Transaction Document, the Bank has agreed to arbitration in London under the Rules. The Corporate Services Agreement and the Share Declaration of Trust will be governed by the laws of the Cayman Islands and subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Waiver of Immunity

Under each of the Transaction Documents, the Bank has explicitly acknowledged that its execution of such documents constitutes, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes (rather than an act in its or any other sovereign capacity) and has irrevocably and unconditionally waived with respect to any proceedings arising under

the Conditions or any of such documents any sovereign or other immunity that it or its property, assets or revenues may have including (without limitation) from jurisdiction, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process or defence and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any of its property, assets or revenues whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings or Disputes.

Transaction Documents

The Transaction Documents in respect of a Series shall comprise the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Mudaraba Agreement and each Supplemental Mudaraba Agreement.

Ratings

The Certificates will not be rated by any rating agency upon their issue. Series of Certificates issued under the Programme may be rated or unrated. Where a Series of Certificates is rated, such rating, and the credit rating agency issuing such rating, will be disclosed in the applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Certificates, including in the Cayman Islands, the EEA, the UK, Hong Kong, Japan, Kuwait, the Kingdom of Bahrain, Saudi Arabia, Malaysia, Singapore, the State of Qatar (including the Qatar Financial Centre), the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market), the Dubai International Financial Centre, the Abu Dhabi Global Market and the United States of America. See “*Subscription and Sale*”.

United States Selling Restrictions

Regulation S, Category 2.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the applicable Pricing Supplement shall be applicable to the Certificates in definitive form (if any) issued in exchange for the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Pricing Supplement or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such definitive Certificates. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Pricing Supplement. Those definitions will be endorsed on the definitive Certificates.

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

Alinma AT1 Sukuk Limited (in its capacity as issuer and in its capacity as trustee, as applicable, the “**Trustee**”, which expression shall where the context allows include the Delegate (as defined below) acting pursuant to the powers delegated to it by the Trustee pursuant to the relevant Trust Deed (as defined below)) has established a programme (the “**Programme**”) for the issuance of additional tier 1 capital certificates (the “**Certificates**”) in a maximum aggregate face amount of U.S.\$1,000,000,000 (or the equivalent in other currencies calculated as described in the programme agreement between the Trustee, Alinma Bank (the “**Bank**” or the “**Obligor**”) and the Dealers named therein dated 15 May 2025 (as amended, supplemented and/or restated from time to time, the “**Programme Agreement**”)), or such other maximum aggregate face amount as increased in accordance with the terms of the Programme Agreement.

The Certificates are constituted by a Master Trust Deed dated 15 May 2025 between the Trustee, the Obligor and HSBC Corporate Trustee Company (UK) Limited (the “**Delegate**”, which expression shall include all persons for the time being the delegate or delegates under the Master Trust Deed) (the “**Master Trust Deed**”) as supplemented by a supplemental trust deed entered into on or before the date of issue of the relevant Certificates (the “**Issue Date**”) in respect of the relevant Tranche (the “**Supplemental Trust Deed**” and, together with the Master Trust Deed, the “**Trust Deed**”).

An agency agreement (the “**Agency Agreement**”) dated 15 May 2025 has been entered into in relation to the Certificates between the Trustee, the Obligor, the Delegate, HSBC Bank plc as principal paying agent, transfer agent, registrar and the other agents named in it. The principal paying agent, the other paying agents, the registrar, the transfer agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent), the “**Registrar**”, the “**Transfer Agent**” and the “**Calculation Agent(s)**”, and together the “**Agents**”.

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of: (i) the Trust Deed, which includes the form of Certificates referred to below, (ii) the Agency Agreement and (iii) the remaining Transaction Documents (as defined below). The Certificateholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. The final terms for this Certificate (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Certificate which complete these Conditions. References to the “**applicable Pricing Supplement**” are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the relevant Certificate.

Copies of the Transaction Documents: (1) are available for inspection by Certificateholders from the registered office of the Trustee and the specified office of the Principal Paying Agent during usual business hours; or (2) will, at the option of the Principal Paying Agent, be available by email at a Certificateholder's request (subject to provision of proof of holding satisfactory to the Principal Paying Agent), in each case, during normal business hours.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issue of the Tranche of Certificates in accordance with the terms of the Transaction Documents; (b) to act as Rab-al-Maal (as defined in Condition 5) pursuant to the Mudaraba Agreement on its behalf (which authorisation and direction shall also apply to its successors in title and any Substituted Trustee); and (c) to enter into, and perform its obligations under and in connection with, each Transaction Document, subject to the provisions of the Trust Deed and these Conditions.

The Certificates of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Certificates of each Series and, in these Conditions, the expressions "Certificates", "Certificateholders" and related expressions shall be construed accordingly.

1 Interpretation

Unless defined herein or the context otherwise requires, any capitalised words and expressions used but not defined herein shall have the meaning given to them in the Trust Deed and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

"**Additional Amounts**" has the meaning given to it in Condition 13;

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**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;

"**Applicable Regulatory Capital Requirements**" means the requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Bank, 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 Certificates and which, alone or together with any other law(s) or regulation(s), has the effect that Conditions 10.2 and 10.3 could cease to apply to the Certificates without giving rise to a Capital Event;

"**Authorised Signatory**" has the meaning given to it in the Master Trust Deed;

"**Bank Assets**" means the total assets of the Bank as shown in the latest audited or (as the case may be) auditor reviewed consolidated statement of financial position of the Bank, but adjusted for subsequent events in such manner as the Directors may determine;

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

(a) **Non-payment**

the Bank (acting in its capacity as Mudareb) fails to pay an amount which is equivalent to principal or profit (including Additional Amounts) due and payable by it pursuant to the Mudaraba Agreement and the failure continues for a period of (in the case of an amount which is equivalent to principal) seven

days or (in the case of an amount which is equivalent to profit) 14 days (save, in each case, where such failure occurs solely as a result of the occurrence of a Non-Payment Event or a Non-Payment Election); or

(b) **Winding-up**

a Winding-up Proceeding has occurred and is continuing; or

(c) **Analogous Event**

any event occurs which under the laws of the Kingdom of Saudi Arabia has an analogous effect to any of the events referred to in paragraph (b) above;

“Bank Liabilities” means the total liabilities of the Bank as shown in the latest audited or (as the case may be) auditor reviewed consolidated statement of financial position of the Bank, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors may determine;

“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 2010 and revised in June 2011 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 2011;

“Basel Committee” means the Basel Committee on Banking Supervision;

“Business Day” means a day on which registered banks settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Kingdom of Saudi Arabia, New York City and London;

“Calculation Amount” means the amount specified as such in the applicable Pricing Supplement;

“Call Date” has the meaning given to it in Condition 9.1(b);

“Capital Event” in relation to any Series, is deemed to have occurred if the Bank is notified in writing by the Financial Regulator to the effect that the outstanding face amount (or, if some amount of the relevant Certificates outstanding is held by the Bank or has been purchased with funding by the Bank, the amount that qualifies as regulatory capital) of the relevant Certificates 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 Bank (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 Bank’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” in relation to a Certificate means 100 per cent. of its outstanding face amount together with any Outstanding Payments;

“Capital Regulations” means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Kingdom of Saudi Arabia, including those of the Financial Regulator;

“Certificateholder” or **“holder”** has the meaning given to it in Condition 2;

“Common Equity Tier 1 Capital” means capital of the Bank 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, in respect of the calculation of an amount of profit on any Certificate for any period of time (from and including the first day of such period to but excluding the last) (the **“Calculation Period”**):

- (a) if **“Actual/Actual-ICMA”** is specified in the applicable Pricing Supplement:
 - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (b) if **“30/360”** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“Delegation” has the meaning given to it in Condition 16(a);

“Determination Date” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Periodic Distribution Date(s);

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“Directors” means the executive and non-executive directors of the Mudareb who make up its board of directors;

“Dispute” has the meaning given to it in Condition 21(b);

“Dissolution Distribution Amount” means, in respect of a Series, the Trustee 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” means Bank Event and/or a Trustee Event;

“Dissolution Mudaraba Capital” has the meaning given to it in the Master Mudaraba Agreement;

“Dissolution Notice” has the meaning given to it in Condition 12.1;

“Dissolution Request” has the meaning given to it in Condition 12.1;

“Distributable Profits” means the amount of the Bank’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 Bank 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” has the meaning given to it in the Master Trust Deed;

“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 Bank;

“First Call Date” means the date specified as such in the applicable Pricing Supplement;

“First Fallback Reset Rate” means the rate specified as such in the applicable Pricing Supplement;

“First Reset Date” means the date specified as such in the applicable Pricing Supplement;

“General Mudaraba Pool” has the meaning given to it in the Master Mudaraba Agreement;

“H.15” means the daily statistical release designated as such, or any successor or replacement publication, published by the Board of Governors of the United States Federal Reserve System and **“most recent H.15”** means the H.15 published closest in time but prior to the applicable U.S. Securities Determination Date. H.15 may be currently obtained at the following website: <https://www.federalreserve.gov/releases/h15/>;

“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” means the amount specified as such in the applicable Pricing Supplement;

“Initial Periodic Distribution Rate” means the rate specified as such in the applicable Pricing Supplement;

“Issue Date” means the date specified as such in the applicable Pricing Supplement;

“LCIA” means the London Court of International Arbitration;

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

“Margin” means the percentage specified as such in the applicable Pricing Supplement;

“Master Mudaraba Agreement” has the meaning given to it in Condition 5;

“Mid-Swap Maturity” means the maturity specified as such in the applicable Pricing Supplement;

“Mudaraba” has the meaning given to it in Condition 5;

“Mudaraba Agreement” has the meaning given to it in Condition 5;

“Mudaraba Assets” has the meaning given to it in Condition 5;

“Mudaraba Capital” has the meaning given to it in Condition 5;

“Mudaraba End Date” has the meaning given to it 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 that term in the Master Mudaraba Agreement;

“Mudaraba Reserve” has the meaning given to it in the Master Mudaraba Agreement;

“Mudareb” has the meaning given to it in Condition 5;

“Non-Payment Election” has the meaning given to it in Condition 8.2;

“Non-Payment Event” has the meaning given to it in Condition 8.1;

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

- (a) a Write-down of the Certificates of that Series (and write-down of any of the Bank’s other capital instruments or other obligations constituting Tier 1 Capital and/or Tier 2 Capital of the Bank 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 Bank or (ii) on terms that are more favourable to the Bank 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 10 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-Viable” means, in the case of the Bank, (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 Bank;

“Other Common Equity Tier 1 Instruments” means securities issued by the Bank that qualify as Common Equity Tier 1 Capital of the Bank other than Ordinary Shares;

“Outstanding Payments” means, in relation to any amounts payable on redemption of the Certificates 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 Bank which rank, or are expressed to rank, *pari passu* with the Relevant Obligations;

“Periodic Distribution Amount” has the meaning given to it in Condition 7.2;

“Periodic Distribution Date” means the date(s) specified as such in the applicable Pricing Supplement;

“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;

“Potential Dissolution Event” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

“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 7.4;

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

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

“Record Date” has the meaning given to it in Condition 11(a);

“Register” has the meaning given to it in Condition 2;

“Relevant Jurisdiction” has the meaning given to it in Condition 13;

“Relevant Obligations” has the meaning given to it in Condition 4(b);

“Relevant Reset Rate” means, in respect of each Reset Period:

- (a) if the Specified Currency is U.S. dollars (i) a rate per annum (expressed as a decimal) determined on the relevant U.S. Securities Determination Date equal to the yield that represents the average of the daily yields for the week immediately preceding the relevant U.S. Securities Determination Date to maturity for U.S. Treasury securities with the Mid-Swap Maturity and trading in the public securities markets; or (ii) if there is no such published U.S. Treasury security with the Mid-Swap Maturity and trading in the public securities markets, then the rate will be determined on the relevant U.S. Securities Determination Date by interpolation between the most recent yield that represents the average of the daily yields for the week immediately preceding the relevant U.S. Securities Determination Date to maturity for two series of U.S. Treasury securities trading in the public securities market: (A) one maturing as close as possible to, but earlier than, the immediately following Reset Date; and (B) the other maturing as close as possible to, but later than, the immediately following Reset Date, in each case as derived from the most recent H.15. If the Bank cannot procure the determination of the Relevant Reset Rate on the relevant U.S. Securities Determination Date pursuant to the methods described in paragraphs (i) and (ii) above, then the Relevant Reset Rate will be: (i) equal to the rate applicable to the immediately preceding

Reset Period; or (ii) in the case of the Reset Period commencing on the First Reset Date, the First Fallback Reset Rate; and

- (b) if the Specified Currency is any currency other than U.S. dollars, the rate calculated in accordance with the method prescribed by the applicable Pricing Supplement;

“**Reset Date**” has the meaning given to it in the applicable Pricing Supplement;

“**Reset Determination Date**” means, in respect of each Reset Period:

- (a) if the Specified Currency is U.S. dollars, the U.S. Securities Determination Date; and
- (b) if the Specified Currency is any currency other than U.S. dollars, the date specified as such in the applicable Pricing Supplement;

“**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 Arabia**” means the Kingdom of Saudi Arabia;

“**Senior Creditors**” means creditors of the Bank (including payment obligations to the Bank’s depositors (in respect of their due claims) and, for this purpose, holders of any instrument issued by, or other obligation of, the Bank which ranks senior to the claims of the Trustee in respect of the Relevant Obligations) other than creditors in respect of obligations, the claims in relation to which rank or are expressed to rank *pari passu* with, or junior to, the claims of the Trustee in respect of the Relevant Obligations;

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

“**Series**” means a Tranche of Certificates together with any further Tranche or Tranches of Certificates 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 (as defined herein) thereon and the relevant Issue Date;

“**Shari’a Adviser**” means the Shariah Committee of Alinma Bank;

“**Solvency Condition**” has the meaning given to it in Condition 4(c);

“**Solvent**” means that: (a) the Bank is able to pay its debts which are Senior Obligations as they fall due and (b) the Bank Assets exceed Bank Liabilities;

“**Specified Currency**” means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the relevant Series of Certificates is denominated;

“**Specified Denominations**” means the amount(s) specified as such in the applicable Pricing Supplement;

“**Statutory Loss Absorption Regime**” means any statutory regime implemented in the Kingdom of Saudi Arabia which provides the Financial Regulator with the powers to implement loss absorption measures in respect of capital instruments (such as the Certificates), including, but not limited to, any such regime which is implemented pursuant to Basel III and/or, to the extent applicable to the Bank, 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 2020);

“**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 Bank;

“**Substituted Territory**” has the meaning given to it in Condition 12.2;

“**Substituted Trustee**” has the meaning given to it in Condition 12.2;

“**Supplemental Mudaraba Agreement**” has the meaning given to it in the Master Mudaraba Agreement;

“**Taxes**” has the meaning given to it in Condition 13;

“**Tax Event**” means, in relation to a Series, the Bank or the Trustee (as the case may be) would, as a result of a Tax Law Change, in making any payments under the Master Mudaraba Agreement (in the case of the Bank (in its capacity as Mudareb)) on the next due date for a payment of Mudaraba Profit or the Certificates (in the case of the Trustee) on the next due date for payment of a Periodic Distribution Amount (as the case may be) (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 5.11 of the Master Mudaraba Agreement (and such requirement cannot be avoided by the Bank or the Trustee (as the case may be) taking reasonable measures available to it);

“**Tax Event Redemption Amount**” in relation to a Certificate means 100 per cent. of its outstanding face amount together with any Outstanding Payments;

“**Tax Law Change**” means any change in, or amendment to, the laws, published practice or regulations of any Relevant Jurisdiction, 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 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 2 capital in accordance with the Capital Regulations;

“**Tranche**” means Certificates which are identical in all respects (including as to Issue Date, listing and admission to trading);

“**Transaction Account**” has the meaning given to it in Condition 5;

“**Transaction Documents**” means, in relation to each Series:

- (a) the Master Trust Deed;
- (b) each Supplemental Trust Deed;
- (c) the Agency Agreement;
- (d) the Master Mudaraba Agreement; and
- (e) each Supplemental Mudaraba Agreement,

each as may be amended, restated and/or supplemented from time to time;

“**Trust**” means, in respect of a Series, the trust created by the Trustee over the Trust Assets of that Series pursuant to the Trust Deed;

“**Trust Assets**” has the meaning given to it in Condition 5(a);

“**Trustee Administrator**” means Walkers Fiduciary Limited;

“**Trustee Call Amount**” in relation to a Certificate means 100 per cent. of its outstanding face amount together with any Outstanding Payments;

“**Trustee Event**” means, in respect of a Series, any of the following events:

- (a) **Non-Payment:** default is made in the payment of the Dissolution Distribution Amount, or default is made in the payment of any Periodic Distribution Amount, in each case, on the due date for payment thereof and such default continues in the case of any Dissolution Distribution Amount for a period of seven days and, in the case of a Periodic Distribution Amount, for a period of 14 days; or
- (b) **Winding-up:** an administrator is appointed, an order is made by any competent court or the government of the Cayman Islands or an effective resolution is passed for the administration, winding-up, liquidation, dissolution or similar event of the Trustee in accordance with applicable law or the Trustee applies or petitions for a winding-up or an administration order in respect of itself (except, in any such case, a solvent winding-up solely than for the purposes of a reorganisation, reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority); or
- (c) **Analogous Event:** any event occurs that under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraph (b) above.

For the purpose of paragraph (a) above, in relation to such Series, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts calculated as being payable under Condition 7.4) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts including, without limitation, as a result of any failure by the Mudareb to comply with the matters described in Condition 4(d)(vii) (save, in each case, where such insufficient funds arise solely as a result of the occurrence of a Non-Payment Event or a Non-Payment Election in relation to such Series);

“**Trustee’s Territory**” has the meaning given to it in Condition 12.2;

“**U.S.**” means the United States of America;

“**U.S.\$**” or “**U.S. dollars**” means the lawful currency for the time being of the U.S.;

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

“**U.S. Securities Determination Date**” means the second U.S. Government Securities Business Day before the commencement of the Reset Period for which the rate will apply;

“**Winding-Up Proceeding**” means an administrator is appointed, an order is made by any competent court or the government of the Kingdom of Saudi Arabia or an effective resolution is passed for the administration, winding-up, liquidation, dissolution or similar event of the Bank in accordance with applicable law or the Bank applies or petitions for a winding-up or an administration order in respect of itself (except, in any such case, a solvent winding-up solely than 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 Certificateholders' rights under or in respect of the relevant Trust 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 a Write-down in whole) the relevant Certificates shall be cancelled or (in the case of a Write-down in part) Written-down in part on a *pro rata* basis;
- (c) in the case of a Write Down in whole, the relevant Certificateholders' rights under the relevant Mudaraba Assets shall be granted to the Mudareb such that the value of the relevant Mudaraba Assets is zero;
- (d) the Trustee 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
- (e) except as described in paragraph (d) above, all rights of any Certificateholder for payment of any amounts under or in respect of such Series of Certificates (including, without limitation, the Dissolution Distribution Amount and any amounts arising as a result of, or due and payable upon the occurrence of, a Dissolution Event) 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, the outstanding face amount of the Certificates of such Series that the Financial Regulator has determined to be Written-down.

2 Form, Denomination and Title

The Certificates are issued in registered form in the Specified Denominations specified in the applicable Pricing Supplement.

Certificates are represented by registered certificates (“**Registered Certificates**”) and, save as provided in Condition 3(a), each Registered Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Trustee shall procure to be kept by the Registrar outside the United Kingdom in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Registered Certificate representing it or the theft or loss of such Registered Certificate and no person shall be liable for so treating the holder. The holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

In these Conditions, “**Certificateholder**” or “**holder**” means the person in whose name a Certificate is registered.

3 Transfers

(a) Transfer of Certificates

Subject to Condition 3(d), one or more Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Registered Certificate representing such Certificates to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Trustee) duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Registered Certificate, a new Registered Certificate shall be issued to the transferee in respect of the part transferred and a further new Registered Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Registered Certificate representing the enlarged holding shall only be issued against surrender of the Registered Certificate representing the existing holding. All transfers of Certificates and entries on the Register will be made subject to and in accordance with the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate, *provided that* any such change is not materially prejudicial to the interests of the Certificateholders. A copy of the current regulations will be made available by email by the Registrar to any Certificateholder upon request (subject to provision of proof of holding satisfactory to the Registrar), during normal business hours.

(b) Delivery of New Registered Certificates

Each new Registered Certificate to be issued pursuant to Condition 3(a) shall be available for delivery within five business days (or such longer period as may be required to comply with any applicable fiscal or other regulations) of receipt of the form of transfer. Delivery of the new Registered Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery of such form of transfer and surrender of such Registered Certificate shall have been made or, at the option of the holder of Certificates making such delivery and surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder of Certificates entitled to the new Registered Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance or takaful as it may specify. In this Condition 3(b), “**business day**” means a day, other than a Saturday or a Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfers Free of Charge

Transfers of Certificates and Registered Certificates on registration, transfer or exercise of an early dissolution right shall be effected without charge by or on behalf of the Trustee or the Transfer Agents, but upon payment by the transferee of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity and/or security as the Registrar or the relevant Transfer Agent may require).

(d) **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date or any other date on which any payment of the face amount or payment of any premium or profit in respect of a Certificate falls due.

4 Status

(a) **Status**

Each Certificate represents an undivided ownership interest in the Trust Assets and is limited recourse obligation of the Trustee. Each Certificate will constitute unsecured obligations of the Trustee and shall at all times rank *pari passu* without any preference or priority, with all other Certificates. The rights and claims of the Trustee and the Certificateholders against the Bank in respect of the Relevant Obligations are subordinated as described in Condition 4(b).

(b) **Subordination**

- (i) The payment obligations of the Bank under the Master Mudaraba Agreement (including all payments which are the equivalent of principal and profit) (the “**Relevant Obligations**”) will: (a) constitute Additional Tier 1 Capital of the Bank, (b) constitute direct, unsecured, conditional and subordinated obligations of the Bank, 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, (ii) *pari passu* with all other Pari Passu Obligations and (iii) in priority only to all Junior Obligations.
- (ii) The Trustee irrevocably waives its rights to the extent necessary to give effect to the subordination provisions of this Condition 4(b). In order to give effect to such subordination provisions, the Trustee, the Bank and the Certificateholders 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 relevant Mudaraba Reserve) will be applied:
 - (A) first, to the payment in full of each claim in respect of a Senior Obligation (including any amount in respect of such claim accruing after the date of commencement of such Winding-Up Proceeding); and
 - (B) thereafter, to the payment, equally and rateably, of each amount owing in respect of the Relevant Obligations and all Pari Passu Obligations.
- (iii) Neither the Trustee nor any Certificateholder may exercise or claim any right of set-off in respect of any amount owed to it by the Bank arising under or in connection with the Relevant Obligations and the Trustee and, by its holding of any Certificates, each Certificateholder, shall be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

As a consequence of these subordination provisions, if a Winding-Up Proceeding should occur, the Certificateholders 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 Bank.
- (iv) The Trustee 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 12.3.

- (v) The provisions of this Condition 4(b) and Condition 4(c) apply only to the Relevant Obligations and nothing in this Condition 4(b) or Condition 4(c) shall affect or prejudice the payment of the costs, charges, expenses, liabilities, indemnities or remuneration of the Delegate or the rights and remedies of the Delegate in respect thereof and in such capacity the Delegate shall rank as an unsubordinated creditor of the Bank.

(c) **Solvency Condition**

Except upon the occurrence and continuation of any Winding-Up Proceeding and without prejudice to Condition 8, payment of any amount in respect of, or arising from, the Relevant Obligations is conditional upon the Bank (in its capacity as Mudareb or otherwise) being capable of making such payment and still being Solvent at the time of such payment and immediately thereafter (the “**Solvency Condition**”).

(d) **Limited Recourse and Agreement of Certificateholders**

Save as provided in this Condition 4(d), the Certificates do not represent an interest in, or obligation of, any of the Trustee, the Delegate, the Bank, or any of their respective affiliates.

The proceeds of the realisation of, or enforcement with respect to, the Trust Assets are the sole source of payments on the Certificates. Such proceeds may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring any Series of Certificates, acknowledge and agree that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any of their respective shareholders, directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and no recourse shall be had for the payment of any amount due and owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;
- (ii) the Trustee may not sell, transfer, assign or otherwise dispose of the Trust Assets to a third party, and may only realise its rights, title, interests, benefits and entitlements, present and future, in, to and under the Trust Assets in the manner expressly provided in the Transaction Documents;
- (iii) if the proceeds of the relevant Trust Assets are insufficient to make all payments due in respect of any Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate services providers in their capacity as such) (other than the relevant Trust Assets in the manner and to the extent contemplated by the Transaction Documents), or of the Trustee Administrator, the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise and any unsatisfied claims of the Certificateholders shall be extinguished;
- (iv) no Certificateholders will be able to petition for, institute or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Trustee Administrator, the Delegate or any of their respective directors, officers, employees, agents, shareholders or affiliates;

- (v) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with these Conditions or any Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director, employee, agent or corporate services provider of the Trustee or the Delegate (as applicable) in their capacity as such. The obligations of the Trustee, the Trustee Administrator and the Delegate under the Transaction Documents are corporate or limited liability obligations of the Trustee, the Trustee Administrator or the Delegate (as applicable) and no personal liability shall attach to or be incurred by the officers or directors of the Trustee or the Delegate (as applicable) in their capacity as such, save in the case of the relevant party's wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party;
- (vi) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of any sums due under such Certificate. No collateral is or will be given for the payment obligations under the Certificates;
- (vii) the proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of the relevant Series. Payment by the Trustee of any Periodic Distribution Amount or any amount required to redeem the Certificates of a Series is subject to receipt by the Trustee of the amounts expected to be received by it from the Mudareb in accordance with the provisions of the Master Mudaraba Agreement. The Master Mudaraba Agreement provides that there is no guarantee of any return from the Mudaraba Assets and the Bank's obligation to pay amounts thereunder are subject to the more detailed provisions set out therein, and references in these Conditions to "Periodic Distribution Amount", "profit" and "Profit Rate" should be construed accordingly; and
- (viii) the Trustee and the Mudareb have agreed in the Master Mudaraba Agreement that the Mudareb shall not be responsible for any losses to the Mudaraba Capital suffered by the Trustee 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.

Pursuant to the terms of the Transaction Documents, the Obligor is obliged to make certain payments directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate (failing which the Certificateholders pursuant to Condition 12.3(e)) will thereby, subject to Condition 4(b), Condition 4(c) and Condition 12.3, have recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4(d). Such right of the Trustee and the Delegate shall constitute an unsecured claim against the Obligor. None of the Certificateholders, the Trustee or the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

(e) **Other Issues**

So long as any of the Certificates of any Series remain outstanding, the Bank (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 (whether on a solo, or a solo consolidated or on a consolidated basis) issued Additional Tier 1 Capital of the Bank 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 Trustee (on behalf of the Certificateholders) obtains 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 Trust

(a) Trust Assets

Alinma AT1 Sukuk Limited (in its capacity as Trustee and as the “**Rab-al-Maal**”) has entered into a Master Mudaraba Agreement (the “**Master Mudaraba Agreement**”) dated 15 May 2025 with the Bank (in such capacity, the “**Mudareb**”). Pursuant to the Master Mudaraba Agreement, as supplemented by the relevant Supplemental Mudaraba Agreement(s) (together the “**Mudaraba Agreement**”), the Rab-al-Maal will contribute the proceeds of the issue of each Tranche of Certificates to the Mudareb on the relevant Issue Date, which proceeds will form the capital of the Mudaraba (as defined below) of the relevant Series and which may be subject to change after the relevant Issue Date in accordance with Condition 9.2 (the “**Mudaraba Capital**”). The Mudareb will invest the Mudaraba Capital in its fully *Shari’a* compliant financial and investment business activities carried out through the General Mudaraba Pool and following such investment, 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**”).

In relation to each Series and prior to the relevant Issue Date, the Trustee will open a non-interest bearing transaction account in London (the “**Transaction Account**”) in its own name with the Principal Paying Agent, details of which will be set out in the applicable Pricing Supplement. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee and shall be the account into which the Mudareb will pay all amounts due to the Trustee under the Transaction Documents. If the Trustee is substituted in accordance with Condition 12.2, the Substituted Trustee will be required to open a new non-interest bearing transaction account in London in its name with the Principal Paying Agent into which the Mudareb will pay all amounts due to the Trustee under the Transaction Documents from the date of substitution onwards, and references in these Conditions to the “**Transaction Account**” will be construed accordingly.

Pursuant to the terms of the Trust Deed, the Trustee holds the Trust Assets for each Series upon trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder. The term **Trust Assets** in respect of each Series means the following:

- (i) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (ii) any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the assets from time to time constituting the Mudaraba Assets of that Series;

- (iii) any and all of the rights, title, interests, benefits and entitlements, present and future of the Trustee in, to and under the Transaction Documents (other than in relation to any representation given by the Bank (acting in any capacity) to the Trustee pursuant to any of the Transaction Documents and the covenants given to the Trustee by the Bank pursuant to clause 13.1 of the Master Trust Deed); and
- (iv) any and all moneys standing to the credit of the Transaction Account of the relevant Series from time to time,

and all proceeds of the foregoing.

See “Summary of the Principal Transaction Documents” appearing elsewhere in this Base Offering Circular for more information on the Trust Assets and the Transaction Documents.

(b) Priority of Payments

On each Periodic Distribution Date and on any date fixed for payment of the Dissolution Distribution Amount, the Principal Paying Agent shall apply the moneys standing to the credit of the relevant 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):

- (i) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate (including any amounts owing to the Delegate in respect of its Appointees (as defined in the Master Trust Deed)) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Trust Deed, in each case as notified to the Trustee and the Obligor on or before such Periodic Distribution Date or date fixed for payment of the Dissolution Distribution Amount, as the case may be;
- (ii) *second*, only if such payment is made on a Periodic Distribution Date, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (iii) *third*, only if such payment is made on a date fixed for payment of the Dissolution Distribution Amount, in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and
- (iv) *fourth*, after all amounts required to be paid in respect of such Certificates have been discharged in full, in payment of any residual amount to the Obligor.

6 Trustee Covenants

The Trustee has covenanted in the Trust Deed that, *inter alia*, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shari’a* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;
- (b) grant or permit to be outstanding any lien, pledge, charge, mortgage or other security interest upon any of its present or future undertakings, assets, properties or revenues (other than those arising by operation of law (if any) or permitted under or pursuant to any of the Transaction Documents);

- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (d) amend or agree to any amendment of any Transaction Document (other than in accordance with the terms thereof) or its constitutional documents;
- (e) except as provided in the Trust Deed, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of any Series of Certificates for any purpose other than as stated in the Transaction Documents;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Certificates and the Transaction Documents or any permitted amendment or supplement thereto or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
 - (i) as contemplated, provided for or permitted in the Transaction Documents;
 - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iii) such other matters which are incidental thereto.

7 Periodic Distributions

7.1 Distribution of Mudaraba Profit

The Trustee has agreed in the Master Mudaraba Agreement that the Bank shall be entitled (in its capacity as Mudareb or otherwise) to utilise the General Mudaraba Pool to make payments in respect of the claims of Senior Creditors or to cover losses of the General Mudaraba Pool and that such entitlement shall apply at any time before an order has been made, or an effective resolution has been passed, for the winding-up, dissolution or liquidation (or other analogous event) of the Bank (in its capacity as Mudareb or otherwise).

7.2 Periodic Distribution Amounts

Subject to Conditions 4(b), 4(c), 4(d), 7.3, 8, 10 and 11, the Trustee shall distribute to Certificateholders, *pro rata* to their respective holdings, out of amounts transferred into the relevant Transaction Account, a distribution in relation to such Series of Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount.

The “**Periodic Distribution Amount**” payable on each Periodic Distribution Date:

- (a) for the Initial Period, shall be an amount equal to the Initial Periodic Distribution Amount; and

- (b) during each Reset Period (if any), shall be the relevant amount calculated in accordance with the provisions of Condition 7.4.

7.3 Cessation of Accrual

Subject to Conditions 4(b), 4(c), 8 and 10, each Certificate of a Series will cease to be eligible to earn Periodic Distribution Amounts from the due date for redemption, following liquidation of the Mudaraba in accordance with these Conditions and the Master Mudaraba Agreement.

7.4 Periodic Distributions

Subject to Conditions 4(b), 4(c), 7.3, 8, 10 and 11 and, the Certificates bear profit at the applicable Profit Rate from (and including) the relevant Issue Date in accordance with the provisions of this Condition 7.4, such profit being payable in arrear on each Periodic Distribution Date in respect of the Periodic Distribution Period ending on (but excluding) such date. Periodic Distribution Amounts will not be cumulative and any Periodic Distribution Amount which is not paid will not accumulate or compound and Certificateholders will have no right to receive such Periodic Distribution Amount at any time, even if Periodic Distribution Amounts are paid in the future.

If a Periodic Distribution Amount is required to be calculated in respect of a period of less than a full Periodic Distribution Period, it shall be calculated as an amount equal to the product of: (a) the applicable Profit Rate; (b) the face amount of the relevant Certificates then outstanding; and (c) the Day Count Fraction, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(a) Profit Rate

For the Initial Period, the Certificates bear profit at the Initial Periodic Distribution Rate. The Profit Rate for a Series will be reset on each Reset Date in respect of that Series on the basis of the aggregate of the Margin and the Relevant Reset Rate procured by the Bank on the relevant Reset Determination Date, and notified to the Calculation Agent on such Reset Determination Date.

The Calculation Agent will, as soon as practicable upon determination of the Profit Rate which shall apply to the Reset Period commencing on the relevant Reset Date, but in no event later than the second Business Day thereafter, cause the applicable Profit Rate and the corresponding Periodic Distribution Amount to be notified to each of the Paying Agents, the Trustee, the Delegate and the Bank and the Trustee shall cause such Profit Rate and the corresponding Periodic Distribution Amount to be notified to Certificateholders in accordance with Condition 18.

For the avoidance of doubt, the Calculation Agent shall not be responsible to the Trustee, the Bank, the Certificateholders or to any third party (except, in the case of the Trustee only, in the event of wilful default, gross negligence or fraud of the Calculation Agent) as a result of the Calculation Agent having relied upon any quotation, ratio or other information provided to it by any person for the purposes of making any determination hereunder, which subsequently may be found to be incorrect or inaccurate in any way or for any loss or damage in relation thereto, or for failure to comply or delay in complying with any duty or obligation, under or pursuant to the Conditions.

(b) Calculation Agent

In relation to any Series, the Trustee will maintain a Calculation Agent named as such in the applicable Pricing Supplement for the purposes of such Series.

The Trustee may, with the prior written approval of the Delegate (given in accordance with the Trust Deed and these Conditions), from time to time replace the Calculation Agent with another leading investment, merchant or commercial bank or financial institution. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or (without prejudice to Condition 7.4(c)) fails duly to determine the Profit Rate in respect of any Reset Period as provided in Condition 7.4(a), the Trustee shall forthwith appoint another leading investment, merchant or commercial bank or financial institution approved in writing by the Delegate (in accordance with the Trust Deed, the Agency Agreement and these Conditions) to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid.

(c) **Determinations of Calculation Agent, the Bank or Trustee Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7, whether by the Calculation Agent, the Trustee or the Bank (or their respective agents), shall (in the absence of manifest error) be binding on the Trustee, the Bank, the Calculation Agent, the Paying Agents, the Delegate and all Certificateholders and (in the absence of its own wilful default or gross negligence) no liability to the Trustee, the Bank, any Agent, the Delegate and the Certificateholders shall attach to the Calculation Agent or the Trustee (or its agents) in connection with the exercise or non-exercise by them of any of their powers, duties and discretions.

8 Periodic Distribution Restrictions

8.1 Non-Payment Event

Notwithstanding Condition 7.4, if any of the following events occur in respect of a Series (each, a “**Non-Payment Event**”), the Bank (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 Trustee shall not pay the relevant Periodic Distribution Amounts on the corresponding Periodic Distribution Date:

- (a) the amount equal to the then applicable Periodic Distribution Amount in respect of the relevant Series to be paid by the Bank out of the relevant Rab-al-Maal Mudaraba Profit or 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 Bank (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 the Relevant Rab-al-Maal Mudaraba Profit Amount, the Distributable Profits; or
- (b) the Bank (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 (or payment of the Relevant Rab-al-Maal Mudaraba Profit Amount would cause a breach of) the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any applicable capital buffers imposed on the Bank by the Financial Regulator); or
- (c) the Financial Regulator requires (i) the Bank not to pay the Relevant Rab-al-Maal Mudaraba Profit Amount to the Trustee (in its capacity as Rab-al-Maal) on that Mudaraba Profit Distribution Date or Mudaraba End Date (as the case may be) or (ii) the Trustee (in its capacity as Rab-al-Maal) not to pay the relevant Periodic Distribution Amount on that Periodic Distribution Date, in

each case, on account of the Bank making a net loss during the relevant financial period or for any other reason as it may deem necessary; or

- (d) the Solvency Condition is not satisfied in respect of the payment of the Relevant Rab-al-Maal Mudaraba Profit Amount.

8.2 Non-Payment Election

In respect of a Series, notwithstanding Condition 7.4, the Bank may in its sole discretion elect that Rab-al-Maal Mudaraba Profit (in whole or in part) will not be paid to the Trustee (in its capacity as Rab-al-Maal) on any Mudaraba Profit Distribution Date, and the Bank shall, in each case, instruct the Trustee not to make payment of a Periodic Distribution Amount (in whole or in part) to Certificateholders on such Periodic Distribution Date, provided that the foregoing in this Condition 8.2 shall not apply in respect of Rab-al-Maal Final Mudaraba Profit payable on any Mudaraba End Date (any such election in respect of a Series being a “**Non-Payment Election**”). The Bank may not, however, make a Non-Payment Election once the Trustee has given notice to Certificateholders that such Series of Certificates will be redeemed in whole in accordance with Condition 9.1.

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

In respect of each Series, if the Bank makes a Non-Payment Election or a Non-Payment Event occurs, then the Bank 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 Trustee in accordance with the Master Mudaraba Agreement, the Principal Paying Agent in accordance with the Agency Agreement, the Delegate in accordance with the Trust Deed and the Certificateholders in accordance with Condition 18 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. 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 8.3, 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 a Non-Payment Event, as the case may be. In respect of each Series, Certificateholders 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 8.3) 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 a Dissolution Event with respect to such Series. The Bank 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 Trustee shall not have any obligation to make any subsequent payment in respect of any such Periodic Distribution Amounts (or any part thereof, as applicable).

8.4 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 8.1 or 8.2 (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 not, so long as any Certificates 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 Bank 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 Bank 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 (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 Trustee in accordance with the Master Mudaraba Agreement) with respect to such Series.

9 Redemption, Purchase and Cancellation

9.1 Redemption

(a) No Fixed Redemption Date and Conditions for Redemption

The Certificates are perpetual securities in respect of which there is no fixed redemption date and the Trustee shall (subject to the provisions of Condition 4(b), Condition 10 and Condition 12.3 and without prejudice to the provisions of Condition 14) only have the right to redeem the Certificates in accordance with the following provisions of this Condition 9.1.

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

- (i) (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so require(s)) the Bank 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 require(s)) at the time when the relevant notice of redemption is given, the Bank being in compliance with the Applicable Regulatory Capital Requirements;
- (iii) (except to the extent that the Financial Regulator and/or the Capital Regulations no longer so require(s)) immediately following such redemption, the Bank being in compliance with the Applicable Regulatory Capital Requirements;

- (iv) the Solvency Condition in respect of the payment of the applicable Relevant Obligations being satisfied; and
- (v) (in the case of a redemption pursuant to Condition 9.1(c) or 9.1(d) only) the Tax Law Change or Capital Event, as the case may be, having become, or becoming, effective on or after the Issue Date of the first Tranche of the relevant Series.

(b) Trustee's Call Option

Subject to Condition 9.1(a) and Condition 9.1(e), the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, by giving not less than 15 nor more than 30 days' prior notice to the Certificateholders in accordance with Condition 18 and to the Delegate in accordance with the Trust Deed (which notice shall specify the date fixed for redemption and shall, subject to Condition 9.1(e), be irrevocable), redeem all, but not some only, of the Certificates of any Series at the Trustee Call Amount.

Redemption of any Series of Certificates pursuant to this Condition 9.1(b) may only occur on any of the following dates (each, a **"Call Date"**):

- (i) if 'Par Call Period' is specified as applicable in the Pricing Supplement, any date during the period commencing from (and including) the First Call Date to and including the First Reset Date or any Periodic Distribution Date thereafter; or
- (ii) if 'Par Call Period' is specified as being not applicable in the Pricing Supplement, the First Call Date or any Periodic Distribution Date thereafter.

Prior to the publication of any notice of redemption pursuant to this Condition 9.1(b), the Bank shall give to the Trustee and the Delegate a certificate signed by two Authorised Signatories stating that all conditions precedent to the redemption of the relevant Series of Certificates pursuant to this Condition 9.1(b) (other than the notice to Certificateholders described in this Condition 9.1(b)) have been satisfied (upon which the Delegate may rely without further enquiry and without liability to any person), and the Delegate shall accept the certificate without any further enquiry and without liability to any person as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Certificateholders.

(c) Redemption due to Taxation

- (i) Subject to Condition 9.1(a), this Condition 9.1(c) and Condition 9.1(e), if a Tax Event occurs, the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, by giving not less than 15 nor more than 30 days' prior notice to the Certificateholders in accordance with Condition 18 and to the Delegate in accordance with the Trust Deed, (which notice shall specify the date fixed for redemption and the applicable Record Date, and shall, subject to Condition 9.1(e), be irrevocable), redeem all, but not some only, of the relevant Series of Certificates in respect of which the Tax Event has occurred at the Tax Event Redemption Amount. No such notice shall be given earlier than 90 days prior to the earliest date on which the Trustee or the Bank would be obliged to pay any Additional Amounts and/or Taxes under, or in connection with, clause 5.11 of the Master Mudaraba Agreement. If the Bank does not instruct the Trustee to so redeem in accordance with this Condition 9.1(c)(i) in respect of such Tax Event then the Certificates of such Series shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Trustee shall otherwise (subject to the provisions of Condition 4(b), Condition 10 and Condition 12.3 and without prejudice to

the provisions of Condition 14) redeem any Certificates in accordance with the provisions of this Condition 9.1.

- (ii) Redemption of any Series of Certificates pursuant to this Condition 9.1(c) may occur on any date on or after the relevant 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), the Bank shall give to the Trustee and the Delegate (i) a copy of the opinion of an independent tax or legal adviser of recognised standing to the effect that a Tax Event has occurred (upon which the Delegate may rely without any further enquiry and without liability to any person) and (ii) a certificate signed by two Authorised Signatories (upon which the Delegate may rely without any further enquiry and without liability to any person) stating that (A) the conditions set out in Condition 9.1(a) have been satisfied; and (B) a Tax Event has occurred. 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)(iii) and the Delegate shall accept and rely on such certificate and opinion without any further enquiry as sufficient evidence of the satisfaction of such conditions precedent and without liability to any person. Upon expiry of such notice, the Trustee shall redeem the Certificates.

(d) Redemption for Capital Event

- (i) Subject to Condition 9.1(a), this Condition 9.1(d) and Condition 9.1(e), if a Capital Event occurs and is continuing, the Bank may (acting in its sole discretion) instruct the Trustee to, whereupon the Trustee shall, by giving not less than 15 nor more than 30 days' prior notice to the Certificateholders in accordance with Condition 18 and to the Delegate in accordance with the Trust Deed, (which notice shall specify the date fixed for redemption and the applicable Record Date and shall, subject to Condition 9.1(e), be irrevocable), redeem all, but not some only, of the relevant Series of Certificates in respect of which the Capital Event has occurred at the Capital Event Redemption Amount. If the Bank does not instruct the Trustee to so redeem in accordance with this Condition 9.1(d)(i) in respect of such Capital Event then the Certificates of such Series shall continue to be perpetual securities in respect of which there is no fixed redemption date unless the Trustee shall otherwise (subject to the provisions of Condition 4(b), Condition 10 and Condition 12.3 and without prejudice to the provisions of Condition 14) redeem the Certificates in accordance with the provisions of this Condition 9.1.
- (ii) Redemption of any Series of Certificates pursuant to this Condition 9.1(d) may occur on any date on or after the relevant 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), the Bank shall give to the Trustee and the Delegate a certificate signed by two Authorised Signatories (upon which the Delegate shall rely without any further enquiry and without liability to any person) stating that (A) the conditions set out in Condition 9.1(a) have been satisfied; and (B) a Capital Event has occurred and is continuing as at the date of the certificate. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above in this Condition 9.1(d)(iii) and the Delegate shall accept and rely on such certificate without any further enquiry as sufficient evidence of the satisfaction of such conditions precedent and without liability to any person. Upon expiry of such notice the Trustee shall redeem the Certificates.

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

If the Bank has instructed the Trustee to redeem any Series of Certificates and prior to the redemption of the Certificates a Non-Viability Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect and the Trustee shall (upon receiving written notice of the Non-Viability Event) give notice thereof to the Certificateholders (in accordance with Condition 18), the Delegate, the Principal Paying Agent and the Registrar as soon as practicable. 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 Bank (A) obtaining the prior approval of the Financial Regulator (except to the extent that the Capital Regulations and/or the Financial Regulator no longer so require(s)), (B) being in compliance with the Applicable Regulatory Capital Requirements and (C) being capable of making payment with respect to such purchase and still being Solvent at the time of and immediately following such purchase, the Bank or any of its Subsidiaries, may purchase any Certificates of any Series in any manner and at any price. Upon any such purchase, the Bank shall deliver such Certificates to the Registrar for cancellation and, upon such cancellation, the Mudaraba Capital of the relevant Series shall be reduced by the face amount of the relevant Certificates so cancelled.

9.3 Cancellation

All Certificates that are redeemed, and all Certificates that are purchased pursuant to Condition 9.2 and which the Bank delivers for cancellation in accordance with Condition 9.2, 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 of this Condition 10

The provisions of this Condition 10 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 Certificates (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 Bank shall give notice of such occurrence to the Trustee and the Delegate in accordance with the Trust Deed and to the Certificateholders in accordance with Condition 18. If the Bank becomes Non-Viable on or after the Effective Date, the Financial Regulator (or the Bank on instructions from the Financial Regulator) may take such action in respect of the Certificates 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) will take place in accordance with Condition 10.3.

10.3 Non-Viability Notice

- (a) In respect of each Series, on the third Business Day following the date on which a Non-Viability Event occurs (or on such earlier date as determined by the Financial Regulator), (i) the Bank will notify the Trustee thereof in accordance with the Master Mudaraba Agreement and (ii) the Trustee will then notify the Delegate and the Certificateholders and the Principal Paying Agent thereof in

accordance with the Transaction Documents and Condition 18, as the case may be (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 Bank;
 - (iv) specify, in the case of a full Write-down, that the Bank has received written confirmation from the Financial Regulator that the Financial Regulator has determined the aggregate face amount of the Certificates of the relevant Series then outstanding to be zero; and
 - (v) specify the Non-Viability Event Write-down Date.
- (c) A Write-down will occur on the Non-Viability Event Write-down Date.
- (d) In relation to any Series, in the case of a Write-down in full only, the Mudaraba Agreement will be automatically terminated (with respect to such Series only) with effect from the relevant Non-Viability Event Write-down Date and none of the Trustee, the Certificateholders nor the Delegate shall be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series.
- (e) In relation to any Series, in the case of a Write-down in part only, the Mudaraba Capital of that Series shall be reduced in proportion to the face amount of the Certificates of that Series that are to be Written-down and none of the Trustee, the Certificateholders nor the Delegate 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 Delegate and Agents

Neither the Delegate nor the Agents 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 Certificates or termination of the Mudaraba Agreement (in relation to any Series) or any claims in respect thereof, and neither the Delegate nor any Agent shall be responsible for any calculation, determination or the verification of any calculation or determination in connection with the foregoing.

11 Payments

(a) Method of Payment

Payments of Dissolution Distribution Amounts shall be made against presentation and surrender of the relevant Registered Certificate at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts in respect of each Certificate shall be made to the person shown on the Register (or, in the case of a Certificate held by two or more persons, to the person whose name appears first in the Register) at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”).

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount in respect of each Certificate shall be made in the Specified Currency by wire transfer in same day funds to the registered account (as defined below).

In these Conditions, a “**registered account**” means an account denominated in the Specified Currency maintained by or on behalf of the payee with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

If the amount being paid upon surrender of the relevant Registered Certificate is less than the Dissolution Distribution Amount of such Registered Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Trustee or a Certificateholder) issue a new Registered Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the Periodic Distribution Amount being paid is less than the amount then due, the Registrar will annotate the Register with the amount so paid.

(b) Payments Subject to Laws

Payments are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) Appointment of Agents

The Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents initially appointed by the Trustee and the Obligor and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Trustee and the Obligor and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee reserves the right at any time with the prior written approval of the Delegate to terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Transfer Agents or Calculation Agent(s), *provided that* the Trustee shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) a Paying Agent having a specified office in at least one major European city and (vi) such other agents as may be required by any stock exchange on which the Certificates may be listed and/or admitted to trading, in each case as approved by the Delegate.

Notice of any such change or any change of any specified office shall promptly be given by the Trustee to the Certificateholders.

(d) Payment only on a Payment Business Day

If any date for payment in respect of any Certificate is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day, nor to any profit or other sum in respect of such postponed payment. In this Condition 11(d), “**Payment Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the applicable Pricing Supplement and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such Specified Currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or

For the purpose of this Condition 11:

- (A) “**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in euro;
- (B) “**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system;
- (C) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11 by the Calculation Agent, will (in the absence of manifest error) be binding on the Trustee, the Obligor, the Agents and all Certificateholders.

12 Dissolution Events and Winding-up

The Trust Deed contains provisions entitling the Delegate to claim from the Trustee and the Bank, *inter alia*, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

12.1 Bank Events

If, in relation to a Series, a Bank Event occurs, the Delegate (provided it shall have been given notice in writing thereof by the Trustee or the Bank or otherwise upon the Delegate having received written notification of the Bank Event, and subject to it being indemnified and/or secured and/or prefunded to its satisfaction) shall promptly give notice of the occurrence of such Bank Event to the Certificateholders of that Series in accordance with Condition 18 with a request to such Certificateholders to indicate to the Trustee and the Delegate in writing if they wish the Certificates to be redeemed in whole and the Trust to be dissolved (a “**Dissolution Request**”). The Delegate may and, if so requested in writing by the Certificateholders of at least one-fifth of the aggregate face amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of Certificateholders, shall (but in each case subject to Condition 12.3(e)(i)), give notice (a “**Dissolution Notice**”) to the Trustee that the Certificates are immediately due and payable at the aggregate face amount of the relevant Series of Certificates then outstanding together with any Outstanding Payments, whereupon the aggregate face amount of the relevant Series of Certificates then outstanding together with any Outstanding Payments shall become immediately due and payable without presentation, demand, protest or other notice of any kind, provided, however, that the Trustee or the Delegate may only take any such steps, actions or proceedings as described in Condition 12.3(a), 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 Certificateholders.

12.2 Trustee Events

- (a) The Bank has undertaken in the Trust Deed that, as soon as practicable following the occurrence of a Trustee Event with respect to a Series, it will procure, without the consent of the Certificateholders (notwithstanding any provisions to the contrary in schedule 3 to the Master Trust Deed), subject to the consent of the Financial Regulator, the substitution of any newly formed special purpose company in form substantially the same as that of the Trustee, in place of the Trustee (the “**Substituted Trustee**”), or of any previous substituted company, as trustee and issuer under the Trust Deed and the Certificates, provided that:
 - (i) a deed is executed or undertaking given by the Substituted Trustee to the Delegate, in form and manner satisfactory to the Delegate (acting in accordance with the Trust Deed and these Conditions), agreeing to be bound by the Trust Deed, the relevant Series of

Certificates and the Transaction Documents (with any consequential amendments as the Delegate may deem appropriate) as if the Substituted Trustee had been named in the Trust Deed, the Certificates and the other Transaction Documents as trustee and issuer in place of the Trustee;

- (ii) if the Substituted Trustee is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the “**Substituted Territory**”) other than the territory of the taxing jurisdiction to which (or to any such authority of or in which) the Trustee is subject generally (the “**Trustee’s Territory**”), the Substituted Trustee shall give to the Delegate an undertaking satisfactory to the Delegate in terms corresponding to Condition 13 with the substitution for or the addition to the references in that Condition to the Trustee’s Territory of references to the Substituted Territory or any political subdivision or authority thereof or therein having the power to tax whereupon the Trust Deed and the Certificates shall be read accordingly (and the Bank shall also be required to give to the Delegate an undertaking satisfactory to the Delegate in terms corresponding to the last paragraph of Condition 13, extending its obligations thereunder to the Substituted Territory);
 - (iii) two directors of the Substituted Trustee certify that it will be solvent immediately after such substitution (the Delegate need not have regard to the Substituted Trustee’s financial condition, profits or prospects or compare them with those of the Trustee); and
 - (iv) the Trustee, the Substituted Trustee and the Bank comply with such other requirements as the Delegate may direct in the interests of the Certificateholders; and
 - (v) if the Trustee is substituted in accordance with this Condition 12.2, the Substituted Trustee will open a new non-interest bearing transaction account in London in its name with the Principal Paying Agent into which the Bank will pay all amounts due to the Trustee under the Transaction Documents from the date of substitution onwards, and references in the Transaction Documents to the **Transaction Account** will be construed accordingly.
- (b) Subject to this Condition 12.2, the Delegate may agree to the substitution of the Substituted Trustee without obtaining the consent or approval of the Certificateholders (it being acknowledged that each Certificateholder has by virtue of the last paragraph of the preamble to these Conditions authorised each Substituted Trustee to act as Rab-al-Maal pursuant to the Mudaraba Agreement on its behalf). The Bank shall give to the Delegate a certificate signed by two Authorised Signatories stating that the conditions set out in Condition 12.2(a) have been satisfied. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions set out in Condition 12.2(a) and the Delegate shall accept and rely on such certificate without any further enquiry as sufficient evidence of the satisfaction of such conditions and without liability to any person.
- (c) The Substituted Trustee shall deliver or procure to be delivered to the Delegate one or more legal opinions in a form approved by the Delegate confirming that: (i) it has obtained all necessary governmental and regulatory approvals and consents necessary for its assumption of the duties and liabilities as Substituted Trustee; (ii) such approvals and consents are at the time of substitution in full force and effect; and (iii) any documents to which the Substituted Trustee is a party in accordance with this Condition 12.2 constitute legal, valid and binding obligations of the Substituted Trustee, and the Delegate shall be entitled to rely on such legal opinions without liability to any person.

- (d) If the Bank fails to comply with the foregoing provisions of this Condition 12.2 within 60 days of the occurrence of the relevant Trustee Event, Conditions 12.1 and 12.3 shall apply to the relevant Trustee Event as if it was a Bank Event.

12.3 Winding-up, dissolution or liquidation

(a) Proceedings for Winding-up

If, in relation to a Series, a Bank Event occurs and a Dissolution Notice is delivered pursuant to Condition 12.1, the Mudaraba of that Series will be liquidated in accordance with the provisions of the Master Mudaraba Agreement, and either the Trustee or the Delegate may at its discretion, and the Delegate shall, in each case subject to Condition 12.3(e)(i), if it shall have been so requested by an Extraordinary Resolution of the Certificateholders or so requested in writing by the Certificateholders holding at least one-fifth of the aggregate face amount of the Certificates then outstanding (i) institute any steps, actions or proceedings for the winding-up of the Bank and/or (ii) prove in the winding-up of the Bank and/or (iii) institute any steps, actions or proceedings for the bankruptcy of the Bank and/or (iv) claim in the liquidation of the Bank and/or (v) take such other steps, actions or proceedings which, under the laws of the Kingdom of Saudi Arabia, have an analogous effect to the actions referred to in paragraphs (i) to (iv) above, in each case, for (subject as set out below) 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 the Trustee on termination of the Mudaraba Agreement (with respect to such Series) in accordance with its terms and the terms of the other Transaction Documents, provided, however, that the Trustee or the Delegate may only take any such steps, actions or proceedings as described in this Condition 12.3(a), but may take no further or other steps, actions or proceedings to enforce, prove or claim for any payment and provided further that neither the Trustee nor the Delegate may take any steps, actions or proceedings against the Bank with respect to any sum that the Bank has paid into the Transaction Account of such Series in accordance with the Transaction Documents in circumstances where the Trustee has failed to pay that amount to Certificateholders in accordance with these Conditions. No payment in respect of the Transaction Documents may be made by the Bank as a result of any steps, actions or proceedings taken pursuant to Condition 12.1, nor will the Trustee or the Delegate accept the same, otherwise than during or after a winding-up (or analogous event) of the Bank, unless the Bank has given prior written notice (with a copy to the Trustee and the Delegate) to, and received no objection from, the Financial Regulator (which the Bank shall confirm in writing to the Trustee and the Delegate).

(b) Enforcement

Without prejudice to Condition 12.1 and the remaining provisions of this Condition 12.3, the Trustee (or the Delegate) may at its discretion and the Delegate shall, in each case subject to Condition 12.3(e)(i), if it shall have been so requested by an Extraordinary Resolution of the Certificateholders or so requested in writing by the Certificateholders holding at least one-fifth of the aggregate face amount of the Certificates then outstanding of the relevant Series and without further notice institute such steps, actions or proceedings against the Bank and/or the Trustee, as it may think fit to enforce any term or condition binding on the Bank or the Trustee (as the case may be) under the Certificates and the Transaction Documents (other than any payment obligation of the Bank under or arising from the Transaction Documents, including, without limitation, payment of any principal or premium or satisfaction of any payments in respect of the Transaction Documents, including any damages awarded for breach of any obligations), including, without limitation, any failure by the Bank to procure the substitution of

the Trustee in the circumstances described in Condition 12.2. However, in no event shall the Bank, 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 12.3, however, shall prevent the Trustee (or the Delegate) from taking such steps, actions or proceedings as described in Condition 12.3(a) in respect of any payment obligations of the Bank 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 Delegate and/or the Certificateholders against the Trustee under the Certificates and all claims by the Trustee (or the Delegate) against the Bank under the Transaction Documents (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Trustee and/or the Bank under the Certificates or the Transaction Documents, as the case may be) shall be subject to, and shall be superseded by the provisions of Condition 10, 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 Delegate or the rights and remedies of the Delegate in respect thereof, all of which shall accordingly remain unsubordinated.

(d) Extent of Certificateholder remedy

No remedy against the Bank, other than as referred to in this Condition 12, shall be available to the Delegate, the Trustee or the Certificateholders, whether for the recovery of amounts owing in respect of the Transaction Documents or in respect of any breach by the Bank of any of its other obligations under or in respect of the Transaction Documents.

(e) Realisation of Trust Assets

- (i) Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action or step or institute any proceedings to enforce or to realise the relevant Trust Assets or take any action or step or institute any proceedings against the Bank or (in the case of the Delegate) against the Trustee to enforce the terms of any Series of Certificates or the Transaction Documents or give a Dissolution Notice (including, without limitation, pursuant to this Condition 12), unless, in either case, (a) it shall have been so requested by an Extraordinary Resolution of the Certificateholders or in writing by Certificateholders holding at least one-fifth of the aggregate face amount of the relevant Series of Certificates then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.
- (ii) No Certificateholder shall be entitled to proceed directly against the Trustee or the Bank or to take the actions, steps or proceedings referred to in Conditions 12.3(a) and 12.3(b) above, unless the Trustee or the Delegate (as the case may be), having become so bound to proceed, (i) fails to do so within a reasonable period or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, and in each case such failure or inability is continuing.
- (iii) Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the

Certificateholders against the Trustee and the Bank shall be to enforce their respective obligations under the relevant Series of Certificates and the Transaction Documents.

- (iv) The foregoing paragraphs in this Condition 12.3(e) are subject to this paragraph. After enforcing or realising the Trust Assets in respect of the Certificates of the relevant Series and distributing the net proceeds thereof in accordance with Condition 5(b), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums from the Trustee remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.
- (v) Proof that, as regards any specified Certificate of a Series, the Trustee has defaulted in paying any amount due in respect of such Certificate shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Certificates of such Series in respect of which the relevant amount is due and payable.

13 Taxation

All payments in respect of the Certificates shall be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges or withholdings of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction, unless such withholding, retention or deduction is required by law (“**Taxes**”). In that event, the Trustee shall pay such additional amounts (the “**Additional Amounts**”) as shall result in receipt by the Certificateholders (after such withholding, retention or deduction) of such net amounts as would have been receivable by them had no such withholding, retention or deduction been required, except that no such Additional Amounts shall be payable in respect of any Certificate:

- (a) **Other connection:** held by or on behalf of, a holder who is liable to such taxes, levies, imposts, duties, fees, assessments or governmental charges in respect of such Certificate by reason of such holder having some connection with a Relevant Jurisdiction other than the mere holding of any Certificate; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Registered Certificate representing it is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting or surrendering such Registered Certificate for payment on the last day of such period of 30 days assuming that day to have been a Payment Business Day (in accordance with Condition 11(d)).

As used in these Conditions:

“**Relevant Date**” means, in respect of any Certificate, the date on which payment in respect of it first becomes due or (if the full amount of the money payable has not been duly paid on or prior to such due date) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders in accordance with Condition 18 that, upon further presentation of the Registered Certificate representing such Certificate being made in accordance with these Conditions, such payment will be made, *provided that* payment in full is in fact made upon such presentation; and

“**Relevant Jurisdiction**” means the Cayman Islands or Saudi Arabia or in each case any political subdivision or any authority or agency thereof or therein having power to tax.

References in these Conditions to “**Periodic Distribution Amounts**” and the “**Dissolution Distribution Amount**” shall be deemed to include any Additional Amounts that may be payable under this Condition 13 or any similar undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision in these Conditions, the Trustee 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 Trustee, the Delegate or any Agent will have any obligation to pay Additional Amounts or otherwise indemnify a Certificateholder for any FATCA withholding deducted or withheld by the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

The Master Mudaraba Agreement provides that payments thereunder by the Obligor to the Trustee shall be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future Taxes, unless such withholding, retention or deduction is required by law. In such event, and/or if Additional Amounts are payable by the Trustee in respect of the Certificates of any Series in accordance with this Condition 13, the Master Mudaraba Agreement provides for the payment by the Obligor of such Taxes and/or Additional Amounts by payment to the Transaction Account of the relevant Series in the Specified Currency by wire transfer for same day value so that the net amounts received by the Certificateholders shall equal the respective amounts that would have been received in the absence of such withholding, retention or deduction and in the absence of the withholding, retention or deduction to which this Condition 13 applies.

Further, in accordance with the terms of the Trust Deed, the Obligor has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay Additional Amounts pursuant to this Condition 13, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any such withholding, retention or deduction) equals any and all Additional Amounts, required to be paid by it in respect of the Certificates pursuant to this Condition 13.

14 Prescription

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount), or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

15 Meetings of Certificateholders, Modifications, Waivers, Authorisations and Determinations

(a) Meetings of Certificateholders

The Trust Deed contains provisions for convening meetings (including by way of telephony or electronic platform or facility) of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification or abrogation of any of these Conditions or any provisions of the Trust Deed or any other Transaction Document. Such a meeting may be convened by the Trustee, the Obligor or the Delegate at any time, or shall be convened by the Trustee (or subject to it being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses, the Delegate) upon a direction by Certificateholders holding not less than 10 per cent. in aggregate face amount of the Certificates for the time being outstanding. The quorum for any meeting convened to

consider an Extraordinary Resolution shall be one or more persons holding or representing in the aggregate more than 50 per cent. in face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the face amount of the Certificates held or represented, unless the business of such meeting includes consideration of proposals which would have the effect of *inter alia*: (i) modifying any date for payment in respect of the Certificates (including any Call Date), (ii) amending Condition 4, (iii) reducing or cancelling or varying the method for calculating the face amount of, or any amount or premium payable or due in respect of, the Certificates, (iv) reducing the rate or rates of profit in respect of the Certificates or varying the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any profit amount in respect of the Certificates, (v) varying the currency of payment or denomination of the Certificates, (vi) modifying the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution, (vii) modifying or cancelling the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Transaction Documents and/or the Certificates (as the case may be), (viii) amending any of the Obligor's or the Trustee's covenants included in the Transaction Documents, (ix) amending the priority of payments as described in Condition 5(b), or (x) amending the above list, in which case the necessary quorum shall be one or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Certificateholders (whether or not they were present and whether or not they voted at the meeting at which such resolution was passed). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than 75 per cent. of the votes cast on a show of hands, or, if a poll is duly demanded, not less than 75 per cent. on such poll.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more Certificateholders. Such a resolution in writing will be binding on all Certificateholders whether or not they participated in such resolution.

This Condition 15 is without prejudice to Condition 9.1(c) and Condition 9.1(d).

For so long as the Certificates are represented by a Global Certificate, an Extraordinary Resolution may also be passed by Certificateholders giving electronic consent, provided that consent to such resolution is given through the relevant clearing system(s) (in a form satisfactory to the Delegate) by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates. See "Summary of Provisions Relating to the Certificates While in Global Form".

(b) Waivers, authorisations, determinations and modifications of the Trust Deed or any other Transaction Document

- (i) The Delegate may agree, without the consent or sanction of Certificateholders, to any modification of the Trust Deed (including these Conditions) or any of the other Transaction Documents if, in the opinion of the Delegate, such modification is:
 - (A) of a formal, minor or technical nature; or
 - (B) made to correct a manifest error; or

- (C) not materially prejudicial to the interests of the outstanding Certificateholders, other than in respect of a matter which requires a special quorum resolution (as defined in schedule 3 to the Master Trust Deed).

Any such modification may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall be notified by the Trustee to Certificateholders in accordance with Condition 18 as soon as practicable thereafter.

- (ii) The Delegate may, without the consent or sanction of the Certificateholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time if, in the opinion of the Delegate, such consent, waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Certificateholders: (i) give its consent under the Trust Deed or any other Transaction Document and agree to any waiver or authorisation of any breach or proposed breach of any provision of the Trust Deed or any other Transaction Document; or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, *provided that* such consent, waiver, authorisation or determination is not in contravention of an express direction given by an Extraordinary Resolution or request in writing by the holders of at least one-fifth of the aggregate face amount of the Certificates of that Series then outstanding. No such direction or request will affect a previous consent, waiver, authorisation or determination. Any such consent, waiver, authorisation or determination shall be binding on the Certificateholders and shall be notified by the Trustee to the Certificateholders in accordance with Condition 18 as soon as practicable thereafter.

(c) **Entitlement of the Delegate**

In connection with the exercise by it of any of its powers, authorities and discretions (including, without limitation, those referred to in this Condition 15), the Delegate shall have regard to the general interests of the Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate, the Obligor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders except in the case of the Trustee and the Obligor, to the extent already provided for in Condition 13.

16 Delegate

(a) **Delegation of Powers**

The Trustee will in the Trust Deed irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf as its act and deed, to execute, deliver and perfect all documents, and to exercise all the present and future powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Trust Deed, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, exercise all of the powers, rights, authorities and discretions of the Trustee under the Transaction Documents and

make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Trust Deed (together, the “**Delegation**” of the “**Relevant Powers**”), *provided that*: (i) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation; (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust or managing the relevant Trust Assets; and (iii) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Trust Deed, the Delegate also has certain powers, rights, authorities and discretions which are vested solely in it from the date of the Trust Deed.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee’s continuing role and obligations as sole trustee.

(b) **Indemnification**

The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving the Delegate from taking any action, step or proceeding unless indemnified and/or secured and/or pre-funded to its satisfaction.

(c) **No Liability**

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Transaction Documents to which each of the Obligor and the Trustee is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been made by the Obligor or the Trustee but are not so made and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.

(d) **Reliance on Certificates, Reports and/or Information**

The Delegate and the Trustee may consult with and/or rely and act on the opinion or advice of or a certificate, report or any information (whether or not addressed to the Delegate or the Trustee) obtained from any professional adviser, lawyer, valuer, banker, broker, accountant (including auditors), surveyor, auctioneer, tax adviser, rating agency, insolvency official or other expert appointed by the Trustee, the Obligor, the Delegate or an Agent or otherwise and shall not be responsible for any liability occasioned by so acting or relying (or refraining from so acting or relying) notwithstanding that such advice, opinion or information may contain a cap or other limitation (monetary or otherwise) on the liability of any party and notwithstanding that the scope and/or basis of such advice, opinion, certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate or the Trustee shall not in any case be required to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

(e) **Proper Performance of Duties**

Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Trust Deed conferring on it any trusts, powers, authorities or discretions) or as delegate, in the case of the

Delegate (having regard to the powers, rights, authorities and discretions conferred on it by the Trust Deed), respectively exempt the Trustee or the Delegate from or indemnify either of them against any liability which by virtue of any rule of law would otherwise attach to either of them in respect of any gross negligence, wilful default or fraud of which either of them may be guilty in relation to their own duties under the Trust Deed. Notwithstanding anything to the contrary in the Trust Deed or any other Transaction Document, the Delegate shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Deed or any other Transaction Document save in the case of the Delegate's gross negligence, wilful default or fraud having regard to the provisions of the Trust Deed and the other Transaction Documents conferring on it any trusts, powers, authorities or discretions.

(f) Notice of Events

Neither the Delegate nor the Trustee shall be bound to take any steps to ascertain whether any Non-Viability Event, Dissolution Event or Potential Dissolution Event, Non-Payment Event, Non-Payment Election, Tax Event or Capital Event has happened and, until it shall have received express written notice to the contrary, it will be entitled to assume that no such event has happened (without any liability to Certificateholders or any other person for so doing).

(g) Delegate Contracting with the Trustee and the Obligor

The Trust Deed contains provisions pursuant to which the directors or officers of a corporation acting as the Delegate may acquire, hold or dispose of any Certificates or other security (or any interest therein) of the Trustee or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depository or agent for, any committee or body of holders of any securities of any such person, in each such case with the same rights as they would have had if the Delegate were not acting as Delegate and need not account for any profit made thereby or in connection therewith.

17 Replacement of Registered Certificates

If a Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Trustee may reasonably require (*provided that* such requirement is reasonable in light of prevailing market practice). Mutilated or defaced Registered Certificates must be surrendered before replacements will be issued.

18 Notices

Notices required to be given to the Certificateholders shall be mailed to them by registered mail (airmail if overseas) at their respective addresses in the Register.

The Trustee shall also ensure that notices required to be given to the Certificateholders are duly given in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which any Certificates are for the time being listed and/or admitted to trading including publication on the website of the relevant authority, relevant stock exchange and/or relevant quotation system if required by those rules or regulations. If any such publication is not practicable, notice required to be given pursuant to these Conditions shall be validly given if published in another leading daily English language newspaper with

general circulation in Europe. Any notices shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing (or on the date of publication, or, if so published more than once or on different dates, on the date of the first publication).

19 Further Issues

In respect of any Series, the Trustee may from time to time without the consent of the Certificateholders, but subject to the Bank obtaining the prior approval of the Financial Regulator if so required, create and issue further Certificates having the same terms and conditions as the outstanding Certificates of such Series 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 outstanding Certificates of such Series. Any further Certificates which are to form a single Series with the outstanding Certificates previously constituted by the relevant Trust Deed shall be constituted by a deed supplemental to the Trust Deed. References in these Conditions to the Certificates include (unless the context requires otherwise) any other certificates issued pursuant to this Condition and forming a single Series with the Certificates.

20 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21 Governing Law and Dispute Resolution

(a) Governing Law

The Trust Deed (including these Conditions), the Agency Agreement and the Certificates and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Arbitration

The Delegate, the Trustee and the Obligor have in the Trust Deed agreed that (subject as provided therein) any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed (which includes the Certificates, these Conditions and this Condition 21(b)) (including any dispute claim, difference or controversy as to the existence, validity, interpretation, performance, breach or termination of the Trust Deed or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a “**Dispute**”)) shall be referred to and finally resolved by arbitration, with a seat (or legal place) of arbitration in London, England conducted in the English language by three arbitrators pursuant to the arbitration rules of the LCIA (the “**Rules**”) (such arbitration to also be administered by the LCIA in accordance with those Rules). The claimant (or claimants jointly) shall nominate one arbitrator for appointment by the LCIA Court. The respondent (or respondents jointly) shall nominate one arbitrator for appointment by the LCIA Court. The third arbitrator, who shall act as presiding arbitrator of the tribunal, shall be nominated by the two arbitrators nominated by the parties. If not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

(c) Consolidation

The Delegate, the Trustee and the Obligor have in the Trust Deed:

- (i) agreed that the arbitration agreement set out in this Condition 21 and the arbitration agreement contained in each Relevant Agreement shall together be deemed to be a single arbitration agreement;
- (ii) agreed to the consolidation of any two or more arbitrations commenced pursuant to this Condition 21 and/or the arbitration agreement contained in any Relevant Agreement, subject to and in accordance with the Rules. Notwithstanding anything to the contrary in the Rules, the Delegate, the Trustee and the Obligor have agreed that no arbitrations other than those referred to in this Condition 21(c)(ii) may be consolidated. For the avoidance of doubt, this Condition 21(c)(ii) is an agreement in writing by all parties for the purposes of Article 22.7(i) and Article 22.8(i) of the Rules. The parties to the Trust Deed have further agreed that:
 - (A) if a tribunal has been constituted in more than one of the arbitrations in respect of which consolidation is sought pursuant to this Condition 21(c)(ii), the tribunal which shall have the power to order consolidation shall be the tribunal appointed first in time; and
 - (B) the requirement in the Rules that a tribunal considering whether to consolidate disputes should give the parties a reasonable opportunity to state their views shall extend to all parties to each of the arbitrations in respect of which consolidation is sought; and
- (iii) to the extent permitted by law, waived any objection, relating to the fact that a Dispute has been resolved in a manner contemplated by this Condition 21(c), to the validity and/or enforcement of any arbitral award.

In this Condition 21(c), “**Relevant Agreement**” means each Transaction Document other than the Trust Deed.

(d) **Waiver of Immunity**

Under each of the Transaction Documents, the Obligor has explicitly acknowledged that its execution of such documents constitutes, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes (rather than an act in its or any other sovereign capacity) and has irrevocably and unconditionally waived with respect to any proceedings arising under these Conditions or any of such documents any sovereign or other immunity that it or its property, assets or revenues may have including (without limitation) from jurisdiction, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process or defence and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any of its property, assets or revenues whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings or Disputes.

(e) **Waiver of Interest**

- (i) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Trust Deed that no interest will be payable or receivable under or in connection with the Trust Deed or any other Transaction Documents and if it is determined that any interest is payable or receivable in connection with the Trust Deed or any other Transaction Documents by any of the Trustee, the Delegate or the Obligor, whether as a result of any arbitral or judicial award or by operation of any applicable law or otherwise, each such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall hold such amount in a suspense account and, in the case of the Bank, deal with such amount as directed by the *Shari’a* Adviser and, in all other cases, promptly donate the same to a registered or otherwise officially recognised charitable organisation.

- (ii) For the avoidance of doubt, nothing in this Condition 21(e) shall be construed as a waiver of rights in respect Mudaraba Profit, Final Mudaraba Profit, Rab-al-Maal Mudaraba Profit, Rab-al-Maal Final Mudaraba Profit, Periodic Distribution Amounts, Indemnity Payment, Outstanding Payments or profit or principal of any kind howsoever described payable by the Bank or the Trustee pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

(f) **Service of Process**

Each of the Trustee and the Obligor has in the Trust Deed irrevocably appointed Walkers (Europe) at its registered office at The Scalpel, 11th Floor, 52 Lime Street, London, EC3M 7AF, England to receive for it and on its behalf, service of process in any proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM

1 Initial Issue of Certificates

Each Tranche of Certificates will initially be represented by a Global Certificate in registered form. Global Certificates will be delivered on or prior to the issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”).

Upon registration of the Certificates in the name of any nominee for, and deposit of the Global Certificate with, a Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a face amount of Certificates equal to the face amount thereof for which it has subscribed and paid.

Certificates that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Certificates that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions “**Certificateholder**” and “**holder**” and related expressions shall be construed accordingly.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) as the holder of a Certificate represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Trustee to the registered holder of the underlying Certificates, and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Trustee in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate and such obligations of the Trustee will be discharged by payment to the registered holder of the underlying Certificates in respect of each amount so paid.

3 Exchange for Definitives

Interests in a Global Certificate will be exchangeable in whole but not in part (free of charge) for definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to the Certificateholders in accordance with Condition 18 upon the occurrence of an Exchange Event. For these purposes, an “**Exchange Event**” will occur (i) if the Delegate has given notice in accordance with Condition 18 that a Dissolution Event has occurred and is continuing or (ii) if the Trustee has been notified

that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available or (iii) with the consent of the Trustee. In the event of an occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any holder of an interest in such Global Certificate may give notice to the Registrar requesting exchange. Any exchange shall occur no later than 15 days after the date of receipt of the first relevant notice by the Registrar.

4 Amendment to Conditions

The Global Certificates contain provisions that apply to the Certificates that they represent, some of which modify the effect of the terms and conditions of the Certificates set out in this Base Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

All payments in respect of Certificates represented by a Global Certificate will be made (against presentation and surrender of that Global Certificate) to, or to the order of, the person whose name is entered on the Register at the close of business on the record date, being the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive, except 25 December and 1 January.

A record of each payment made will be noted on the relevant Register which shall be *prima facie* evidence that such payment has been made in respect of the Certificates.

4.2 Meetings

All holders of Certificates are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Certificates comprising such Certificateholder’s holding. The provisions for meetings of Certificateholders in the Master Trust Deed contain other provisions that apply while the Certificates are represented by a Global Certificate.

4.3 Delegate’s Powers

In considering the interests of Certificateholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Delegate may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Certificates represented by the Global Certificate.

4.4 Cancellation

Cancellation of any Certificate represented by a Global Certificate that is surrendered for cancellation (other than upon its redemption in full) will be effected by reduction in the aggregate face amount of the relevant Series of Certificates in the Register.

4.5 Notices

Notices required to be given in respect of the Certificates represented by a Global Certificate may be given by their being delivered (so long as this Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, rather than by mailing as required by the Conditions, *provided that* such notices must also be given or published in a manner which complies with the rules and

regulations of any listing authority, stock exchange, quotation system or other relevant authority on which the Certificates are for the time being listed or admitted to trading or quotation. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system.

5 Electronic Consent

While any Global Certificate is held on behalf of, and registered in the name of any nominee for a Common Depositary for, a clearing system, then:

- (i) approval of a resolution proposed by the Trustee, the Obligor or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates for the time being outstanding (an “**Electronic Consent**”) shall, for all purposes (including matters that would otherwise require a special quorum resolution (as defined in paragraph 2 of schedule 3 (*Provisions for Meetings of Certificateholders*) to the Master Trust Deed)), take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held, and shall be binding on all Certificateholders whether or not they participated in such Electronic Consent; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Master Trust Deed) has been validly passed, the Trustee and the Delegate shall be entitled to rely on consent or instructions given in writing directly to the Trustee and the Delegate as the case may be, by accountholders in the clearing system with entitlements to such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Trustee and the Delegate have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “commercially reasonable evidence” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s Easyway or Clearstream, Luxembourg’s Xact system) in accordance with its usual procedures and in which the accountholder of a particular principal or face amount of the Certificates is clearly identified together with the amount of such holding. Neither the Trustee nor the Delegate shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

6 Further Issues

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Certificates of such further Tranche shall be assigned a common code and ISIN which are

different from the common code and ISIN assigned to Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE UK PROSPECTUS REGULATION) FOR THE ISSUE OF THE CERTIFICATES DESCRIBED BELOW AND THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED HEREIN.

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

Any person making or intending to make an offer of the Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

[Date]

Alinma AT1 Sukuk Limited
Legal Entity Identifier (LEI): 254900PKP2060GO4VI45

**Issue of [Aggregate Face Amount of Tranche] Additional Tier 1 Capital [Sustainability/Green/Social]
Certificates [to be consolidated and form a
single series with the existing] [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [●]
(the Original Certificates)]¹
under the U.S.\$1,000,000,000 Additional Tier 1 Capital Certificate Issuance Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the Base Offering Circular dated 15 May 2025 [and the supplement[s] to it dated [●] [and [●]] (the “**Base Offering Circular**”). This document constitutes the Pricing Supplement of the Certificates described herein and must be read in conjunction with the Base Offering Circular in order to obtain all the relevant information. The Base Offering Circular is available for inspection by Certificateholders during normal business hours from the specified office of the Principal Paying Agent for the time being at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base offering circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the “**Conditions**”) set forth in the Base Offering Circular dated [original date] [and the supplement[s] to it dated [●] [and [●]] which are incorporated by reference in the Base Offering Circular dated [●] (the “**Base Offering Circular**”). This document constitutes the Pricing Supplement of the Certificates described herein and must be read in conjunction with the Base Offering Circular dated [current date] [and the supplement(s) to it dated [●]], in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Offering Circular dated [original date] [and the supplement(s) to it dated [●]]. The Base Offering Circular is available for inspection by Certificateholders during normal business hours from the specified office of the Principal Paying Agent for the time being at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

- | | | |
|---|--|--|
| 1 | (a) Trustee: | Alinma AT1 Sukuk Limited |
| | (b) Obligor: | Alinma Bank |
| 2 | Series Number: | [●] |
| | (a) Tranche Number: | [●] |
| | (b) Date on which the Certificates will be consolidated and form a single Series: | [The Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] on [insert date/the Issue Date]] [Not Applicable] |
| 3 | Specified Currency: | [●] |
| 4 | Aggregate Face Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |

¹ Include only for an issue of further Certificates in accordance with Condition 19

- 5 Issue Price: [●] per cent. of the aggregate face amount [plus */Specified Currency/* [●] in respect of [●] days of Periodic Distribution Amounts from (and including) *[the issue date of the Original Certificates]* to (but excluding) the Issue Date]²
- 6 (a) Specified Denominations: [●]
- (b) Calculation Amount: [●]
- 7 Issue Date: [●]
- 8 Date of Trustee's board approval and date of Obligor's board approval for issuance of Certificates: [●] and [●], respectively
- 9 Financial Centre(s) relating to payment (Condition 11(d)): [Not Applicable]/[●]

Provisions relating to Periodic Distributions

- 10 Initial Periodic Distribution Rate: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[●]]
- 11 Initial Periodic Distribution Amount: [●] per Calculation Amount
- 12 Margin: [+/-] [●] per cent. per annum
- 13 Periodic Distribution Date(s): [●] in each year, commencing on [●]
- 14 Day Count Fraction: [30/360] [Actual/Actual-ICMA]
- 15 Determination Date(s): [[] in each year][Not Applicable]
- 16 First Reset Date: [●]
- 17 Reset Date(s): [First Reset Date and every [●] anniversary thereafter]
- 18 Relevant Reset Rate: [As per Condition 1]/[[●]
- 19 Reset Determination Date: [As per Condition 1]/[[●]
- 20 Mid-Swap Maturity: [●] years
- 21 First Fallback Reset Rate: [●]
- 22 Calculation Agent: [Principal Paying Agent] *[specify other]*
- 23 Additional Business Centre(s) [●]/[Not Applicable]

Provisions Relating to Redemption

- 24 Par Call Period: [Applicable/Not Applicable]
- 25 First Call Date: [●]

² Include only for an issue of further Certificates in accordance with Condition 19.

Provisions Relating to Trust Assets

- 26 (a) Details of Transaction Account: Alinma AT1 Sukuk Limited Transaction Account No: [●] for Series No.: [●]
- (b) Supplemental Trust Deed: Supplemental Trust Deed dated [●] between the Trustee, the Obligor and the Delegate
- (c) Supplemental Mudaraba Agreement Supplemental Mudaraba Agreement dated [●] between the Trustee and the Obligor
- (d) Declaration of Commingling of Assets:³ [Declaration of Commingling of Assets dated [●] executed by the Trustee] / [Not Applicable]

³ Include only for an issue of further Certificates in accordance with Condition 19.

Signed on behalf of
Alinma AT1 Sukuk Limited

By: _____
Duly authorised

Signed on behalf of
Alinma Bank

By: _____
Duly authorised

PART B – OTHER INFORMATION

1 Admission to Trading

- (a) Admission to trading: [Application [has been] [is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [the London Stock Exchange's International Securities Market] / [●] with effect from [●]] / [Not applicable]
- (b) Estimate of total [●]
expenses related to
admission to trading:

2 Ratings

- Ratings: [The Certificates to be issued [are not rated] [have been/are expected to be] rated:
[Moody's: [●]]
[[●]: [●]]
[Each of [●] and] [●] is established in the European Economic Area and registered under Regulation (EC) No 1060/2009, as amended (the “**EU CRA Regulation**”)] [Each of [●] and][*] is not established in the European Economic Area and has not applied for registration under Regulation (EC) No. 1060/2009 (the “**EU CRA Regulation**”). The ratings [have been][are expected to be] endorsed by [●] in accordance with the EU CRA Regulation. [●] is established in the European Economic Area and registered under the EU CRA Regulation.]
[Each of [●] and][●] is not established in the European Economic Area and has not applied for registration under Regulation (EC) No. 1060/2009 (the “**EU CRA Regulation**”), but it is certified in accordance with the EU CRA Regulation.]
[Each of [●] and][●] is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law in the UK by virtue of the EUWA (the “**UK CRA Regulation**”).] [The ratings [have been][are expected to be] endorsed by [●] in accordance with the EU CRA Regulation. [●] is established in the European Economic Area and is registered under the EU CRA Regulation.]
[Each of [●] and] [●] is not established in the UK and has applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law in the UK by virtue of the EUWA (the “**UK CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
[Each of [●] and] [●] is not established in the UK and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law in the UK by virtue of the EUWA

(the UK CRA Regulation) but is certified in accordance with the UK CRA Regulation.

3 **Interests of Natural and Legal Persons involved in the Issue**

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Obligor is aware, no person involved in the issue of the Certificates has an interest material to the offer.]

[The [Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Trustee or the Obligor and their affiliates in the ordinary course of business/[•]].

4 **Sustainable Certificates**

Sustainable Certificates: [Applicable]/[Not Applicable]

[See “*Use of Proceeds*” in the Base Offering Circular]

Type of Sustainable Certificates: [“Green Certificates”]/[“Social Certificates”]/[“Sustainability Certificates”]

5 **Operational Information**

(a) ISIN: [•]/[Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•].

(b) Common Code: [•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•].

(c) FISN: [[See/[include code]⁴, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible national numbering agency that assigned the ISIN/Not Applicable/Not Available]

(d) CFI: [[See/[include code]⁵, as updated, as set out on] the website of ANNA or alternatively sourced from the responsible national numbering agency that assigned the ISIN/Not Applicable/Not Available]

(e) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

⁴ The actual code should only be included where the Trustee is comfortable that it is correct.

⁵ The actual code should only be included where the Trustee is comfortable that it is correct.

- (f) Names and addresses of additional Paying Agent(s) (if any): [●]
- (g) Delivery: Delivery [against / free of] payment
- (h) Name and address of the Registrar(s): [●]

6 **Distribution**

- (a) Method of distribution: [Syndicated] / [Non-syndicated]
- (b) If syndicated, names of Managers: [●] / [Not Applicable]
- (c) Stabilisation Manager(s): [●] / [Not Applicable]
- (d) If non-syndicated, name of Dealer: [●] / [Not Applicable]
- (e) U.S. Selling Restrictions: Regulation S, Category 2

7 **Third Party Information**

[[●] has been extracted from [●]. The Trustee and the Bank confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable].

8 **Use of Proceeds**

[Specify use of proceeds if different to what is contemplated in the “Use of Proceeds” section of the Base Offering Circular.]

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Certificates will be applied by the Trustee (as Rab-al-Maal) to the Bank (as Mudareb) on the relevant Issue Date, which proceeds will form the Mudaraba Capital of the relevant Series and will be used by the Bank to improve its Tier 1 capital and for general banking purposes, all in accordance with the investment plan set out in the Master Mudaraba Agreement.

Save in respect of Sustainable Certificates, the amounts so received by the Bank will be applied by it for its general corporate purposes (relating to *Shari'a* compliant business activities and operations), or as otherwise described in the applicable Pricing Supplement.

In respect of:

- (1) Sustainable Certificates identified as Green Certificates (“**Green Certificates**”), an amount at least equal to the net proceeds of each issue of Sustainable Certificates will be allocated by the Bank to finance and/or refinance, in whole or in part Eligible Assets set out under ‘Eligible Environmental Categories’ described in the sustainable finance framework adopted by the Bank on 7 March 2024 (the “**Sustainable Finance Framework**”) (the “**Eligible Green Projects**”);
- (2) Sustainable Certificates identified as Social Certificates (“**Social Certificates**”), an amount at least equal to the net proceeds of each issue of Sustainable Certificates will be allocated by the Bank to finance and/or refinance, in whole or in part new or existing Eligible Assets set out under ‘Eligible Social Categories’ described in the Sustainable Finance Framework (the “**Eligible Social Projects**”); and
- (3) Sustainable Certificates identified as Sustainability Certificates (“**Sustainability Certificates**”), an amount at least equal to the net proceeds of each issue of Sustainable Certificates will be allocated by the Bank to finance and/or refinance, a combination of the Eligible Green Projects and Eligible Social Projects.

The Sustainable Finance Framework is available on the Bank’s website and is summarized under “*Business Description of the Group – Sustainable Finance Framework*”.

None of the Sustainable Finance Framework or the contents of any of the above websites are incorporated in or form part of this Base Offering Circular.

See further “*Risk Factors—Risks relating to the Certificates—The use of proceeds of any issue of Certificates identified as Sustainable Certificates in the applicable Pricing Supplement may not meet investor expectations or requirements or be suitable for an investor’s investment criteria*”.

DESCRIPTION OF THE TRUSTEE

The Trustee

The Trustee, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 27 March 2025 under the Companies Act (as amended) of the Cayman Islands with company registration number 420122. The registered office of the Trustee is at the offices of Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

Share Capital

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 par value each, 250 of which have been issued. All of the issued shares (the “**Shares**”) are fully paid and are held by Walkers Fiduciary Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of a share declaration of trust (the “**Share Declaration of Trust**”) under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power to benefit Charity (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificates are outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Business of the Trustee

The objects for which the Trustee is established are set out in its Memorandum of Association as registered on 27 March 2025.

The Trustee has no prior operating history or prior business and will not have any substantial assets or liabilities other than in connection with the Certificates.

The Certificates are the obligations of the Trustee alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by, Walkers Fiduciary Limited or any other party.

Financial Statements and Independent Auditors

Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors. Since the date of its incorporation, no financial statements of the Trustee have been prepared.

Directors of the Trustee

The directors of the Trustee are as follows:

| Name | Principal Occupation |
|----------------|---|
| Linval Stewart | Vice President, Walkers Fiduciary Limited |

| Name | Principal Occupation |
|---------------|--|
| Jordan Hebert | Vice President, Walkers Fiduciary Limited |
| Gennie Bigord | Senior Vice President, Walkers Fiduciary Limited |

The business address of Jordan Hebert is c/o Walkers Professional Services (Middle East) Limited, Level 14, Burj Daman, DIFC, PO Box 506513, Dubai, United Arab Emirates.

The business address of Gennie Bigord is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The business address of Linval Stewart is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Trustee's Articles of Association provide that the board of directors of the Trustee will consist of at least one director.

Conflicts

Other than in their capacities as employees and officers of the Trustee Administrator (as defined below), there are no potential conflicts of interest between the duties of the directors of the Trustee to the Trustee and their private interests or other duties.

The Trustee Administrator

Walkers Fiduciary Limited also acts as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement entered into between, amongst others, the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to perform in the Cayman Islands and/or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and to provide certain clerical, administrative, registered office and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement provide that either the Trustee or the Trustee Administrator may terminate such appointments upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate such agreement by giving at least three months' notice in writing to the other party.

The Trustee Administrator will be subject to the overview of the Trustee's board of directors.

The Trustee Administrator's principal office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof.

The Trustee has no employees and is not expected to have any employees in the future.

SELECTED FINANCIAL INFORMATION

The following information has been derived from, and should be read in conjunction with, and is qualified in its entirety by reference to the Annual Financial Statements and the notes thereto as incorporated by reference herein.

The table below provides the Group's consolidated statement of financial position data as at 31 December 2024, 31 December 2023 and 31 December 2022.

| | As at 31 December | | |
|--|--------------------|---------------------------|--------------------------|
| | 2024 | 2023 | 2022 |
| | (SAR '000) | | |
| ASSETS | | | |
| Cash and balances with Saudi Central Bank (SAMA)..... | 13,849,670 | 12,598,444 | 9,723,259 |
| Due from banks and other financial institutions, net..... | 4,510,142 | 1,700,907 | 1,454,458 |
| Investments held at fair value through statement of income (FVSI)..... | 3,142,665 | 2,648,977 ⁽¹⁾ | 1,641,496 |
| Investments held at fair value through other comprehensive income (FVOCI)..... | 13,750,818 | 13,466,579 ⁽²⁾ | 12,084,604 |
| Investments held at amortized cost, net | 31,681,460 | 27,105,159 | 24,721,320 |
| Investments in associate and joint venture..... | 50,267 | 15,637 | 70,214 |
| Positive fair value of derivatives ⁽³⁾ | 505,417 | 144,329 | 10,983 |
| Financing, net | 202,308,094 | 173,624,044 | 146,491,956 |
| Property, equipment and right of use assets, net..... | 3,400,866 | 2,888,209 | 2,632,794 |
| Other assets | 3,628,082 | 2,522,813 ⁽⁴⁾ | 1,605,145 ⁽⁵⁾ |
| TOTAL ASSETS | 276,827,481 | 236,715,098 | 200,436,229 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Due to SAMA, banks and other financial institutions..... | 13,936,256 | 7,431,230 | 16,483,039 |
| Customers' deposits..... | 210,544,650 | 187,900,581 | 145,168,490 |
| Negative fair value of derivatives ⁽⁶⁾ | 436,626 | 110,321 | 13,161 |
| Amount due to Mutual Funds' unitholders | 114,557 | 93,510 | 136,570 |
| Other liabilities | 10,353,617 | 6,845,855 ⁽⁷⁾ | 6,758,656 ⁽⁸⁾ |
| TOTAL LIABILITIES | 235,385,706 | 202,381,497 | 168,559,916 |
| EQUITY | | | |
| Share capital | 25,000,000 | 20,000,000 | 20,000,000 |
| Treasury shares | (203,958) | (225,611) | (66,021) |
| Statutory reserve | 4,836,346 | 3,378,431 | 2,168,630 |
| Other reserves | (129,404) | 62,359 | (507,396) |
| Retained earnings..... | 3,188,291 | 1,118,422 | 4,285,004 |
| Proposed issue of bonus shares..... | — | 5,000,000 | — |
| Proposed dividends | — | — | 996,096 |

| | As at 31 December | | |
|---|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Equity attributable to the shareholders of the Bank..... | 32,691,275 | 29,333,601 | 26,876,313 |
| Tier 1 Sukuk | 8,750,500 | 5,000,000 | 5,000,000 |
| TOTAL EQUITY | 41,441,775 | 34,333,601 | 31,876,313 |
| TOTAL LIABILITIES AND EQUITY | 276,827,481 | 236,715,098 | 200,436,229 |

Notes:

- (1) In the 2023 Financial Statements, “Investments held at fair value through statement of income (FVSI)” as at 31 December 2023 was SAR2,610,274 thousand. The difference between “Investments held at fair value through statement of income (FVSI)” as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the reclassification in the 2024 Financial Statements of Sukuk in the amount of SAR38,703 thousand from “Investments held at FVOCI” to “Investments held at fair value through statement of income (FVSI)” as at 31 December 2023.
- (2) In the 2023 Financial Statements, “Investments held at fair value through statement of income (FVOCI)” as at 31 December 2023 was SAR13,505,282 thousand. The difference between “Investments held at fair value through statement of income (FVOCI)” as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the reclassification described above in note (1).
- (3) This line item was not included in the 2023 Financial Statements and the value as at 31 December 2023 and 31 December 2022 was included in “Other assets”.
- (4) In the 2023 Financial Statements, “Other assets” as at 31 December 2023 was SAR 2,667,142 thousand. The difference between “Other assets” as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the rearrangement described in note (3).
- (5) In the 2023 Financial Statements, “Other assets” as at 31 December 2022 was SAR 1,616,128 thousand. The difference between “Other assets” as at 31 December 2022 as shown in the 2023 Financial Statements and as shown in the table above reflected the rearrangement described in note (3).
- (6) This line item was not included in the 2023 Financial Statements and the value as at 31 December 2023 and 31 December 2022 was included in “Other liabilities”.
- (7) In the 2023 Financial Statements, “Other liabilities” as at 31 December 2023 was SAR 6,956,176 thousand. The difference between “Other liabilities” as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the rearrangement described in note (6).
- (8) In the 2023 Financial Statements, “Other liabilities” as at 31 December 2022 was SAR 6,771,817 thousand. The difference between “Other liabilities” as at 31 December 2022 as shown in the 2023 Financial Statements and as shown in the table above reflected the rearrangement described in note (6).

The table below shows the Group’s consolidated statement of income and comprehensive income data for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | For the year ended 31 December | | |
|--|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Income from investments and financing..... | 16,154,779 | 13,227,509 | 7,612,961 |
| Return on time investments | (7,506,150) | (5,572,995) | (1,546,495) |
| Income from investments and financing, net..... | 8,648,629 | 7,654,514 | 6,066,466 |
| Fees from banking services-income..... | 2,921,597 | 2,426,703 | 1,901,510 |

| | For the year ended 31 December | | |
|---|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Fees from banking services-expense..... | (1,313,278) | (967,712) | (692,578) |
| Fees from banking services, net..... | 1,608,319 | 1,458,991 | 1,208,932 |
| Exchange income, net..... | 379,564 | 330,291 | 290,836 |
| Income from FVSI financial instruments, net..... | 237,073 | 211,721 | 279,308 |
| Gain from FVOCI sukuk investments, net..... | 911 | — | 993 |
| Dividend income on FVOCI equity investments | 33,004 | 30,798 | 30,545 |
| Other operating income | 32,576 | 39,342 | 85,980 |
| Total operating income..... | 10,940,076 | 9,725,657 | 7,963,060 |
| Salaries and employee related expenses | 1,664,098 | 1,466,521 | 1,325,324 |
| Rent and premises related expenses..... | 74,210 | 73,651 | 68,225 |
| Depreciation and amortisation | 353,839 | 325,313 | 279,116 |
| Other general and administrative expenses..... | 1,291,492 | 1,178,041 | 1,092,312 |
| Operating expenses before impairment charges | 3,383,639 | 3,043,526 | 2,764,977 |
| Impairment charge on financing, net of recoveries..... | 1,049,809 | 1,272,104 | 1,197,700 |
| Impairment (reversal) / charge on other financial assets..... | (550) | 26,524 | (8,982) |
| Total operating expenses..... | 4,432,898 | 4,342,154 | 3,953,695 |
| Net operating income..... | 6,507,178 | 5,383,503 | 4,009,365 |
| Share of (loss) / income from associate and joint venture | (5,106) | 12,021 | 3,534 |
| Income for the year before zakat..... | 6,502,072 | 5,395,524 | 4,012,899 |
| Zakat for the year..... | (670,411) | (556,318) | (413,759) |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Basic and diluted earnings per share (SAR)..... | 2.22 | 1.87 | 1.73 |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Other comprehensive income / (loss): | | | |
| Items that cannot be recycled back to consolidated statement of income in subsequent periods | | | |
| Net change in fair value of FVOCI equity investments | 23,721 | 461,304 | (412,976) |
| Share of joint venture / associate's other comprehensive (loss) / income ⁽¹⁾ | (11,553) | 10,868 | — |
| Actuarial gain on re-measurement of End of Service Benefits... | 5,486 | 19,637 | 12,226 |
| Items that can be recycled back to consolidated statement of income in subsequent periods | | | |
| Net change in fair value of FVOCI sukuk investments..... | (174,260) | 108,987 | (247,262) |
| Gain from FVOCI sukuk investments, net ⁽²⁾ | (911) | — | (993) |
| Cash flow hedge..... | — | — | — |
| Effective portion of change in fair value of cash flow hedge.... | (51,435) | — | — |

| | For the year ended 31 December | | |
|--|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Net amounts transferred to consolidated statement of income... | 28,475 | — | — |
| Total other comprehensive (loss) / income..... | (180,477) | 600,796 | (649,005) |
| Total comprehensive income for the year..... | 5,651,184 | 5,440,002 | 2,950,135 |

Notes:

- (1) This line item was labelled as “Share of associate’s other comprehensive income” in the 2023 Financial Statements.
- (2) This line item was labelled as “Net gain realised on sale of FVOCI sukuk investments” in the 2023 Financial Statements.

The table below provides key ratios for the Group as at and for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | As at / for the year ended 31 December | | |
|---|--|-------|-------|
| | 2024 | 2023 | 2022 |
| <i>Ratio</i> | | | |
| | | (%) | |
| Cost to income ⁽¹⁾ | 30.9 | 31.3 | 34.7 |
| Cost of risk ⁽²⁾ | 0.5 | 0.8 | 0.9 |
| NPF ⁽³⁾ | 1.1 | 1.6 | 1.9 |
| NPF coverage ⁽⁴⁾ | 172.3 | 154.9 | 136.3 |
| SAMA financing to deposit ⁽⁵⁾ | 83.3 | 80.5 | 82.8 |
| Financing to deposit ⁽⁶⁾ | 96.1 | 92.4 | 100.9 |
| Financing to funding sources ⁽⁷⁾ | 90.1 | 88.9 | 90.6 |
| Net income margin ⁽⁸⁾ | 53.3 | 49.8 | 45.2 |
| Net profit margin ⁽⁹⁾ | 3.7 | 3.8 | 3.6 |
| Return on average assets ⁽¹⁰⁾ | 2.3 | 2.2 | 1.9 |
| Return on average equity ⁽¹¹⁾ | 18.8 | 17.2 | 13.7 |
| CET1 capital adequacy ⁽¹²⁾ | 13.2 | 14.0 | 15.8 |
| Tier 1 capital adequacy ⁽¹³⁾ | 16.7 | 16.3 | 18.6 |
| Total capital adequacy ⁽¹⁴⁾ | 17.7 | 17.5 | 19.8 |
| Leverage ⁽¹⁵⁾ | 13.7 | 13.4 | 15.2 |
| Liquidity coverage ⁽¹⁶⁾ | 122.0 | 146.8 | 133.6 |
| Net stable funding ratio ⁽¹⁷⁾ | 108.2 | 108.8 | 106.1 |

Notes:

- (1) Calculated as operating expenses before impairment charges divided by total operating income.
- (2) Calculated as the ratio between impairment charge on financing, net of recoveries for a given year and average funded credit facilities (calculated as the simple average of gross financing as at the start and end of the year).
- (3) Calculated as NPFs divided by gross financing.
- (4) Calculated as allowance for impairment on financing divided by NPFs.
- (5) Calculated in accordance with SAMA regulations as financing, net divided by the sum of customers' deposits weighted by maturity, eligible SAMA placements in the Bank and Tier 1 sukuk.
- (6) Calculated as financing, net divided by customers' deposits.
- (7) Calculated as financing, net divided by the sum of due to SAMA, banks and other financial institutions and customers' deposits.
- (8) Calculated as net income for the year after zakat divided by total operating income for the year.
- (9) Calculated as income from investments and financing, net for the year divided by average profit-earning assets (calculated as the sum of daily profit-earning assets in a year divided by 366 (in respect of the year ended 31 December 2024) and 365 (in respect of the years ended 31 December 2023 and 31 December 2022)). Profit earning assets represent the sum of money market placements with SAMA, Murabaha and Wakala with banks, net, investments in sukuk held at amortised cost, net, investments in sukuk held at FVOCI, Murabaha with SAMA, net, and financing, net.
- (10) Calculated as net income for the year after zakat divided by average total assets (calculated as the simple average of total assets as at the start and end of the year).

- (11) Calculated as net income for the year after zakat divided by average equity attributable to the shareholders of the Bank (calculated as the simple average of equity attributable to the shareholders of the Bank as at the start and end of the year).
- (12) Calculated in accordance with SAMA regulations and represents common equity tier 1 capital divided by total Pillar I risk-weighted assets.
- (13) Calculated in accordance with SAMA regulations and represents tier 1 capital divided by total Pillar I risk-weighted assets.
- (14) Calculated in accordance with SAMA regulations and represents and represents the sum of tier 1 and tier 2 capital divided by total Pillar I risk-weighted assets.
- (15) Calculated in accordance SAMA regulations and represents tier 1 capital divided by total exposures.
- (16) Calculated in accordance with SAMA regulations and represents high-quality liquid assets divided by expected net cash outflows.
- (17) Calculated in accordance with SAMA regulations and represents total available stable funding divided by total required stable funding.

FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the information set out in “Presentation of financial and other information”, “Selected financial information” and the Annual Financial Statements. This discussion of the Group’s financial condition and results of operations is based upon the Annual Financial Statements which have been prepared in accordance with IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. This discussion contains forward-looking statements that involve risks and uncertainties. The Group’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Offering Circular, particularly under the headings “Cautionary Statement Regarding Forward-looking Statements” and “Risk factors”.

See “Presentation of Certain Financial and Other Information” for a discussion of the source of the numbers presented in this section and certain other relevant information.

Overview

The Bank is a commercial bank operating in the Kingdom under Commercial Registration No. 1010250808 dated 26 May 2008. The Bank’s head office is located at King Fahad Road, P.O. Box 66674, Riyadh 11586, Kingdom of Saudi Arabia. The telephone number of the Bank’s head office is +966 11 218 5555.

The Bank is a full service bank, which offers a full range of Islamic banking products and services to the retail and corporate sector, in addition to investment advisory services, asset management, underwriting and brokerage services, and treasury services.

According to figures published by the Tadawul, the Bank was the sixth largest listed commercial bank in the Kingdom as at 31 December 2024 by total assets (based on the latest available financial statements of the banking industry), with total assets of SAR 276.8 billion. As at 31 December 2024, the Group’s total customers’ deposits amounted to SAR 210.5 billion which represented approximately 7.85 per cent. of the market share in the Kingdom in terms of customer deposits.

The Group provides a comprehensive range of Islamic banking products and services to retail, corporate, and public customers.

Significant Factors Affecting Results of Operations

Factors affecting income from investments and financing, net

The Group’s income from investments and financing, net is the major contributor to its total operating income, comprising 79.1 per cent., 78.7 per cent. and 76.2 per cent. of the Group’s total operating income for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

Within the Group’s income from investments and financing, net:

- total income from financing (which comprises *Murabaha*, *Ijarah*, *Bei Ajel* and other financing products) is the major contributor, accounting for 87.5 per cent., 87.5 per cent. and 85.1 per cent. of the gross income from investments and financing for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively. The Group’s other sources of income from investments and financing, net, are investments in sukuk held at amortised cost, investments in sukuk held at FVOCI, investments in *Murabaha* and money market placement with SAMA, and *Murabaha* with banks and other financial institutions; and

- the return paid on the Group's customers' time investments is the major contributor to the Group's total return on time investments, comprising 93.5 per cent., 91.6 per cent. and 75.4 per cent. of the Group's total return on time investments for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The Group's income from investments and financing, net is affected by a number of factors. It is primarily determined by the volume of income-earning financing and investment assets relative to the volume of time investments on which a return is paid by the Group, as well as the differential between the rates earned on income-earning financing and investment assets and rates paid on time investments.

For a discussion of the changes in the Group's income from investments and financing, net in each of the years under review, see "*Financial Review – Income from investments and financing, net*".

Movements in impairment charge on financing, net of recoveries

The Group's impairment charge on financing, net of recoveries comprises its ECL charge for impairment on financing less any recoveries of previously written off bad debts, plus / minus charge for / reversal of impairment of non-funded financing and credit related commitments. The Group's impairment charge on financing, net of recoveries amounted to SAR 1,050 million for the year ended 31 December 2024, SAR 1,272 million for the year ended 31 December 2023 and SAR 1,198 million for the year ended 31 December 2022.

Market conditions in the Kingdom

According to GASTAT, the Kingdom's real GDP increased by 1.3 per cent. to SAR 3,513 billion in 2024 from SAR 3,468 billion in 2023. According to the Ministry of Finance, the Government recorded a budget deficit of SAR 115.6 billion and revenues of SAR 1,259 billion in 2024. Actual expenditure was estimated to have increased by 6.3 per cent. from SAR 1,293 billion in 2023 to SAR 1,375 billion in 2023.

According to SAMA, the Kingdom's financial sector increased its lending to the private sector by 13.4 per cent. for the year ended 31 December 2024, by 10.1 per cent. for the year ended 31 December 2023 and by 12.6 per cent. for the year ended 31 December 2022.

The Government continues to place an emphasis on development projects that enhance growth sustainability and promote long-term development, including through the construction of new houses, hospitals, schools, universities and other similar facilities. This has presented and may continue to present the Group with a number of opportunities, including:

- Neom, Qiddiya (Entertainment Mega Project);
- Red Sea Development; and
- Diriyah Gate Development.

Given the Group's extensive financing and investment banking capabilities, its management believes that the Group is well placed to benefit from these trends.

Critical Accounting Judgments, Estimates and Assumptions

In preparing the Group's financial statements, management is required to make certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. The management is also required to exercise its judgement in the process of applying the Group's accounting policies. Such judgements, estimates, and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. For a description of the most critical accounting judgments,

estimates and assumptions made in the preparation of the Financial Statements, see note 2.(e) to the 2024 Financial Statements. These predominantly relate to the determination of expected credit losses (“ECLs”), fair value measurement, and the classification of financial assets.

Consolidated Statement of Financial Position Data

The table below provides the Group’s consolidated statement of financial position data as at 31 December 2024, 31 December 2023 and 31 December 2022.

| | As at 31 December | | |
|--|--------------------|---------------------------|--------------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| ASSETS | | | |
| Cash and balances with Saudi Central Bank (SAMA)..... | 13,849,670 | 12,598,444 | 9,723,259 |
| Due from banks and other financial institutions, net..... | 4,510,142 | 1,700,907 | 1,454,458 |
| Investments held at fair value through statement of income (FVSI)..... | 3,142,665 | 2,648,977 ⁽¹⁾ | 1,641,496 |
| Investments held at fair value through other comprehensive income (FVOCI)..... | 13,750,818 | 13,466,579 ⁽²⁾ | 12,084,604 |
| Investments held at amortized cost, net | 31,681,460 | 27,105,159 | 24,721,320 |
| Investments in associate and joint venture..... | 50,267 | 15,637 | 70,214 |
| Positive fair value of derivatives ⁽³⁾ | 505,417 | 144,329 | 10,983 |
| Financing, net | 202,308,094 | 173,624,044 | 146,491,956 |
| Property, equipment and right of use assets, net..... | 3,400,866 | 2,888,209 | 2,632,794 |
| Other assets | 3,628,082 | 2,522,813 ⁽⁴⁾ | 1,605,145 ⁽⁵⁾ |
| TOTAL ASSETS | 276,827,481 | 236,715,098 | 200,436,229 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Due to SAMA, banks and other financial institutions..... | 13,936,256 | 7,431,230 | 16,483,039 |
| Customers’ deposits..... | 210,544,650 | 187,900,581 | 145,168,490 |
| Negative fair value of derivatives ⁽⁶⁾ | 436,626 | 110,321 | 13,161 |
| Amount due to Mutual Funds’ unitholders | 114,557 | 93,510 | 136,570 |
| Other liabilities | 10,353,617 | 6,845,855 ⁽⁷⁾ | 6,758,656 ⁽⁸⁾ |
| TOTAL LIABILITIES | 235,385,706 | 202,381,497 | 168,559,916 |
| EQUITY | | | |
| Share capital | 25,000,000 | 20,000,000 | 20,000,000 |
| Treasury shares | (203,958) | (225,611) | (66,021) |
| Statutory reserve | 4,836,346 | 3,378,431 | 2,168,630 |
| Other reserves | (129,404) | 62,359 | (507,396) |
| Retained earnings..... | 3,188,291 | 1,118,422 | 4,285,004 |
| Proposed issue of bonus shares..... | — | 5,000,000 | — |
| Proposed dividends..... | — | — | 996,096 |

| | As at 31 December | | |
|---|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2022 |
| | (SAR '000) | | |
| Equity attributable to the shareholders of the Bank..... | 32,691,275 | 29,333,601 | 26,876,313 |
| Tier 1 Sukuk | 8,750,500 | 5,000,000 | 5,000,000 |
| TOTAL EQUITY | 41,441,775 | 34,333,601 | 31,876,313 |
| TOTAL LIABILITIES AND EQUITY | 276,827,481 | 236,715,098 | 200,436,229 |

Notes:

- (1) In the 2023 Financial Statements, "Investments held at fair value through statement of income (FVSI)" as at 31 December 2023 was SAR2,610,274 thousand. The difference between "Investments held at fair value through statement of income (FVSI)" as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the reclassification in the 2024 Financial Statements of Sukuk in the amount of SAR38,703 thousand from "Investments held at FVOCI" to "Investments held at fair value through statement of income (FVSI)" as at 31 December 2023.
- (2) In the 2023 Financial Statements, "Investments held at fair value through statement of income (FVOCI)" as at 31 December 2023 was SAR13,505,282 thousand. The difference between "Investments held at fair value through statement of income (FVOCI)" as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the reclassification described above in note (1).
- (3) This line item was not included in the 2023 Financial Statements and the value as at 31 December 2023 and 31 December 2022 was included in "Other assets".
- (4) In the 2023 Financial Statements, "Other assets" as at 31 December 2023 was SAR 2,667,142 thousand. The difference between "Other assets" as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the rearrangement described in note (3).
- (5) In the 2023 Financial Statements, "Other assets" as at 31 December 2022 was SAR 1,616,128 thousand. The difference between "Other assets" as at 31 December 2022 as shown in the 2023 Financial Statements and as shown in the table above reflected the rearrangement described in note (3).
- (6) This line item was not included in the 2023 Financial Statements and the value as at 31 December 2023 and 31 December 2022 was included in "Other liabilities".
- (7) In the 2023 Financial Statements, "Other liabilities" as at 31 December 2023 was SAR 6,956,176 thousand. The difference between "Other liabilities" as at 31 December 2023 as shown in the 2023 Financial Statements and as shown in the 2024 Financial Statements reflected the rearrangement described in note (6).
- (8) In the 2023 Financial Statements, "Other liabilities" as at 31 December 2022 was SAR 6,771,817 thousand. The difference between "Other liabilities" as at 31 December 2022 as shown in the 2023 Financial Statements and as shown in the table above reflected the rearrangement described in note (6).

Assets

The Group's total assets as at 31 December 2024 were SAR 276.8 billion, a 16.9 per cent. increase as compared to SAR 236.7 billion as at 31 December 2023, which in turn represented an increase of 18.1 per cent. as compared to SAR 200.4 billion as at 31 December 2022. These increases were primarily attributable to an increase in financing, net and net investments.

Cash and Interbank Positions

The Group's cash and balances with SAMA was SAR 13.8 billion as at 31 December 2024, an increase of 9.9 per cent. as compared to SAR 12.6 billion as at 31 December 2023, which in turn represented an increase of 29.6 per cent. as compared to SAR 9.7 billion as at 31 December 2022. These increases were primarily attributable to an increase in statutory deposit and money market placements. The Group's due from banks and other financial institutions, net was SAR 4,510 million as at 31 December 2024, an increase of 165.2 per cent.

as compared to SAR 1,701 million as at 31 December 2023, which in turn represented an increase of 16.9 per cent. as compared to SAR 1,454 million as at 31 December 2022.

The Group's due to SAMA, banks and other financial institutions was SAR 13,936 million as at 31 December 2024, an increase of 87.5 per cent. as compared to SAR 7,431 million as at 31 December 2023, which in turn represented a decrease of 54.9 per cent. as compared to SAR 16,483 million as at 31 December 2022. The decrease in 2023 principally reflected the repayment in 2023 by the Group of some of the interest free deposits received from SAMA in order to support the Group in its implementation of various regulatory packages given by the Government in response to the COVID-19 pandemic. The increase in 2024 was primarily due to the deposits received from SAMA which have not yet matured as of 31 December 2024.

The table below shows the Group's cash and the interbank positions as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | 2024 | 2023 | 2022 |
|---|------------|------------|------------|
| | | (SAR'000) | |
| Cash and balances with Saudi Central Bank (SAMA)..... | 13,849,670 | 12,598,444 | 9,723,259 |
| Due from banks and other financial institutions, net..... | 4,510,142 | 1,700,907 | 1,454,458 |
| Due to SAMA, banks and other financial institutions | 13,936,256 | 7,431,230 | 16,483,039 |

Investments

The Group maintains an investment portfolio for its own account consisting mainly of fixed income instruments, the purpose of which is two-fold:

- to cater for the Group's liquidity risk management, ensuring a cushion of assets that the Group can liquidate easily (either by a sale or a repurchase agreement) in the case of a sudden withdrawal of deposits; and
- to reduce the mismatch between assets and liabilities.

The Group's portfolio of investments comprises mainly Government sukuk, *Murabaha* notes and quasi-Government sukuk which represented SAR 35.7 billion out of a total of SAR 48.6 billion of net investments as at 31 December 2024, SAR 31.1 billion out of a total of SAR 43.2 billion of net investments as at 31 December 2023 and SAR 28.3 billion out of a total of SAR 38.5 billion of net investments as at 31 December 2022. Unrated investments in the form of domestic and international equities and mutual fund investments were SAR 5.0 billion as at 31 December 2024, 3.6 billion as at 31 December 2023 and SAR 1.6 billion as at 31 December 2022.

Please refer to note 6.8 to the 2024 Financial Statements for the analysis of the Group's investments by composition as at 31 December 2024 and 31 December 2023. Please refer to note 6.8 to the 2023 Financial Statements for the analysis of the Group's investments by composition as at 31 December 2022.

The table below provides the composition of the Group's investment portfolio by counterparty as at 31 December 2024, 31 December 2023 and 31 December 2022.

| Analysis of investments by counter-parties | 2024 | 2023 | 2022 |
|--|------------|------------|------------|
| | | (SAR'000) | |
| Government and quasi government..... | 35,655,488 | 31,104,550 | 28,321,390 |
| Banks and other financial institutions | 5,992,795 | 5,699,015 | 4,586,481 |

| Analysis of investments by counter-parties | 2024 | 2023 | 2022 |
|--|-------------------|-------------------|-------------------|
| | | (SAR'000) | |
| Corporate | 6,976,927 | 6,432,787 | 5,609,763 |
| Total | 48,625,210 | 43,236,352 | 38,517,634 |

The table below provides a breakdown of the Group's sukuk and Murabaha investments by risk rating as at 31 December 2024, 31 December 2023 and 31 December 2022:

Analysis of sukuk and Murabaha investments by risk rating

| | 12-month ECL | | |
|--|-------------------|---------------------------------|-------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR'000) | |
| Murabahas with SAMA investments – amortized cost | | | |
| Grades 1-4: investment grade | 1,771,552 | 1,626,379 | 904,901 |
| Sukuk investments – amortized cost | | | |
| Grades 1-4: investment grade | 29,907,799 | 25,422,871 | 22,477,405 |
| Grades 5-6: good/satisfactory/speculative ⁽⁴⁾ | 19,270 | 75,763 | 1,355,172 |
| | 29,927,069 | 25,498,634 | 23,832,577 |
| Sukuk investments – FVOCI | | | |
| Grades 1-4: investment grade | 12,132,124 | 11,449,496 ⁽⁵⁾ | 9,595,856 |
| Grades 5-6: good / satisfactory / speculative ⁽⁴⁾ | 791,298 | 870,088 | 1,050,289 |
| | 12,923,422 | 12,319,584⁽⁶⁾ | 10,646,145 |
| Sukuk investments – FVSI | | | |
| Grades 1-4: investment grade | 76,960 | 38,703 | — |
| | 76,960 | 38,703 | — |
| Murabahas with SAMA and Sukuk investments – Total | | | |
| Grades 1-4: investment grade | 43,888,435 | 38,537,449 | 32,978,162 |
| Grades 5-6: good / satisfactory / speculative ⁽⁴⁾ | 810,568 | 945,851 | 2,405,461 |
| Gross | 44,699,003 | 39,483,300 | 35,383,623 |
| Allowance for impairment..... | (17,161) | (19,854) | (16,158) |
| Net..... | 44,681,842 | 39,463,446 | 35,367,465 |

Notes:

- (1) Rating Scale (1-4) represents substantially credit risk free, exceptionally strong credit quality, excellent credit risk quality and very good credit risk quality.
- (2) Rating Scale (5-6) represents good, satisfactory and speculative credit quality.
- (3) Rating Scale (7) represents watch list category.
- (4) This line item was labelled as “Grades 5-6: good / satisfactory” in the 2023 Financial Statements.
- (5) The amount presented in the 2023 Financial Statements was SAR11,488,199 thousand. The difference between the amount shown in the 2024 Financial Statements and the amount shown in the 2023 Financial Statements reflected the reclassification in the 2024

Financial Statements of Sukuk in the amount of SAR 38,703 thousand from “Sukuk investments – FVOCI” to “Sukuk investments – FVSI” as at 31 December 2023.

- (6) The amount presented in the 2023 Financial Statement was SAR 12,358,287 thousand. The difference between the amount shown in the 2024 Financial Statements and the amount shown in the 2023 Financial Statements reflected the reclassification described above in note (6).

Investment grade includes investments having credit exposure equivalent to S&P rating of AAA to BBB. The remaining portion of the Bank’s investments are unrated investments including primarily local and foreign funds and equities.

The Group’s total investments was SAR 48.6 billion as at 31 December 2024, an increase of 12.5 per cent. as compared to SAR 43.2 billion as at 31 December 2023, an increase of 12.3 per cent. as compared to SAR 38.5 billion as at 31 December 2022. These increases were primarily due to increases in investments held at fair value through other comprehensive income (FVOCI) and investments held at amortised cost, net. The Group’s total investments comprised Government sukuk, *Murabaha* notes and quasi-Government sukuk (accounting for 73.3 per cent., 71.9 per cent. and 73.5 per cent. of the investment portfolio as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively) and corporate sukuk, equities and funds (accounting for 14.3 per cent., 14.9 per cent. and 14.6 per cent. of the investment portfolio as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively). The balance of the Group’s investment portfolio mainly comprised sukuk of banks and other financial institutions.

Financing, net

The table below provides the Group’s financing portfolio as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | Performing | Non-performing | Gross | Allowance for impairment | Financing, net |
|-------------------|--------------------|------------------|--------------------|--------------------------|--------------------|
| | | | (SAR '000) | | |
| 2024 | | | | | |
| Retail | 49,977,831 | 502,404 | 50,480,235 | (648,220) | 49,832,015 |
| Corporate | 153,907,091 | 1,679,832 | 155,586,923 | (3,110,844) | 152,476,079 |
| Total..... | 203,884,922 | 2,182,236 | 206,067,158 | (3,759,064) | 202,308,094 |
| 2023 | | | | | |
| Retail | 42,374,048 | 851,915 | 43,225,963 | (979,914) | 42,246,049 |
| Corporate | 132,820,236 | 2,010,546 | 134,830,782 | (3,452,787) | 131,377,995 |
| Total..... | 175,194,284 | 2,862,461 | 178,056,745 | (4,432,701) | 173,624,044 |
| 2022 | | | | | |
| Retail | 36,814,136 | 461,214 | 37,275,350 | (751,658) | 36,523,692 |
| Corporate | 110,739,162 | 2,458,700 | 113,197,862 | (3,229,598) | 109,968,264 |
| Total..... | 147,553,298 | 2,919,914 | 150,473,212 | (3,981,256) | 146,491,956 |

The Group’s financing, net was SAR 202.3 billion as at 31 December 2024, an increase of 16.5 per cent. as compared to SAR 173.6 billion as at 31 December 2023, an increase of 18.5 per cent. as compared to SAR 146.5 billion as at 31 December 2022. These increases were primarily due to increases in the retail banking

segment's *Murabaha* and *Bei Ajel* products, as well as corporate banking segment's *Ijarah* and *Bei Ajel* products.

The Group's performing financing was SAR 203.9 billion as at 31 December 2024, an increase of 16.4 per cent. as compared to SAR 175.2 billion as at 31 December 2023, which in turn represented an increase of 18.7 per cent. as compared to SAR 147.6 billion as at 31 December 2022. These increases were primarily attributable to the growth in the Group's corporate banking and retail banking segments. The Group's gross financing to retail customers (comprising real mortgage financing, consumer financing and credit cards combined) was SAR 50.5 billion as at 31 December 2024, an increase of 16.8 per cent. as compared to 43.2 billion as at 31 December 2023, which in turn represented an increase of 16.0 per cent. as compared to SAR 37.3 billion as at 31 December 2022. The Group's gross financing in the corporate banking segment was SAR 155.6 billion as at 31 December 2024, an increase of 15.4 per cent. as compared to 134.8 billion as at 31 December 2023, which in turn represented an increase of 19.1 per cent. as compared to SAR 113.2 billion as at 31 December 2022.

The Group's non-performing financing was SAR 2,182 million as at 31 December 2024, a decrease of 23.8 per cent. as compared to SAR 2,862 million as at 31 December 2023, which in turn represented a decrease of 2.0 per cent. as compared to SAR 2,920 million as at 31 December 2022. The decrease in the Group's non-performing financing as at 31 December 2024 and 31 December 2023 was attributable to recoveries of amounts overdue under impaired corporate financings and write-offs of impaired financings.

The Group's NPF ratio was 1.1 per cent., 1.6 per cent. and 1.9 per cent. as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The Group's allowance for impairment on financing was SAR 3,759 million as at 31 December 2024, a decrease of 15.2 per cent. as compared to SAR 4,433 million as at 31 December 2023. The decrease in 2024 is primarily as a result of the write offs of non-performing exposures and onboarding of higher-quality financing customers, resulting in a lower ECL risk assessment on the Group's financing. As at 31 December 2024, this allowance comprised SAR 800 million in Stage 1 provisions, SAR 1,758 million in Stage 2 provisions and SAR 1,201 million in Stage 3 provisions.

The allowance for impairment on financing was SAR 4,433 million as at 31 December 2023, an increase of 11.3 per cent. compared to 3,981 million as at 31 December 2022, primarily as a result of the increase in gross financing. As at 31 December 2023, the Group's allowance for impairment of financing comprised SAR 686 million in Stage 1 provisions, SAR 1,716 million in Stage 2 provisions and SAR 2,030 million in Stage 3 provisions. As at 31 December 2022, the Group's allowance for impairment of financing comprised SAR 691 million in Stage 1 provisions, SAR 1,632 million in Stage 2 provisions and SAR 1,658 million in Stage 3 provisions.

The Group's NPF coverage ratio was 172.3 per cent., 154.9 per cent. and 136.3 per cent. as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

Economic sectors risk concentration for financing, net

The tables below provide the economic sectors risk concentration of the Group's financing, net as at 31 December 2024, 31 December 2023 and 31 December 2022:

| 2024 | Performing | Non-performing | Lifetime ECL for credit impaired financing | Financing, net |
|---------------------------------------|------------|----------------|---|----------------|
| | | | (SAR '000) | |
| Government and quasi government | 21,698,698 | — | — | 21,698,698 |

| 2024 | Performing | Non- performing | Lifetime ECL for credit impaired financing | Financing, net |
|---|--------------------|--------------------|---|--------------------|
| | | | (SAR'000) | |
| Manufacturing | 9,203,368 | 854,855 | (425,123) | 9,633,100 |
| Electricity, water, gas & health services | 7,749,409 | — | — | 7,749,409 |
| Building and construction | 9,388,502 | 44,658 | (36,871) | 9,396,289 |
| Services | 29,255,399 | 118,615 | (98,029) | 29,275,985 |
| Mining | 3,579,596 | — | — | 3,579,596 |
| Agriculture | 2,495,496 | — | — | 2,495,496 |
| Consumer financing | 49,977,831 | 502,404 | (349,813) | 50,130,422 |
| Transportation and communication | 8,975,492 | 2,750 | (825) | 8,977,417 |
| Commerce | 13,323,334 | 298,485 | (128,234) | 13,493,585 |
| Real estate business | 31,528,282 | 360,469 | (162,211) | 31,726,540 |
| Others | 16,709,515 | — | — | 16,709,515 |
| | 203,884,922 | 2,182,236 | (1,201,106) | 204,866,052 |
| ECL against performing financing | | | | (2,557,958) |
| Financing, net | | | | 202,308,094 |
| 2023 | Performing | Non- performing | Lifetime ECL for credit impaired financing | Financing, net |
| | | | (SAR'000) | |
| Government and quasi government | 16,301,450 | — | — | 16,301,450 |
| Manufacturing | 9,417,958 | 1,329,925 | (762,407) | 9,985,476 |
| Electricity, water, gas & health services | 6,819,438 | — | — | 6,819,438 |
| Building and construction | 8,974,525 | 26,551 | (19,913) | 8,981,163 |
| Services | 22,912,063 | 68,761 | (40,145) | 22,940,679 |
| Mining | 1,981,418 | — | — | 1,981,418 |
| Agriculture | 2,831,795 | — | — | 2,831,795 |
| Consumer financing | 42,374,048 | 851,915 | (638,641) | 42,587,322 |
| Transportation and communication | 5,791,424 | 27,516 | (27,516) | 5,791,424 |
| Commerce | 12,108,629 | 553,083 | (539,786) | 12,121,926 |
| Real estate business | 28,686,575 | 4,710 | (2,002) | 28,689,283 |
| Others | 16,994,961 | — | — | 16,994,961 |
| | 175,194,284 | 2,862,461 | (2,030,410) | 176,026,335 |
| ECL against performing financing | | | | (2,402,291) |
| Financing, net | | | | 173,624,044 |

| 2022 | Performing | Non-performing | Lifetime ECL for credit impaired financing | Financing, net |
|---|--------------------|------------------|---|--------------------|
| | | | (SAR'000) | |
| Government and quasi government | 13,681,025 | — | — | 13,681,025 |
| Manufacturing | 9,093,796 | 1,098,045 | (650,398) | 9,541,443 |
| Electricity, water, gas & health services | 5,312,933 | — | — | 5,312,933 |
| Building and construction | 7,908,210 | 8,218 | (6,163) | 7,910,265 |
| Services | 17,422,594 | 66,162 | (43,246) | 17,445,510 |
| Mining | 2,826,249 | — | — | 2,826,249 |
| Agriculture | 3,302,830 | — | — | 3,302,830 |
| Consumer financing | 36,814,217 | 461,133 | (322,446) | 36,952,904 |
| Transportation and communication | 6,741,803 | 27,516 | (20,637) | 6,748,682 |
| Commerce | 9,727,806 | 716,119 | (373,954) | 10,069,971 |
| Real estate business | 20,180,174 | 516,936 | (219,743) | 20,477,367 |
| Others | 14,541,661 | 25,785 | (21,428) | 14,546,018 |
| | 147,553,298 | 2,919,914 | (1,658,015) | 148,815,197 |
| ECL against performing financing | | | | (2,323,241) |
| Financing, net | | | | 146,491,956 |

Financing, net by geographical distribution

The tables below provide the geographical distribution of the Group's financing, net as at 31 December 2024, 31 December 2023 and 31 December 2022:

| 2024 | Kingdom of Saudi Arabia | Other GCC and Middle East countries | Europe | Other countries | Total |
|--------------------|-------------------------------|--|-----------|--------------------|--------------------|
| | | | (SAR'000) | | |
| Retail | 49,832,015 | — | — | — | 49,832,015 |
| Corporate | 150,209,443 | — | — | 2,266,636 | 152,476,079 |
| Total | 200,041,458 | — | — | 2,266,636 | 202,308,094 |

| 2023 | Kingdom of Saudi Arabia | Other GCC and Middle East countries | Europe | Other countries | Total |
|-----------------|-------------------------------|--|-----------|--------------------|-------------|
| | | | (SAR'000) | | |
| Retail | 42,246,049 | — | — | — | 42,246,049 |
| Corporate | 128,893,436 | — | — | 2,484,559 | 131,377,995 |

| | Kingdom of Saudi Arabia | Other GCC and Middle East countries | Europe | Other countries | Total |
|--------------------|-------------------------------|--|------------|--------------------|--------------------|
| 2023 | | | (SAR '000) | | |
| Total | 171,139,485 | — | — | 2,484,559 | 173,624,044 |
| | | | | | |
| | Kingdom of Saudi Arabia | Other GCC and Middle East countries | Europe | Other countries | Total |
| 2022 | | | (SAR '000) | | |
| Retail | 36,523,692 | — | — | — | 36,523,692 |
| Corporate | 107,017,039 | — | — | 2,951,225 | 109,968,264 |
| Total | 143,540,731 | — | — | 2,951,225 | 146,491,956 |

Classification Process for Non-Performing Financings

The Group's provisioning policy for consumer credit financings is guided by the Credit Risk Classification and Provisioning Policy under IFRS 9. The stage classification rules are in accordance with the IFRS 9 standards and prevalent regulatory conditions.

The following table shows the credit quality of the Group's financings as at 31 December 2024:

| | 31 December 2024 | | | |
|---|-------------------|--|--|-------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired (non- Performing) | Total |
| | | | (SAR '000) | |
| Financing to customers (at amortised cost) – Retail | | | | |
| Unrated | 48,522,099 | 1,455,732 | — | 49,977,831 |
| Impaired financing | — | — | 502,404 | 502,404 |
| Gross financing | 48,522,099 | 1,455,732 | 502,404 | 50,480,235 |
| Allowance for impairment | (216,715) | (81,692) | (349,813) | (648,220) |
| | 48,305,384 | 1,374,040 | 152,591 | 49,832,015 |
| Financing to customers (at amortised cost) – Corporate | | | | |
| Grades 1-4: investment grade | 86,143,895 | — | — | 86,143,895 |
| Grades 5-6: good/satisfactory/speculative .. | 57,920,301 | 9,322,112 | — | 67,242,413 |
| Grades 7: Watch-list | — | 520,783 | — | 520,783 |

31 December 2024

| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired (non- Performing) | Total |
|--|--------------------|--|--|--------------------|
| | | | (SAR '000) | |
| Impaired financing..... | — | — | 1,679,832 | 1,679,832 |
| Gross financing | 144,064,196 | 9,842,895 | 1,679,832 | 155,586,923 |
| Allowance for impairment..... | (583,623) | (1,675,928) | (851,293) | (3,110,844) |
| | 143,480,573 | 8,166,967 | 828,539 | 152,476,079 |
| Financing to customers (at amortised cost) – Total | | | | |
| Grades 1-4: investment grade ⁽¹⁾ | 86,143,895 | — | — | 86,143,895 |
| Grades 5-6: good/satisfactory/speculative ⁽²⁾ | 57,920,301 | 9,322,112 | — | 67,242,413 |
| Grades 7: Watch-list ⁽³⁾ | — | 520,783 | — | 520,783 |
| Unrated | 48,522,099 | 1,455,732 | — | 49,977,831 |
| Impaired financing..... | — | — | 2,182,236 | 2,182,236 |
| Gross financing | 192,586,295 | 11,298,627 | 2,182,236 | 206,067,158 |
| Allowance for impairment..... | (800,338) | (1,757,620) | (1,201,106) | (3,759,064) |
| Financing, net..... | 191,785,957 | 9,541,007 | 981,130 | 202,308,094 |

Notes:

- (1) Rating Scale (1–4) represents: Substantially credit risk free (1), Exceptionally strong credit quality (2), Excellent credit risk quality (3) and Very good credit risk quality (4).
- (2) Rating Scale (5–6) represents: Good to satisfactory credit quality (5) and borderline credit quality that is speculative (6). This line item was labelled as “Grades 5-6 good/satisfactory” in the 2023 Financial Statements.
- (3) Rating Scale (7) represents: Watch list category.

Other than in the case of retail financings, where such financings are written off after 360 days past due, the Group writes off its doubtful financings only when all means of recovery have been exhausted. Such write offs amounted to SAR 1,465 million, SAR 826 million and SAR 1,128 million for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively. The contractual amount outstanding on financial assets that were written off and that were subject to enforcement activity was SAR 4,401, SAR 3,189 million and SAR 2,575 million as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

Substantially all of the Group’s non-performing financings and impairment for credit losses are concentrated in the Kingdom. The table below provides the non-performing financing and allowance for impairment on financing as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December 2024 | | 31 December 2023 | | 31 December 2022 | |
|--------------------|--------------------|---|--------------------|---|--------------------|---|
| | Non-performing net | Allowance for impairment of credit losses | Non-performing net | Allowance for impairment of credit losses | Non-performing net | Allowance for impairment of credit losses |
| | | | | | | |
| | | | | (SAR '000) | | |
| Total | 2,182,236 | 3,759,064 | 2,862,461 | 4,432,701 | 2,919,914 | 3,981,256 |

The table below provides the movement in gross financing exposure and the allowance for impairment on financing, in each case as at 31 December 2024 and 31 December 2023:

| | 31 December 2024 | | | |
|---|--------------------|----------------------------------|------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| | | | | |
| | | | | (SAR '000) |
| Gross exposure | | | | |
| Retail | | | | |
| Balance at the beginning of the year | 41,365,515 | 1,008,533 | 851,915 | 43,225,963 |
| Transfer to 12-month ECL..... | 449,278 | (388,112) | (61,166) | — |
| Transfer to life time ECL, not credit impaired..... | (903,815) | 921,657 | (17,842) | — |
| Transfer to life time ECL, credit impaired... | (160,015) | (144,961) | 304,976 | — |
| New financial assets, net of financial assets derecognised and repayments | 7,771,136 | 58,615 | (47,473) | 7,782,278 |
| Write-off..... | — | — | (528,006) | (528,006) |
| Balance as at 31 December 2024 | 48,522,099 | 1,455,732 | 502,404 | 50,480,235 |
| Corporate | | | | |
| Balance at the beginning of the year | 123,254,867 | 9,565,369 | 2,010,546 | 134,830,782 |
| Transfer to 12-month ECL..... | 997,462 | (997,462) | — | — |
| Transfer to life time ECL, not credit impaired..... | (2,780,594) | 2,780,594 | — | — |
| Transfer to life time ECL, credit impaired... | (44,582) | (861,640) | 906,222 | — |
| New financial assets, net of financial assets derecognised and repayments | 22,637,043 | (643,966) | (300,045) | 21,693,032 |
| Write-off..... | — | — | (936,891) | (936,891) |
| Balance as at 31 December 2024 | 144,064,196 | 9,842,895 | 1,679,832 | 155,586,923 |
| Total | | | | |
| Balance at the beginning of the year | 164,620,382 | 10,573,902 | 2,862,461 | 178,056,745 |
| Transfer to 12-month ECL..... | 1,446,740 | (1,385,574) | (61,166) | — |

| | 31 December 2024 | | | |
|--|--------------------|--|------------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Gross exposure | | | | |
| | | (SAR'000) | | |
| Transfer to life time ECL, not credit impaired..... | (3,684,409) | 3,702,251 | (17,842) | — |
| Transfer to life time ECL, credit impaired... | (204,597) | (1,006,601) | 1,211,198 | — |
| New financial assets, net of financial assets derecognised and repayments | 30,408,179 | (585,351) | (347,518) | 29,475,310 |
| Write-off..... | — | — | (1,464,897) | (1,464,897) |
| Balance as at 31 December 2024..... | 192,586,295 | 11,298,627 | 2,182,236 | 206,067,158 |

| | 31 December 2024 | | | |
|--|------------------|--|------------------------------------|------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Allowance for impairment | | | | |
| | | (SAR'000) | | |
| Retail | | | | |
| Balance at the beginning of the year..... | 225,433 | 115,840 | 638,641 | 979,914 |
| Transfer to 12-month ECL..... | 57,975 | (28,152) | (29,823) | — |
| Transfer to life time ECL, not credit impaired..... | (7,883) | 16,820 | (8,937) | — |
| Transfer to life time ECL, credit impaired... | (2,077) | (27,862) | 29,939 | — |
| Net (reversal) / charge for the year | (56,733) | 5,046 | 247,999 | 196,312 |
| Write-off..... | — | — | (528,006) | (528,006) |
| Balance as at 31 December 2024..... | 216,715 | 81,692 | 349,813 | 648,220 |
| Corporate | | | | |
| Balance at the beginning of the year..... | 460,499 | 1,600,519 | 1,391,769 | 3,452,787 |
| Transfer to 12-month ECL..... | 27,135 | (27,135) | — | — |
| Transfer to life time ECL, not credit impaired..... | (17,358) | 17,358 | — | — |
| Transfer to life time ECL, credit impaired... | (965) | (57,671) | 58,636 | — |
| Net charge for the year | 114,312 | 142,857 | 337,779 | 594,948 |
| Write-off..... | — | — | (936,891) | (936,891) |
| Balance as at 31 December 2024..... | 583,623 | 1,675,928 | 851,293 | 3,110,844 |
| Total | | | | |
| Balance at the beginning of the year..... | 685,932 | 1,716,359 | 2,030,410 | 4,432,701 |
| Transfer to 12-month ECL..... | 85,110 | (55,287) | (29,823) | — |

| 31 December 2024 | | | | |
|--|--------------------|--|------------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Allowance for impairment | | (SAR'000) | | |
| Transfer to life time ECL, not credit impaired..... | (25,241) | 34,178 | (8,937) | — |
| Transfer to life time ECL, credit impaired... | (3,042) | (85,533) | 88,575 | — |
| Net charge for the year | 57,579 | 147,903 | 585,778 | 791,260 |
| Write-off..... | — | — | (1,464,897) | (1,464,897) |
| Balance as at 31 December 2024..... | 800,338 | 1,757,620 | 1,201,106 | 3,759,064 |
| 31 December 2023 | | | | |
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Gross exposure | | (SAR'000) | | |
| Retail | | | | |
| Balance at the beginning of the year..... | 35,678,542 | 1,135,594 | 461,214 | 37,275,350 |
| Transfer to 12-month ECL..... | 307,412 | (290,816) | (16,596) | — |
| Transfer to life time ECL, not credit impaired..... | (741,041) | 742,673 | (1,632) | — |
| Transfer to life time ECL, credit impaired... | (369,898) | (253,535) | 623,433 | — |
| New financial assets, net of financial assets derecognised and repayments | 6,490,500 | (325,383) | 389,332 | 6,554,449 |
| Write-off..... | — | — | (603,836) | (603,836) |
| Balance as at 31 December 2023..... | 41,365,515 | 1,008,533 | 851,915 | 43,225,963 |
| Corporate | | | | |
| Balance at the beginning of the year..... | 103,416,908 | 7,322,254 | 2,458,700 | 113,197,862 |
| Transfer to 12-month ECL..... | 677,165 | (673,591) | (3,574) | — |
| Transfer to life time ECL, not credit impaired..... | (3,593,144) | 3,669,574 | (76,430) | — |
| Transfer to life time ECL, credit impaired... | (30,466) | (253,938) | 284,404 | — |
| New financial assets, net of financial assets derecognised and repayments | 22,784,404 | (498,930) | (430,650) | 21,854,824 |
| Write-off..... | — | — | (221,904) | (221,904) |
| Balance as at 31 December 2023..... | 123,254,867 | 9,565,369 | 2,010,546 | 134,830,782 |
| Total | | | | |
| Balance at the beginning of the year..... | 139,095,450 | 8,457,848 | 2,919,914 | 150,473,212 |
| Transfer to 12-month ECL..... | 984,577 | (964,407) | (20,170) | — |

| | 31 December 2023 | | | |
|--|--------------------|--|------------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Gross exposure | | | | |
| | | (SAR'000) | | |
| Transfer to life time ECL, not credit impaired..... | (4,334,185) | 4,412,247 | (78,062) | — |
| Transfer to life time ECL, credit impaired... | (400,364) | (507,473) | 907,837 | — |
| New financial assets, net of financial assets derecognised and repayments | 29,274,904 | (824,313) | (41,318) | 28,409,273 |
| Write-off..... | — | — | (825,740) | (825,740) |
| Balance as at 31 December 2023 | 164,620,382 | 10,573,902 | 2,862,461 | 178,056,745 |

| | 31 December 2023 | | | |
|--|------------------|--|------------------------------------|------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Allowance for impairment | | | | |
| | | (SAR'000) | | |
| Retail | | | | |
| Balance at the beginning of the year | 265,329 | 163,803 | 322,526 | 751,658 |
| Transfer to 12-month ECL..... | 38,569 | (27,971) | (10,598) | — |
| Transfer to life time ECL, not credit impaired..... | (6,927) | 7,902 | (975) | — |
| Transfer to life time ECL, credit impaired... | (5,830) | (47,533) | 53,363 | — |
| Net (reversal) / charge for the year | (65,708) | 19,639 | 878,161 | 832,092 |
| Write-off..... | — | — | (603,836) | (603,836) |
| Balance as at 31 December 2023 | 225,433 | 115,840 | 638,641 | 979,914 |
| Corporate | | | | |
| Balance at the beginning of the year | 425,859 | 1,468,250 | 1,335,489 | 3,229,598 |
| Transfer to 12-month ECL..... | 54,420 | (53,348) | (1,072) | — |
| Transfer to life time ECL, not credit impaired..... | (53,438) | 85,921 | (32,483) | — |
| Transfer to life time ECL, credit impaired... | (696) | (94,087) | 94,783 | — |
| Net charge for the year | 34,354 | 193,783 | 216,956 | 445,093 |
| Write-off..... | — | — | (221,904) | (221,904) |
| Balance as at 31 December 2023 | 460,499 | 1,600,519 | 1,391,769 | 3,452,787 |
| Total | | | | |
| Balance at the beginning of the year | 691,188 | 1,632,053 | 1,658,015 | 3,981,256 |
| Transfer to 12-month ECL..... | 92,989 | (81,319) | (11,670) | — |

31 December 2023

| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
|---|-------------------------|---|---|------------------|
| Allowance for impairment | | | | |
| | | (SAR '000) | | |
| Transfer to life time ECL, not credit impaired..... | (60,365) | 93,823 | (33,458) | — |
| Transfer to life time ECL, credit impaired... | (6,526) | (141,620) | 148,146 | — |
| Net (reversal) / charge for the year | (31,354) | 213,422 | 1,095,117 | 1,277,185 |
| Write-off..... | — | — | (825,740) | (825,740) |
| Balance as at 31 December 2023 | 685,932 | 1,716,359 | 2,030,410 | 4,432,701 |

Cost of Risk

The Group's cost of risk ratio was 0.5 per cent. for the year ended 31 December 2024, 0.8 per cent. for the year ended 31 December 2023 and 0.9 per cent. for the year ended 31 December 2022.

The following table shows impairment charge on financing, net of recoveries and the cost of risk as at and for the years ended 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December | | |
|--|--------------------------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| | (SAR '000, except percentages) | | |
| Gross financing portfolio as at year end | 206,067,158 | 178,056,745 | 150,473,212 |
| Average gross financing portfolio (simple average of gross financing as at the start and end of the year)..... | 192,061,952 | 164,264,979 | 140,392,708 |
| Impairment charge on financing, net of recoveries..... | 1,049,809 | 1,272,104 | 1,197,700 |
| Cost of risk (%)..... | 0.5 | 0.8 | 0.9 |

Liabilities

Deposits

The Group's funding remains well diversified through its pool of customers from its different business lines. In order to mitigate liquidity risk on the liability side, the Group also maintains liquid reserves of not less than 20 per cent. of its deposit liabilities in the form of cash, Government securities or assets which can be converted into cash within a period not exceeding 30 days. The Group can also raise additional funds through *Shari'a*-compliant repo facilities available with SAMA against its holding of Government securities.

The Group's total customers' deposits was SAR 210.5 billion as at 31 December 2024 an increase of 12.1 per cent. as compared to SAR 187.9 billion as at 31 December 2023, which in turn represented an increase of 29.4 per cent. as compared to SAR 145.2 billion as at 31 December 2022.

The Group's demand and other customers' deposits was SAR 97.1 billion as at 31 December 2024, an increase of 20.3 per cent. as compared to SAR 80.7 billion as at 31 December 2023, which in turn represented an increase of 7.1 per cent. as compared to SAR 75.4 billion as at 31 December 2022.

Savings and time customers' deposits was SAR 113.4 billion, an increase of 5.8 per cent. as compared to SAR 107.2 billion as at 31 December 2023, which in turn represented an increase of 53.6 per cent. as compared to SAR 69.8 billion as at 31 December 2022.

The table below provides total customers' deposits as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | 2024 | 2023 | 2022 |
|--|--------------------|--------------------|--------------------|
| | | (SAR'000) | |
| Demand | 95,253,337 | 78,955,995 | 73,887,522 |
| Savings | 11,643,387 | 9,833,634 | 7,093,170 |
| Customers' time investments ⁽¹⁾ | 101,805,095 | 97,348,367 | 62,679,182 |
| Others ⁽²⁾ | 1,842,831 | 1,762,585 | 1,508,616 |
| Total | 210,544,650 | 187,900,581 | 145,168,490 |

Notes:

- (1) Customers' time investments represent Murabaha and Mudaraba with customers.
(2) Others represent cash margins for letters of credit and guarantees.

The table above includes foreign currency deposits as follows:

| | 2024 | 2023 | 2022 |
|-----------------------------------|-------------------|------------------|------------------|
| | | (SAR'000) | |
| Demand | 3,586,941 | 1,292,098 | 1,674,700 |
| Customers' time investments | 10,305,857 | 4,530,535 | 6,051,283 |
| Others | 53,479 | 107,245 | 121,403 |
| Total | 13,946,277 | 5,929,878 | 7,847,386 |

The ratio of demand and other customers' deposits to total deposits was 46.1 per cent., 43.0 per cent. and 51.9 per cent. as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

In line with the Group's assets and liabilities statistical model, the average maturity of non-profit bearing deposits (which are categorised as demand deposits) was 2.37 years as at 31 December 2024, 2.49 years as at 31 December 2023 and 2.45 years as at 31 December.

SAMA Financing to Deposit Ratio and Financing to Deposit Ratio

The Group's SAMA financing to deposit ratio was 83.35 per cent., 80.5 per cent. and 82.8 per cent. as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The table below provides the calculation of the Group's financing to deposit ratio for each of the years ended 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December | | |
|-------------------------------|--------------------------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| | (SAR '000, except percentages) | | |
| Financing, net | 202,308,094 | 173,624,044 | 146,491,956 |
| Customers' deposits..... | 210,544,650 | 187,900,581 | 145,168,490 |
| Financing to deposit (%)..... | 96.1 | 92.4 | 100.9 |

The level of concentration of deposits has increased since 2021 with the Group's 20 largest depositors representing 36.1 per cent. of total deposits as at 31 December 2024, as compared to 39.1 per cent. as at 31 December 2023, and 32.9 per cent. in 2022. These depositors are large Saudi corporates, funds and Government-related companies.

Term Financings

The Group had no term financings outstanding as at 31 December 2024.

Equity

The table below provides the sources of the Group's equity capital funding as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | 2024 | 2023 | 2022 |
|---|-------------------|-------------------|-------------------|
| | (SAR '000) | | |
| Equity | | | |
| Share capital..... | 25,000,000 | 20,000,000 | 20,000,000 |
| Treasury shares..... | (203,958) | (225,611) | (66,021) |
| Statutory reserve | 4,836,346 | 3,378,431 | 2,168,630 |
| Other reserves | (129,404) | 62,359 | (507,396) |
| Retained earnings..... | 3,188,291 | 1,118,422 | 4,285,004 |
| Proposed issue of bonus shares | — | 5,000,000 | — |
| Proposed dividends | — | — | 996,096 |
| Equity attributable to the shareholders of the Bank... | 32,691,275 | 29,333,601 | 26,876,313 |
| Tier 1 Sukuk | 8,750,500 | 5,000,000 | 5,000,000 |

The Group's paid up share capital was SAR 25.0 billion as at 31 December 2024 and SAR 20.0 billion as at 31 December 2023 and as at 31 December 2022.

During the year ended 31 December 2024, the Board of Directors of the Bank (the "**Board of Directors**") approved a total interim dividend of SAR 1,988 million. This resulted in a net payment of SAR 0.80 per share to the shareholders of the Bank. During the year ended 31 December 2023, the Board of Directors approved a total interim dividend of SAR 1,690 million. This resulted in a net payment of SAR 0.85 per share to the shareholders of the Bank. On 20 December 2022, the Board of Directors proposed a final dividend of SAR 996 million for the year ended 31 December 2022 which was approved by the extraordinary general assembly held on 30 April 2023. This resulted in a net payment of SAR 0.50 per share to the shareholders of the Bank.

On 31 December 2023, the Board of Directors recommended to the extraordinary general assembly to increase the share capital of the Bank by SAR 5 billion through capitalisation from the retained earnings by way of granting one share for every four shares (the “**Share Capital Increase**”). On 23 April 2024, the extraordinary general assembly approved the Share Capital Increase. As a result, the Bank’s share capital increased by SAR 5 billion to SAR 25 billion as at 31 December 2024.

Equity attributable to the shareholders of the Bank was SAR 32.7 billion as at 31 December 2024, an increase of 11.4 per cent. as compared to SAR 29.3 billion as at 31 December 2023, which in turn represented an increase of 9.1 per cent. as compared to SAR 26.9 billion as at 31 December 2022. The increase in equity attributable to the shareholders of the Bank as at 31 December 2024 was primarily due to higher statutory reserve and retained earnings, each of which reflected higher net income for the year after zakat, offset by lower other reserves and no proposed issue of bonus shares. The increase in equity attributable to the shareholders of the Bank as at 31 December 2023 was primarily due to the proposed issue of bonus shares, higher statutory reserve and other reserves, each of which reflected higher net income for the year after zakat.

Capital Adequacy

The Bank’s objectives when managing capital are: to comply with the capital requirements set by SAMA; to safeguard the Bank’s ability to continue as a going concern; and to maintain a strong capital base.

Capital adequacy and the use of regulatory capital are monitored by the Bank’s management. SAMA requires to hold and maintain a ratio of total regulatory capital to the risk-weighted assets at or above the Basel prescribed minimum percentage.

The Bank actively manages its capital base to cover the risks inherent in its business. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to risk-weighted assets (“**RWA**”) at or above 10.5 per cent. including a capital conservation buffer of 2.5 per cent.

The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank’s eligible capital with its consolidated statement of financial position assets and commitments at a weighted amount to reflect their relative risk.

SAMA has issued the framework and guidance for implementation of capital reforms under Basel III Final Post Crisis Reforms, effective from 1 January 2023.

In this section “*Financial Review – Capital Adequacy*”, the total capital adequacy ratio, the credit risk weighted risk assets, the operational risk weighted assets, the market risk weighted assets, total pillar-I risk weighted assets, tier I capital, tier II capital, total tier I & tier II capital, capital adequacy ratio, CET1 capital adequacy ratio, tier 1 capital adequacy ratio and total capital adequacy ratio are presented, in the case of numbers as at 31 December 2024 and as at 31 December 2023 as per the Basel IV Regulation and, in the case of numbers as at 31 December 2022, as per Basel III regulations.

The Bank’s total capital adequacy ratio was 17.7 per cent., 17.5 per cent. and 19.8 per cent. as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively. The increase in the total capital adequacy ratio as at 31 December 2024 was primarily attributable to the issuance of U.S.\$1,000,000,000 additional tier 1 capital certificates by the Bank via Alinma Tier 1 Sukuk Limited. The decrease in the total capital adequacy ratio as at 31 December 2023 was primarily attributable to the 21.9 per cent. increase in the Group’s total pillar-1 risk weighted assets as at 31 December 2023 as compared to 31 December 2022.

The table below provides the Bank’s capital adequacy ratios as at 31 December 2024, 31 December 2023 and 31 December 2022:

| Particulars | As at 31 December | | |
|--|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2022 |
| | (SAR'000) | | |
| Credit Risk Weighted Assets | 235,523,265 | 200,114,001 | 160,491,295 |
| Operational Risk Weighted Assets | 7,321,465 | 6,040,617 | 12,713,318 |
| Market Risk Weighted Assets..... | 5,383,760 | 5,439,506 | 399,339 |
| Total Pillar-I Risk Weighted Assets | 248,228,490 | 211,594,124 | 173,603,952 |
| Tier I Capital..... | 41,464,734 | 34,574,557 | 32,358,224 |
| Tier II Capital | 2,576,153 | 2,423,433 | 2,006,141 |
| Total Tier I & II Capital | 44,040,887 | 36,997,990 | 34,364,365 |

| | As at 31 December | | |
|--------------------------------------|-------------------|-------------|------|
| | 2024 | 2023 | 2022 |
| | (%) | | |
| Capital Adequacy Ratio | | | |
| CET1 Capital Adequacy | 13.2 | 14.0 | 15.8 |
| Tier 1 Capital Adequacy | 17.0 | 16.0 | 18.6 |
| Total Capital Adequacy | 17.7 | 17.5 | 19.8 |

Classification and Measurement of Financial Assets

The classification and measurement of financial instruments under IFRS 9 is a result of two main assessments, namely, business model assessment and analysis of contractual cash flows.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how management personnel of the business are compensated, for instance, whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group changes the classification of the remaining financial assets held in that business model.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value through statement of income ("FVSI") because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' over financings is calculated with the consideration for the time value of money, the credit and other basic financing risk associated with the principal amount outstanding during a particular period and other basic operational and financing costs (including liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (for instance, non-recourse asset arrangements); and
- features that modify consideration of the time value of money (for instance, periodical reset of profit rates).

Based on the said assessment, on initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income ("FVOCI") or FVSI.

Financial asset held at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVSI:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

Generally, financing to customers, due from banks and other financial institutions, SAMA *Murabaha* and certain investments in Sukuk qualify for measurement under amortised cost.

Financial assets held at FVOCI

Sukuk and like instruments: are measured at FVOCI only if they meet both of the following conditions and are not designated at FVSI:

- the asset is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

Equity instruments: on initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (“OCI”). This election is made on an investment-by-investment basis.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair values recognised in OCI. Profit and foreign exchange gains and losses are recognised in profit or loss.

Financial assets held at FVSI

All other financial assets are classified as measured at FVSI. Financial assets in this category are classified as either investments held for trading or designated as FVSI on initial recognition. Financial assets classified as held for trading are acquired principally for the purpose of selling in the short term.

In addition, on initial recognition, the Group may irrevocably designate a financial asset to be measured at FVSI that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVSI are recorded in the consolidated statement of financial position at fair value. Changes in the fair value are recognised in the consolidated statement of income for the year in which it arises. Transaction costs, if any, are not added to the fair value measurement at initial recognition of FVSI investments and are expensed through the consolidated statement of income. Dividend income on financial assets held as FVSI is reflected as “Income from FVSI financial instruments, net” in the Group’s consolidated statement of income.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

A financial asset is measured initially at fair value plus, for an item not at FVSI, transaction costs that are directly attributable to its acquisition or issue.

Classification and measurement of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds and costs that are an integral part of the financial liability’s effective interest rate.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or commitment. Subsequently, financial guarantees and loan commitments are measured at higher of amortised cost and the amount of ECL.

A financial liability is measured initially at fair value, plus, for an item not at FVSI, transaction costs that are directly attributable to its acquisition or issue.

Impairment of financial assets

The Group recognises impairment allowances based on a forward looking ECL approach on financial assets that are not measured at FVSI. This mainly includes financing, other investments that are measured at amortised cost or at FVOCI (other than equity investments), interbank placements, financial guarantees, lease receivables and credit commitments.

No impairment loss is recognised on FVOCI equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a financial asset to have low credit risk when the credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers its exposure to other banks, financial institutions and Sukuk investments to have low credit risk as their credit risk rating is equivalent to the globally accepted definition of 'investment grade'.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Credit-impaired assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For further details of the Group's impairment policy, see Note 3.j to the 2024 Financial Statements.

De-Recognition and Modifications of Financial Assets and Financial Liabilities

For details of the Group's policy in respect of de-recognition of financial assets and financial liabilities and modifications of financial assets and financial liabilities, see Note 3.g(3) and Note 3.g(4) to the 2024 Financial Statements.

Results of operations for the years ended 31 December 2024, 31 December 2023 and 31 December 2022

The table below shows the Group's consolidated statement of income and comprehensive income data for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | For the year ended 31 December | | |
|--|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR'000) | |
| Income from investments and financing..... | 16,154,779 | 13,227,509 | 7,612,961 |
| Return on time investments | (7,506,150) | (5,572,995) | (1,546,495) |
| Income from investments and financing, net..... | 8,648,629 | 7,654,514 | 6,066,466 |

| | For the year ended 31 December | | |
|---|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Fees from banking services-income..... | 2,921,597 | 2,426,703 | 1,901,510 |
| Fees from banking services-expense..... | (1,313,278) | (967,712) | (692,578) |
| Fees from banking services, net..... | 1,608,319 | 1,458,991 | 1,208,932 |
| Exchange income, net..... | 379,564 | 330,291 | 290,836 |
| Income from FVSI financial instruments, net..... | 237,073 | 211,721 | 279,308 |
| Gain from FVOCI sukuk investments, net..... | 911 | — | 993 |
| Dividend income on FVOCI equity investments | 33,004 | 30,798 | 30,545 |
| Other operating income | 32,576 | 39,342 | 85,980 |
| Total operating income..... | 10,940,076 | 9,725,657 | 7,963,060 |
| Salaries and employee related expenses | 1,664,098 | 1,466,521 | 1,325,324 |
| Rent and premises related expenses..... | 74,210 | 73,651 | 68,225 |
| Depreciation and amortisation | 353,839 | 325,313 | 279,116 |
| Other general and administrative expenses..... | 1,291,492 | 1,178,041 | 1,092,312 |
| Operating expenses before impairment charges | 3,383,639 | 3,043,526 | 2,764,977 |
| Impairment charge on financing, net of recoveries..... | 1,049,809 | 1,272,104 | 1,197,700 |
| Impairment (reversal) / charge on other financial assets..... | (550) | 26,524 | (8,982) |
| Total operating expenses | 4,432,898 | 4,342,154 | 3,953,695 |
| Net operating income..... | 6,507,178 | 5,383,503 | 4,009,365 |
| Share of (loss) / income from associate and joint venture | (5,106) | 12,021 | 3,534 |
| Income for the year before zakat..... | 6,502,072 | 5,395,524 | 4,012,899 |
| Zakat for the year..... | (670,411) | (556,318) | (413,759) |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Basic and diluted earnings per share (SAR)..... | 2.22 | 1.87 | 1.73 |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Other comprehensive income / (loss): | | | |
| <i>Items that cannot be recycled back to consolidated statement of income in subsequent periods</i> | | | |
| Net change in fair value of FVOCI equity investments | 23,721 | 461,304 | (412,976) |
| Share of joint venture / associate's other comprehensive (loss) / income ⁽¹⁾ | (11,553) | 10,868 | — |
| Actuarial gain on re-measurement of End of Service Benefits ... | 5,486 | 19,637 | 12,226 |
| <i>Items that can be recycled back to consolidated statement of income in subsequent periods</i> | | | |
| Net change in fair value of FVOCI sukuk investments..... | (174,260) | 108,987 | (247,262) |
| Gain from FVOCI sukuk investments, net ⁽²⁾ | (911) | — | (993) |
| Cash flow hedge..... | | | |

| | For the year ended 31 December | | |
|--|--------------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Effective portion of change in fair value of cash flow hedge.... | (51,435) | — | — |
| Net amounts transferred to consolidated statement of income... | 28,475 | — | — |
| Total other comprehensive (loss) / income..... | (180,477) | 600,796 | (649,005) |
| Total comprehensive income for the year..... | 5,651,184 | 5,440,002 | 2,950,135 |

Notes:

- (1) This line item was labelled as “Share of associate’s other comprehensive income” in the 2023 Financial Statements.
- (2) This line item was labelled as “Net gain realised on sale of FVOCI sukuk investments” in the 2023 Financial Statements.

Overview

The Group’s total operating income for the year ended 31 December 2024 was SAR 10,940 million, an increase of 12.5 per cent. as compared to SAR 9,726 for the year ended 31 December 2023, which in turn represented an increase of 22.1 per cent. as compared to SAR 7,963 million for the year ended 31 December 2022. The increase in the Group’s total operating income in 2024 was primarily as a result of increases in income from investments and financing, net and fees from banking services, net.

The increase in the Group’s total operating income in 2023 was primarily as a result of increases in income from investments and financing, net and fees from banking services, net. The Group’s fees from banking services, net was SAR 1,608 million (or 14.7 per cent. of the Group’s total operating income), SAR 1,459 million (or 15.0 per cent. of the Group’s total operating income) and SAR 1,209 million (or 15.2 per cent. of the Group’s total operating income) for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The Group’s total operating expenses was SAR 4,433 million for the year ended 31 December 2024, an increase of 2.1 per cent. as compared to 4,342 million for the year ended 31 December 2023, which in turn represented an increase of 9.8 per cent. as compared to SAR 3,954 million for the year ended 31 December 2022. These increases were primarily due to an increase in operating expenses before impairment charges.

The Group’s impairment charge on financing, net of recoveries was SAR 1,050 million for the year ended 31 December 2024, an decrease of 17.5 per cent. as compared to SAR 1,272 million for the year ended 31 December 2023, which in turn represented an increase of 6.2 per cent. as compared to SAR 1,198 million for the year ended 31 December 2022.

Reflecting the above factors, the Group’s net income for the year after zakat for the year ended 31 December 2024 was SAR 5,832, an increase of 20.5 per cent. as compared to SAR 4,839 million for the year ended 31 December 2023, which in turn represented an increase of 34.5 per cent. as compared to SAR 3,599 million for the year ended 31 December 2022.

Revenues and expenses

The table below summarises the Group’s income from investments and financing, net and fees from banking services, net as well as its expenses for the years ended 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December | | |
|---|-------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Income from investments and financing, net | 8,648,629 | 7,654,514 | 6,066,466 |
| Fees from banking services, net..... | 1,608,319 | 1,458,991 | 1,208,932 |
| Investment gains and other operating income, net ⁽¹⁾ | 683,128 | 612,152 | 687,662 |
| Total operating income..... | 10,940,076 | 9,725,657 | 7,963,060 |
| Operating expenses before impairment charges..... | 3,383,639 | 3,043,526 | 2,764,977 |
| Impairment charge on financing, net of recoveries | 1,049,809 | 1,272,104 | 1,197,700 |
| Impairment (reversal) / charge on other financial assets | (550) | 26,524 | (8,982) |
| Share of (loss) / income from associate and joint venture..... | (5,106) | 12,021 | 3,534 |
| Income for the year before zakat..... | 6,502,072 | 5,395,524 | 4,012,899 |

Note:

- (1) This line item comprises the sum of the following line items: “Exchange income, net”, “Income from FVSI financial instruments, net”, “Gain from FVOCI sukuk investments, net”, “Dividend income on FVOCI equity investments” and “Other operating income”.

Income from investments and financing, net

The Group’s income from investments and financing, net was SAR 8,649 million for the year ended 31 December 2024, an increase of 13.0 per cent. as compared to SAR 7,655 million for the year ended 31 December 2023, which in turn represented an increase of 26.2 per cent. as compared to SAR 6,066 million for the year ended 31 December 2022. These increases were primarily attributable to growth in the financing and investment portfolios.

The table below provides the fees generated from the Group’s banking services, net as well its income/loss and gain from other activities for the years ended 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December | | |
|---|-------------|------------|-----------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Fees from banking services-income..... | 2,921,597 | 2,426,703 | 1,901,510 |
| Fees from banking services-expense..... | (1,313,278) | (967,712) | (692,578) |
| Fees from banking services, net..... | 1,608,319 | 1,458,991 | 1,208,932 |
| Exchange income, net..... | 379,564 | 330,291 | 290,836 |
| Income from FVSI financial instruments, net..... | 237,073 | 211,721 | 279,308 |
| Gain from FVOCI sukuk investments, net..... | 911 | — | 993 |
| Dividend income on FVOCI equity investments | 33,004 | 30,798 | 30,545 |
| Other operating income | 32,576 | 39,342 | 85,980 |

Fees from banking services, net

Fees from banking services, net was SAR 1,608 million as at 31 December 2024, an increase of 10.2 per cent. as compared to SAR 1,459 million as at 31 December 2023, which in turn represented an increase of 20.7 per

cent. as compared to SAR 1,209 million for the year ended 31 December 2022. These increases were primarily attributable to an increase in bank cards issued as well as growth in the Group's trade finance, transaction banking, asset management and brokerage business.

Fees from banking services are generated from the management of the following product lines and entities:

- Brokerage fees;
- Trade finance services;
- Card services; and
- Fund management and other banking services.

The table below provides a breakdown of the Group's banking services fees for each of the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | 2024 | 2023 | 2022 |
|--|------------------|------------------|------------------|
| | | (SAR '000) | |
| Income from: | | | |
| Trade finance services | 212,484 | 172,452 | 124,583 |
| Card services | 1,592,179 | 1,301,748 | 1,071,806 |
| Brokerage fees | 171,687 | 138,961 | 88,613 |
| Fund management and other banking services | 945,247 | 813,542 | 616,508 |
| | 2,921,597 | 2,426,703 | 1,901,510 |
| Expense on: | | | |
| Card services | (1,259,675) | (931,727) | (663,360) |
| Other fees..... | (53,603) | (35,985) | (29,218) |
| Fees from banking services, net..... | 1,608,319 | 1,458,991 | 1,208,932 |

The Group's income from trade finance services was SAR 212 million for the year ended 31 December 2024, an increase of 23.2 per cent. as compared to SAR 172 million for the year ended 31 December 2023, which in turn represented a 38.4 per cent. increase as compared to SAR 125 million for the year ended 31 December 2022. The increases for the years ended 31 December 2024 and 31 December 2023 were primarily attributable to general growth in the Group's trade finance business.

The Group's income from card services was SAR 1,592 million for the year ended 31 December 2024, a 22.3 per cent. increase as compared to SAR 1,302 million for the year ended 31 December 2023, which in turn represented a 21.5 per cent. increase as compared to SAR 1,072 million for the year ended 31 December 2022. The increases in 2024 and 2023 were primarily attributable to an increase in volumes of points-of-sale and e-commerce transactions.

The Group's income from brokerage fees was SAR 172 million for the year ended 31 December 2024, an increase of 23.6 per cent. as compared to SAR 139 million for the year ended 31 December 2023, which in turn represented an increase of 56.8 per cent. as compared to SAR 89 million for the year ended 31 December 2022. The increases in 2024 and 2023 were primarily due to an increase in trading activities of the Group's customers.

The Group's income from fund management and other banking services was SAR 945 million for the year ended 31 December 2024, an increase of 16.2 per cent. as compared to SAR 814 million for the year ended 31

December 2023, which in turn represented an increase of 32.0 per cent. as compared to SAR 617 million for the year ended 31 December 2022. The increases in income from fund management were primarily due to growth of assets under management in 2024 and 2023.

Exchange income, net

The Group's exchange income, net is income arising from foreign exchange gains. Exchange income, net was SAR 380 million for the year ended 31 December 2024, an increase of 14.9 per cent. as compared to SAR 330 million for the year ended 31 December 2023, which in turn represented an increase of 13.6 per cent. as compared to SAR 291 million for the year ended 31 December 2022. The increases were primarily due to an increased volume of foreign currency transactions in 2024 and 2023.

Income from FVSI financial instruments, net

The Group's income from FVSI financial instruments, net was SAR 237 million for the year ended 31 December 2024, an increase of 12.0 per cent., as compared to SAR 212 million for the year ended 31 December 2023, which in turn represented a decrease of 24.2 per cent., as compared to SAR 279 million for the year ended 31 December 2022. The increase for the year ended 31 December 2024 was due to an increase in dividend income and was partially offset by a decrease in trading income. The decrease for the year ended 31 December 2023 was primarily attributable to decrease in net asset value of the fund portfolio and was partially offset by an increase in dividend income which, in turn, was a result of growth in the FVSI investment portfolio.

Operating expenses before impairment charges

The Group's operating expenses before impairment charges was SAR 3,384 for the year ended 31 December 2024, an increase of 11.2 per cent. as compared to SAR 3,044 million for the year ended 31 December 2023, which in turn represented an increase of 10.1 per cent. as compared to SAR 2,765 million for the year ended 31 December 2022.

The increase in the Group's operating expenses before impairment charges for the year ended 31 December 2024 was primarily driven by a SAR 198 million increase in salaries and employee related expenses and a SAR 113 million increase in other general and administrative expenses.

The increase in the Group's operating expenses before impairment charges for the year ended 31 December 2023 was primarily driven by a SAR 141 million increase in salaries and employee related expenses and a SAR 86 million increase in other general and administrative expenses.

The increases in salaries and employee related expenses for the years ended 31 December 2024 and 31 December 2023 were primarily driven by an increase in subscriptions expenses, computer and software expenses, consultancy and other professional fees, marketing expenses and other costs required for the implementation of the Group's strategy.

Impairment charge on financing, net of recoveries

The Group's impairment charge on financing, net of recoveries was SAR 1,050 million for the year ended 31 December 2024, a decrease of 17.5 per cent. as compared to SAR 1,272 million for the year ended 31 December 2023, which in turn represented an increase of 6.2 per cent. as compared to SAR 1,198 million for the year ended 31 December 2022. The decrease in 2024 was primarily attributable to the improving economic environment in the Kingdom and onboarding of higher-quality financing customers resulting in a lower ECL risk assessment on the Group's financing as well as repayments of NPFs. The increase in 2023 was primarily due to an increase in gross financing and additional provisions in respect of certain financings.

Impairment charge / (reversal) on other financial assets

The Group's impairment reversal on other financial assets was SAR 550 thousand as at 31 December 2024, as compared to a charge of SAR 27 million as at 31 December 2023 and a reversal of SAR 9 million as at 31

December 2022. The movement in 2024 was primarily attributable to impairment reversals on investments. The movement in 2023 was primarily attributable to increases in long-outstanding points-of-sale fee and management fee receivables.

Share of income / (loss) from associate and joint venture

Investment in an associate

Investment in an associate represents the Bank's share of investment of 20.25 per cent. as at 31 December 2024 in Alinma Fund for Private Equity Investments, this fund was acquired by the Bank on 18 December 2023. Investment in an associate represented the Bank's share of investment of nil as at 31 December 2023 and 28.75 per cent. as at 31 December 2022 in Alinma Tokio Marine Company (a cooperative insurance company) ("ATMC"). In 2023, ATMC merged with Arabian Shield Cooperative Insurance Company and therefore ceased to exist as a legal entity. As a result of the merger, the Bank recognised a gain on derecognition of investment in associate of SAR 5 million.

Investment in a joint venture

Investment in a joint venture represents the Group's 50 per cent. holding in ERSAL Financial Remittance Company (a joint venture between the Bank and Saudi Post) ("ERSAL"). The Group's share of net loss in a joint venture for the year ended 31 December 2024 was SAR 5.1 million compared to its share of net profit of SAR 1.6 million for the year ended 31 December 2023 and share of net profit of SAR 1.3 million for the year ended 31 December 2022.

Key Performance Ratios

Net Income Margin

The table below provides the calculation of the Group's net income margin for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | 31 December | | |
|--|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Total operating income | 10,940,076 | 9,725,657 | 7,963,060 |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Net Income Margin (%) | 53.3 | 49.8 | 45.2 |

The Group's net income margin was 53.3 per cent. for the year ended 31 December 2024, an increase of 3.5 percentage points as compared to 49.8 per cent. for the year ended 31 December 2023, which in turn represented an increase of 4.6 percentage points as compared to 45.2 per cent. for the year ended 31 December 2022. The increases for the years ended 31 December 2024 and 31 December 2023 were primarily attributable to an increase in income from investments and financing, net and fees from banking services.

Return on Average Assets Ratio and Return on Average Equity Ratio

The table below provides the calculation of the Group's return on average assets ratio and return on average equity ratio for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | 31 December | | |
|---|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Average total assets | 256,771,290 | 218,575,664 | 186,956,157 |
| Average equity attributable to the shareholder of the Bank..... | 31,012,438 | 28,104,957 | 26,293,670 |
| Net income for the year after zakat..... | 5,831,661 | 4,839,206 | 3,599,140 |
| Return on average assets (%) | 2.3 | 2.2 | 1.9 |
| Return on average equity (%) | 18.8 | 17.2 | 13.7 |

The Group's return on average assets ratio and return on average equity ratio was 2.3 per cent. and 18.8 per cent., respectively, for the year ended 31 December 2024 as compared to 2.2 per cent. and 17.2 per cent., respectively, for the year ended 31 December 2023, as compared to 1.9 per cent. and 13.7 per cent., respectively, for the year ended 31 December 2022. The movements in these ratios were primarily attributable to the increase in net income for the year after zakat.

Cost to Income Ratio

The table below provides the calculation of the Group's cost to income for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

| | 2024 | 2023 | 2022 |
|---|-------------------|------------------|------------------|
| | | (SAR '000) | |
| Total operating income..... | 10,940,076 | 9,725,657 | 7,963,060 |
| Operating expenses before impairment charges..... | 3,383,639 | 3,043,526 | 2,764,977 |
| Cost to income ratio (%) | 30.9 | 31.3 | 34.7 |

The Group has implemented stringent cost controls throughout its activities in order to reduce its cost to income ratio. The Group's cost to income ratio was 30.9 per cent., 31.3 per cent. and 34.7 per cent. for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

Performance – Business Segments

To report its published financial performance by business activities, the Group uses the format (the “**SAMA Format**”) imposed by SAMA. The SAMA Format applies universally across the financial sector in the Kingdom for comparison purposes. The word “segment” refers to regulatory disclosure while “business line” designates an activity run by a business unit or a separate legal entity specific to the Group's own organisation. The business segments below are described in a manner consistent with the disclosure within the notes to the 2024 Financial Statements. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are distinct from those of other business segments.

The description of the business segments set out under “*Business Description of the Group – Operations*” reflects the SAMA Format of the business segments described therein. Accordingly, the classification in the table below is used to provide financial reporting in relation to the operations of each business line within the Group.

The table below shows the Group's internal organisation and the way each of its business lines' performance is reported in the SAMA Format (corresponding to the Group's internal organisation and business segments as dictated by the SAMA Format):

| Business Model and Bank's Internal Organisation | | Business Segment as per the SAMA Format |
|--|---|--|
| Business Model | Business Lines | Reported in |
| Retail Banking | Financing, deposit and other products and services for individuals | Retail Banking |
| Corporate Banking | Financing, deposit and other products and services for corporate, SME and institutional customers | Corporate Banking |
| Treasury | Murabahas with banks, investments and treasury services | Treasury Banking |
| Investment & brokerage | Asset management, custodianship, advisory, underwriting and brokerage services | Investment Banking and Brokerage |

The table below provides the Group's net income before zakat by business segment following the reporting format published in the Financial Statements:

| | Retail | Corporate | Treasury | Investment & brokerage | Total |
|---|---------------|------------------|-----------------|-----------------------------------|------------------|
| | | | (SAR'000) | | |
| Net income for the year ended 31 December 2024 before zakat | 3,259,996 | 1,454,051 | 1,190,022 | 598,003 | 6,502,072 |
| Net income for the year ended 31 December 2023 before zakat | 2,054,029 | 2,067,283 | 745,339 | 528,873 | 5,395,524 |
| Net income for the year ended 31 December 2022 before zakat | 1,224,367 | 1,402,229 | 922,861 | 463,442 | 4,012,899 |

The following is a summary explanation of the Group's net income per business segment:

Retail banking – this segment includes the retail banking group and the wealth management (private banking and affluent banking) division. The Retail banking segment's net income for the year before zakat for the year ended 31 December 2024 was SAR 3,260 million, an increase of 58.7 per cent. as compared to SAR 2,054 million for the year ended 31 December 2023, which in turn represented an increase of 67.8 per cent. as compared to SAR 1,224 million for the year ended 31 December 2022. The increases in 2023 and 2024 were primarily attributable to an increase in financing attributable to the retail banking segment.

Corporate banking – this segment includes the corporate banking group (large corporate and financial institutions clients) and the commercial banking division (small and medium sized enterprises). The Corporate banking segment's net income for the year before zakat for the year ended 31 December 2024 was SAR 1,454 million, a decrease of 29.7 per cent. as compared to SAR 2,067 million for the year ended 31 December 2023,

which in turn represented an increase of 47.4 per cent. as compared to SAR 1,402 million for the year ended 31 December 2022. The decrease in 2024 was primarily attributable to an increase in total operating expenses. The increase in 2023 was primarily attributable to an increase in financing attributable to the corporate banking segment.

Treasury – this segment includes the capital market activities of the Group and the performance of its investment portfolio. The Treasury segment’s net income for the year before zakat for the year ended 31 December 2024 was SAR 1,190 million, an increase of 59.7 per cent. as compared to 745 million for the year ended 31 December 2023, which in turn represented a decrease of 19.2 per cent. as compared to SAR 923 million for the year ended 31 December 2022. The increase in 2024 was primarily attributable to an increase in the Group’s income from investments and financing, net. The decrease in 2023 was primarily attributable to a decrease in income from FVSI financial instruments and a decrease in income from investments and financing, net.

Investment and brokerage – this segment includes the Group’s asset management, brokerage and investment banking activities. The Investment and brokerage segment’s net income for the year before zakat for the year ended 31 December 2024 was SAR 598 million, an increase of 13.1 per cent. as compared to SAR 529 million for the year ended 31 December 2023, which in turn represented an increase of 14.1 per cent. as compared to SAR 463 million for the year ended 31 December 2022. These increases were attributable to an increase in income from investments and financing, net, which in turn was mainly attributable to the increase in investment trading activities of the Group’s customers.

Credit Ratings

The Group is rated by Fitch, Moody’s and S&P. The table below shows the Group’s credit rating as at the date of this Offering Circular:

| | Long Term Rating | Short Term Bank | Outlook / Review |
|---------------|---------------------|--------------------|---------------------|
| Fitch | A- | F2 | Stable |
| Moody’s | A2 | P-1 | Stable |
| S&P | A- | --- | Stable |

Credit related Commitments and Contingencies

Credit related commitments and contingencies comprise letters of guarantee, letters of credit, acceptances and unused irrevocable commitments to extend financing facilities. The tables below provide the Group’s credit-related commitments and contingencies as at 31 December 2024, 31 December 2023 and 31 December 2022.

| 2024 | Within 3 months | 3-12 months | 1-5 years (SAR '000) | Over 5 years | Total |
|---|--------------------|-------------------|-------------------------|-----------------|-------------------|
| Letters of credit..... | 1,531,781 | 1,715,739 | 145,410 | — | 3,392,930 |
| Letters of guarantee | 2,307,082 | 10,172,884 | 8,970,910 | 98,098 | 21,548,974 |
| Acceptances | 1,203,262 | — | — | — | 1,203,262 |
| Irrevocable commitments to extend credit... | — | — | 15,181,257 | — | 15,181,257 |
| Total..... | 5,042,125 | 11,888,623 | 24,297,577 | 98,098 | 41,326,423 |

| 2024 | Within 3 months | 3-12 months | 1-5 years | Over 5 years | Total |
|---|----------------------------|------------------------|-------------------|-------------------------|-------------------|
| | | | (SAR '000) | | |
| 2023 | Within 3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| | | | (SAR '000) | | |
| Letters of credit..... | 2,369,762 | 1,402,770 | 150,445 | — | 3,922,977 |
| Letters of guarantee | 3,111,702 | 7,604,171 | 8,302,668 | 33,603 | 19,052,144 |
| Acceptances | 1,254,199 | — | — | — | 1,254,199 |
| Irrevocable commitments to extend credit... | — | — | 12,136,338 | — | 12,136,338 |
| Total..... | 6,735,663 | 9,006,941 | 20,589,451 | 33,603 | 36,365,658 |
| 2022 | Within 3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| | | | (SAR '000) | | |
| Letters of credit..... | 3,283,947 | 1,259,353 | 61,777 | 51,833 | 4,656,910 |
| Letters of guarantee | 1,274,686 | 6,735,169 | 7,248,594 | 376,117 | 15,634,566 |
| Acceptances | 486,488 | 71,287 | — | — | 557,775 |
| Irrevocable commitments to extend credit... | — | — | 2,750,501 | — | 2,750,501 |
| Total..... | 5,045,121 | 8,065,809 | 10,060,872 | 427,950 | 23,599,752 |

Guarantees and standby letters of credit represent irrecoverable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties and carry the same credit risk as investments and financing.

Documentary letters of credit are generally collateralised by the underlying assets to which they relate, and therefore have significantly lower risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be presented before being reimbursed by customers.

Commitments to extend credit represent an unused portion of authorisations to extend credit, principally in the form of financing, guarantees and letters of credit. With respect to these commitments, the Group is exposed to an insignificant potential credit risk as most commitments to extend credit are contingent upon customers maintaining specific credit standards. However, the likely amount of loss, which cannot readily be quantified, is expected to be considerably less than the total unused commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded. The outstanding unused portion of non-firm commitments which can be revoked unilaterally at any time by the Group as at 31 December 2024 was SAR 39 billion as compared to SAR 35 billion as at 31 December 2023 and SAR 35 billion as at 31 December 2022.

Related Parties

In the ordinary course of its activities, the Group transacts business with related parties. The related party transactions are governed by limits set by the Banking Control Law and applicable Rules and Regulations issued by SAMA. The balances as at 31 December 2024, 31 December 2023 and 31 December 2022 resulting from such transactions included in the consolidated financial statements are as follows:

| | As at 31 December | | |
|--|-------------------|-----------|---------|
| | 2024 | 2023 | 2022 |
| | | (SAR'000) | |
| Directors, key management personnel, major shareholders and affiliates | | | |
| Financing to directors and key management personnel ⁽¹⁾ | 192,139 | 61,138 | 50,503 |
| Financing to affiliates ⁽²⁾ | 2,588,847 | 1,428,750 | 935,993 |
| Allowance for impairment on financing to directors, key management personnel and affiliates ⁽³⁾ | 818 | 1,950 | — |
| Customers' deposits ⁽⁴⁾ | 4,351,217 | 58,959 | 107,960 |
| Investments in associate and joint venture | 50,267 | 15,637 | 70,214 |
| Investments in major shareholder held at FVOCI ⁽⁵⁾ | 159,052 | 165,440 | — |
| Bank's mutual funds | | | |
| Investments in mutual funds | 922,514 | 953,614 | 625,708 |
| Deposits from mutual funds | 705,846 | 335,531 | 796,174 |

Notes:

- (1) This line item was labelled "Financing to key management personnel" in the 2023 Financial Statement.
- (2) This line item was labelled "Financing to other related parties" in the 2023 Financial Statements.
- (3) This line item was not included in the 2023 Financial Statements.
- (4) This line item was segregated into "customers' deposits from major shareholder, customers' deposits from directors and key management personnel, customers' deposits from affiliates and customers' deposits from associate and joint venture" in the 2024 Financial Statements but was presented on an aggregate basis in the 2023 Financial Statements.
- (5) This line item was not included in the 2023 Financial Statements.

RECENT DEVELOPMENTS

The following discussion and analysis should be read in conjunction with the information set out in “Presentation of financial and other information”, “Selected financial information” and the Interim Financial Statements and the notes thereto incorporated by reference herein.

Interim Condensed Consolidated Statements of Income and Comprehensive Income

The table below provides the Group’s interim condensed consolidated statements of income and comprehensive income for the three-month periods ended 31 March 2025 and 31 March 2024.

| | For the three-month period ended 31 March | |
|--|---|------------------|
| | 2025 | 2024 |
| | SAR '000 | |
| | (Unaudited) | |
| Income from investments and financing | 4,117,582 | 3,798,842 |
| Return on time investments..... | (1,834,627) | (1,786,886) |
| Income from investments and financing, net..... | 2,282,955 | 2,011,956 |
| Fee from banking services – income..... | 744,344 | 702,127 |
| Fee from banking services – expense..... | (364,660) | (307,770) |
| Fees from banking services, net..... | 379,684 | 394,357 |
| Exchange income, net | 91,844 | 76,913 |
| Income from FVSI financial instruments, net..... | 49,325 | 63,715 |
| Gain from FVOCI sukuk investments, net..... | — | 911 |
| Dividend income on FVOCI equity investments | 7,327 | 8,419 |
| Other operating income..... | 2,517 | 8,230 |
| Total operating income..... | 2,813,652 | 2,564,501 |
| Salaries and employee related expenses..... | 445,039 | 412,883 |
| Rent and premises related expenses | 18,607 | 18,484 |
| Depreciation and amortisation | 100,390 | 86,981 |
| Other general and administrative expenses | 340,866 | 315,182 |
| Operating expenses before impairment charges | 904,902 | 833,530 |
| Impairment charge on financing, net of recoveries | 225,946 | 266,175 |
| Impairment charge / (reversal) on other financial assets | 372 | (1,741) |
| Total operating expenses | 1,131,220 | 1,097,964 |
| Net operating income..... | 1,682,432 | 1,466,537 |
| Share of loss from associate and joint ventures..... | (1,061) | (660) |
| Net income for the period before zakat | 1,681,371 | 1,465,877 |
| Zakat for the period..... | (173,362) | (151,143) |

| | For the three-month period ended 31 March | |
|---|---|------------------|
| | 2025 | 2024 |
| | SAR '000 | |
| | (Unaudited) | |
| Net income for the period after zakat..... | 1,508,009 | 1,314,734 |
| | | Restated |
| Basic and diluted earnings per share (SAR) | 0.54 | 0.51 |
| Net income for the period after zakat..... | 1,508,009 | 1,314,734 |
| Other comprehensive income / (loss): | | |
| <i>Items that cannot be recycled back to interim condensed consolidated statement of income in subsequent periods</i> | | |
| Net change in fair value of FVOCI equity investments | (22,480) | 99,603 |
| <i>Items that can be recycled back to interim consolidated statement of income in subsequent periods</i> | | |
| Net change in fair value of FVOCI sukuk investments..... | 136,917 | (94,741) |
| Gain from FVOCI sukuk investments, net..... | — | (911) |
| Cash flow hedge: | | |
| Effective portion of change in the fair value of cash flow hedge | 67,393 | (10,956) |
| Net amounts transferred to interim condensed consolidated statement of income | 7,745 | — |
| Total other comprehensive income / (loss) | 189,575 | (7,005) |
| Total comprehensive income for the period..... | 1,697,584 | 1,307,729 |

The Group's total operating income for the three months ended 31 March 2025 was SAR 2,814 million, an increase of 9.7 per cent. as compared to SAR 2,565 million for the three months ended 31 March 2024. This increase was primarily attributable to an increase in income from investments and financing, net and exchange income, net and was partially offset by a decrease in fees from banking services, net and income from FVSI financial instruments, net.

The Group's income from investments and financing, net for the three months ended 31 March 2025 was SAR 2,283 million, an increase of 13.5 per cent. as compared to SAR 2,012 million for the three months ended 31 March 2024. This increase was primarily attributable to the growth in the financing and investment portfolios.

The Group's exchange income, net for the three months ended 31 March 2025 was SAR 92 million, an increase of 19.4 per cent. as compared to SAR 77 million for the three months ended 31 March 2024. This increase was primarily due to an increased volume of foreign currency transactions.

The Group's fees from banking services, net, for the three months ended 31 March 2025 was SAR 380 million, a decrease of 3.7 per cent. as compared to SAR 394 million for the three months ended 31 March 2024. This decrease was primarily attributable to a decrease in income from card services and brokerage fees and was partly offset by an increase in income from fund management fees and trade finance fees.

The Group's income from FVSI financial instruments, net for the three months ended 31 March 2025 was SAR 49 million, a decrease of 22.6 per cent. as compared to SAR 64 million for three months ended 31 March 2024. This decrease was primarily attributable to a decrease in revaluation income on FVSI investments portfolio.

The Group's operating expenses before impairment charges for the three months ended 31 March 2025 was SAR 905 million, an increase of 8.6 per cent. as compared to SAR 834 million for the three months ended 31 March 2024. This increase was primarily attributable to increases in salaries and employee related expenses, other general and administrative expenses and depreciation and amortisation.

The Group's salaries and employee related expenses for the three months ended 31 March 2025 was SAR 445 million, an increase of 7.8 per cent. as compared to SAR 413 million for three months ended 31 March 2024. This increase was primarily driven by the increase in the Group's headcount, promotions and salary growth.

The Group's other general and administrative expenses for three months ended 31 March 2025 was SAR 341 million, an increase of 8.1 per cent. as compared to SAR 315 million for three months ended 31 March 2024. This increase was primarily driven by an increase in subscriptions expenses, computer and software expenses, leased lines and data communication expense and other costs required for the implementation of the Group's strategy.

The Group's impairment charge on financing, net of recoveries for the three months ended 31 March 2025 was SAR 226 million, a decrease of 15.1 per cent. as compared to SAR 266 million for three months ended 31 March 2024. This decrease was primarily attributable to the improving economic environment in the Kingdom and onboarding of higher-quality financing customers resulting in a lower ECL risk assessment on the Group's financing as well as repayments of NPFs.

The Group's net income for the period after zakat for the three months ended 31 March 2025 was SAR 1,508 million, an increase of 14.7 per cent. as compared to SAR 1,315 million for the three months ended 31 March 2024. This increase was primarily attributable to the factors described above.

Key Ratios

The table below provides key ratios for the Group as at and for the three-month periods ended 31 March 2025 and 31 March 2024.

| | As at / for the three months ended 31 March | |
|---|---|-------|
| | 2025 | 2024 |
| Ratio | (%) | |
| Cost to income ⁽¹⁾ | 32.2 | 32.5 |
| Cost of risk ⁽²⁾ | 0.4 | 0.6 |
| NPF ⁽³⁾ | 1.3 | 1.3 |
| NPF Coverage ⁽⁴⁾ | 156.4 | 181.1 |
| SAMA financing to deposit ⁽⁵⁾ | 83.2 | 81.2 |
| Financing to deposit ⁽⁶⁾ | 95.7 | 95.6 |
| Financing to funding sources ⁽⁷⁾ | 90.5 | 91.4 |
| Net profit margin ⁽⁸⁾ | 3.6 | 3.7 |
| Return on average assets ⁽⁹⁾ | 2.1 | 2.2 |
| Return on average equity ⁽¹⁰⁾ | 18.0 | 17.5 |

**As at / for the three months ended 31
March**

| | 2025 | 2024 |
|---|-------------|-------------|
| <i>Ratio</i> | <i>(%)</i> | |
| CET1 capital adequacy ⁽¹¹⁾ | 13.7 | 13.9 |
| Tier 1 capital adequacy ⁽¹²⁾ | 17.2 | 17.9 |
| Total capital adequacy ⁽¹³⁾ | 18.3 | 19.1 |
| Leverage ⁽¹⁴⁾ | 13.7 | 14.8 |
| Liquidity coverage ⁽¹⁵⁾ | 129.5 | 133.5 |

Notes:

- (1) Calculated as operating expenses before impairment charges divided by total operating income.
- (2) Calculated as the ratio between annualised impairment charge on financing, net of recoveries for a given period and average funded credit facilities (calculated as the simple average of gross financing as at the start and end of the period) during the same period. Annualised impairment charge on financing, net of recoveries is calculated as impairment charge on financing, net of recoveries for the period divided by 3 and multiplied by 12.
- (3) Calculated as NPFs divided by gross financing.
- (4) Calculated as allowance for impairment on financing divided by NPFs.
- (5) Calculated in accordance with SAMA regulations as financing, net divided by the sum of customers' deposits weighted by maturity, eligible SAMA placements in the Bank and Tier 1 sukuk.
- (6) Calculated as financing, net divided by customers' deposits.
- (7) Calculated as financing, net divided by the sum of due to SAMA, banks and other financial institutions and customers' deposits.
- (8) Calculated as annualized income from investments and financing, net for the period divided by average profit-earning assets (calculated as the sum of daily profit-earning assets in a period divided by 91 (in respect of the three-month period ended 31 March 2024) and 90 (in respect of the three-month period ended 31 March 2025)). Profit earning assets represent the sum of money market placements with SAMA, Murabaha and Wakala with banks, net, investments in sukuk held at amortised cost, net, investments in sukuk held at FVOCI, Murabaha with SAMA, net, and financing, net. Annualized income from investments and financing, net income is calculated as income from investments and financing, net for the period multiplied by 366 and divided by 91 (in respect of the three-month period ended 31 March 2024) and multiplied by 365 and divided by 90 (in respect of the three-month period ended 31 March 2025).
- (9) Calculated as annualised net income after zakat divided by average total assets (calculated as the simple average of total assets as at the start and end of the period). Annualised net income after zakat is calculated as net income for the period after zakat divided by 3 and multiplied by 12.
- (10) Calculated as annualised net income after zakat divided by average equity attributable to the shareholders of the Bank (calculated as the simple average of equity attributable to the shareholders of the Bank as at the start and end of the period). Annualised net income after zakat is calculated as net income for the period after zakat divided by 3 and multiplied by 12.
- (11) Calculated in accordance with SAMA regulations and represents common equity tier 1 capital divided by total Pillar I risk-weighted assets.
- (12) Calculated in accordance with SAMA regulations and represents tier 1 capital divided by total Pillar I risk-weighted assets.
- (13) Calculated in accordance with SAMA regulations and represents the sum of tier 1 and tier 2 capital divided by total Pillar I risk-weighted assets.
- (14) Calculated in accordance SAMA regulations and represents tier 1 capital divided by total exposures.
- (15) Calculated in accordance with SAMA regulations and represents high-quality liquid assets divided by expected net cash outflows.

BUSINESS DESCRIPTION OF THE GROUP

Overview

The Bank is a commercial bank operating in the Kingdom under Commercial Registration No. 1010250808 dated 21 Jumada Al-UIa 1429, corresponding to 26 May 2008. The Bank's head office is located at King Fahad Road, P.O. Box 66674, Riyadh 11586, Kingdom of Saudi Arabia.

The Bank is a full service bank, which offers a full range of Islamic banking products and services to the retail and corporate sector, in addition to investment advisory services, asset management, underwriting and brokerage services, and treasury services.

According to figures published by the Tadawul, the Bank was the sixth largest listed commercial bank in the Kingdom as at 31 December 2024 by total assets (based on the latest available financial statements of the banking industry), with total assets of SAR 276.8 billion. As at 31 December 2024, the Bank's total customers' deposits amounted to SAR 210.5 billion, which represented approximately 7.85 per cent. of the market share in the Kingdom in terms of customer deposits. The Bank's net income after zakat was SAR 5,832 million for the year ended 31 December 2024, SAR4,839 million for the year ended 31 December 2023 and SAR 3,599 million for the year ended 31 December 2022.

As at 31 December 2024, the Bank had a network of 115 branches, 1,483 ATMs, 161,716 POS terminals and a wide range of digital distribution channels.

Through a combination of active marketing and investment in its distribution channels, the Bank had built a retail customer base of over 5.5 million individuals as of 31 December 2024. The Bank had 4,156 corporate customers as at 31 December 2024.

History

The Bank was established under Royal Decree No. M/15, dated 28 Safar 1427, corresponding to 28 March 2006, and under Commercial Registration No. 1010250808 dated 21 Jumada Al-UIa 1429, corresponding to 26 May 2008.

The founding shareholders of the Bank were the Public Investment Fund, the Public Pension Agency and the General Organization for Social Insurance. Upon the establishment of the Bank, 10 per cent. of its shares were allocated to each of the three founding shareholders. The remaining 70 per cent. of the shares were offered for public subscription in Rabie II 1429 (April 2008).

The Bank is authorised to engage in all aspects of *Shari'a*-compliant banking and investment services and activities.

Strengths

The Bank's management believes that it enjoys a number of strengths in terms of its capital structure, history, management and shareholders, market presence, financial portfolio and growth and product and services offering, as set out below:

- **Robust Capital Structure:** The Bank believes that it has a robust capital structure, as demonstrated by its total capital ratio of 17.7 per cent. as at 31 December 2024, which is significantly above the 10.5 per cent. (including a capital conservation buffer of 2.5 per cent.) requirement imposed by SAMA. The Bank's share capital was SAR 25 billion as at 31 December 2024, SAR 20 billion as at 31 December 2023 and SAR 20 billion as at 31 December 2022.
- **Strong Profitability deriving from a High Quality Financing Portfolio and Prudent Risk Management:** The Bank believes that its emphasis on prudent risk management has contributed to its

strong profitability. The Bank's return on average equity was 18.8 per cent., 17.2 per cent. and 13.7 per cent. for the year ended 31 December 2024, for the year ended 31 December 2023 and the year ended 31 December 2022, respectively. The Bank's net income after zakat was SAR 5,832 million for the year ended 31 December 2024, SAR 4,839 million for the year ended 31 December 2023 and SAR 3,599 million for the year ended 31 December 2022. The Bank's NPF ratio (calculated as NPFs divided by gross financing) was 1.1 per cent. as at 31 December 2024, 1.6 per cent. as at 31 December 2023 and 1.9 per cent. as at 31 December 2022 (see “– *Financial Review – Consolidated Statement of Financial Position - Financing, net – Classification Process for Non-Performing Financings*”).

- ***Experienced management and investment in individuals:*** The senior management team of the Bank has considerable and diversified experience in the banking industry and extensive skills in the operation of financial institutions in the local, regional and international markets. Employee training and development is at the core of the Bank's strategic objective of enabling employees to perform to the highest standards. For these purposes, in 2021, the Bank launched the Alinma Academy for Education and Development. In 2024, the Bank delivered 86,309 training hours to its 2,906 employees.
- ***Extensive channel distribution network:*** The Bank has a branch network throughout the Kingdom, with a total of 115 branches as at 31 December 2024. The Bank's customer service offering is further enhanced by its increasing focus on digital transformation and improvement of its e-banking channels. The Bank was among the first banks in Saudi Arabia to launch online updating of account information and opening of current accounts for individuals and businesses. For the year ended 31 December 2024, 99.8 per cent. of the Bank's customers' transactions were executed digitally.
- ***Market Leading Position in Islamic Corporate Financing Offering a Platform for Further Growth and Enhanced Opportunities for Cross-Selling:*** The Bank is a recognised and strong brand in the Saudi market. The Bank is one of the Kingdom's leading providers of Islamic financing to large and medium sized corporations, with a particular expertise in project finance. As at 31 December 2024, the assets attributable to the Bank's corporate banking segment amounted to SAR 152.5 billion (or 55.1 per cent. of the Bank's total assets), and principally consisted of the corporate financing portfolio. The Bank is well placed to utilise opportunities created by the strong synergies between its corporate and retail banking business segments.
- ***One of the fastest growing retail banks in the Kingdom:*** The Bank is considered to be one of the fastest growing retail banks in the Kingdom in terms of overall income. In addition, the Bank's high-quality retail service offering has resulted in notable growth in retail customer numbers, from 2.9 million as at 31 December 2021 to over 5.5 million as at 31 December 2024.
- ***Effective Cost Management:*** The Bank has historically maintained a low cost to income ratio when compared to the banking sector in the Kingdom as a whole by maintaining a stringent approach to cost control. The Bank's cost to income ratio was 30.9 per cent., 31.3 per cent. and 34.7 per cent. for the year ended 31 December 2024, for the year ended 31 December 2023 and for the year ended 31 December 2022, respectively, compared to the averages for the Kingdom's banking sector of 31.3 per cent., 32.0 per cent. and 32.5 per cent., respectively, in the same years.

Strategy

The Bank's vision is to be recognised as the fastest (by turnaround time for key products and services), most digitally advanced and most convenient bank in the Kingdom. It aims to achieve its vision through the following strategy.

- ***Customer Engagement:*** The Bank aims to achieve the highest “Net Promoter Score” (a customer loyalty and satisfaction measurement) across all banks in the Kingdom. In order to do so, the Bank intends to

adopt simple processes with simple language, encourage digital solutions wherever possible and offer a 24/7 service to ensure customers can access the Bank's products and services at their convenience. The Bank strives to achieve the shortest turnaround times across key product and service processes, the lowest wait times for service and instant or same day credit approvals, where possible. To be the bank of convenience, the Bank aims to reduce the complexities of its digital platforms as well as the number of document submissions required by its customers. In addition, excellent service is another value that the Bank considers paramount and it seeks to offer its customers an exceptional in-branch experience starting with a staff greeter guiding customers to complete their transactions. The Bank has also set up a "Customer Care" programme to assist with the resolution of any customer complaints. This service also enhances the awareness of the Bank's offerings.

- **Digitalisation:** Digitalisation is at the heart of the Bank's strategy. In 2021, the Bank increased its focus on its digital capabilities to enhance the customer experience and improve operational efficiency. The Bank continues to pursue initiatives across advanced analytics ("AA") and big data, artificial intelligence ("AI") and robotic process automation ("RPA"), including chatbots, customer 360 degree views and data mining. Through these initiatives, the Bank seeks to continue to improve its operating model across all business segments and product and service processes and to continue to deliver with speed, quality and efficiency, particularly in an increasingly agile working environment. The Bank has also refined the customer journey to ensure each customer is provided with a unique and tailored experience. See further "*– Digital Transformation of the Bank*" below.
- **Renewed Growth in Retail Banking:** The Bank seeks to become the most digitally advanced, fastest (by turnaround time for key products and services) and most convenient retail bank in the Kingdom. In addition, the Bank intends to grow its retail banking offering further, with a focus on expanding two particular customer groups: (i) digitally-enabled affluent and high net worth customers, including experienced professionals and self-employed Saudis; and (ii) digitally-enabled youth customers, including young professionals and university students, in each case through investment in people, infrastructure and systems and cross-selling.
- **Growth in Corporate Banking:** The Bank aims to be the corporate bank with the best customer experience and offering the fastest turnaround time in the Kingdom. The Bank intends to evolve its offering for large and mid-sized corporate customers and project finance partners across diversified sectors, develop a high-quality and growing SME proposition and grow its cash management and trade finance businesses. The Bank intends to achieve this through the development of an increasingly integrated digital offering focused on customers and by assigning relationship managers, product specialists and industry experts to corporate and commercial customers across all its business lines. The Bank aims to enhance its products and services offering in core cross-selling categories and is targeting a diversified portfolio of customers in various economic sectors, including the manufacturing sector, the commercial sector and the services sector as well as continuing to target established customers in the contracting and real estate sectors. The Bank aims to establish long-term banking relationships with all of its corporate banking customers. The Bank plans to continue to grow its market share in terms of assets and presence in the cash management and trade finance businesses. In addition, the Bank plans to grow U.S. dollar based financing to its corporate customers (see "*– Innovation in Islamic Banking*" below). In addition, the Bank intends to generate new opportunities with SME customers by expanding its portfolio across medium and large corporate customers as well as driving growth through the Kafala Programme.
- **Innovation in Islamic Banking:** The Bank is constantly innovating and upgrading the range of products and services that it offers customers across its business lines. The Bank seeks to be the most innovative *Shari'a*-compliant treasury partner throughout the Kingdom. The Bank's Treasury Group has to date

focused on its existing foreign exchange (“FX”) offering serviced directly through the Treasury Group and has built a strong track record with a well-managed liquidity profile and this is reflected in the overall growth in investment revenue. The Bank intends to leverage its Treasury Group’s expertise in Islamic derivatives products by expanding its range of products and risk advisory solutions, and pursuing cross-selling activities through business lines and subsidiaries. In particular, the Bank intends its Treasury Group to be the core partner for corporate customers for their hedging and investment needs. The Bank has recently introduced *Shari’a*-compliant derivative products in the form of FX *Waad* (forward), profit rate swaps and FX swaps. The Bank will be able to use these derivative products for hedging purposes. In order to diversify its funding base, the Bank is focusing on growing its financial institution customer franchise with dedicated coverage teams to these customers to help them navigate all of the Bank’s products and services. In addition, the Bank will continue to maintain and evolve its high quality asset liability management function in order to maintain its healthy balance sheet with a focus on liquidity and stable funding ratios.

- **Investment in people:** The Bank seeks to be the employer of choice across all of the banks in the Kingdom, by transforming the culture of the Bank to attract the best talent, focusing on the empowerment of women and having among the lowest employee turnover levels in the Kingdom, according to the industry benchmark.

Competition

According to SAMA’s website, there are 37 commercial banks licensed to operate in the Kingdom, of which 14 are incorporated in the Kingdom with three banks being digital banks (namely STC Bank, D360 Bank and Vision Bank). D360 bank commenced its operations in January 2025 and the two other digital banks, STC Bank and Vision Bank, are in a pilot phase of operations. Of the remaining 23 licensed banks, seven are branches of banks based in countries of the GCC other than the Kingdom (namely Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Muscat Bank, Qatar National Bank, and First Abu Dhabi Bank), 10 are international banks (namely Deutsche Bank, BNP Paribas, J.P. Morgan Chase N.A., National Bank Of Pakistan, T.C. Ziraat Bankası A.Ş., Industrial and Commercial Bank of China, MUFG Bank, Ltd., UBS AG (formerly Credit Suisse Bank), Standard Chartered Bank and National Bank of Iraq) and six have been licensed but are yet to commence operations under their licences (namely Trade Bank of Iraq, Bank of China Limited, Banque Misr, National Bank of Egypt, Sohar International Bank, and Bank of Jordan). Apart from Gulf International Bank Saudi Arabia, all of the 11 Saudi operating banks are publicly listed joint stock companies and their shares are traded on the Tadawul.

In the corporate banking sector, the Bank competes to attract large national corporate customers that can provide significant volumes of business directly and present opportunities to cross-sell retail banking services to their employees. The Bank considers its primary competitors in this area to be The Saudi National Bank, Riyadh Bank, Saudi British Bank and Banque Saudi Fransi.

The Bank also competes with all Saudi banks across its retail products including The Saudi National Bank, a Saudi bank majority owned by Government institutions. This includes relatively recent competition from Emirates NBD and Gulf International Bank which are providing fully digital banking propositions for the mass market. In addition, a number of financial technology companies (“fintechs”) that provide limited banking services such as e-wallets, which enable several transactions such as merchant payments, remittance, and inter-bank transfers have been established in recent years. Although the Bank faces limited competition from these fintechs at present due to their functionalities being underpinned by the need for a traditional bank account, their high adoption rate and innovative digital platforms may pose a threat over time to more traditional banks. However, as a relatively recent market entrant, with less of a historical focus on more traditional banking products than some of its competitors, the Bank believes that it is well positioned to grow through innovation.

Corporate Structure of the Bank

The following structure chart sets out the key operating subsidiaries, entities under effective control and a joint venture of the Bank as at 31 December 2024:



Share Capital and Ownership Structure

Since its establishment, the Bank has been listed on the Saudi Stock Exchange (Tadawul) (ISIN: SA122050HV19).

As at 31 December 2024, the Bank's market capitalisation was SAR 72.4 billion, making it the fourth largest bank in the Kingdom by capitalisation according to Tadawul.

As at 31 December 2024, the equity attributable to the shareholders of the Bank amounted to SAR 32.7 billion.

As at the date of this Offering Circular, the authorised, issued and fully paid up share capital of the Bank consists of 2,500 million shares of SAR 10 each. The table below provides the details of the shareholders with an interest of 5.0 per cent. or more in the Bank as at 31 December 2024:

| Name | Percentage Shareholding |
|------------------------|-------------------------|
| Public Investment Fund | 10 per cent. |

Digital Transformation of the Bank

One of the pillars of the Bank's strategy is to provide the Bank's customers with the most innovative banking products and services. The key initiatives aimed at achieving this include development of the Bank's AA capabilities (including the establishment of the AA Center of Excellence), streamlining and digitalisation of the Bank's operations, including the integration of AI, AA and RPA into the Bank's business processes, expanding the digital services offering at the Bank's branches, enhancing the user experience and interface of the Bank's

digital channels and automation of a number of internal processes and procedures with the aim of reducing the turnaround time and increasing efficiencies.

In 2024, the Bank implemented the following high-priority initiatives:

- Launch of “iz” banking channel, a dynamic platform tailored to engage the Bank’s youth customers;
- Roll-out of the state-of-the art digital platform offering the Bank’s corporate customers advanced self-service capabilities and innovative tools; and
- Further development of open banking and use-case development.

Operations

The Bank has four principal reporting segments which correspond to its core business lines. These are:

- *Retail banking*, which provides banking services to private, affluent and mass retail customers;
- *Corporate banking*, which provides banking services to large and mid-corporates, Government and public entities and SMEs;
- *Treasury*, which manages the Bank’s liquidity, ensures the Bank is in compliance with liquidity ratios prescribed by SAMA and offers derivative and other structured products to the Bank’s customers; and
- *Investment and brokerage*, which provides securities brokerage, asset management and corporate finance services to the Bank’s customers.

Retail Banking

The retail banking segment is the Bank’s largest business line in terms of the number of customers. The retail banking’s segment net income before zakat was SAR 3,260 million for the year ended 31 December 2024, SAR 2,054 million for the year ended 31 December 2023 and SAR 1,224 million for the year ended 31 December 2022. The total assets of the retail banking segment amounted to SAR 48.5 billion as at 31 December 2024, SAR 41.3 billion as at 31 December 2023 and SAR 35.6 billion. Financing, net to customers of the retail banking segment stood at SAR 48.5 billion as at 31 December 2024, SAR 41.3 billion as at 31 December 2023 and SAR 35.6 billion as at 31 December 2022. Customers’ deposits within the retail banking segment amounted to SAR 131.4 billion as at 31 December 2024, SAR 117.8 billion as at 31 December 2023 and SAR 97.1 billion as at 31 December 2022.

As at 31 December 2024, the Bank had over 5.5 million retail customers.

The Bank’s retail banking business comprises the following segments:

- private banking, which provides tailored financial planning, portfolio management and investment advisory solutions to the Bank’s high net worth customers;
- affluent banking, which provides a full suite of retail financing, saving and deposit products to the Bank’s affluent customers; and
- mass retail banking, which provides a full suite of retail financing, saving and deposit products to the Bank’s retail customers.

The Bank’s vision for its retail banking segment is to become the fastest, most digitally advanced and most convenient retail bank in the Kingdom. The Bank’s objectives for retail banking are to:

- build a digital-savvy private and affluent banking customer franchise;

- grow the digital-savvy youth customer franchise;
- focus on meeting the growing banking demands of the underserved female population; and
- offer the best customer experience and operational excellence.

Mass retail banking

Real Estate Finance

The Bank offers a full range of residential finance products, which includes Murabaha, self-construction finance, land finance, ready unit financing, equity release financing and off-plan finance. As at 31 December 2024, the Bank had granted mortgage financing to its retail customers that amounted to SAR 25.0 billion.

Deposit Solutions

The Bank offers a wide range of deposit solutions, including savings accounts, term deposits and structured deposits. As at 31 December 2024, the Bank's retail banking customers' deposits amounted to SAR 131.4 billion.

Bank Cards

As at 31 December 2024, the number of active bank cards issued exceeded 1.8 million. The Bank offers its customers a broad range of Visa charge cards, pre-paid cards and debit cards. All of the cards offered by the Bank are *Shari'a*-compliant.

Education Financing

The Bank provides its retail customers with access to *Shari'a*-compliant education finance plans. Education finance plans help to cover the cost of education for children across all education levels, from kindergarten through to high school as well as training institutes.

Insurance and Protection Programmes

The Bank provides a full range of *Shari'a*-compliant insurance and protection programmes. Under these programmes, the Bank deducts certain amounts from participating customers' accounts, which are then invested and managed by Alinma Capital Company ("CC") on behalf of such customers. The insurance and protection programmes offered by the Bank include both general and special purpose investment programmes, such as programmes assisting the Bank's customers with saving and financial planning to cover the costs of marriage or higher education for their children. The number of participating customers in the Bank's insurance and protection programmes exceeded 8,400 as at 31 December 2024.

Local and international remittances

Through ERSAL Financial Remittance Company, the Bank offers a broad range of local and international remittance services to its customers. The Bank has an active partnership with several money transfer systems, such as Inma Express and Western Union, enabling its customers to transfer funds in substantially all currencies and to substantially all countries abroad.

Brokerage and investment funds

The Bank provides its retail customers with access to both international and Saudi securities markets through its subsidiary, ACC. In addition, ACC offers a wide range of managed investment solutions such as mutual funds and managed portfolios for the Bank's retail customers. See "*Investment and Brokerage*" below.

Affluent banking

The Bank's affluent customers include customers with a monthly salary of SAR 45,000 or more payable to their accounts with the Bank or with an average minimum balance with the Bank of at least SAR 500,000 over the last three months and/or customers who have made a deposit with the Bank of at least SAR 1 million. In addition to the mass retail banking products, the Bank's affluent customers are entitled to a range of benefits, including the assistance of a dedicated relationship manager (in case such customers meet certain requirements), access to VIP lounges at airports worldwide and special rates and discounts on certain of the Bank's products.

Private banking

The Bank's private customers include customers with an average balance with the Bank of SAR 5 million or with an investment portfolio of at least SAR 15 million with ACC and/or individuals who have obtained financing of at least SAR 20 million from the Bank. The Bank's private banking business offers a wide range of tailored financial planning, portfolio management and investment advisory solutions. In addition, the Bank's private customers are entitled to a range of benefits, including the assistance of a dedicated relationship manager, access to VIP lounges at airports worldwide, fee exemptions on most of the Bank's products and special rates and discounts on stock trading services provided by Alinma Invest. Customers of the Bank's private and affluent banking also have access to the mass retail banking products.

Distribution Channels

Branches

The table below provides the number of branches (excluding ladies' sections) operated by the Bank as at 31 December 2024, 31 December 2023 and 31 December 2022:

| Year | Branches (excluding ladies' sections) |
|------------------|--|
| 31 December 2022 | 104 |
| 31 December 2023 | 108 |
| 31 December 2024 | 115 |

In addition, the Bank has four fully automated self-service branches at King Khaled International Airport and King Fahad International Airport in Dammam, its Riyadh Tahlia Branch and the Digital City branch.

All branches are equipped with state-of-the-art ATMs and self-service kiosks, which allow banking operations to be processed directly by customers.

The Bank's focus is not only on increasing the number of branches selectively, but also the modernisation of its network to make the older branches more user-friendly for customers and to improve the Bank's retail product distribution and reach.

Automated Teller Machines (ATMs)

The Bank had a network of 1,483 ATMs as at 31 December 2024, as compared to 1,504 ATMs as at 31 December 2023 and 1,568 ATMs as at 31 December 2022. The Bank assesses its ATMs' profitability on an ongoing basis and closes down unprofitable ATMs whilst exploring locations with greater economic potential.

E-banking

The Bank uses e-banking technologies in order to enhance its distribution channels. These include online transfers, including intra-Bank, local and international transfers, utility payments, account opening, requests for finance and credit cards as well as ID/information updates (such as access to transaction history and statements), online access to investment profiles and accounts with ACC, subscription and management of time deposit

products and online customer support. In addition, the Bank has a number of unique online products, such as emergency cash, which enables customers to withdraw cash from the Bank's ATMs without the need for a physical card, and the family account, which enables customers to create and manage their families' accounts and cards.

Competition/positioning

The Bank is operating in a competitive environment. The Bank aims to offer a full range of Islamic products and services to its retail customers, while differentiating itself from its competitors through quality of service and responsiveness. It has adopted a strategy of focusing on the middle and upper income market segments as well as providing a balanced and digitalised approach.

Corporate Banking

The Bank's corporate banking segment provides corporate finance, cash management, transactional banking services and deposit solutions to the Bank's large and mid-sized corporate customers, SMEs and government and public entities, primarily in the Kingdom.

The Bank's vision in the corporate banking segment is to evolve as the core bank for large and mid-sized corporates customers across diversified sectors, to develop a high-quality and growing SME proposition and to grow its cash management and trade finance business.

The corporate banking segment's net income before zakat was SAR 1,454 million for the year ended 31 December 2024, SAR 2,067 million for the year ended 31 December 2023 and SAR 1,402 million for the year ended 31 December 2022. The total assets of the corporate banking segment amounted to SAR 152.5 billion as at 31 December 2024, SAR 131.4 billion as at 31 December 2023 and SAR 110.0 billion as at 31 December 2022. Financing, net to corporate customers stood at SAR 152.5 billion as at 31 December 2024, SAR 131.4 billion as at 31 December 2023 and SAR 110.0 billion as at 31 December 2022. Customers' deposits within the corporate banking segment amounted to SAR 39.9 billion as at 31 December 2024, SAR 22.8 billion as at 31 December 2023 and SAR 23.7 billion as at 31 December 2022.

As at 31 December 2024, the Bank's corporate banking segment had 4,156 customers.

The Bank classifies its corporate customer base into the following categories:

- Large corporates, being companies with annual revenues exceeding SAR 1 billion;
- Mid-sized corporates, being companies with annual revenues from SAR 200 million to SAR 1 billion;
- Government entities, being entities wholly owned by the Government and Government agencies and departments; and
- SMEs, being companies with annual revenues of SAR 200 million or lower.

The corporate banking business provides the following solutions and segments:

Corporate Finance

The Bank offers a wide range of *Shari'a*-compliant corporate finance solutions, which include project finance, syndicated finance and other long-term financing and working capital finance solutions.

- Project Finance

The Bank finances both greenfield and brownfield projects in the Kingdom through non-recourse or limited recourse financial structures, all of which are *Shari'a* compliant. In the year ended 31 December 2024, the Bank participated in 163 project finance transactions and funded more than SAR 12.8 billion in project finance transactions.

The Bank's strength in project finance is underpinned by its dedicated team of professionals who have demonstrated expertise in deal structuring and debt refinancing.

- Syndicated Finance

The Bank is an active participant in the Kingdom's syndicated finance market. In the year ended 31 December 2024, the Bank participated as arranger or co-arranger in 65 syndicated finance transactions in the Kingdom and funded more than SAR 2.5 billion in petrochemicals and education syndicated finance transactions.

- Other Long-Term Financing

In addition to project finance and syndicated finance, the Bank provides other long-term finance solutions, such as real estate financing, investment financing and contract financing. In the year ended 31 December 2024, the Bank provided such long-term financing in the aggregate amount of SAR 86,003 million.

- Working Capital Finance

The Bank provides working capital facilities with a maturity of up to 360 days.

SME Banking

The Bank offers a number of finance products which are tailor-made for SMEs, including POS terminal solutions (see - "*POS Terminals and Solutions*" below).

The Bank's SME clients are served through two main tracks, SME Banking and SME Sales Network. SME Banking represents a conventional financing track which has similar procedures to large and mid-sized corporate financing including requirements for audited financial statements and a detailed credit proposal for each financing request. The SME Sales Network relies on programme-based financing products which do not require audited financial statements, have less requirements, and a fast approval track, such as POS Financing, Current Account Based Financing, Supply Chain Financing, and Performance Bond (Daman).

In addition, the Bank participates in the Kafala Programme. Under the Kafala Programme, banks offering finance to eligible customers receive a guarantee from the Kafala Programme, covering up to 90 per cent of the financing amount. As at 31 December 2024, financing extended by the Bank under the Kafala Programme amounted to SAR 2,465 million.

International Transaction Services

The Bank provides a comprehensive suite of documentary operations and trade finance instruments for its customers. Such instruments include letters of credit, such as revolving documentary letters of credit, transferable documentary letters of credit and standby letters of credit, which are used by the Bank's corporate customers in their import and export operations. The Bank also provides a wide range of guarantee services which include bid bonds, performance bonds, advance payments, payment guarantees, retention bonds, zakat and income tax bonds, shipping guarantees and counter guarantees. In addition, the Bank's trade finance solutions product offering includes documentary collection services and import/export documentary collection services, such as post finance letters of credit and bills discounting.

Cash Management

The Bank provides a wide range of cash management and deposit solutions, which include maintenance of financing and non-financing accounts, demand and margin deposits as well as cash collection services. As at 31 December 2024, customers' deposits attributable to the corporate banking segment amounted to SAR 39.9 billion.

POS terminals and solutions

POS terminals

Since 2015, the Bank has significantly increased its share in the market for POS terminals used by retailers. The Bank provides POS terminals to numerous well-established commercial centres, hypermarkets, restaurants and other vendors.

Expanding in this sector is part of the Bank's long-term strategy and the Bank intends to continue to build its existing portfolio of relationships where the Bank believes it can maintain good returns and keep risks at a reasonable level. As at 31 December 2024, the Bank had 161,716 POS terminals (8.4 per cent. of the market share) in operation throughout the Kingdom, compared to 133,928 POS terminals and 125,247 POS terminals in operation throughout the Kingdom, compared to terminals as at 31 December 2023 and 31 December 2022, respectively, representing 7.9 per cent. and 8.8 per cent., respectively, of the market share in the Kingdom in terms of the number of POS terminals. The Bank was the fifth among the 11 local banks in terms of the number of POS terminals in operation as at 31 December 2024.

POS Solutions

The Bank provides a wide range of POS-finance services, through which shoppers are provided with flexible, pay-over-time instalment options. The Bank's POS financing customer base has increased from SAR 224 million (276 customers) as at 31 December 2021 to SAR 842.7 million (4,101 customers) as at 31 December 2024.

Distribution Channels

Corporate banking customers of the Bank benefit from dedicated teams of relationship managers, assigned on the basis of the size and geographical location of the customer. The Bank's relationship managers are based in the head office in Riyadh and each of the Bank's three regional offices. Operational banking requirements are met through the branch network and designated corporate lounges. The Bank also offers its corporate customers access to the specialist e-banking systems which provide cash management services and access to the Bank's international transaction services.

Treasury Segment

The Bank's Treasury Group comprises six main desks: (i) Balance Sheet Management, (ii) Investment, (iii) Global Sales and Trading, (iv) Financial Institutions, (v) Treasury Excellence and Support and (vi) Treasury Product Development, each catering for the needs of the Bank's customers.

The treasury segment's net income before zakat was SAR 1,190 million for the year ended 31 December 2024, SAR 745 million for the year ended 31 December 2023 and SAR 923 million for the year ended 31 December 2022. Total assets attributable to the treasury segment amounted to SAR 72.2 billion as at 31 December 2024, SAR 61.4 billion as at 31 December 2023 and SAR 52.4 billion as at 31 December 2022.

Balance Sheet Management

The primary role of the treasury segment is to manage the Bank's short-term liquidity. The Balance Sheet Management desk manages the liquidity needs of the Bank by identifying investment opportunities and tapping multiple funding sources using different financial products. The Balance Sheet Management desk also facilitates the Bank's relationship with SAMA and manages the Bank's account in the SAR Interbank Express system. The desk manages the Bank's *nostro* accounts for major currencies and its liquidity gaps on an ongoing basis within the risk limits approved by the Asset and Liability Committee (the "ALCO"). Finally, this desk also monitors and manages the prudential regulatory ratios and takes necessary action to ensure the Bank's compliance with such ratios.

Investment

The primary objective of this desk is to manage the Bank's investment portfolio and trading portfolio within the limits set by the ALCO and the Investment Committee of the Bank.

Global Sales and Trading

The main responsibilities of the Global Sales and Trading desk are:

- cross-selling products across all segments of the Bank's customers;
- raising funds to meet the Bank's liquidity requirements;
- playing a major role in expanding the Bank's customer base;
- managing and funding the Bank's *nostro* accounts for its FX business;
- developing the Bank's range of treasury products; and
- being a primary dealer by creating a secondary market for sukuk and establishing a nationwide awareness for investors with the Kingdom's National Debt Management Centre.

Financial Institutions

The main responsibilities of the Financial Institutions desk are to:

- manage relationships and prepare proposals for correspondent banks for establishing funded and unfunded trade/treasury limits with minimum turnaround times in order to facilitate customers routing business through the Bank;
- market the Bank's products and services to financial institutions customers;
- negotiate better terms and conditions with different foreign banks for required *nostro* accounts and enhance their trade and treasury lines for the Bank;
- represent the Bank across all platforms within the Kingdom and internationally help build the Bank's reputation; and
- propose maximum risk exposures for the banking activities as well as being responsible for assessing and recommending cross-border exposure on a country-wide basis.

Treasury Excellence and Support

The main responsibilities of the Treasury Excellence and Support desk are to:

- review and manage the Bank's policies, procedures and service level agreements in conjunction with other stakeholders;
- supervise the Bank's daily dealing activities (cash flow, gap analysis, maturity profiles, outstanding positions, regulatory ratios and SAMA reports) and ensure adherence to the internal controls and limits as required by SAMA, the Bank's risk function and the ALCO;
- manage the Bank's systems development and other issues including change requests, business requirements documents and service level agreements with IT and other stakeholders; and
- manage all internal and external audit, *Shari'a* and SAMA inspections and group projects.

Treasury Product Development

The main responsibilities of the Treasury Product Development desk are to:

- form product ideas and conduct feasibility studies;
- improve existing products in line with the Bank's efficiency and profitability requirements;
- conduct analysis of products offered by the Bank's competitors and seek necessary approvals to offer such products.

Products

The Bank offers the following products to its customers through its Treasury Group (all of which are *Shari'a*-compliant):

- FX: FX-spot and foreign currency and local currency bank notes;
- term deposits: direct investment and "Nama" accounts;
- interbank: Commodity *murabaha*, direct investment, *wakala*, SAMA *murabaha* and interbank repurchase agreements;
- equity investment and sukuk investment;
- export letters of credit, letters of credit and letters of guarantee risk participation, documentary collection and counter letters of guarantee; and
- Islamic derivatives: FX *waad* (forward), profit rate swaps and FX swaps.

Investment and Brokerage Segment

The Bank conducts its investment and brokerage business through its subsidiary, ACC, which offers asset management, custodianship, advisory, underwriting and brokerage services. It is licensed as an "Authorised Person" by the CMA.

The investment and brokerage segment's net income before zakat was SAR 598 million for the year ended 31 December 2024, SAR 529 million for the year ended 31 December 2023 and SAR 463 million for the year ended 31 December 2022. Total assets attributable to the investment and brokerage segment amounted to SAR 3.6 billion as at 31 December 2024, SAR 2.6 billion as at 31 December 2023 and SAR 2.5 billion as at 31 December 2022.

Brokerage

According to the Tadawul, as at 31 December 2024, ACC was ranked the thirteenth largest local equity broker in the Kingdom in terms of total value traded with a market share of approximately 2.8 per cent. of the Saudi local brokerage market. ACC ranked amongst the top ten brokers in the Kingdom in terms of total turnover in its international brokerage business in 2024.

ACC provides a wide trading and price dissemination network, through its online trading system, as well as its trading desk, enabling customers to access the Saudi listed securities markets easily. For the year ended 31 December 2024, approximately 96 per cent. of trades by volume undertaken by ACC were executed through its online trading system.

Asset Management

ACC has operated an asset management division since its establishment. Currently, ACC's asset management business offers a variety of mutual funds and investment solutions for all segments of customers, including retail, high net worth individuals, corporate and government customers.

As at the date of this Offering Circular, ACC offers 42 private mutual funds and nine public mutual funds, all of which are *Shari'a*-compliant and are managed locally. The public mutual funds comprise three equity funds, one multi-assets fund, two money market and Murabaha funds, two REIT funds and one exchange traded fund (“ETF”). In addition, as at 31 December 2024, ACC managed seven endowment funds on behalf of licensed endowments in the Kingdom, offering multi-asset diversification to the endowment portfolios.

As at 31 December 2024, ACC’s total assets under management amounted to SAR 90.1 billion (U.S.\$ 24.03 billion) and the listed ETF had a market capitalisation of more than SAR 432 million (U.S.\$ 115 million). According to the CMA’s Capital Market Institutions Report for the third quarter of 2024, ACC’s share in “Assets under Management (Public, Private Funds and Discretionary Portfolio Management)” was 8 per cent.

As at 31 December 2024, ACC had a distribution team of approximately 14 employees, with responsibility for marketing both its asset management and brokerage products and solutions.

Investment Banking

ACC offers the full range of investment banking services in Saudi Arabia. Its main services are split into three broad categories:

- equity capital markets;
- debt capital markets; and
- mergers and acquisitions (“M&A”) advisory.

In 2024, ACC was involved in 30 investment banking transactions. The work on some of these transactions is ongoing. In 2024, ACC acted as a joint lead manager on sukuk transactions for the Bank, Rawabi Holding Company, Saudi Aramco, the National Debt Management Center of the Kingdom, as an underwriter and lead manager on the Initial Public Offering (the “IPO”) of Middle East Pharmaceutical Industries, financial advisor underwriter, bookrunner on the IPO of Al Taiseer Group Talco Industrial Company, and as a financial advisor, underwriter, bookrunner and lead manager in connection with rights issues of Etihad Atheeb Telecommunication Company and Ayyan Investment Company.

Subsidiaries and a Joint Venture

In addition to ACC, the Bank has a number of other subsidiaries, associates, joint ventures and entities under effective control, including:

Al-Tanweer Real Estate Company (“ARE”): ARE, a wholly-owned subsidiary, facilitates real estate financing by holding the legal title of properties financed by the Bank and properties pledged as collateral against financing extended by the Bank.

Esnad Company (“ES”): ES, a wholly-owned subsidiary, provides outsourced staff to the Bank including customer services, management support and technical support.

Saudi Fintech Company (“SFC”): SFC, a wholly-owned subsidiary, provides financial technology products and services to the Bank. SFC provides digital financial products and services together with digital financial platforms and engages in banking agency activity for e-commerce payment services.

Alinma SPV Limited (“Alinma SPV”): SPV, a wholly-owned subsidiary, is engaged in financial derivative transactions and repurchase agreements with international banks.

Alinma Sukuk ETF (“Alinma ETF”): Alinma ETF, a 92.9 per cent. owned subsidiary, invests in local sovereign Sukuk issued by the Kingdom.

Alinma IPO Fund (“Alinma IPO”): Alinma IPO, a 54.9 per cent. owned subsidiary, invests in equities of Saudi joint stock companies.

Dhahban Real Estate Fund (“Dhahban”): Dhahban, a 100 per cent. owned subsidiary, invests in the real estate sector in the city of Jeddah.

International Water Distribution Company (“Tawzea”) and Alinma Fund for Private Equity Investments: Alinma Fund for Private Equity Investments, a 20.3 per cent. owned associate, was established to hold 50 per cent. of ordinary shares in Tawzea, which were received by Alinma as part of a financing settlement agreement from one of its customers.

ERSAL Financial Remittance Company (“ERSAL”)

The Bank has invested SAR 25 million in ERSAL, giving it a 50 per cent. shareholding. ERSAL was established under Commercial Registration No. 1010431244 dated 21 Jumada I 1436H (corresponding to 12 March 2015) with a paid-up capital of SAR 50 million. ERSAL is a money transfer service that facilitates international remittances from Saudi Arabia using the latest in transfer technology and leveraging international best practices.

Shared Services Group

Organisation

The Shared Services Group runs technology and operations related decision-making, collaboration, operations and information sharing in formalised committees such as the Shared Services Steering Committee, which addresses investments, operations and IT and is led by the Vice President of the Shared Services Group. The Shared Services Group also comprises an IT Portfolio Committee led by the head of the Shared Services Strategy and Project Management Office.

Portfolio reviews are conducted every quarter with the heads of business lines.

The Shared Services Group has five divisions which are (i) Information Technology, (ii) Operations and Engineering, (iii) Procurement, (iv) Shared Services Planning & Excellence, and (v) Access Management. All these divisions collaborate to provide, manage and support business functions and requirements.

Production

The Information Technology Division operates two data centres on a 24/7 basis. The main data centre is in Al Olaya, Riyadh and the data recovery data centre is located in Al Naseem, Riyadh.

The Shared Services Group also operates a business recovery centre with the necessary number of ready to operate workstations covering the main critical functions in case of disaster.

Centres, branches and offices are connected through a high bandwidth backbone. Every location has a second line using different service providers, to ensure the availability of uninterrupted services. The Bank has adopted a multi-vendor policy of communication services to ensure competitiveness in maintaining the service level and to reduce the risk of failure.

Technology Security

Since the introduction of online banking in March 2009, the Bank has dedicated considerable investment and effort towards the development and improvement of the security of its systems. Information Technology works in co-ordination with the Information Security Management Division to formulate and regulate information security, following best practice and local and international standards. These efforts were recognised in 2019 when the Bank was awarded the Digital Services Award by the Union of Arab Banks and the Arab Organization for Information and Communication Technologies in recognition of the Bank’s efforts to provide partners with the easiest and most convenient financial and technological solutions through digital channels.

The Bank has put in place several security controls to ensure that only authorised individuals obtain access to its systems. The Bank has implemented a users' identity management system to ensure access to all applications is managed and based on the approved privileges granted by Access Management. In addition, the system manages the revocation of any such access in a timely manner. To ensure that suspicious behaviour is monitored, detected and acted upon in a timely manner, the Bank has implemented numerous monitoring and detection controls.

To measure and improve security effectiveness and minimise security breaches, the Bank has established a Cybersecurity Steering Committee. The Bank has also laid the foundations for a proactive 24/7 incident management system and established a dedicated security operations centre that takes a proactive approach to security.

The Bank has established a dedicated ongoing awareness programme to ensure that its staff remains vigilant when it comes to protecting the Bank's information assets.

To ensure continuous and thorough verification of systems security, the Bank has implemented a 4-tier system, including an application risk assessment system to ensure the early identification and mitigation of system risks. The Bank has dedicated considerable efforts towards remaining in compliance with industry standards and best practices regarding security, for instance, the deployment of automated firewall rules analysers and reviewers.

IT Services

The Bank is managing IT services with the help of many applications including customised third-party applications and in-house developed applications.

Compliance Division

Compliance with laws and regulations is a top priority for the Bank. The Bank believes that transparent and accountable adherence to laws, rules and regulations in its daily operations supports its prosperity, together with that of its shareholders, customers, other stakeholders, employees and society in general.

The Compliance Division is an independent control function at the Bank. The Compliance Division supports the Bank's pursuit of its growth strategies and in managing compliance risk management in areas including AML and counter terrorist financing ("CTF"). As part of its key responsibilities, the Compliance Division supports all business lines and control functions by providing necessary advice, training, tools and resources to achieve strict adherence and strong compliance risk management.

In addition, the Compliance Division conducts control and monitoring reviews and performs quality assurance assessments to ensure compliance with regulatory rules and to mitigate financial crime, bribery and corruption risks via robust monitoring and reporting methods. The Compliance Division also supervises the whistle blowing mechanism to monitor, investigate and report on whistle blowing incidents.

In order to combat the risks of money laundering and terrorist financing, the Compliance Division has built a robust mechanism of monitoring, investigating and submitting suspicious activity reports to the competent authorities. A KYC programme that complies with local and international laws, regulations and best practices including AML, CTF and sanctions programmes, has been implemented to classify the Bank's customer identification and acceptance. All categories of new high-risk customer relationships and ratification of existing high risk customers require the approval of the Compliance Division.

The Chief Compliance Officer participates in the meetings of the Board of Directors, Audit Committee and various management committees' meetings and regularly updates the Board of Directors and Audit Committee on the status of compliance in the Bank and the measures required to ensure a high level of compliance with applicable laws, rules and regulations.

Additionally, a high-level Compliance Committee comprising senior executives has been formed to oversee compliance risk management. The Compliance Committee meets on a periodic basis to discuss the overall management of compliance risk. The activities of the Compliance Committee are reported to the Audit Committee.

Legal Group

The Legal Group is responsible for providing legal advice and consultation on all general and corporate legal matters, managing any litigation to which the Bank is a party and managing all corporate governance affairs. It is also responsible for reviewing, negotiating and drafting facility agreements, treasury documents, workouts, trade finance documents and commercial agreements between the Bank and third parties as well as any other agreement that the Bank may enter into from time to time. It also provides advice on regulatory matters and manages any litigation to which the Bank is a party, when required. The Bank uses external legal advisers where appropriate.

Litigation

As at 31 December 2024, there were no significant legal proceedings outstanding against the Bank.

Sustainability

In April 2023, the Group adopted the Sustainability Strategy, which applies to all business units of the Group. The Sustainability Strategy is focused on the following six pillars, which align with Saudi Vision 2030: (i) accelerating sustainable finance; (ii) fostering environmental stewardship and a circular carbon economy; (iii) empowering the Bank's customers; (iv) building a thriving workplace; (v) strengthening our communities and contributing to a greater financial inclusion and (vi) ensuring robust governance and responsible operations. In 2025, the Group adopted the ESG Risk Framework formalising the Group's commitment to managing ESG risks.

Furthermore, in 2022, the Bank established the governance and sustainability committee (the “**Governance and Sustainability Committee**”). See “*Management and Employees – the Governance and Sustainability Committee*”. The Bank additionally published its first sustainability report in 2022.

The ESG initiatives implemented by the Bank from 2022 to 2024 include the:

- installation of energy-efficient lighting and air-conditioning timers across all of its branches;
- roll-out of solar energy systems in over 50 of its branches;
- roll-out of digital signatures with the aim of reducing paper consumption;
- publication of the Sustainable Finance Framework;
- ISO 14001 certification;
- publication of the human rights statement and the health and safety statement; and
- membership in the Principles for Responsible Banking.

For the years ended 31 December 2024, 31 December 2023 and 31 December 2022, the Group's total outstanding exposure to sustainable projects amounted to SAR 22.7 billion.

Sustainable Finance Framework

From time to time and pursuant to the Programme, the Bank may procure the Trustee to issue Sustainable Certificates in respect of which it will apply the equivalent amount to fund and/or refinance, in whole or in part, a portfolio of Eligible Sustainable Projects (as defined below).

The Sustainable Finance Framework envisages that the Sustainable Certificates may comprise Certificates where the equivalent amount is used either to finance or refinance projects which are either Eligible Green Projects or Eligible Social Projects (“**Eligible Sustainable Projects**”).

Eligible Green Projects include Eligible Assets related to (i) production of electricity from renewable sources, (ii) development and/or manufacture of renewable energy technologies, including equipment for renewable energy generation and energy storage, (iii) development of technologies and systems that increase defined renewable energy storage capacity, such as battery storage, (iv) transmission and distribution assets or infrastructure connecting renewable energy generation facilities, (v) development, manufacture and implementation of products or technologies that reduce the energy consumption of underlying assets, projects, appliances, products or systems, (vi) improved efficiency in the delivery of bulk energy services, including district heating/cooling systems and smart grids that result in reduced energy losses, (vii) research, development, construction, purchase, and upgrades/ maintenance of water desalination plants powered by renewable or low-carbon energy sources and with appropriate waste management plans in place, (viii) development or improvement of sustainable urban drainage systems and river training and other forms of flooding mitigation, including wastewater treatment, (ix) soil remediation (land remediation of contaminated urban sites) and recycling facilities, (x) projects that promote a shift towards less polluting and more energy efficient modes of transport, particularly in the case of long distance, urban travel and freight, (xi) acquiring and/or constructing buildings that meet or will meet recognised green certification environmental building standards and (xii) activities that increase the resilience of ecosystems, including communities, climate observation and early warning systems, water resilient infrastructure, bridges to address higher levels of flooding, systems and infrastructure for anticipated wind speeds, heavy rains and increased temperatures.

Eligible Social Projects include Eligible Assets related to (i) development of infrastructure for communities with limited access to transport, water and energy and sanitation and development of telecommunication infrastructure to extend affordable access to internet coverage, speed and/or mobile phone coverage to residential communities currently lacking such access, (ii) construction of public schools and universities and activities to promote entrepreneurship and innovation, (iii) facilities, projects, and equipment that enhance access to healthcare services in emerging markets, (iv) financing SMEs with a focus on supporting local entrepreneurs and promoting financial inclusion of local SMEs and (v) development and support initiatives of women to improve economic opportunities through business interventions.

The equivalent amount in relation to Sustainable Certificates will not be used in cases where the main purpose of the financing is related to fossil fuels, nuclear power generation, conflict minerals, weapons, gambling, vaping, tobacco, alcohol, mining, oil and gas.

The proceeds of the Sustainable Certificates will be deposited by the Bank in general funding accounts and set aside for allocation towards the Eligible Sustainable Projects, tracked through the Sustainable Finance Asset Register. The net proceeds of any issuances received by the Bank under the Framework will be fully utilized within two years of the issuance. The Bank intends to maintain a track of all transactions under the Framework in a separate Sustainable Finance Register. The Bank will follow a portfolio-based approach to match issuances with eligible green or social asset, and will conduct periodic reviews of the Sustainable Finance Register to

ensure that an adequate balance of eligible green and social assets is maintained to match issuance amounts at all times.

The Bank has appointed Sustainalytics to provide an external review of its Sustainable Finance Framework and confirm its alignment with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainable Bond Guidelines, each as published by the International Capital Markets Association from time to time. This opinion is available on the Bank's website.

None of the Sustainable Finance Framework, the ICMA Green Bond Principles the ICMA Social Bond Principles, the ICMA Sustainable Bond Guidelines or any of the above reports, verification assessments or the contents of any of the above websites are incorporated in or form part of this Offering Circular.

See also *“Risk Factors—Risks relating to the Certificates— The use of proceeds of any issue of Certificates identified as Sustainable Certificates in the applicable Pricing Supplement may not meet investor expectations or requirements or be suitable for an investor's investment criteria”*.

RISK MANAGEMENT

Pro-active and efficient management of the risks involved in the Bank's activities is critical to its long-term financial strategy, profitability, assets and stakeholders' confidence. The Bank has established a risk management framework ("**Risk Management Framework**") to ensure strong risk management awareness and culture, and to instil these practices in its day-to-day business activities and responsibilities. The Risk Management Framework entails pro-active identification, measurement, monitoring and mitigation/control of key risks backed by strong risk governance and organisation.

Risk Governance

Risk management is undertaken independently from the business units of the Bank. The Bank's approach is to identify, analyse and respond appropriately to all risks. The approved risk appetites and tolerances for each type of risk will determine the appropriate risk response. The Bank aims to enforce a strong risk management culture through a comprehensive set of processes that are designed to effectively identify, measure, monitor, report, mitigate and control risk exposures effectively.

The Board of Directors has ultimate responsibility for the Bank's overall enterprise risk management philosophy, strategy, risk tolerance levels and risk policies. The Board of Directors establishes board committees for risk functions, while retaining the responsibility for each committee. The Board of Directors delegates the day-to-day monitoring of risks to management, but remains accountable in ensuring these are carried out within the ambit of statutory, regulatory and good banking practices.

The Board Risk Committee ("**BRC**") of the Board of Directors is responsible for assisting the Board of Directors in overseeing the enterprise risk management process and discharging other related responsibilities. This includes ongoing review and oversight of the Risk Appetite Framework and Policy of the Bank and its supporting risk management framework and recommending any relevant changes for the Board of Directors' approval.

The board committees (mainly the BRC, the Audit Committee, the Nominations and Remuneration Committee (the "**NRC**") and the Executive Committee ("**EC**")) are supported by Executive Management Committees and Senior Management. The Board of Directors has delegated the oversight of enterprise risk management to the EC. The EC reviews and approves all risk management policies and specific large credits beyond the limits delegated to the Bank's management pursuant to the credit approval authority delegation matrix (the "**Credit Approval Authority Delegation Matrix**"). The EC also regularly reviews and assesses the Bank's overall risk profile and advises the senior management to take action, where necessary. For further information regarding the Board of Director's committees and management committees, see "*– Management and Employees*".

In addition, in the spirit of enhanced risk culture throughout the Bank, three lines of defence are in operation:

- As the first line of defence, the business units have ownership, responsibility and accountability for assessing, controlling and mitigating risks with assistance from the support units. The retail, corporate and treasury groups are the key business units charged with originating, recommending, and managing the largest portion of the Bank's overall risk asset exposure. These key business units have the primary responsibility to implement the risk policies in their respective units under the monitoring and oversight of the Risk Management Group ("**RMG**"). The support units perform risk and control self-assessment periodically to identify, analyse and evaluate operational risks in their respective business activities in support of the business units.
- As the second line of defence, the RMG, ALCO, the Credit Committee ("**CC**"), the Impairment Committee, the Investment Committee ("**IC**") and control units (*Shari'a* and Compliance) facilitate and monitor the implementation of effective risk management practices by business and operational

management, and assist the risk owners in reporting appropriate risk-related information to the relevant stakeholders.

- **ALCO:** The Bank's ALCO policies provide the framework for the management and control of liquidity and profit rate risk. Day to day operational responsibility resides with the ALCO, reporting to the Treasurer, with governance oversight provided by the ALCO. The ALCO oversees, on behalf of the Board of Directors, the liquidity position of the Bank and also evaluates, establishes, promulgates and enforces policies on market and liquidity risk management and strategies with the aim of optimising shareholders' value through effective management of the Bank's balance sheet. The ALCO also assumes management level oversight on the review, approval, implementation and monitoring of the Bank's Risk Appetite Framework and Policy.
- **CC:** The CC is the main reviewing and approving authority for all credit exposures to counterparties, corporate customers, financial institutions, private banking/high net-worth customers and individual, salary-based retail accounts. All credit approvals require the signature of at least one authorised credit approver from Credit Management in addition to the authorised credit approvers from the Corporate Banking Group and/or Retail Group, as the case may be.
- **Impairment Committee:** The Board has authorised the formation of the Impairment Committee to oversee the implementation and maintenance of the Bank-wide framework for assessing credit impairment charges pursuant to regulatory requirements of the Basel Committee on Banking Supervision ("BCBS") Guidance on credit risk and accounting for expected credit losses and IFRS 9 standards.
- **IC:** The IC is tasked with preparing, reviewing and recommending strategic investment policies of the Bank. It also reviews and approves specific Bank investments and regularly monitors the performance of various new and existing Bank investment assets.
- **RMG:** In partnership with the Bank's business and the support units, the RMG (which is organised into Anti-Fraud Management; Risk Management Excellence; Basel Reporting; Credit Risk Management; Operational Risk Management; Market Risk Management; and Cyber Security teams, each of which works independently from the business units of the Bank to identify, measure and mitigate risks on a pre-emptive basis) is responsible for formulating and implementing procedures and processes that assist staff and management with recognising, assessing and mitigating the occurrence of all types of risk. When necessary, the RMG escalates these to the Chief Risk Office ("CRO"), the Chief Executive Officer ("CEO"), the EC and the Board of Directors for their information and required action. With respect to credit risk, which is the largest risk of the Bank, the RMG conducts independent reviews and assessments of credit risks through the CRO and the Chief Credit Officer. As part of the CC, they decide whether to approve, modify the terms, or reject any extension of credit. The RMG also ensures that the Policies and Guidelines on Risk Taking (including the Risk Appetite Framework) are complied with.
- **Control units:** The control units ensure that the Bank is compliant with *Shari'a* guidelines and laws and regulations of the Kingdom by reviewing the Bank's transactions, activities and executive procedures.
- As the third line of defence, the internal audit function, through a risk-based audit approach, provides independent assurance to the Board of Directors and senior management on the effectiveness of the risk

management process in the Bank, in terms of assessment and management of its risks, including the manner in which the first and second lines of defence operate.

Risk Organisation

The Bank has a well-defined risk taxonomy (within the overall framework of credit, market and operational risks) following the BCBS classification and best practice guidelines for newer risk types. The CRO heads the RMG and is responsible for overall implementation of the risk objectives of the Bank.

For this purpose, in line with the risk framework, the RMG's divisions are functionally tasked to analyse and mitigate risks as follows:

Credit Risk

Credit risk arises when a counterparty fails to fulfil its contractual obligations to the Bank. All credit proposals are subjected to a high degree of due diligence intended to identify all risks associated with granting the credit.

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board of Directors has appointed the BRC which has the responsibility to monitor the overall risk process within the Bank.

The Bank's credit policy provides detailed guidelines on managing credit risk effectively. It is reviewed and updated from time to time based on experience, emerging issues, best market practices and directives from regulatory authorities. The credit policy is designed to ensure clear recognition of credit risk management strategies and objectives. The Bank regularly stress tests its credit portfolios, in order to evaluate the potential impact of negative factors on asset quality, risk ratings, profitability and capital allocations.

To generate an internal risk rating for its corporate clients, the Bank uses the Moody's CreditLens system ("MCL") system which is used by many leading banks globally and in the Kingdom. It enables the Bank to assign a risk rating to a single obligor. The risk rating is a point-in-time, 12-month probability of default ("PD"). The Bank assigns a rating from a 10-point rating scale with 1 as the best and 10 as the worst. The rating uses sub-grades (e.g. 3+, 3, and 3-) for a granular assessment of the PD. As part of the Bank's policy, only obligors with risk ratings of 6 or better are eligible for financing. The Bank reviews and validates the MCL system on a regular basis – calibrating score ranges with rating grades and associated PDs. All credit exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade because of various qualitative and quantitative aspects related to the specific obligor, such as changes in its audited financial statements, compliance with covenants, management changes, as well as changes in the economic and business environment. Credit risks in the retail portfolio are estimated based on individual credit-worthiness scores derived from an automated credit scoring platform.

The RMG owns and controls the policies established for financing. It regularly reviews and revises the Bank's credit policies, guidelines and processes to ensure the management and control of credit risks are within the Risk Appetite Criteria of the Bank and to minimise credit-related losses. The RMG also ensures that credit policies are aligned and adjusted in accordance with the economic, market, regulatory and legal landscape.

The Bank also attempts to control credit risk by monitoring credit exposures and limiting transactions with specific 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 and reported periodically or whenever required. In addition to monitoring credit limits, the Bank manages the credit exposure relating to its trading activities by entering into collateral arrangements with counterparties in appropriate circumstances, and limiting the duration of exposure. In certain cases, the Bank may also close out transactions or assign them to other counterparties to mitigate credit risk.

The Bank manages various credit portfolios for diversification. Concentration in the portfolio mix is managed in terms of economic activity, geography, collateral and underlying product. The Bank seeks diversification of its credit portfolios through acquiring customers across different industries, economic activities and geographical areas across the country. It also targets large, medium and small corporate clients as well as individual clients. Obligor and sector concentrations are monitored to assess different types of financing concentrations. The Bank regularly stress tests its credit portfolios, in order to evaluate the potential impact of negative factors on asset quality, risk ratings, profitability and capital allocations.

The Bank uses collateral when mitigating its credit risk on financial assets. The collateral comes in various forms including cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as real estate valuation agencies, mortgage brokers or based on housing price indices.

The Bank's Credit Administration and Control unit is responsible for post-sanction credit controls. Its role includes:

- ensuring that documentation and securities are obtained and comply with the terms of approval prior to limit activation;
- monitoring limit excesses and credit exceptions; and
- escalating exceptions and reporting on the credit portfolio.

If a retail banking financing is in arrears, it is processed in accordance with standard operating procedures whereby the financing is considered to be past due one day after payments under the financing were due to be made.

A retail financing account becomes non-performing when no payment or instalment is made for over 90 days. The collection unit pursues all available avenues, in adherence to collection regulation, to collect the outstanding amount from a debtor including, amongst other methods, filing a claim with the court and starting a court proceeding in relation to personal and home financings, making claims on order notes and foreclosing on any relevant collateral in accordance with the enforcement law. However, prior to initiating any litigation activity, a cost benefit assessment in terms of recovery potential is performed.

A remedial financing is written off generally after 360 days past due, as the Bank does not forfeit its right to recover and recovery activities remain in action until the dues are collected.

Corporate customers who display weaknesses in the timely repayment of their obligations due to financial constraints are managed in accordance with SAMA's guidelines on Management of Problem Loans and Rules dated 30 January 2020. These financing accounts are categorised as Special Mention or Stressed Accounts and periodic discussions are conducted to identify the issues involved and find suitable action plans to contain the situation. The Bank has implemented IFRS 9 provisioning standards according to which the customers are categorised into Stage 1, Stage 2 and Stage 3. The customers who are in default for over 90 days are considered 'Non-Performing' unless there is evidence suggesting potential, imminent repayment despite the period of time elapsed.

The Bank's Special Assets Management team ("SAM") is responsible for the management of non-performing credit exposures for all businesses except consumer credit, which is managed by a separate collections division. SAM conducts diagnostic review and analysis for newly transferred cases, discusses and negotiates with clients for their outstanding payments, including using measures for rescheduling or restructuring the repayments.

As part of such repayment restructuring, SAM may request additional collateral or modification of the other terms and conditions (including the pricing). Restructuring plans negotiated by SAM are submitted to the relevant Credit Committee within the Bank for decision.

If negotiations are not successful and both parties are unable to reach a settlement, the Recovery Unit takes over and provides a more assertive approach by initiating legal proceedings to recover the Bank's money through legal channels.

SAM is responsible for the overall management of the non-performing financings including drawing up work-out plans, realising the collateral and instituting legal action (where necessary) through the Bank's Legal team.

Market risk

Market risk is the risk that the fair value or the future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, profit rates, foreign exchange rates, and commodity prices. The Bank classifies market risk exposures into either trading, non-trading or banking book. Market risk is controlled by setting market risk limits (including position limits) and implementing risk policies that not only meet regulatory requirements but also are designed to mitigate and/or cap potential exposure.

The Market Risk Management Team under the RMG independently monitors the market risk exposure of the Bank and prepares regular reports for the ALCO, through the CRO. The ALCO is responsible for monitoring the market risk exposure against the approved Risk Appetite Framework and the Treasury Risk Policy. The ALCO's primary objective is to manage volatility in earnings and control the liquidity risk at the Bank level and it reports to the BRC, the Board of Directors and local regulators.

Market risk within the trading and banking book is managed and monitored using various indicators such as value at risk ("VAR"), stress testing and sensitivity analyses.

Market risk – trading book

The Bank is exposed to an insignificant market risk on its trading book position of equities in local currency which is regularly marked to market and losses or gains on equity prices are taken directly into the consolidated statement of income.

The Board of Directors has set limits for the acceptable level of risks in managing the trading book. In order to manage the market risk in the trading book, the Bank, on a daily basis, applies VAR methodology based on historical rate changes observed in the market. The Bank also performs daily stress testing to estimate the potential economic loss based on a defined set of significant changes in market conditions.

VAR methodology estimates the potential negative change in market value of a portfolio at a given confidence level and over a specified time period. The Bank uses simulation models to assess the possible changes in the market value of the trading book based on historical data. VAR models are usually designed to measure the market risk in a normal market environment and therefore the use of VAR has limitations because it is based on historical correlations and volatilities in market prices and assumes that the future movements will follow a statistical distribution.

The measure of the Bank's VAR is an estimate, using a confidence level of 99 per cent., of the potential loss that is not expected to be exceeded if the current market positions were to be held unchanged for one day. The use of a 10 per cent. confidence level depicts that within a two-week period, losses exceeding the VAR figure should not occur, on average, more than once every 10 days.

VAR represents the risk of portfolios at the close of a business day, and it does not account for any losses that may occur beyond the defined confidence interval. The actual trading results may differ from the VAR

calculations. The calculation does not provide a meaningful indication of profits and losses in stressed market conditions.

To overcome the VAR limitations mentioned above, the Bank also carries out daily stress tests of its portfolio to simulate conditions outside normal confidence intervals. The potential losses occurring under stress test conditions are reported regularly to the ALCO through the CRO for its review.

Market risk – non-trading book

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

Profit rate risk

Profit rate risk arises from changes in profit rates which affect either the fair values or the future cash flows of profit-rate sensitive financial instruments in the banking book. The Bank has a low tolerance to this risk. It is the Bank’s policy to transfer profit rate risk positions from all business lines for central management, whereby short-term positions are managed by the Treasury Group and long-term positions by the ALCO. Exposures are managed in accordance with ALCO-approved risk tolerance and pre-defined limits. The amount of the Bank’s profit receivable is used to manage net exposures arising from contractual and assumed re-pricing mismatches. Stress testing and sensitivity analyses are also performed on a regular basis, with results reported to the ALCO.

The Bank uses the Economic Value of Equity methodology and an income-based approach to assess the profit rate risk in the banking book. The Board of Directors (acting through the EC) has established profit rate sensitivity limits for stipulated periods.

The Bank is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities. The Bank monitors positions daily and has hedging strategies in place to ensure maintenance of positions within the established gap limits.

This policy is in line with the liquidity risk management policy (see – “*Liquidity Risk*”) insofar as the liquidity created by the excess from deposits and working capital over core assets is invested in instruments, the liquidity of which then stays within the Bank.

Currency risk

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign exchange rates. The Board of Directors (acting through the EC) has set limits on positions by currencies, which are monitored daily, and hedging strategies are also in place to ensure that positions are maintained within the limits.

The table below shows the Group’s summarised exposure to foreign currency exchange rate risk as at 31 December 2024, 31 December 2023 and as at 31 December 2022.

| Assets | 2024 | 2023 | 2022 |
|---|-------------------|-------------------|------------------|
| | | (SAR '000) | |
| Cash and balances with SAMA..... | 165,651 | 122,668 | 230,297 |
| Due from banks and other financial institutions | 2,192,940 | 487,098 | 1,311,119 |
| Investments, net | 5,679,078 | 4,821,685 | 3,550,121 |
| Financing, net..... | 13,429,237 | 5,487,801 | 4,389,664 |
| Other assets | 488,119 | 636,662 | 9,955 |
| Total currency risk on assets | 21,955,026 | 11,555,914 | 9,491,156 |

| Assets | 2024 | 2023 | 2022 |
|--|--------------------|------------------|------------------|
| | | (SAR'000) | |
| Liabilities | | | |
| Due to SAMA, banks and other financial institutions..... | 4,014,762 | 2,410,785 | 1,518,272 |
| Customers' deposits | 13,945,998 | 5,929,878 | 7,847,386 |
| Other liabilities..... | 946,394 | 464,493 | 252,655 |
| Total currency risk on liabilities | 18,907,154 | 8,805,156 | 9,618,313 |
| Foreign currency forwards, net | (743,946) | (901,874) | — |
| Tier 1 sukuk | 3,750,500 | — | — |
| Net position – (asset)/liability | (1,446,574) | 1,848,884 | (127,157) |

In addition, the Bank manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors (acting through the ALCO and the EC) sets limits on the level of exposure by currency and in total for overnight positions, which are monitored daily by the Bank's Market Risk Management team. As at 31 December 2024, 31 December 2023 and 31 December 2022, the Bank had the following significant exposures denominated in foreign currencies:

| | 2024 | 2023 | 2022 |
|-------------------|--------------------|------------------|------------------|
| | | (SAR'000) | |
| USD | (1,463,602) | 1,831,814 | (89,382) |
| Euro..... | (36,119) | (30,026) | (45,234) |
| UAE Dirham | 11,182 | 46,326 | 3,267 |
| BHD | (21,323) | (19,273) | (13,463) |
| QAR | 1,927 | 1,633 | 8,161 |
| Others..... | 61,361 | 18,410 | 9,494 |
| Total..... | (1,446,574) | 1,848,884 | (127,157) |

Within the Kingdom's economic context, where most exports and imports are settled in U.S. dollars, the largest foreign exchange exposures created by the business flows are in U.S. dollars. These U.S. dollar exposures have a very limited daily variation risk as they benefit from the fixed exchange rate between U.S. dollars and SAR handled by SAMA through daily transactions with Saudi banks.

While the Bank is not aware of any planned de-pegging of the U.S. dollar and riyal, specific stress scenarios linked to a potential U.S.\$/SAR de-peg (both revaluation and devaluation) are monitored on a daily basis in order to estimate the potential associated risk.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk arises throughout the Bank and from almost any activity. Where controls are not designed adequately or fail to perform, operational risks can materialise into incidents and cause damage to reputation, business disruption, have legal or regulatory implications and/or lead to financial loss. While the

Bank cannot eliminate all operational risks, the Bank aims to manage risks through a dynamic operational risk identification and management framework which includes identification assessment, monitoring, treatment reporting, controlling/mitigating and staff awareness.

The Bank has an Operational Risk team as a part of the RMG which is tasked with monitoring and controlling the operational risks of the Bank. The functions of this unit are guided by the Operational Risk Policy and Framework. To systematise the assessment and mitigation of operational risks, the Business Environment and Internal Control Framework is established through risk control and self-assessment along with establishing key risk indicators for all business and support units. These risk metrics are proactively monitored by the Operational Risk team on a regular basis. In addition, the Bank has a successfully tested and documented business continuity plan and an operational disaster recovery site.

While keeping the responsibility of managing the business (and the associated risks) within the business or support units, the operational risk management team are involved in facilitating risk identification, measurement and assessment of risks and the implementation of relevant controls. This includes documenting and tracking the risk mitigation plans, or risk acceptance. Each business or support unit is responsible for managing the inherent risks of its function.

Business continuity plan

With the continuing growth in the Bank's banking activities, the Bank recognises its obligation to clients, shareholders and staff to ensure the continuity of its business, in line with its commitment to safety, quality and commercial best practices. As part of the business continuity lifecycle, the planning phase allows the Bank to be prepared during a crisis to resume business processes with the minimum required resources. All of the Bank's segments have their own individual business continuity plans which have been built on a departmental level to ensure any internal requirements between their processes are linked.

Internal control system

The Bank's management is responsible for establishing and maintaining an adequate and effective system of internal controls for implementing strategies and policies as approved by the Board of Directors. The system of internal controls is based on what management considers to be appropriate for the Bank's activities. Management considers the materiality of the financial and other risks inherent in those activities and the relative costs and benefits of implementing specific controls.

The Bank's system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve the Bank's business objectives. As such, it provides reasonable, but not absolute, assurance against material misstatement and loss. In addition, the Bank's general assembly (the "**General Assembly**") has formed an Audit Committee, which periodically reviews the reports submitted by the Bank's internal and external auditors. Such reports also include the evaluation of the effectiveness of the Bank's internal controls.

The Bank considers that it has a reasonably sound and effective system of internal controls in force, both in design and implementation. During 2024, there were no material observations in respect of the effectiveness of the Bank's internal control system and procedures.

Shari'a Non-Compliance Risk

Being an Islamic bank, the Bank is exposed to the risk of Shari'a non-compliance. To mitigate such risk, extensive Shari'a policies and procedures are in place. Further, the Bank has established a Shari'a Committee and a Secretariat of the Shari'a Committee, being a dedicated technical and administrative body that supports the Shari'a Committee in achieving its goals and performing its duties. The Secretariat is an administrative division of the Bank that reports directly to the Shari'a Committee. To ensure Shari'a compliance of all of the products and services offered by the Bank, the Secretariat of the Shari'a Committee provides its services through

the following three departments: (i) the Shari'a Studies and Consultancy Department; (ii) the Shari'a Control Department; and (iii) the Shari'a Product Development Department (iv) the Shari'a Excellence Department. The Shari'a Studies and Consultancy Department is responsible for studying all existing products and transactions, submitting a presentation to the Shari'a Committee on the same and drafting research papers. The Shari'a Control Department is responsible for (i) drafting Shari'a compliance policies, (ii) reviewing products and services policies and procedures, (iii) auditing the Bank's transactions in terms of Shari'a compliance and (iv) issuing Shari'a performance and audit reports with regard to all products and services offered by the Bank and all transactions executed by the Bank to monitor and mitigate such risk. The Shari'a Product Development Department is responsible for analysing all proposed products, transactions and making substantial adjustments to the existing products, together with submitting a presentation to the Shari'a Committee on the same. In addition, the Shari'a Product Development Department is responsible for the innovation of new products and the development of the existing products and drafting the related Shari'a resolutions. Finally, the Shari'a Excellence Department is responsible for providing administrative support and other related support.

Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, management has diversified funding sources and assets are managed with due consideration for liquidity, maintaining an adequate balance of cash and cash equivalents. The Bank has delegated the management of short-term liquidity to the Treasury Group and has delegated the management of long-term liquidity to the ALCO.

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

- maintaining sufficient amounts as an unencumbered high quality liquidity buffer – a protection against any unforeseen interruptions to cash flow;
- managing short-term and long-term cash flows via maturity mismatch reports and various indicators;
- monitoring depositor concentration at bank level to avoid undue reliance on large fund providers;
- diversifying funding sources to ensure a proper funding mix;
- ensuring that regulatory ratios such as the SAMA Liquidity Ratio, LCR and NSFR are maintained at the required minimum;
- constantly reviewing and assessing the Contingency Funding Plan; and
- conducting bi-annually liquidity stress testing under various scenarios as part of prudent liquidity control to examine the effectiveness and robustness of the plans.

All liquidity policies and procedures are covered by the Liquidity Risk Policy, the Treasury Risk Policy and the Risk Appetite Framework and Policy, which are endorsed by the BRM and are subject to review and oversight by the ALCO and approval by the Board of Directors.

In accordance with the Banking Control Law and the Regulations issued by SAMA, the Bank maintains a statutory deposit with SAMA equal to 7 per cent. of total customer demand deposits, and 4 per cent. of customers' time investments. 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, Government securities or assets which can be converted into cash within a period not exceeding 30 days. The Bank can also raise additional funds through repo facilities available with SAMA against its holding of Government securities up to 100 per cent. of the

nominal value of the securities. In addition, the Bank has repo agreements in place with other banks to get liquidity (if needed).

Please refer to note 30.1 to the 2024 Financial Statements and note 29.1 to the 2023 Financial Statements for a description of the maturity profile of assets, liability and equity of the Group as at 31 December 2024, 31 December 2023 and 31 December 2022, respectively.

The table below shows certain assets and liabilities of the Group as at 31 December 2024, 31 December 2023 and 31 December 2022:

| | As at 31 December | | |
|---|-------------------|-------------|--------------|
| | 2024 | 2023 | 2022 |
| | | (SAR '000) | |
| Financing, net | 202,308,094 | 173,624,044 | 146,491,956 |
| Customers' deposits..... | 210,544,650 | 187,900,581 | 145,168,490 |
| Due from banks and other financial institutions, net..... | 4,510,142 | 1,700,907 | 1,454,458 |
| Due to SAMA, banks and other financial institutions | 13,936,256 | 7,431,230 | 16,483,039 |
| Net interbank position ⁽¹⁾ | (9,426,114) | (5,730,323) | (15,028,581) |
| Investments held at amortized cost, net | 31,681,460 | 27,105,159 | 24,721,320 |

Note:

- (1) Calculated as the difference between "Due from banks and other financial institutions, net" and "Due to SAMA, banks and other financial institutions".

The table below shows the financings to customers deposit ratio and the SAMA financings to deposit ratio for the years ended 31 December 2024, 31 December 2023 and 31 December 2022:

| | 31 December | | |
|---|-------------|------|-------|
| | 2024 | 2023 | 2022 |
| | | (%) | |
| Financings to deposit ratio..... | 96.1 | 92.4 | 100.9 |
| SAMA financings to deposits ratio | 83.3 | 80.5 | 82.8 |

Macroeconomic and Business Cycle Risk

Macroeconomic and business cycle risk is a combination of attributes that gives rise to other risk types such as credit, market or liquidity risks. The Bank has assessed this risk using hypothetical but plausible scenario-based analysis. The major activity of the Bank is financing, so it is assumed that the impact of such risks would be primarily on the credit risk.

Strategic and Reputational Risk

Strategic risk refers to the threat to earnings and profitability arising from strategic decisions, changes in business conditions and improper implementation of decisions. Thus, strategic risk arises from external causes, the adoption of wrong strategies and the implementation of specific choices that cause losses to the Bank, for example in the form of reduction of shareholder value and loss of earnings.

Reputational risk covers the potential adverse effects resulting from negative publicity about the Bank's products, services, competence, integrity and reliability. As an Islamic bank, one of the major sources of reputational risk is *Shari'a* non-compliance. The other sources of negative publicity could be major frauds, customer complaints, regulatory actions and negative perceptions about the Bank's financial condition. The Bank has put controls in place around strategic and reputational risk in order to mitigate and avoid such risks. Currently, the Bank measures the reputational risk through a scorecard-based approach, where the RMG compiles the results of assessments made by business heads to derive the Bank's overall reputational risk indicators.

Other Risks

Displaced commercial risk arises from the assets managed by the Bank on behalf of its investment account holders, which could directly impact its capital position. If profit rates rise, Islamic banks usually increase the return to their investment account holders to discourage them from transferring their funds to other banks for a higher yield. In the case of the Bank, these fluctuations in the profit rates are partially self-mitigated in nature due to the composition of the balance sheet of the Bank. As almost half of the Bank's financing is repriced every six months to one year, losses on the liability side from increases in profit rates are mitigated by increased returns when financings are re-priced. If customers decide to withdraw from their accounts prior to its maturity, the Bank has additional contingencies for any loss this may incur by retaining the account holders' return of investments for the covered period.

The ALCO oversees the risk associated with these *Shari'a*-compliant products through the dynamic (forecasted) balance sheet. Fluctuations of profit rates and the impact on the target financial and regulatory ratios are discussed at every ALCO meeting. Reports on interest or profit rate risk in the banking book are incorporated in the reporting package. Daily reports are made available so that the Treasury Group can monitor these risk on a more frequent basis than the ALCO. The RMG also independently monitors this risk on an ongoing basis.

Related Party Exposure

The Bank enters into transactions with major shareholders, directors, executive management and their related persons (referred to as "**Related Parties**" of the Bank) in the ordinary course of its business. These consist of credit and non-credit transactions and are governed by the Related Party Transactions Regulations issued by SAMA. In terms of the Related Party Transactions Regulations, the Bank is required to (i) adhere to certain maximum exposure limits to bank and non-bank Related Parties, (ii) maintain arm's length dealings in all transactions, (iii) obtain approval at a board level for credit exposures to Related Parties (the Board of Directors is the approving authority at the Bank for Related Parties transactions and the CEO is also authorised to approve Related Parties transactions involving General Managers and non-management level employees) and (iv) obtain tangible collateral covering a minimum of 100 per cent. of the credit limits as defined in Article 9 of the Banking Control Law.

There are multiple stakeholders (divisions) within the Bank which are involved in the identification, managing and reporting of transactions with Related Parties. The Bank's internal policies and processes are aligned with these regulations, detailing the roles and responsibilities of each stakeholder to ensure that the transactions with Related Parties are conducted in strict compliance with the regulatory requirements. The maximum exposure (depending on type of entity) to a Related Party is defined by SAMA Regulations as a percentage of the Tier 1 capital of the bank in accordance with the prevalent laws, i.e. up to 10 per cent. in case of a listed company and up to 5 per cent. for other categories.

MANAGEMENT AND EMPLOYEES

The Board of Directors

The Board of Directors currently comprises nine members elected by the shareholders in Ordinary General Assembly for a period of three years. The most recent elections were held in on 24 April 2025.

The Board of Directors meet at least four times a year. Matters reserved to the Board comprise agreements on strategy and budgets, review and follow up on the Bank's financial performance, approvals of major capital expenditures, policies covering treasury, finance and review of the reports of the Bank's Audit Committee.

The table below sets out the current members of the Board of Directors:

| Name | Title |
|---|---|
| Dr. Abdulmalik bin Abdullah Al-Hogail | Chairman of the Board of Directors |
| Mr. Saad Abdulaziz Alkroud | Vice Chairman of the Board of Directors |
| Mr. Ahmed Abdullah Al Alsheikh ⁽¹⁾ | Member of the Board of Directors |
| Mr. Anees Ahmed M Moumina | Member of the Board of Directors |
| Mr. Mohammed Abdulrahman Bin Dayel | Member of the Board of Directors |
| Mr. Abdullah Abdulaziz Al Romaizan | Member of the Board of Directors |
| Mr. Abdulrahman Mohammed R Addas | Member of the Board of Directors |
| Dr. Saud bin Muhammad Alnimir ⁽¹⁾ | Member of the Board of Directors |
| Mr. Hytham Rashid AbdulAziz Al Shaikh Mubarak | Member of the Board of Directors |
| H.E. Ahmed Abdulaziz AlHakbani ⁽²⁾ | Member of the Board of Directors |
| Ms. Maram AlNumay ⁽²⁾ | Member of the Board of Directors |
| Mr. Abdullah Ali AlKhalifa ⁽²⁾ | Member of the Board of Directors |

Note:

(1) Termination of appointment will take effect from 21 May 2025.

(2) Appointment will take effect from 21 May 2025

Abdulmalik bin Abdullah Al-Hogail – Chairman of the Board of Directors

Dr. Al-Hogail was re-elected as a member of the Board of Directors on 24 April 2025. He was elected Chairman of the Board of Directors on 22 May 2022. Dr. Al-Hogail currently holds various senior positions outside the Bank including at Bahri (formerly the National Shipping Company of Saudi Arabia), Americana Group and the Kuwait Food Company. Dr. Al-Hogail graduated from King Saud University with a bachelor's degree and from Case Western Reserve University with both a master of business administration and a doctorate in accounting/finance. Prior to joining the Bank, Dr. Al-Hogail served as chairman of the audit committee, strategy and investment at Saudi Company for Maritime Transport and as a non-executive director at National Chemical Carriers.

Saad Abdulaziz Alkroud – Vice Chairman of the Board of Directors

Mr. Alkroud was re-elected as a member of the Board of Directors on 24 April 2025. He was elected Vice Chairman of the Board of Directors on 22 May 2023. Mr. Alkroud currently holds various senior positions outside the Bank including at Public Investment Fund and Albalad Development Company. Mr. Alkroud holds

a master's degree from the University of La Verne and a bachelor's degree from King Fahd University of Petroleum and Minerals. Prior to joining the Bank, Mr. Alkroud served as chief administrator and stakeholder administration manager of the Public Investment Fund, vice president of Diversification Wealth Management Company and advisor to the chairman of the board of directors at Abdullatif Alissa Group Holding Company.

Ahmed Abdullah Al Alsheikh

Mr. Al Alsheikh was re-elected as a member of the Board of Directors on 23 April 2024. Mr. Al Alsheikh currently holds various senior positions outside the Bank, including at National Housing Company. Mr. Al Alsheikh graduated from King Saud University with a bachelor's degree. Prior to joining the Bank, Mr. Al Alsheikh served as secretary general of the finance committee of the Royal Court, deputy governor for supervision at SAMA, deputy for market institution, general director of supervision of market institutions and director of the governance department at the CMA and as head of local banks supervision at SAMA.

Anees Ahmed M Moumina

Mr. Moumina was re-elected as a member of the Board of Directors on 24 April 2025. Mr. Moumina currently holds various senior positions outside the Bank, including at Jeddah Development and Urban Regeneration Co., Almatajer Alkoubra Ltd, Dar Al Tamleek and Dr. Suliman Fakeeh Hospital Company. Mr. Moumina graduated from George Washington University with a bachelor's degree and a master's degree. Prior to joining the Bank, Mr. Moumina served as CEO of Savola Group, CEO of Sedco Holding Group, regional general manager and senior credit officer at Samba Financial Group and assistant brand manager at Proctor & Gamble Co.

Mohammed Abdulrahman Bin Dayel

Mr. Bin Dayel was re-elected as a member of the Board of Directors on 24 April 2025. Mr. Bin Dayel currently holds various senior positions outside the Bank including at the Cultural Development Fund. Mr. Bin Dayel holds a master in business administration from American University (Washington D.C.) and a bachelor's degree from George Washington University.

Abdullah Abdulaziz Al Romaizan

Mr. Al Romaizan was re-elected as a member of the Board of Directors on 24 April 2025. Mr. Al Romaizan currently holds various senior positions outside the Bank including at MASIC Mohammed I. Alsubaei & Sons Investment Company. Mr. Al Romaizan graduated from Prince Sultan University with a bachelor's degree. Prior to joining the Bank, Mr. Al Romaizan served as assistant general manager at Hassana Investment Company, portfolio manager (local real estate and infrastructure development) at Al Raidah Investment Company, team leader (corporate banking) at National Commercial Bank, relationship officer (corporate banking) at Arab National Bank and assistant portfolio manager at Al Romaizan Group.

Abdulrahman Mohammed R Addas

Mr. Addas was re-elected as a member of the Board of Directors on 24 April 2025. Mr. Addas currently holds various senior positions outside the Bank, including at Al Rabie Saudi Foods Co, Zakat, Tax and Customs Authority, Diyar Al Khayyal Real Estate Development Company, Tunisian Saudi Bank, Environmental Fund and Agricultural Development Fund. Mr. Addas holds a master's degree in finance from the University of Denver and a bachelor's degree from King Abdulaziz University. Prior to joining the Bank, Mr. Addas served as chairman of the CSR committee at Savola Group and as an independent director on the boards of Al Rabie Saudi Foods Co. Ltd., Ahmed Mohammed Saleh Baeshen & Co. and Arcoma. He also served on the investment committee and loans committee at the Agricultural Development Fund.

Saud bin Muhammad Alnimir

Mr. Alnimir was re-elected as a member of the Board of Directors on 23 April 2024. Mr. Alnimir currently holds various senior positions outside the Bank, including at Saudi Arabia Public Transport Company and Madaen

Star Real Estate. Mr. Alnimir holds a doctorate in regulation and behaviour from the University of Florida, a master's degree from Missouri State University and a bachelor's degree from King Saud University. Prior to joining the Bank, Mr. Alnimir served on the audit committee of Najmat Al-Madaen Co., the nomination and remuneration committee of Saudi Public Transport Co. and the supervisory committee at the Tamkeen Account at Ministry of Energy.

Hytham Rashid AbdulAziz Al Shaikh Mubarak

Mr. Al Shaikh Mubarak was re-elected as a member of the Board of Directors on 24 April 2025. Mr. Al Shaikh Mubarak holds various senior positions outside the Bank including at Derayah Financial and Golf Saudi. Mr. Al Shaikh Mubarak holds a master of business administration and a bachelor's degree from North Carolina University. Prior to joining the Bank, Mr. Al Shaikh Mubarak served on the audit committees of Derayah Financial Company and Golf Saudi.

As at the date of this Offering Circular, the members of the Board of Directors referred to above have no potential or actual conflicts of interest between their duties to Bank and their private interests or any other duties.

H.E. Ahmed Abdulaziz AlHakbani

H.E. Ahmed Abdulaziz AlHakbani was elected as a member of the Board of Directors on 24 April 2025. H.E. AlHakbani currently holds various senior positions outside the Bank including at ACWA Power, Communications, Space & Technology Commission, Nuclear and Radiological Regulatory Commission, and Alhulul Almobassatah Financial Co. H.E Ahmed AlHakbani graduated from King Saud University with a Bachelor's degree in Information Systems and from Insead with Master's degree in Business Administration.

Maram AlNumay

Ms. Maram Alnumay was elected as a member of the Board of Directors on 24 April 2025. Ms. Maram currently holds various senior positions outside the Bank including at Hassana Investment Company and Maarif Education Company. Ms. Maram Alnumay graduated from King Saud University with a Bachelor of Science in Business Administration (Finance), and from DePaul University, with a Master's of Science in Finance.

Abdullah Ali AlKhalifa

Mr. Abdullah Ali AlKhalifa was elected as a member of the Board of Directors on 24 April 2025. Mr. Abdullah Ali AlKhalifa was also appointed CEO of the Bank in January 2021. Mr. Abdullah currently holds various senior positions outside the Bank including at ACC, Saudi Financial Technology, and ERSAL. Mr. Abdullah AlKhalifa graduated from King Saud University Qassim with a Bachelor's in Accounting and from University of Miami with a Master's in accounting. Prior to joining the Bank, Mr. Abdullah served as the chief finance officer of Banque Saudi Fransi.

The business address of each of the members of the Board of Directors and the senior management is King Fahad Road, P.O. Box 66674, Riyadh 11586, Kingdom of Saudi Arabia.

The Executive Committee

The Executive Committee (the "EC") is formed by five members of the Board of Directors and presided over by the Chairman of the Board of Directors. The EC exercises all powers conferred upon it by the Board of Directors. Its meetings are deemed valid if attended by at least three members. The EC's main responsibilities include but are not limited to the following:

- reviewing and making recommendations to the Board of Directors with respect to the Bank's overall strategy and business plan;

- reviewing periodic management report activities and reports on the execution and completion of the Bank's major projects;
- approving financings and credit facilities to the Bank's customers, in accordance with the Bank's "Delegation of Authority" manual and SAMA's rules and regulations for granting financings and credit facilities; and
- reviewing the annual budgets, plans and material differences in the budget (if any) before submitting them to the Board of Directors for review.

The EC meets at least six times a year. However, for specific files or matters requiring an urgent decision, the EC meets on an *ad hoc* basis.

The Board Risk Committee

The Board Risk Committee (the "BRC") represents and assists the Board of Directors in overseeing the enterprise risk management process and also discharges other related responsibilities. This includes reviewing and recommending for the Board of Directors' approval, and exercising oversight on an ongoing basis of, the Risk Appetite Framework and Policy of the Bank and the risk management framework that supports it. The BRC has four members.

The BRC reports directly to the Board of Directors in providing its recommendations and findings. The CRO is required to report to the CEO administratively for matters arising and events noted during the course of the performance of the BRC's role and responsibilities.

The Audit Committee

The Audit Committee is appointed upon the Board of Directors' recommendation and is approved by SAMA and the General Assembly. The Chairman of the Audit Committee is a member of the Board of Directors who is joined by five independent non-executive members. The Deputy Chief Internal Auditor is the secretary of the Audit Committee and the Bank's Chief Compliance Officer meets at least once a year with the Audit Committee.

The Audit Committee meets four times a year and assists the Board of Directors in reviewing the effectiveness of the internal control set-up and the approval of the Bank's financial statements. The Bank's Quarterly Compliance Report is also submitted to the Audit Committee for approval.

The Audit Committee recommends the appointment of external auditors to the General Assembly. It also reviews the performance of external auditors and the results of their work. The Audit Committee reviews drafts of external auditor's reports and recommends such reports to the Board of Directors.

The Nomination and Remuneration Committee

The NRC is appointed by the Board of Directors. The purpose of the committee is to provide recommendations to the Board of Directors for:

- appointments to membership of the Board of Directors, the Board committees, and the boards of subsidiaries;
- evaluating the performance of the Board of Directors, the Board committees and top executives;
- reviewing the structure and composition of the Board of Directors;
- ensuring the independence of the independent members of the Board of Directors;
- overseeing the succession plan formulation process; and

- determining an incentives system and approving compensation for the board of directors, board committees, boards of subsidiaries and senior management.

The Governance and Sustainability Committee

The Governance and Sustainability Committee is formed by the Board of Directors and shall include not less than three and not more than five members. The Governance and Sustainability Committee is chaired by the Vice Chairman of the Board of Directors. The key responsibilities of the Governance and Sustainability Committee include the oversight of the implementation of the Sustainability Strategy, as well as the oversight and monitoring of ESG-related risks and opportunities and reporting on the Bank's ESG performance to the Board of Directors.

Senior Management

The Bank's senior management comprises the following individuals:

| Name | Title |
|----------------------------------|---|
| Mr. Abdullah Ali AlKhalifa | Chief Executive Officer (CEO) |
| Mr. Saleh Abdullah Al Zumaie | Deputy CEO |
| Mr. Jameel Al-Hamdan | Chief Corporate Banking Officer |
| Mr. Abdullah Jamaan Al Zahrani | Chief Treasury Officer |
| Mr. Meshary Abdulaziz Al Jubair | Chief Operating Officer (COO) |
| Mr. Fahad Abdulaziz Al Mohaimeed | Chief Strategy and Sustainability Officer |
| Mr. Meshal Hamad Al Rabiah | Chief Risk Officer (CRO) |
| Mr. Adel Saleh Abalkhail | Chief Financial Officer (CFO) |
| Mr. Abdullah Mohammed Al Salamah | Chief Human Capital Officer (CHCO) |
| Dr. Mohammed Sultan Al Sehali | Chief Internal Audit Officer |
| Mr. Saud Aied AlMufaddaly | Chief Compliance Officer (CCO) |
| Mr. Yaser Abdulaziz Al Marshde | Chief Shariah Officer (CSO) |
| Mr. Eyad Osama Al Othman | Chief of Legal & Corporate Governance, Secretary of the Board of Directors, and General Legal Counsel of the Bank |
| Mr. Hisham Abdullah Al Turaigi | Chief Credit Officer (CCRO) |

Abdullah Ali AlKhalifa - Chief Executive Officer

For the biography of Mr. Abdullah Ali AlKhalifa, see “– Board of Directors”.

Saleh Abdullah Al Zumaie – Deputy CEO

Mr. Al Zumaie was appointed Deputy CEO in January 2023 and Head of Retail and Digital Banking in September 2021. Previously, he served as general manager of digital and payments, general manager of the retail banking group, manager of the remittances department and manager of the investment department at Al Rajhi Bank. He holds a bachelor's degree in English language from Imam Muhammad bin Saud Islamic University.

Jameel Al-Hamdan – Chief Corporate Banking Officer

Mr. Al-Hamdan joined the Bank as Chief Corporate Banking Officer in January 2023. He previously served as executive vice president of Bank Albilad's corporate banking group, regional manager (business banking head

for central region) of Banque Saudi Fransi and senior division head of Al Awwal Bank. Mr. Al-Hamdan holds a Bachelor of Administrative Sciences degree from King Saud University.

Abdullah Jamaan Al Zahrani – Chief Treasury Officer

Mr. Al Zahrani was appointed Chief Treasury Officer in August 2015. He previously served as Chief Investment and Treasury Officer at Gulf International Bank, Senior Vice President and Assistant Treasurer at Riyadh Bank and was an Assistant General Manager and Head of Portfolio Management at Arab National Bank. Mr. Al Zahrani holds a Bachelor of Industrial Management from King Fahd University of Petroleum and Minerals.

Meshary Abdulaziz Al Jubair – Chief Operating Officer

Mr. Al Jubair was appointed COO of the Bank in January 2018. Before his current post at the Bank, Mr. Al Jubair was the General Manager of Information Technology and IT Planning and the Deputy General Manager at the Bank. Prior to that, he was Head of Information Security Planning at Saudi Telecommunications Company and Head of the Systems Section at SAMA. Mr. Al Jubair holds a Bachelor of Science in Computer Engineering from King Saud University.

Fahad Abdulaziz Al Mohaimeed – Chief Strategy and Sustainability Officer

Mr Al Mohaimeed was appointed Chief Strategy and Sustainability Officer of the Bank in February 2022. Previously, he served as a member of the board of directors of ANBI Shariah Compliant Funds and a member of the Islamic Banking Committee at SAMA (representing ANB). He holds a bachelor's degree in finance from King Saud University.

Meshal Hamad Al Rabiah – Chief Risk Officer

Mr. Al Rabiah was appointed as Chief Risk Officer in August 2021. Previously, he held various positions in the Bank, including Deputy General Manager, Market Risk, ERM, and Basel, Assistant General Manager, Market Risk, ERM, and Basel, Senior Manager, Market Risk, ERM, and Basel. Mr. Al Rabiah holds a Master of Management from the University of Leeds, UK.

Adel Saleh Abalkhail– Chief Financial Officer

Mr. Abalkhail was appointed CFO in March 2021. Prior to his current post, he was Deputy Group CFO of Al Rajhi Bank, CFO of Al Rajhi Bank in Malaysia and in Jordan and Head of Budgeting and Management Reporting. He was also a Senior Insurance Supervisor and Banking Examiner at SAMA. Mr. Abalkhail has a Master of Finance and a Master of Accounting from the University of Illinois and Strategic Financial Leadership Programme from Stanford University Graduate School of Business Executive Education.

Abdullah Mohammed Al Salamah – Chief Human Capital Officer

Mr. Al Salamah has held the position of CHCO at the Bank since April 2019. Prior to his current post, he was the Human Capital General Manager, the HC Strategy Deputy General Manager and the IT Service Specification General Manager at the Bank. He was previously Information Security Awareness Manager at Saudi Telecommunication Company. Mr. Al Salamah has a master's degree in Information Systems from King Saud University.

Mohammed Sultan Al Sehali – Chief Internal Audit Officer

Dr. Al Sehali joined the Bank as Chief Internal Audit Officer in January 2013. Previously he was a Consultant at PricewaterhouseCoopers, Head of Accounting Department at King Saud University and Head of Development of the Audit and Controlling Agencies Bureaus at King Abdullah Institute for Research and Consulting Studies. Dr. Al Sehali has a Ph.D. in accounting from University of Melbourne, a master's degree in accounting from Saint Louis University and a bachelor's degree in accounting from King Saud University.

Saud Aied AlMufaddaly– Chief Compliance Officer

Mr. AlMufaddaly has served as the Bank’s Chief Compliance Officer since October 2023. Prior to that, he was the Acting Chief Compliance Officer and the Head of Financial Crimes Compliance at Riyadh Bank, the Head of Financial Crimes Compliance at Banque Saudi Fransi, the Head of Anti-Money Laundering and Combating Terrorist Financing Sanctions at Saudi Awwal Bank as well as the Head of Anti-Money Laundering at Saudi Investment Bank. Mr. AlMufaddaly holds a bachelor’s degree in economics from King Saud University.

Yaser Abdulaziz Al Marshde – Chief Shariah Officer

Mr. Al Marshde joined the Bank as Chief Shariah Officer in January 2007. He was previously working as Senior Shari’a Advisor, Acting Head of Coordination and Information Department and Head of Shari’a Advisors in the Shari’a Board Secretariat at Al-Rajhi Bank. He obtained his master’s degree in Shari’a politics and a bachelor’s degree in Shari’a from Imam Mohammed Bin Saud University.

Eyad Osama Al Othman – Chief of Legal & Corporate Governance, Secretary of the Board of Directors and General Legal Counsel of the Bank

Mr. Al Othman joined the Bank as Chief of Legal & Corporate Governance, Secretary of the Board of Directors and General Legal Counsel of the Bank in June 2008. Prior to that, he was Senior Legal Counsel to the Chairman of the CMA, Senior Legal Advisor – Legal Consultancy at Bank Al Bilad, Senior Legal Advisor in Communications and Information Technology Commission and Senior Legal Advisor at Al-Jadaan and Partners Law Firm in association with Clifford Chance LLP. He graduated from King Saud University with a bachelor’s degree in law and obtained a master’s degree in law from Hull University.

Hisham Abdullah Al Turaigi – Chief Credit Officer

Mr. Al Turaigi became CCRO in April 2022. Previously he served as the Director of Risk Management at the Bank and manager of Credit Evaluation Department at Al Rajhi Bank. He holds a master’s degree in accounting from King Saud University.

Employees

The Human Capital Division is responsible for the recruitment, hiring, training, retention and promotion of all of the Bank’s employees. Approximately 1,054 people work across 115 branches, while 1,852 people work in the headquarters and regional offices in Riyadh and in other regional offices in the Central, Western, Northern, Southern and Eastern regions. The Bank has an increasingly young and diverse workforce, with millennials comprising 70.3 per cent. of joiners in 2024. Moreover, the Bank’s Saudisation percentage has increased from 95.5 per cent. in 2023 to 95.8 per cent. in 2024. The Bank focusses on the empowerment of women. As at 31 December 2024, 22.5 per cent. of the Bank’s employees were female. The Bank has one of the lowest employee turnover levels in the Kingdom, according to the industry benchmark.

To drive the strategy forward in 2025, the Human Capital Division will continue to focus on:

- ensuring that the Bank’s strategy is embedded in its communications;
- measuring and improving employee engagement and organisational health;
- regularly celebrating success stories;
- hiring the best talent across new capabilities (for example, data science);
- continuously developing capabilities through learning;
- developing rotational programmes and new career paths to foster innovation;
- adjusting the Bank’s working model based on new requirements;

- implementing agile forms of organisation and working; and
- digitalising and streamlining the Bank's Human Capital processes.

The Bank's learning strategy

The Bank provides competency-based training to cover three competency groups: core, leadership and technical competencies. In addition, the Bank provides development opportunities to help talent across the Bank to grow.

By developing talent in line with the future needs of the industry and the strategic direction of the Bank, the Bank aims to drive individual and collective success for the future.

Recruitment and retention

Employee turnover decreased from 15.5 per cent. in 2023 to 12.5 per cent. in 2024. In 2024, the number of leavers decreased by 25 per cent., and the number of joiners decreased by 41 per cent., compared with 2023.

Meanwhile, internal promotions increased by 12 per cent., with 30 per cent. of employees moving into new roles in 2024, up from 18.0 per cent. in 2023.

The Human Capital Division has launched several talent development programmes, including the Assessment and Development Centre and the 360 Feedback Survey. The Bank also conducted a training programme to develop leadership competencies for 53 leaders as part of its succession planning efforts.

Learning and Development

Employee retention and engagement was also strengthened through a robust training programme run throughout 2024. In 2024, the Human Capital Division delivered 14,384 days of training (or 86,309 hours, a decrease of 10.5 per cent. compared to 2023). The training comprised both in-house and public training programmes.

In total, 2611 employees received training covering knowledge, skill, and behavioural courses in banking, financial, legal and administrative subjects in 2024. Other courses were also provided on technical systems as well as products and services offered by the Bank. The courses were offered by a number of specialised training providers.

In 2024, the Bank delivered a number of training programmes for its employees, including the leadership development programme for executives, core leadership and technical training, customised technical programmes covering strategy, risk management, finance, corporate banking, information technology for future banking with multiple learning paths, awareness of regulatory requirements as well as social responsibility programmes.

THE KINGDOM'S BANKING SECTOR AND REGULATIONS

General

According to SAMA's website, there are 37 commercial banks licensed to operate in the Kingdom, of which 14 are incorporated in the Kingdom with three banks being digital banks (namely STC Bank, D360 Bank and Vision Bank). D360 bank commenced its operations in January 2025 and the two other digital banks, STC Bank and Vision Bank, are in a pilot phase of operations. Of the remaining 23 licensed banks, seven are branches of banks based in countries of the GCC other than the Kingdom (namely Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Muscat Bank, Qatar National Bank, and First Abu Dhabi Bank), 10 are international banks (namely Deutsche Bank, BNP Paribas, J.P. Morgan Chase N.A., National Bank Of Pakistan, T.C. Ziraat Bankası A.Ş., Industrial and Commercial Bank of China, MUFG Bank, Ltd., UBS AG (formerly Credit Suisse Bank), Standard Chartered Bank and National Bank of Iraq) and six have been licensed but are yet to commence operations under their licences (namely Trade Bank of Iraq, Bank of China Limited, Banque Misr, National Bank of Egypt, Sohar International Bank, and Bank of Jordan). Apart from Gulf International Bank Saudi Arabia, all of the 11 Saudi operating banks are publicly listed joint stock companies and their shares are traded on the Tadawul.

All 11 Saudi banks provide a broad range of retail and wholesale banking products and services. Al Rajhi Bank, Bank Albilad, Bank AlJazira and the Bank provide *Shari'a*-compliant products and services only. The remaining seven banks provide a combination of *Shari'a*-compliant and conventional banking products and services.

In addition to the commercial banks, there are a number of state-run credit institutions, including the Saudi Industrial Development Fund, the Real Estate Development Fund, the Saudi Arabian Agricultural Bank, the Saudi Credit & Saving Bank, the Islamic Development Bank and the Public Investment Fund ("**PIF**"), which provide funds for targeted sectors. The PIF is the investment arm of the Government while the Islamic Development Bank is a multilateral development financing institution headquartered in Jeddah. SAMA does not regulate any of these entities.

As at 31 December 2024, there were 1,905 bank branches, 15,075 ATMs and 1,919,931 points of sale terminals in the Kingdom (*source*: SAMA January 2025 Monthly Statistics).

According to SAMA's 2024 Financial Stability Report:

- Saudi Arabian banking sector assets and credit continued to grow in 2023, driven primarily by corporate credit which outpaced the growth in household credit, and asset quality remained high, with a low level of non-performing loans and a sufficiently high level of provisioning coverage in 2023;
- banks in Saudi Arabia continued to maintain sound credit underwriting standards and to adhere to SAMA's requirements for responsible lending, credit risk management and loan to value;
- liquidity remained adequate in 2023 with continued growth in the deposit base and a notable shift to time and savings deposits which reinforced the stickiness of deposits and was supported by other sources of long-term funding;
- the Saudi Arabian banking sector had a solid prudential liquidity position, with the liquidity coverage ratio and the net stable funding ratio above SAMA's regulatory minimum requirements as at 31 December 2023; and

- the Saudi Arabian banking sector remained well capitalised, with the capital adequacy ratio increasing as growth in equity exceeded the growth rate of risk-weighted assets, driven by factors such as improved profitability and greater capital issuances throughout 2023.

History

Prior to 1976, a number of wholly foreign-owned banks operated branches and subsidiaries in the Kingdom.

In 1976, the Government issued a directive requiring all banks operating within its borders to convert to entities incorporated locally with at least 60 per cent. of the shares held by Saudi nationals.

In 2000, the first branch of a foreign bank was authorised to open in the Kingdom in over 40 years, in connection with changes in GCC countries' policies concerning cross-border banking. The new entrant was Gulf Investment Bank ("GIB"), an offshore bank based in Bahrain and owned by the six GCC states. GIB had been active in the Kingdom for many years, but having a Saudi Arabian branch allowed it to compete at close hand. SAMA has since granted a number of banking licences to branches of foreign banks.

In May 2020, it was announced that GIB had converted its branch into a locally incorporated bank jointly owned by the PIF and GIB.

There are also non-bank competitors in brokerage and personal finance. The Saudi banking sector has seen an accelerating competitive convergence focused on Islamic banking, private and wealth segments and brokerage and investment banking, as well as significant investments in new distribution, marketing and technology.

Following the licence granted to GIB in 2000, SAMA granted licences to operate branches in the Kingdom to Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Muscat Bank, J.P. Morgan Chase, N.A., BNP Paribas, Deutsche Bank, National Bank of Pakistan, T.C. Ziraat Bankası A.S., Industrial and Commercial Bank of China, Credit Suisse Bank, Qatar National Bank, First Abu Dhabi Bank and MUFG Bank, Ltd. The Government developed the capital markets sector in the Kingdom with the enactment of the Capital Market Law (issued by Royal Decree No. M/30 dated 2/6/1424H (corresponding to 31 July 2003)), which also established the CMA to regulate the capital markets in the Kingdom. In line with the Government's overall desire to develop and boost the capital markets in the Kingdom, the CMA has encouraged the participation of foreign investment banks. According to its website in December 2024, the CMA has licensed at least 192 entities to conduct various types of securities business in the Kingdom, although a number of those licensed entities have not yet commenced business.

Corporate Banking Segment

The majority of commercial banking assets in the Kingdom are loans to businesses and, as at 31 December 2024, banks' claims on the private sector constituted SAR 2,855,347 million equal to 63.5 per cent. of total commercial banks' assets (*source*: SAMA, January 2025 Monthly Statistics). This has been driven by the economic growth and the increased investment within the Kingdom in various sectors such as electricity, water and health services, building and construction, commercial and Government projects in oil and gas, infrastructure and education.

Though commercial mortgages are a lucrative business in developed countries, Saudi banks have not been very active in this product due to legal and operational hurdles. However, financing is provided for real estate development purposes, which does not fall under commercial mortgages.

Investment banking activities have been growing rapidly in the Kingdom. Project finance has also been a strong growth area. While the volatility of oil prices poses challenges to the Saudi economy at times of prolonged low prices, leading to both lower Government spending and weaker GDP, project finance is expected to continue to

be a strong area for banking business as a result of planned investments in infrastructure and industry in line with the Saudi Vision 2030 programmes being implemented to reduce the economy's dependency on oil-related revenues.

Personal Banking Segment

Consumer lending increased from SAR 441.8 billion as at 31 December 2023 to SAR 471.0 billion as at 31 December 2024 (*source*: SAMA, January 2025 Monthly Statistics). Historically, growth in consumer finance has been driven by several factors, including:

- economic growth coupled with favourable consumer demographics;
- growth of the credit card market;
- product innovation and a rapidly expanding range of product and service offerings; and
- the creation of the Saudi Credit Bureau (“SIMAH”).

The value of the credit card loans market was SAR 31 billion as at 31 December 2024 (*source*: SAMA, January 2025 Monthly Statistics), up from SAR 27.1 billion as at 31 December 2023 and SAR 23.1 billion as at 31 December 2022. The growth in the credit card loan market is expected to continue as a result of the increasing use of electronic forms of payment within the Kingdom. The majority of personal lending is tied to electronic salary assignment, thereby enhancing asset quality and effectively reducing the risk associated with personal lending which, coupled with higher margins than in corporate lending, has made personal finance a particularly attractive segment for banks in the Kingdom.

Residential mortgage lending was SAR 102.3 billion as at 31 December 2022, SAR 77.7 billion as at 31 December 2023 and SAR 91.1 billion as at 31 December 2024.

The Saudi Credit Bureau

In 1998, SAMA and the domestic banks operating in the Kingdom conducted a study with regard to establishing a centre or a company to provide credit information. As a result, the SIMAH was established in 2002 and began operating in 2004. In addition, in 2008, the Council of Ministers issued a decision approving the Credit Information Law (issued pursuant to Royal Decree M/37 dated 5/7/1429H (corresponding to 8 July 2008), which sets out general principles and controls for the collection, exchange and protection of credit information of consumers. SIMAH, which is supervised by SAMA, was the first credit information company to be established in the Kingdom and offers consumer credit information services to its members in the Kingdom. SIMAH aggregates credit-related information among participating members to provide credit providers with credit risk information. In 2015, SIMAH introduced a number of initiatives and projects to further its strategies to provide an effective information infrastructure to enhance the ability of assessing and managing risks. For example, SIMAH established an information centre developed to international specifications (TIER IV) and published a procedural manual as part of a “Know Your Rights” Campaign to increase credit awareness among all segments of society. A number of SIMAH's projects were acknowledged by the G-20 based on an initiative of the Financial Stability Board (of which SAMA is a member), aimed at helping financial institutions to evaluate risks in a systematic and effective manner and put regulatory and operational requirements in place, and develop products and services, to ensure stability and efficiency of the financial sector.

Islamic Finance

Islamic finance has been a main growth area for the Saudi financial economy and has been one of the most significant developments in financial markets in recent years. The Kingdom is one of the largest and fastest growing markets for Islamic banking in the world.

The Islamic banking industry in the Kingdom encompasses a blend of institutions of different categories ranging from fully dedicated Islamic banks to conventional banks offering Islamic banking services through separate divisions or windows. Many banks in the Kingdom have *Shari'a* boards or committees opining as to the application of *Shari'a* principles in financing structures and approving all Islamic products. Currently, a wide range of *Shari'a* compliant products are available in the market for the corporate and personal banking segments covering credit, deposit, investment and treasury offerings.

The personal banking segment has experienced the strongest demand for Islamic banking products and services with consumer Islamic assets forming the bulk of total consumer assets. In addition to deposit products, Islamic financing solutions include personal finance, home finance and Islamic credit cards. With growing business activity in the real estate sector and a growing population, *Shari'a* compliant home financing is expected to be a major driver of Islamic personal banking asset growth in the future.

Credit demand from the corporate banking segment is rapidly growing following the launch of infrastructure projects and increasing interest in manufacturing. The main Islamic product offerings include *Ijara* and *Murabaha*, which are offered as bilateral facilities, as well as through syndications. To cater to this market segment, Islamic banks have also introduced innovative *Shari'a* compliant solutions. In recent years, there have been several large size Islamic project finance transactions attracting participation from a large number of banks.

The Islamic banking segment is expected to continue to grow with credit demand anticipated from both corporate and consumer segments. This growth is expected to be accompanied by an increase in innovative Islamic product offerings and growing awareness and demand within the general public for sophisticated *Shari'a* compliant solutions.

Treasury

The treasury activities of Saudi Arabian banks have increased as the financial markets have become more sophisticated with the increased use of financial instruments. Many Saudi banks are able to offer their customers structured products that make use of derivatives and that are also *Shari'a* compliant.

Investment Banking and Asset Management

Brokerage services activity especially flourished between 2003 and 2006, when Tadawul peaked to all-time highs. The level of the Tadawul All Share Index was 11,281.71 as at 31 December 2021, 11,967.39 as at 31 December 2023 and 12,036 as at 31 December 2024.

As a response to the Government's drive to develop an efficient capital markets platform, a number of banks, including the Bank, embarked on providing corporate finance and equity and debt capital markets advisory services to companies. Since 2003, a number of initial public offerings have been affected, several of which were Government initiatives.

Furthermore, the CMA has issued licences to several financial institutions to engage as principal or as an agent in equity lead arrangements, equity management arrangements and/or advisory and securities custody services. Following this, a number of Saudi banks have established separate subsidiaries to undertake these activities.

Foreign financial institutions have been permitted to buy and sell shares directly in companies listed on Tadawul since 2015 in accordance with the Rules for Qualified Financial Institutions Investment in Listed Securities.

In August 2020, Tadawul launched a new derivatives market as part of its strategy to diversify its product offering and provide more investment opportunities for market participants. Investors have been able to trade the Saudi Futures 30, based on the MSCI Tadawul 30 Index, since 30 August 2020.

Saudi Central Bank

Overview and Functions

SAMA is the regulator and supervisor of licensed financial institutions, including banks, finance companies (including real estate finance companies), money exchange companies, payment service providers and credit information companies in the Kingdom.

SAMA was established pursuant to Royal Decree No. 30/4/1/1046 dated 25/07/1371H (corresponding to 20 April 1952) and renamed by the Royal Decree No. M/36 dated 11/4/1442H (corresponding to 26 November 2020) to Saudi Central Bank while maintaining the acronym SAMA. SAMA's principal functions include:

- issuing the national currency;
- dealing with the banking affairs of the Government;
- supervising commercial banks and exchange dealers;
- managing the Kingdom's foreign exchange reserves;
- carrying out the role of the Government's bank and advisor in monetary, banking, and financial matters;
- managing monetary policy for maintaining price and exchange rate stability;
- promoting the growth of the financial system and ensuring its soundness;
- supervising finance companies; and
- supervising credit information companies.

Banking Control Law

The Banking Control Law (the "BCL") was issued by Royal Decree No. M/5 dated 22/02/1386H (corresponding to 12 June 1966) with the aim of protecting banks, customers' deposits and shareholders and securing adequate liquidity levels. The law prohibits banks from undertaking certain activities that might cause damage to their shareholders and customers. In addition, the law prohibits individuals and companies from using the word "bank" or its synonyms in their names or conducting any banking activities without obtaining a licence from SAMA. The BCL sets out the framework within which banks must operate in the Kingdom and is supplemented by circulars, directives and guidelines issued by SAMA from time to time.

Consumer Protection

SAMA has been a strong advocate of consumer protection since obtaining its charter in 1952 and the issuance of the BCL in 1966. Consequently, SAMA has played an important role in ensuring that the financial institutions under its supervision deal with consumers fairly and honestly.

As the Kingdom's financial sector evolves and grows, SAMA continues to review these developments and decides on appropriate legislative, regulatory and organisational changes to provide the level of consumer protection expected from a country that is a member of the world's main economic and financial organisations. SAMA's current objective is to ensure that all consumers who have dealings with licensed financial institutions

in the Kingdom receive the expected level of consumer protection, including fair treatment, honesty and ease of access to financial products and services.

SAMA has set out the conduct expected from such financial institutions through various regulations, policies and issued instructions, including the “Banking Consumer Protection Principles” (the “**Principles**”) issued in June 2013.

The Principles set out key guidelines to enable licensed banking institutions to deliver the required level of fair treatment, honesty and financial inclusiveness and thereby meet SAMA’s strategic objective for financial consumer protection in the Kingdom. The Principles apply to the activities of banks operating by way of a licence, which are under the supervision of SAMA and which are dealing with persons who are, or may become, consumers. They also apply to the activities of any third party engaged by such banks to undertake any outsourced activities. The Principles are binding on all such banks, complementary to the instructions and internal regulations issued by any such bank and applicable to all transactions that are made with individual consumers.

The Principles were issued pursuant to powers granted to SAMA under the following legislation and regulations:

- Charter of the Saudi Arabian Monetary Authority – Article (3d), issued by Royal Decree No. 23 dated 23/05/1377H (corresponding to 15 December 1957), as replaced by the Law of the Saudi Central Bank – Article (4.3), issued by Royal Decree No. M/36 dated 11/4/1442H (corresponding to 26 November 2020);
- Banking Control Law issued by Royal Decree No. M/5. dated 22/02/1386H (corresponding to 12 June 1966); and
- Ministerial Decree No.3/2149. dated 14/10/1406H (corresponding to 22 June 1986).

In September 2022, SAMA published updated Financial Consumer Protection Principles and Rules (the “**New Consumer Finance Regulations**”). The New Consumer Finance Regulations contain a number of provisions relating to the protection of consumer rights, including:

- requiring financial institutions in the Kingdom to develop appropriate data protection and information privacy policies;
- unifying fees, commissions and administrative service charges across all banks in the Kingdom;
- providing customers with summaries of their financings, which include basic details of the financing and also reference key provisions of the financing;
- prescribing rules and standards in relation to how banks deal with customers; and
- emphasising the principles of transparency and disclosure in consumer finance contracts.

The New Consumer Finance Regulations are aimed at ensuring that consumer finance contracts have enhanced levels of disclosure and transparency and are aimed at, among other things, enabling customers to be better informed of their rights and obligations under their financings.

Real Estate Financing and Finance Leasing

In August 2012, the Saudi Council of Ministers issued a package of legislation approved by Royal Decrees in relation to the finance industry, including real estate financing (the “**Real Estate Finance Law**”), leasing (the “**Finance Lease Law**”) and supervision of financial companies (the “**Financial Companies Control Law**”),

in each case, as further described below. In February 2013, SAMA issued the implementing regulations of these laws.

Real Estate Finance Law

This law provides the regulatory architecture for the authorisation and licensing of banks and finance companies to enter the real estate market. In particular:

- banks may own real estate for the purposes of real estate finance – a key feature of Islamic financing products;
- the Government publicises real estate market activity and financiers are granted access to courts and notary registers; and
- a credit check must be conducted against borrowers through one of the authorised credit bureaus.

Implementing Regulations of the Real Estate Finance Law

The Implementing Regulations of the Real Estate Finance Law were issued by H.E. the Minister of Finance's Resolution No. 1229 dated 10/04/1434H (corresponding to 20 February 2013). These implementing regulations define the role of finance companies and set out the requirements for entering into and registering a real estate finance lease. The Implementing Regulations of the Real Estate Finance Law also set out the SAMA's requirements for licensing re-finance companies as well as the rules governing the activities of re-finance companies.

In 2020, SAMA issued guidelines on the provision of real-estate financing products to individuals setting out minimum requirements on entities providing such products.

Finance Lease Law

This law prescribes the rules relating to finance leasing and specifically states that:

- the responsibilities of the lessor and lessee must be carried out in a *Shari'a* compliant manner (placing asset risk on the lessor during the lease term but making the lessee responsible for the relevant use);
- the transfer of leased assets is permitted to the lessee upon maturity of the lease term; and
- the lessor is permitted to request payments of future rentals if the lessee is in payment default, provided the number of such payments is not greater than the number of late payments.

Implementing Regulations of the Finance Lease Law

The Implementing Regulations of the Finance Lease Law were issued by H.E. the Governor of the SAMA (with the agreement of H.E. the Minister of Justice) pursuant to Governor's Resolution No.1/MCS on 14/04/1434H (corresponding to 24 February 2013). The Implementing Regulations of the Finance Lease Law sets out the rights and obligations of the lessor and lessee in a finance lease. These implementing regulations also outline rules relating to assignment of rights, instalment payments and ownership rights of the relevant parties. Furthermore, these implementing regulations specify the requirements for establishing a company that registers finance leases and the requirements for such companies to register finance leases.

Finance Companies Control Law

This law provides a regulatory and supervisory framework for *Shari'a* compliant finance companies to provide SAMA approved forms of financing, including real estate financing. In particular, the Finance Companies Control Law sets out the licensing procedure for finance companies, permitted activities of finance companies and requirements in relation to its management.

Implementing Regulations of the Finance Companies Control Law

The Implementing Regulations of the Finance Companies Control Law were issued by H.E. the Minister of Finance's Resolution No.2/MCS dated 14/04/1434H (corresponding to 24 February 2013). These implementing regulations set out the SAMA's rules and requirements for licensing finance companies. Furthermore, the Implementing Regulations of the Finance Companies Control Law contain corporate governance requirements, internal auditing requirements and other rules which the finance companies must comply with in order to maintain their licence.

Capital Markets Authority

The CMA was established by the Capital Market Law, issued by Royal Decree No. (M/30) dated 2/6/ 1424H (corresponding to 31 July 2003) as amended by Royal Decree No. (M/16) dated 19/1/1441H (corresponding to 18 September 2019) (the "CML"). The CMA is a governmental organisation with financial, legal and administrative independence.

The CMA regulates the Kingdom's capital markets. It issues the required rules and regulations for the implementation of the provisions of the CML aimed at creating an appropriate investment environment. Some of the CMA's major objectives are to:

- regulate and develop the capital market;
- protect investors and the general public from unfair and unsound practices involving fraud, deceit, cheating, manipulation and insider trading;
- achieve fairness, efficiency and transparency in securities transactions;
- develop measures to reduce the risks pertaining to securities transactions;
- develop, regulate and monitor the issuance of, and trading in, securities;
- regulate and monitor the activities of entities subject to the control of the CMA;
- regulate and monitor full disclosure of information related to securities and their issuers; and
- regulate proxy and purchase requests and public share offerings.

The CMA has developed strategic plans and worked on their implementation since 2009. In 2016 the Financial Leadership Programme 2020 (the "**Leadership Programme**") was launched, under which a set of initiatives on the Financial Sector Development Programme (i.e. one of the Kingdom's 2030 vision executive programmes) were enacted, including achieving the strategic objectives and initiatives of the second strategic pillar with respect to developing an advanced capital market.

Through the Leadership Programme, the CMA seeks to position the Saudi capital market as the main market in the Middle East and one of the leading financial markets in the world, while being an advanced market and attractive to domestic and foreign investment, enabling it to play a pivotal role in developing the economy and diversifying its sources of income. The Programme consists of four main pillars, as the follows:

- **Facilitating Funding:** Deepening the capital markets and promoting its role in raising capital;
- **Encouraging Investment:** Supporting the growth of asset management and promoting institutional investment;
- **Promoting Confidence:** Reinforcing the capital markets' regulatory structure; and
- **Building Capacities:** Supporting the development of market participants.

The Leadership Programme also has a focus on developing the regulatory environment for the Saudi financial markets to ensure investor protection, as well as enhancing adherence to international standards.

The CMA intends to increase the number of listed companies in both the main and junior parallel markets to more than 250 companies as well as doubling the invested capital via managed channels to reach SAR 650 billion of assets under management.

In accordance with the CMA's objective of developing market-leading international best practices and with a view to collaborating with other similar institutions internationally, the CMA is an active participant in the International Organisation of Securities Commissions which is recognised as the leader in setting the standards for securities and capital markets sectors globally. In addition, the CMA is also a participant in the Ministerial Committee of the Chairpersons of GCC Capital Markets Regulators as well as the Union of Arab Securities Authorities.

In addition, the CML established the Committee for the Resolution of Securities Disputes and the Appeal Committee for the Resolution of Securities Disputes. Both of these committees are quasi-judicial bodies authorised to adjudicate disputes and violations under or of the CML or the rules and regulations of the CMA and/or Tadawul.

Tadawul

In the early 1980s, the Government embarked on forming a regulated market for trading. In 1984, a Ministerial Committee comprising the Ministry of Finance and National Economy, the Ministry of Commerce and SAMA was formed to regulate and develop the market. SAMA was the government body charged with regulating and monitoring market activities until the establishment of the CMA in July 2003. As the sole regulator and supervisor of the capital markets, the CMA issues the required rules and regulations to protect investors and ensure fairness and efficiency in the market.

On 19 March 2007, the Saudi Council of Ministers approved the formation of the Tadawul. This was in accordance with Article 20 of the CML establishing Tadawul as a joint stock company for the purposes of issuing and managing mechanisms for listing and trading securities and disclosure of information related to it. Tadawul is responsible for the executive and operational functions in the market. It is the only authorised body to manage the stock market and it aims to provide efficiency and justice in trading as well as transparency in listing requirements, technical trading systems, securities information systems in the market in addition to providing systems with high levels of efficiency for settlements and clearing and applying professional standards for brokers and their agents in the market.

In April 2021 a holding company called Saudi Tadawul Group was established in anticipation of an initial public offering of its shares later that year. Four subsidiaries were established under the holding company: the Saudi Exchange, a dedicated stock exchange business previously called Saudi Stock Exchange (Tadawul) Company, the Securities Clearing Center Company (Muqassa), the Securities Depository Center Company (Edaa) and Wamid, a new technology services business. The Saudi Exchange was established in March 2021. As Saudi Arabia's dedicated stock exchange and the largest stock exchange in the Middle East, the Saudi Exchange carries out listing and trading in securities for local and international investors. The official source of all market information, the Saudi Exchange is instrumental to achieving long-term growth plans for the Saudi Tadawul Group and providing market participants with attractive and diversified investment opportunities.

Based on data published by the World Federation of Exchanges, the Saudi Exchange was the 12th largest stock market by market capitalisation as at 31 December 2024 and is the dominant market in the GCC. It is an affiliate member of the International Organization of Securities Commissions, the World Federation of Exchanges, and the Arab Federation of Exchanges.

The legal status, duties, and responsibilities of the Saudi Exchange and Depository Center are defined in the CML.

Management of Liquidity and Credit Risk

Under the BCL, each bank shall at all times maintain a liquidity reserve of at least 15 per cent. of its total deposit liabilities. The liquidity reserve must comprise cash, gold or assets which can be converted into cash within a period not exceeding 30 days in order to comply with the requirements of the BCL. In addition, SAMA requires each bank to maintain a statutory deposit of no less than 15 per cent of its deposit liabilities. Moreover, SAMA may modify the statutory deposit for the public interest to be at least 10 per cent. but should not exceed 17.5 per cent. unless it obtains approval of the Minister of Finance and National Economy.

In accordance with SAMA's Rules on Large Exposures for Banks from August 2019, a bank may not grant a loan, extend a credit facility, give a guarantee or incur any other financial liability in respect of any one person in an aggregate amount exceeding:

- In the case of banks, 25 per cent. of the lender's total eligible capital; (however; if the lending bank and/or the counter party bank are/is classified as a "Domestically Systematically Important Bank" or a "Globally Systematically Important Bank", then the sum of all exposures of the lending bank to its counter party bank cannot exceed 15 per cent. of the lending bank's available eligible capital base at all times);
- in the case of companies, 15 per cent. of the lender's total eligible capital; and
in the case of individuals, sole proprietors and partnerships, 5 per cent. of the lender's total eligible capital.

SAMA also has the power to regulate the liquidity and credit risk of a bank by restricting, among other things, the maximum amount of money which may be loaned by a bank, and the categories of loans which a bank can make. These restrictions may vary from bank to bank depending on the relevant circumstances and are in addition to the statutory deposit and liquidity reserve requirements provided for in the BCL.

SAMA carries out a full review of the operations of each bank every three years and more regular assessments of specific functions within each institution. SAMA has also intervened to support banks that have found themselves in difficulties. Similarly, it allowed distressed banks to benefit from low cost of funding in the 1980s and provided support to banks during the COVID-19 pandemic, see " – *SAMA support programme and initiatives*" below.

Over the years, SAMA has developed a reputation as a strict regulator. In 1989, SAMA introduced accounting and disclosure standards for commercial banks in the Kingdom, which comply in almost all respects with IFRS. All banks in the Kingdom are now in compliance with IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. The banks also prepare their financial statements to comply with the BCL and the companies law issued pursuant to Royal Decree No. M/132 dated 1/12/1443H (corresponding to 30 June 2022) (the "**Companies Law**") in the Kingdom.

Reporting Requirements

Banks are required to submit monthly statements of the consolidated financial position of their domestic and foreign branches. Banks also have to submit quarterly, semi-annual and annual reports to SAMA. These reports are comprehensive and deal with matters such as the maturity schedule of credit facilities, risk concentrations, large exposures, foreign exchange exposure, analysis of specific loan loss reserves and a calculation of the relevant bank's risk asset-based capital adequacy.

Banks are required to submit their audited consolidated annual financial statements to SAMA within six months of each financial year end and listed banks are required to report within three months in accordance with the CMA Rules on the Offer of Securities and Continuing Obligations. Annual consolidated financial statements have to be audited by at least two independent joint auditors. The published audited consolidated financial statements of Saudi banks are required to be compliant with IFRS as modified by SAMA for the accounting of Zakat and income taxes, which requires adoption of all IFRS as issued by the IASB except for the application of International Accounting Standard (IAS) 12, “*Income Taxes*” and IFRIC 21, “*Levies*” so far as these relate to Zakat and income tax. As per the SAMA Circular No. 381000074519 dated 11 April 2017 and subsequent amendments relating to the accounting for Zakat and income tax, the Zakat and income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings. The consolidated financial statements are also required to comply with the BCL and the Companies Regulations. Listed joint stock companies have to publish quarterly financial statements as their stocks are listed on Tadawul. However, quarterly financial statements are reviewed by the auditors in accordance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and are limited in terms of the scope of procedures performed.

Since SAMA introduced mandatory disclosure standards, there has been an improvement in the level of disclosure by Saudi banks. Banks now publish a breakdown of loans by sector and geography, in addition to loans to the Government and related parties. Banks also report doubtful loans, loan loss reserves and write-offs.

Anti-Money Laundering and Counter-Terrorist Financing

The Kingdom is a signatory to, and has implemented measures required by, the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the International Convention for the Suppression of the Financing of Terrorism and various other international conventions and agreements relating to money laundering and terrorist financing.

Money laundering is considered an offence under *Shari’a* law. Over the past 10 years, the Kingdom has put into place a relatively comprehensive legislative and regulatory framework that deals with preventing money laundering and terrorist financing. The Kingdom implemented its first customer identification procedure in 1975. Beginning in the mid-1990s, the Kingdom began to put in place a more expansive AML regime with the issuance of the 1995 AML manual and several other circulars from SAMA and other government agencies.

In April 2003, SAMA issued updated Rules Governing the Opening of Bank Accounts and General Operational Guidelines (SAMA No. 3222/BCI/60: dated 8 April 2003) (the “**Account Opening Rules**”). These rules contain comprehensive requirements governing customer identification, the opening and maintenance of bank accounts, the transmission of funds, the deposit of cash and detailed rules controlling the operation of bank accounts for charitable and welfare organisations. SAMA has revised the Account Opening Rules over the past years (with the most recent update from September 2021) amending, *inter alia*, guidelines on dealing with non-resident individuals, entities and multi-lateral organisations, submitting further specified legal entities to KYC requirements, increasing the required information for corporate clients to identify their beneficial owners, tightening account operating controls, regulating the procedures of opening accounts at commercial banks and specifying the supervisory rules related to operating bank accounts.

In October 2017, the Kingdom’s existing Anti-Money Laundering Law and its implementing rules were replaced by the Anti-Money Laundering Law and its implementing rules issued pursuant to Royal Decree No. M/20 dated 05/02/1439H (corresponding to 25 October 2017) and the Combating-Terrorism Crimes and its Financing Law and its implementing regulations issued pursuant to Royal Decree No. M/21 dated 12/02/1439H (corresponding to 1 November 2017) (together, the “**AML Law**”) which provides an up-to-date legal framework for money laundering and terrorist financing offences.

In November 2019, SAMA issued the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Guide setting out the requirements of the updated AML Law for financial institutions and requiring all financial institutions operating in the Kingdom and supervised by SAMA to strictly comply with such requirements as well as requesting financial institutions to put in place additional appropriate measures as required by the result of their internal risk assessment.

Similarly, the CMA required capital market institutions to comply with the AML Law under the Capital Market Institutions Regulations issued by the Board of the CMA pursuant to its resolution number 1-83-2005, dated 21/5/1426H (corresponding to 28 June 2005), as last amended by the Board of the CMA pursuant to its resolution number 1-94-2022 dated 24/1/1444H (corresponding to 22 August 2022).

In August 2020, SAMA issued guidelines to combat financial fraud in banks operating in the Kingdom. The guidelines aim to institutionally tackle fraud, bribery and corruption by requiring all banks operating in the Kingdom to implement and comply with specified controls as minimum standards.

In April 2021, the Kingdom issued the Law on Combating Financial Fraud and Deceit, which set out certain penalties (including fines and imprisonment) for fraudulent and deceitful activities. The Kingdom's public prosecution body has authority to institute lawsuits in relation to acts that constitute a violation of this law.

The Kingdom has been a member of the Financial Action Task Force (the "FATF") since June 2019. The Kingdom is also a founding member of the Middle East and North Africa Financial Action Task Force (the "MENA-FATF") which was created in November 2004. As a member of the GCC, the Kingdom has issued laws and regulations designed to comply with the "Forty Recommendations on Money Laundering" issued by the FATF.

In September 2003, the FATF carried out, in conjunction with the GCC, the mutual evaluation of the Kingdom and it was approved in February 2004. The Kingdom underwent a joint assessment conducted by the MENA-FATF in participation with FATF in 2010. In 2015, the Kingdom received an invitation from the FATF to join the group as an observer. The invitation was made in recognition of the Kingdom's international and regional status, its efforts and measures in the field of combating money laundering and financing of terrorism and proliferation, its compliance with international standards and requirements and its commitment to international and bilateral conventions. The Kingdom obtained FATF observer status in June 2015. Moreover, in November 2017, the FATF carried out an on-site visit in connection with the Mutual Evaluation Report issued in September 2018 and, in 2020, the FATF issued a follow up report and technical compliance re-rating. The Kingdom is compliant with 17 of the 40 FATF recommendations, largely compliant with 21 and partially compliant on two, relating to statistics and international instruments, respectively.

Independent Auditors

As a measure of prudence, SAMA requires all banks in the Kingdom to be audited jointly by at least two independent auditors.

Financial Requirements

SAMA has introduced regulations to ensure that banks do not have disproportionate concentrations of risk in any one sector or to any one client and that sufficient liquidity and capitalisation is maintained to support bank activities. The most significant regulations are summarised below:

Doubtful and Past Due Loans/Loan Loss Reserves

In 2004, SAMA issued regulations regarding the classification of assets, as well as provisioning norms. The table below shows the classifications and the reserves required for prudential regulation purposes:

| Classification | Defined as | Reserve requirement |
|---------------------------|--|------------------------------|
| Current | No problems | 1 per cent. of outstanding |
| IA (special mention)..... | Potential weakness | 1 per cent. of outstanding |
| II (Substandard)..... | Inadequate capacity to pay and/or profit or principal overdue by more than 90 days | 25 per cent. of outstanding |
| III (Doubtful) | Full collection questionable and/or overdue by more than 180 days | 50 per cent. of outstanding |
| IV (Loss) | Uncollectible and/or overdue by more than 360 days | 100 per cent. of outstanding |

All banks in the Kingdom also calculate impairment provisions on the basis of IFRS 9 on a forward-looking “Expected Credit Loss” basis.

Liquidity

Saudi banks are required to maintain liquid assets of at least 15 per cent. of deposit liabilities. For the purposes of this calculation, cash, gold, treasury bills, government bonds, up to one month placements and any asset that can be liquidated within 30 days are included. The breakdown of call deposits, savings accounts and time deposits must also be shown on the balance sheet. The maturity of assets and liabilities has to be disclosed to determine the sensitivity to commission rate risk.

Capital Adequacy

The GCC has introduced a common standard for capital adequacy based on BIS capital adequacy standards. The GCC standard applicable in the Kingdom recommends a minimum 8 per cent. ratio of capital to risk weighted assets, including off-balance sheet risk. Assets are categorised into four risk categories carrying varying risk weights according to the risk assessment of the counterparty. There are also two levels of country risk. The first is for the GCC and member countries of the Organisation for Economic Cooperation and Development (the “OECD”) and others that have special lending arrangements with the IMF under its general agreement to borrow, which are considered to be preferred risk. All other countries are considered full risk. In contrast, BIS only counts Saudi risk and not all of the GCC as preferred risk. The other major difference is that the GCC standards account for mortgage loans as 100 per cent. risk as opposed to 50 per cent. under BIS standards.

Deposit liabilities of a bank are limited to 15 times its paid-up or invested capital and reserves. In cases where this ratio is exceeded, the bank has to either increase its capital and reserves or place interest free deposits of half the excess amount with SAMA. Furthermore, 25 per cent. of net profits (after deduction of Zakat liabilities) so be transferred to statutory reserves until the reserve balance equals paid-up capital.

Basel III Framework

In response to the global financial crisis which commenced in 2007, the Basel Committee enhanced its capital measurement and capital standards by issuing a new capital framework (the “**Basel III Framework**”). The Basel III Framework focused on strengthening the quality of regulatory capital, raising the minimum capital requirements, enhancing risk coverage and reducing cyclicity of regulatory capital. It also introduced new

leverage and liquidity ratio requirements and capital buffers to promote the build-up of capital. These enhancements were implemented by means of a staggered approach up to 2020.

SAMA has introduced the main elements of the Basel III Framework in accordance with the timelines agreed by the Basel Committee. This includes the introduction of the leverage ratio, the liquidity coverage ratio, the net stable funding ratio and the capital adequacy framework as well as the sound management and operational risk guidelines, the standardised approach for measuring counterparty credit-risk exposures and capital requirements for banks' exposures to central counterparties. The final pillar of the Basel III reforms changed the methodology for calculating risk-weighted assets for credit, operational and market risk. On 28 December 2022, SAMA issued its final guidelines on these changes, which became effective on 1 January 2023.

The Basel III Framework requires banks' exposures to be backed by a high-quality capital base. To this end, the predominant form of Tier 1 capital must be common shares and retained earnings. The Basel Committee principles adopted by SAMA ensure that banks hold high-quality Tier 1 capital that represents "Pure Capital" which is highly "Loss Absorbent" through the following measures:

- deductions from capital and prudential filters to be generally applied at the level of common equity or its equivalent;
- subordinated debt of high quality;
- fully discretionary non-cumulative dividends or coupons;
- neither a maturity date nor an incentive to redeem;
- innovative hybrid capital instruments with an incentive to redeem through features such as step-up clauses, currently limited to 15 per cent. of the Tier 1 capital base, will be phased out;
- Tier 3 capital instruments to cover market risks are eliminated; and
- to improve market discipline, the transparency of the capital base will be improved, with all elements of capital required to be disclosed along with a detailed reconciliation to the reported accounts.

Following the implementation of Basel III standards related to capital, the minimum requirements for regulatory capital, excluding capital buffers, in the Kingdom are:

- Common Equity Tier 1 must be at least 4.5 per cent. of risk-weighted assets at all times;
- Tier 1 Capital must be at least 6.0 per cent. of risk-weighted assets at all times; and
- Total Capital (Tier 1 Capital plus Tier 2 Capital) must be at least 8.0 per cent. of risk-weighted assets at all times.

Basel IV Framework

In response to the ongoing evolution of the banking sector following the 2007 financial crisis, the Basel Committee introduced further reforms known as the Basel IV Regulation, building upon the Basel III Framework. The Basel IV Regulation focuses on refining credit risk models with a greater emphasis on standardised approaches, implementing an "output floor" to set minimum risk-weighted assets thresholds, revising operational risk management, enhancing market risk regulations and strengthening leverage ratio controls. It also introduces enhanced capital buffers for additional protection during financial stress. The implementation of the Basel IV Regulation, initially proposed for 2022, was deferred to January 2023 due to the COVID-19 pandemic. These measures aim to increase the resilience of the banking system, ensuring higher capital adequacy, reducing variability in risk assessments, and enhancing transparency and comparability in banks' capital ratios.

SAMA has implemented the Basel IV Regulation, with full implementation taking effect from 1 January 2023. This includes an updated approach to calculating risk-weighted assets (“**RWA**”) thresholds, emphasising an improved standardised approach and reducing reliance on an internal ratings-based approach. Additionally, such implementation incorporates a revised leverage framework and introduces minimum output floors for RWA calculations, which are key components in aligning with the Basel IV Regulation.

The Law on Treatment of Systematically Important Financial Institutions

(A) Introduction

The SIFI Law provides for financial institutions to be classified as a systematically important financial institution (“**SIFI**”) by the CMA or SAMA in accordance with standards to be set for institutions under their supervision. As at the date of this Offering Circular neither the CMA nor SAMA has published any such standards or made a decision to classify any financial institution as a SIFI. In addition, the implementing regulation to the SIFI Law to be prepared by the CMA and SAMA and issued by a resolution of the Council of Ministers and which will contain detailed provisions have not yet been issued. There is therefore continuing uncertainty as to the precise scope and effect of the SIFI Law and whether and to what extent it will apply to the Bank.

In light of the uncertainty as to whether the Bank will be classified by SAMA as a SIFI and SAMA’s powers in relation to SIFIs, it cannot be discounted that in the event that the Bank meets the requirements for a treatment plan to be applied (see section (B) below) that any of the following actions could be imposed by SAMA on Certificateholders:

- conversion of the Certificates or other debt of the Bank into equity; or
- writing the value of the Certificates down or off.

(B) Preparing Treatment Plans

Under the SIFI Law, the CMA and SAMA are to prepare a treatment plan for each SIFI setting out the treatment procedures that they may implement if the following circumstances exist (the “**Requirements**”):

- the SIFI is (i) experiencing or would be likely to experience instability in a manner affecting its continuation and ability to fulfil its obligations, and (ii) having difficulty meeting its obligations which affects its continuation in the normal course without applying treatment procedures; and
- applying treatment procedures would fulfil one of the objectives of the SIFI Law (see paragraph (C) below) and be a better outcome than liquidating the SIFI.

All treatment plans must be approved by the Council of Economic and Development Affairs.

(C) Applying Treatment Procedures

A treatment procedure may be applied to any SIFI, its owners and creditors to achieve any of the following objectives:

- protecting the financial system and financial sector in the Kingdom, avoiding any grave negative impacts affecting its stability and minimising the spread of such impacts;
- continuing the necessary activities of the SIFI under treatment;
- minimising reliance on governmental support by shifting to dependence on the sources and recourses of the financial institution;
- protecting deposits, customers' assets and funds, and rights related to insurance policies; and

- protecting settlement systems and maintaining their stability.

If the Requirements apply to a SIFI then one or more of the following treatment procedures may be applied to it:

- sale of the SIFI;
- establishing a transitional institution;
- separating the assets of the SIFI; or
- modifying the rights in the SIFI.

Prior to deciding whether a SIFI should be subject to a treatment procedure, a preliminary valuation of the SIFI must be carried out, either by the CMA or SAMA itself or by an accredited valuer. If subsequently a decision is made that treatment procedures should be applied then before such procedures are initiated the SIFI's assets and liabilities must be valued by an accredited valuer if possible. The valuation is designed to:

- ensure the requirements for applying treatment procedures have been met;
- specify the most appropriate treatment procedures to be applied;
- determine capital instruments and debts which will be reduced, cancelled, or converted, when applying the modification of rights procedure; and
- determine the assets, liabilities, and capital instruments to be sold, and their value for the purposes of a sale of the SIFI or establishment of a transitional institution.

(D) Relevant Powers

The following powers of SAMA in relation to banks that are SIFIs could apply to the Certificates if a treatment plan that involved modifying rights was applied to the Bank:

- modifying the rights of creditors to the extent necessary to allow the SIFI to restore its financial condition and fulfil legal requirements (Article 19(1));
- convert debts of the SIFI to capital instruments (Article 19(3)); and
- reducing the value of debt instruments (Article 24(8)).

As at the date of this Offering Circular, the Bank has not been designated by SAMA to be a systemically important financial institution.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection as set out under “General Information – Documents Available”. Words and expressions defined elsewhere in this Base Offering Circular shall have the same meanings in this section.

Master Trust Deed

The Master Trust Deed will be entered into on 15 May 2025 between the Bank, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties shall be entered into on the Issue Date of each Tranche and shall also be governed by English law.

Upon issue of a Series of Certificates, the Master Trust Deed as supplemented by each relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series (the Master Trust Deed as supplemented by each relevant Supplemental Trust Deed for each Series being referred to herein as the “**Trust Deed**”).

The Trust Assets in respect of each Series shall comprise:

- (a) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the assets from time to time constituting the Mudaraba Assets of that Series (as defined below);
- (c) any and all of the rights, title, interests, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (other than in relation to any representation given by the Bank (acting in any capacity) to the Trustee pursuant to any of the Transaction Documents and the covenants given to the Trustee by the Bank pursuant to clause 13.1 of the Master Trust Deed);
- (d) any and all moneys standing to the credit of the Transaction Account of the relevant Series from time to time, and
- (e) all proceeds of the foregoing.

Pursuant to the Trust Deed, the Trustee will, in relation to each Series of Certificates, amongst other things, hold the relevant Trust Assets on trust absolutely for the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each Certificateholder and act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the relevant Trust Deed. Pursuant to the Trust Deed, the Trustee will, by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders under the relevant Trust Deed, irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to:

- (a) execute, deliver and perfect all documents; and
- (b) exercise all of the present and future powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Trust Deed and the Certificates,

that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or a Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, (i) exercise all of the rights, powers, authorities and discretions of the Trustee under the Transaction Documents and (ii) make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Conditions and the Trust Deed (together, the “**Delegation**” of the “**Relevant Powers**”), *provided that* (A) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation; (B) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust or managing the relevant Trust Assets; and (C) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee has undertaken in the Trust Deed to ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

The Delegation is to be made by the Trustee to the Delegate for the benefit of the Delegate and the Certificateholders, subject to the terms of the Conditions and the Trust Deed, shall not affect the Trustee’s continuing role and obligations as trustee. Pursuant to the Trust Deed:

- (a) in relation to a Series, upon the occurrence of a Bank Event and the delivery of a Dissolution Notice by the Delegate to the Trustee, to the extent that the amounts payable in respect of the Certificates of such Series have not been paid in full pursuant to Condition 12.1, the Delegate may at its discretion or shall, if so directed by an Extraordinary Resolution of the Certificateholders or if so requested in writing by the Certificateholders holding at least one-fifth of the then aggregate face amount of the Certificates outstanding, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction take one or more of the following steps: (i) institute any steps, actions or proceedings for the winding-up of the Bank and/or (ii) prove in the winding-up of the Bank and/or (iii) institute any steps, actions or proceedings for the bankruptcy of the Bank; and/or (iv) claim in the liquidation of the Bank and/or (v) take such other steps, actions or proceedings which, under the laws of the Kingdom, have an analogous effect to the actions referred to in paragraphs (i) to (iv) above, in each case for (subject to the provisos contained in Condition 12.3(a)) 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 the Trustee on termination of the Master Mudaraba Agreement (with respect to such Series) in accordance with its terms and the terms of the other Transaction Documents); and
- (b) without prejudice to Conditions 12.1 and 12.3, the Trustee (or the Delegate) may at its discretion and the Delegate shall, if so directed by an Extraordinary Resolution of the Certificateholders or if so requested in writing by Certificateholders holding at least one-fifth of the then aggregate face amount of the Certificates then outstanding of the relevant Series and without further notice (subject in each case to Condition 12.3(e)(i)) institute such steps, actions or proceedings against the Bank and/or the Trustee, as it may think fit to enforce any term or condition binding on the Bank or the Trustee (as the case may be) under the Certificates and the Transaction Documents (other than any payment obligation of the Bank under or arising from the Transaction Documents, including, without limitation, payment of any principal or premium or satisfaction of any payments in respect of the Transaction Documents, including any damages awarded for breach of any obligations) including, without limitation, any failure by the Bank to procure the substitution of the Trustee in the circumstances described in Condition 12.2. However, in no event shall the Bank, 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.

In relation to each Series and prior to the relevant Issue Date, a Transaction Account will be established in the name of the Trustee. Monies received in the Transaction Account will, *inter alia*, comprise payments of amounts payable under the Master Mudaraba Agreement immediately prior to each Periodic Distribution Date (see “ – *Master Mudaraba Agreement*” below). The Trust Deed shall provide that all monies credited to the relevant Transaction Account from time to time will be applied in the order of priority set out in Condition 5(b).

Agency Agreement

The Agency Agreement will be entered into on 15 May 2025 in relation to the Certificates between, amongst others, the Trustee, the Bank, the Delegate, the Principal Paying Agent and the Registrar. The Agency Agreement will govern the arrangements between the Trustee and the agents named therein for the issuance of Certificates and the making of payments in respect thereof. The Agency Agreement will be governed by English law.

Pursuant to the Agency Agreement, the Registrar has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to authenticate (or procure the authentication of) and deliver the Global Certificate and, if any, each Definitive Certificate; the Principal Paying Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to pay amounts due in respect of the Certificates on behalf of the Trustee; and the Transfer Agent has agreed to be appointed as agent of the Trustee and has agreed, amongst other things, to effect requests to transfer and issue Definitive Certificates.

On the Issue Date, the Registrar will (i) authenticate (or procure the authentication of) the Global Certificate in accordance with the terms of the Trust Deed; and (ii) deliver the Global Certificate to the Common Depository.

The Trustee shall cause to be deposited into the relevant Transaction Account opened by the Trustee with the Principal Paying Agent, in same day freely transferable and immediately available, cleared funds, any payment which may be due under the Certificates in accordance with the Transaction Documents.

The Principal Paying Agent agrees that it shall, on each Periodic Distribution Date and on the date fixed for payment of the Dissolution Distribution Amount, or any earlier date specified for the liquidation of the Mudaraba of a Series, apply the monies standing to the credit of the relevant Transaction Account in accordance with the order of priority set out in Condition 5(b).

Master Mudaraba Agreement

The Master Mudaraba Agreement will be entered into on 15 May 2025 between the Bank (as the Mudareb) and Alinma AT1 Sukuk Limited (as Trustee and Rab-al-Maal) and will be governed by English law. A Supplemental Mudaraba Agreement between the same parties shall be entered into on the Issue Date of each Tranche and shall also be governed by English law.

In respect of each Series, the Mudaraba (as defined in the Master Mudaraba Agreement) will commence on the date of the payment of the Initial Mudaraba Capital (which means, in relation to the first Tranche of each Series, the amount specified as such in each relevant Supplemental Mudaraba Agreement) to the Mudareb and will end (i) on the date (being, in respect of each Mudaraba, the “**Mudaraba End Date**”) on which the relevant Series of Certificates are redeemed in whole but not in part in accordance with the Conditions following the actual liquidation of the relevant Mudaraba in accordance with the terms of the Master Mudaraba Agreement and the relevant Supplemental Mudaraba Agreement or (ii) (if earlier), and in the case of a Write-down with respect to such Series resulting in the reduction of the face amount of the Certificates of that Series then outstanding to zero, on the relevant Non-Viability Event Write-down Date.

Pursuant to the Mudaraba Agreement, the proceeds of the issue of each Tranche will be contributed by the Rab-al-Maal to the Mudareb and such amount (together with the Mudaraba Capital of any other Tranche of the relevant Series) shall constitute the Mudaraba Capital of the relevant Mudaraba. The Mudaraba Capital of the relevant Mudaraba shall be invested by the Bank (as Mudareb), on an unrestricted co-mingling basis, in the Business Portfolio carried out through the General Mudaraba Pool in accordance with the investment plan prepared by the Mudareb and scheduled to the Master Mudaraba Agreement (the “**Investment Plan**”). The Mudareb will acknowledge and agree in the Master Mudaraba Agreement that the Investment Plan was prepared by it with due skill, care and attention, and acknowledge that the Rab-al-Maal has entered into the Mudaraba in reliance on the Investment Plan and that the terms of the Investment Plan shall apply to each Mudaraba. The General Mudaraba Pool does not include any other investment pool maintained by the Bank.

The Mudareb is authorised to co-mingle any of its own *Shari'a*-compliant assets from time to time with the Mudaraba Assets of any Mudaraba during any Mudaraba Term (as defined in the Master Mudaraba Agreement), provided that prior to the calculation of any Mudaraba Profit or Final Mudaraba Profit for each relevant Mudaraba the Mudareb shall deduct a proportion of any profit earned for its own account.

The Master Mudaraba Agreement provides that the profit (if any) generated by the Mudaraba will be distributed by the Mudareb on each Mudaraba Profit Distribution Date relating to a Mudaraba, on the basis of a constructive (and, in the case of the final Mudaraba Profit Distribution Date, an actual) liquidation of such Mudaraba by the Mudareb in accordance with the following profit sharing ratio:

- (a) the Rab-al-Maal, 99 per cent.; and
- (b) the Mudareb, 1 per cent.

If, in respect of a Mudaraba, the Mudareb elects to make a payment of Mudaraba Profit, or the Final Mudaraba Profit of that Mudaraba is otherwise payable pursuant to the Master Mudaraba Agreement, and if the Rab-al-Maal's share of the Mudaraba Profit (the “**Rab-al-Maal Mudaraba Profit**”) or the Rab-al-Maal's share of the Final Mudaraba Profit (the “**Rab-al-Maal Final Mudaraba Profit**”) (as applicable) payable to the Rab-al-Maal is (i) greater than the then applicable Periodic Distribution Amount, the amount of any excess shall be credited to a reserve account (in respect of each Mudaraba, the “**Mudaraba Reserve**”) for and on behalf of the Rab-al-Maal and the Rab-al-Maal Mudaraba Profit or the Rab-al-Maal Final Mudaraba Profit (as applicable) payable to the Trustee will be reduced accordingly; or (ii) is less than the then applicable Periodic Distribution Amount, the Mudareb shall first utilise any amount available in the relevant Mudaraba Reserve to make payments to the Rab-al-Maal 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.

During each Mudaraba Term, the Mudareb shall invest amounts standing to the credit of the relevant Mudaraba Reserve (after deducting any amounts to be applied in accordance with clause 5.4(b), clause 5.4(c) or clause 5.11 of the Master Mudaraba Agreement) in the same manner as it invested the relevant Mudaraba Capital for and on behalf of the Rab-al-Maal in accordance with the Investment Plan.

In respect of each Series, if the Mudareb makes a Non-Payment Election or a Non-Payment Event occurs, then the Mudareb shall give notice to the Trustee, the Principal Paying Agent, the Delegate and the Certificateholders, in each case providing details of such Non-Payment Election or Non-Payment Event in accordance with the notice periods set out in the Master Mudaraba Agreement. In respect of each Series, the Trustee shall have no claim in respect of any Rab-al-Maal Mudaraba Profit or Rab-al-Maal Final Mudaraba Profit not paid as a result of either a Non-Payment Event or (in the case of any Rab-al-Maal Mudaraba Profit only) a Non-Payment Election and such non-payment in whole or in part, as applicable, in such circumstance will not constitute a Dissolution Event with respect to such Series.

In respect of each Series, if the Mudareb makes a Non-Payment Election or a Non-Payment Event occurs, then from the date of such Non-Payment Election or Non-Payment Event (the “**Dividend Stopper Date**”), the Mudareb shall be prohibited, during the relevant Mudaraba Term, from declaring or paying certain distributions or dividends, declaring or paying profit for other distributions on certain of its securities, or redeeming, purchasing, cancelling, reducing or otherwise acquiring certain of its share capital and securities, in each case unless or until (i) the next following payment of Rab-al-Maal Mudaraba Profit or, (ii) as the case may be, Rab-al-Maal Final Mudaraba Profit, in each case following the Dividend Stopper Date, has been made in full to the Trustee following such Non-Payment Election or Non-Payment Event (or an amount equal to that amount has been duly set aside or provided for in full for the benefit of the Rab-al-Maal).

Subject to certain conditions as set out in the Master Mudaraba Agreement, the Bank (as Mudareb) may (in its sole discretion) liquidate the Mudaraba in whole, but not in part, on the basis of a final actual liquidation of such Mudaraba in accordance with the Master Mudaraba Agreement in the following circumstances:

- (a) on the relevant Call Date, by giving not less than 20 nor more than 35 days’ prior notice to the Trustee;
or
- (b) on any date, on or after the relevant Issue Date (whether or not a Periodic Distribution Date), by giving not less than 20 nor more than 35 days’ prior notice to the Trustee:
 - (i) upon the occurrence of a Tax Event; or
 - (ii) upon the occurrence of a Capital Event.

If the Mudareb were to exercise its option to liquidate the Mudaraba of a Series in accordance with paragraph (a) or (b) above and, based on the constructive liquidation of the relevant Mudaraba Assets, the proceeds which would be generated upon such liquidation are less than the Required Liquidation Amount with respect to such Series (such difference being, the “**Shortfall**”), the Mudareb shall either (i) continue investing the Mudaraba Capital of the relevant Series in the Mudaraba of that Series, and accordingly the Mudareb shall not proceed with the final actual liquidation of the Mudaraba and no distribution of the liquidation proceeds shall occur, or (ii) proceed with such final actual liquidation and indemnify the Trustee in respect of such Shortfall and transfer the Rab-al-Maal Liquidation Proceeds (as defined in the Master Mudaraba Agreement) and the Shortfall into the Transaction Account of the relevant Series, subject to certain conditions not being breached. 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 Clause 5.4(c) and Clause 5.11 of the Master Mudaraba Agreement.

Under the terms of the Master Mudaraba Agreement, the Mudaraba of a Series will mandatorily be liquidated in whole but not in part if a Bank Event occurs and a Dissolution Notice is delivered pursuant to Condition 12.1. The Mudareb acknowledges under the Master Mudaraba Agreement that the Trustee shall in each such case be entitled to claim for all amounts due in accordance with the terms of the Master Mudaraba Agreement, subject to certain conditions being satisfied.

The Master Mudaraba Agreement also 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) will take place. In such circumstances in relation to any Series, in the case of a Write-down in whole only, the Master Mudaraba Agreement (with respect to such Series only) will be automatically terminated (and none of the Trustee, the Certificateholders nor the Delegate shall be entitled to any claim for any amounts in connection with the Mudaraba Assets of that Series) and in the case of a Write-down in part only, the Mudaraba Capital of that Series shall be reduced in proportion to the face amount of the Certificates of that Series that are to be Written-down and none of the Trustee, the Certificateholders nor the Delegate 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.

The Mudareb shall not be responsible for any losses to the Mudaraba Capital of any Series suffered by the Rab-al-Maal unless such losses are caused by the Mudareb's (i) breach of the Master Mudaraba Agreement or (ii) gross negligence, wilful misconduct or fraud.

The Mudareb shall exercise its rights, powers and discretions under the Master Mudaraba Agreement and shall take such action as it deems appropriate, in each case, in accordance with material applicable laws, with the degree of skill and care that it would exercise in respect of its own assets and in a manner that is not repugnant to *Shari'a*.

The Master Mudaraba Agreement also provides that, following the investment of the Mudaraba Capital of each Series, the Mudareb shall ensure, in conjunction with Alinma Bank's *Shari'a* Committee that the Mudaraba Capital of such Series remains, at all times, compliant with the principles of *Shari'a*. The Master Mudaraba Agreement also provides that the Mudareb shall ensure that in respect of each Mudaraba, at all times during the relevant Mudaraba Term, the value of the Business Portfolio is equal to or greater than the Mudaraba Capital of the relevant Mudaraba.

Other than its share of profit from the Mudaraba and any incentive payable in accordance with the Master Mudaraba Agreement, the Mudareb shall not be entitled to receive any remuneration from any Mudaraba.

The Mudareb will agree in the Master Mudaraba Agreement that all payments thereunder by the Mudareb to the Rab-al-Maal shall be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future Taxes, unless such withholding, retention or deduction is required by law. In such event, and/or if Additional Amounts are payable by the Rab-al-Maal in respect of the Certificates of any Series in accordance with Condition 13, the Master Mudaraba Agreement provides for the payment by the Mudareb of such Taxes and/or Additional Amounts by payment to the Transaction Account of the relevant Series in the Specified Currency by wire transfer for same day value so that the net amounts received by the Certificateholders shall equal the respective amounts that would have been received in the absence of such withholding, retention or deduction and in the absence of the withholding, retention or deduction to which Condition 13 applies. The Master Mudaraba Agreement provides that to the extent any such additional amounts are paid by the Mudareb, the Mudareb shall immediately recover such additional amounts from the amounts (if any) standing to the credit of the Mudaraba Reserve and if, following such recovery, a shortfall remains between the amounts standing to the credit of the relevant Mudaraba Reserve and such additional amounts paid by the Mudareb, the Mudareb shall be entitled to recover amounts equal to such outstanding shortfall amounts from the liquidation proceeds of that Mudaraba.

Shari'a Compliance

Each Transaction Document provides that each of Alinma AT1 Sukuk Limited and Alinma Bank agrees that it has accepted the *Shari'a*-compliant nature of the Transaction Documents and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration,

pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

SHARI'A COMMITTEE AND PRONOUNCEMENT

Prospective Certificateholders should not rely on the pronouncement referred to below in deciding whether to make an investment in the Certificates and should consult their own independent *Shari'a* advisers as to whether the proposed transaction described in such pronouncement is in compliance with their individual standards of compliance with *Shari'a* principles.

Pronouncement of members of the Bank's *Shari'a* Committee

Copies of the pronouncement which has been issued by members of The Shariah Committee of Alinma Bank relating to the Certificates and confirming that, in their view, the transaction structure is in compliance with *Shari'a* principles, shall be distributed to prospective Certificateholders upon request to the relevant Dealers.

Overview of the Bank's *Shari'a* Committee

The Shariah Committee of Alinma Bank is an independent committee and its appointment was approved by the General Assembly of the Bank to advise on all transactions and activities carried out by the Bank's groups and to control the manner in which the Bank operates inside and outside of the Kingdom with regard to *Shari'a* compliance. All transactions executed by the Bank are subject to approval and control by The Shariah Committee of Alinma Bank and its resolutions are binding upon all departments and employees of the Bank.

The most important functions performed by The Shariah Committee of Alinma Bank are as follows:

- (i) examining the Bank's transactions, contracts, agreements, documents and forms and providing a *Shari'a* opinion of them;
- (ii) participating in product innovation and development in light of Shari'a-compliance;
- (iii) ensuring that the Bank is committed to Shari'a-compliance in all its activities and transactions and ensuring the proper implementation of The Shariah Committee of Alinma Bank's resolutions;
- (iv) approving Shari'a-compliance standards;
- (v) studying reports relating to Shari'a-compliance performance and issuing directives to take corrective action when necessary;
- (vi) establishing mechanisms for the disposal of funds that have been earned or acquired in violation of Shari'a principles and supervising their disbursement;
- (vii) revising the Bank's financial statements before being approved by the Bank's Board of Directors;
- (viii) issuing periodic reports on the Bank's performance from a Shari'a-compliance perspective, circulating these to shareholders and providing responses to shareholders' questions relating to the reports; and
- (ix) evaluating the technical performance of the Bank's Shari'a Committee.

Members of the Bank's *Shari'a* Committee

Dr. Abdullah Bin Wakeel Al-Sheikh (Chairman)

Dr. Al-Sheikh is a faculty member in the College of Fundamentals of Religion, College of *Shari'a*, College of Da'awa and Information at Al-Imam Mohammed Ibn Saud Islamic University. He has made numerous contributions in the field of Shari'a-compliant financial transactions. He is also a member of several research committees and panels including the Saudi Fiqh Society and the International Islamic Committee for Economics and Finance and is a co-author of a glossary of Fiqh skills that is being implemented in some Shari'a colleges.

Dr. Abdulrahman Bin Saleh Al-Atram (Vice Chairman)

Dr. Al-Atram is a leading scholar in the field of *Shari'a*-compliant financial transactions, a field in which he has made numerous contributions. He is a member of several *Shari'a* panels and councils including the Accounting and Auditing Organization for Islamic Financial Institutions in Bahrain, the Saudi Fiqh Committee, the Islamic International Panel for Economy and Finance (where he holds the position of Secretary-General), the Islamic Fiqh Society of the Organization of Islamic Cooperation and the King Faisal Specialist Hospital Charitable Foundation (and Reef Charity).

Dr. Al-Atram has also been a faculty member in the Department of Jurisprudence in the College of *Shari'a* at Al-Imam Mohammed Ibn Saud Islamic University and a member and Secretary General of the *Shari'a* Committee at Al-Rajhi Bank and Member of the Shura Council in its fourth session.

Dr. Sulaiman Bin Turki Al-Turki (Member)

Dr. Al-Turki is a faculty member at the High Judiciary Institute at Al-Imam Mohammed Ibn Saud Islamic University. He holds M.A. and Ph.D. degrees in Islamic jurisprudence, an M.A. in international trade law from Essex University in the United Kingdom, and a Ph.D. in a law from London University. Dr. Al-Turki is a well-established and prolific researcher, and has made numerous contributions in the field of *Shari'a*-compliant financial transactions.

Dr. Khalid Bin Abdulrahman Almuhanha (Member)

Dr. Almuhanha is an Associate Professor at the Department of Jurisprudence with the College of Sharia of Imam Muhammad bin Saud Islamic University (the “**IMSIU**”). Previously, Dr. Almuhanha served as a member of the Board of Directors of the Saudi Judicial Scientific Society at the IMSIU, and a member of the Board of Directors of the Society for Social Economy. He also worked as a researcher at the King Abdullah bin Abdul Aziz University, and as an adviser at the Ministry of Justice. He holds M.A. and Ph.D. degrees in Islamic jurisprudence from the IMSIU, and an M.A. in Law from the Middlesex University London.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere, nor does it address the considerations that are dependent on individual circumstances. Prospective purchasers of Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Certificates and receiving payments under the Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any change in law that may take effect after such date.

Cayman Islands

The following is a discussion on certain Cayman Islands tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments on Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax. On 2 April 2025, the Trustee received an undertaking from the Financial Secretary of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 30 years from the date of grant of that undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment as defined in the Tax Concessions Act (as amended). No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. However, an instrument transferring title to any Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the face amount of its authorised capital. At current rates, this annual registration fee is U.S.\$1,128. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

Saudi Arabia

Unless otherwise stated, capitalised terms in this sub-section shall have the meanings given to them in “Taxation—Saudi Arabia—General” below.

The statements herein regarding taxation/Zakat are based on the Kingdom's laws in effect as of the date of this Offering Circular and are subject to any changes occurring after such date, which changes could have retroactive effect. These include the Income Tax Law promulgated under Royal Decree No. M/1 dated 15/1/1425H (corresponding to 6 March 2004) and its By-Laws issued under Ministerial Resolution No. 1535 dated 11/6/1425H (corresponding to 29 July 2004), as amended from time to time (collectively the “**Income Tax Law**”), the Zakat Collection Regulations issued pursuant to Ministerial Resolution 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 Ministerial Resolutions No. 2218 dated 7/7/1440H, No. 57732 dated 3/11/1443H and No. 15417 dated 2/3/144H) and the Value Added Tax Law promulgated under Royal Decree No. M113 dated 2/11/1438H

(corresponding to 25 July 2017) and its implementing regulations notified under the ZATCA Board of Directors Resolution No. 3839 dated 14/12/1438H (corresponding to 5 September 2017G) as amended (the “**KSA VAT Law**”).

The following summary is a general description of certain Saudi Arabian tax and Zakat considerations relating to the Certificates. It does not purport to be a comprehensive description of all the tax and Zakat considerations which may be relevant for a decision to subscribe for, purchase, own or dispose of the Certificates and does not purport to deal with the tax and 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 Certificates are advised to consult their own Saudi Arabian tax and Zakat advisers concerning the overall tax and Zakat consequences of their ownership of the Certificates.

Overview of Saudi Tax and Zakat

Corporate Income Tax

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 gross income, after deducting allowable costs and making certain other tax adjustments.

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, 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 (if the shareholding structure does not fall outside of the GCC) are subject to Zakat and not income tax. In determining the tax or Zakat profile of a legal entity Resident in the Kingdom, the ZATCA applies a “look-through” approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC. However, the “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 shareholder in such non-GCC incorporated 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 apply to Zakat payers who carry out financing activities in the Kingdom licensed by the Saudi Central Bank (SAMA), direct and indirect finance funds licensed by the CMA and Zakat payers who are engaged in non-financing activities in the Kingdom.

Persons Subject to Zakat (as defined below) include:

- GCC natural persons Resident in the Kingdom, carrying out an activity in the Kingdom under a license/applicable rules and regulations;
- sole proprietorships owned by GCC persons and are established in the Kingdom in accordance with relevant regulations and rules;

- 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;
- State-owned companies and Resident companies owned by the Public Investment Fund;
- Resident companies listed on a financial market in the Kingdom, on the shares held by GCC persons and non-GCC persons (except for ownership by founder shareholders and those considered to be founder shareholders based on the relevant articles of association or other legal documents); and
- finance funds licensed by the CMA.

Notwithstanding the above, Zakat is not assessed on or applicable to:

- 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;
- any entity (or Zakat payer) which is exempted by a decision of ZATCA or the Ministry of Finance;
- 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
- charity associations, entities wholly owned by the Ministry of Endowments (“**Awqaf**”) and non-profit organisations 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 sukuk and bonds are allowed to be deducted from the Zakat base of the investors provided that the following conditions are met:

- the investment is not held for trading purposes;
- the Issuer treats these issuances as capital/equity for Zakat purposes, regardless of the classification of such instruments in the financial statements and when calculating the Zakat base and the Issuer has declared through any document acceptable to ZATCA, to treat them as capital in the Zakat return; and
- the issuer does not change the treatment of Certificate, mentioned in the point above, under their Zakat return during the period in which the Certificate are due.

Special Zakat Rules for Financing Activities

Special Zakat rules (Zakat Calculation for Financing Companies) are set out in Section 2, Chapter 7, Part 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 Section 2, Chapter 7, Part 3 of the Zakat Regulations. These rules are effective from 1 January 2023.

Under the Special Zakat Rules for Investment Funds:

- Investment Funds are not subject to Zakat but are required to register and submit Zakat base calculation (information declaration to ZATCA).
- Unitholders in such funds are subject to Zakat, except in the case of:
 - a unitholder in a finance fund; and
 - 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.

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 Zakat Regulations and approved by a chartered accountant licensed in the Kingdom; and
3. Zakat on such investment is calculated by the following formula:

$\text{the fund's zakat base} \times \text{percentage of the unitholders' share in such fund} \times \text{applicable Zakat rate.}$

Withholding Tax ("WHT")

Residents of the Kingdom and the Permanent Establishment of a non-Resident are required to withhold taxes on certain payments to non-Residents of the Kingdom, including to residents of the other GCC countries if such payment is from a source in the Kingdom. The WHT rate varies from 5 per cent. to 20 per cent. depending on the nature of the underlying payment. Income earned by Certificateholders from their investments in the Certificates in the nature of profit is, in substance, more of a financing activity and as such it should be considered akin to a Loan Charge (akin in interest) as per Article 5(1) of the By-laws to Income Tax Law.

WHT is imposed on payments against services and not on goods. Services are defined to mean any work performed for compensation except for the purchase and sale of goods or any other properties.

A Loan Charge paid to non-Residents attracts 5 per cent. WHT unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty between the Kingdom and the country of such non-Resident beneficiary.

ZATCA has recently issued guidelines outlining the mechanism for applying double tax treaties. Application of double tax treaties in the Kingdom may take place under one of two methods: (i) refund method, which requires the payer to be subject to the relevant payment of WHT and then a subsequent refund request of the WHT may be submitted to the ZATCA; or (ii) upfront claim method, which provides for the possibility of the payer to not be subject to the relevant payment of WHT. As per the new guidelines, the upfront claim method needs prior approval from ZATCA. The list of required documents has also been updated for both methods. Such documents

either require the attestation by the Kingdom's embassy in the country of the non-Resident or apostille attestation.

As at the date of this Base Offering Circular, no effective tax treaty between the Kingdom and the Cayman Islands is in place.

Accordingly, payment of periodic distributions by the Bank to the non-Resident Trustee will be subject to a 5 per cent. WHT as a Loan Charge.

The Transaction Documents provide that payments by the Bank (in its relevant capacity) shall be made without withholding, retention or deduction for, or on account of, any present or future Taxes (as defined in the Conditions), unless the withholding, retention or deduction of the Taxes is required by law and, in such case, provide for the payment by the Bank of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

In addition, Condition 13 provides that all payments by the Trustee in respect of the Certificates shall be made without withholding, retention or deduction for, or on account of, any present or future Taxes, unless the withholding, retention or deduction of the Taxes is required by law. In such event, the Trustee shall pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by the parties entitled thereto, subject to certain exceptions described in Condition 13. The Trust Deed provides that, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 13, the Bank will pay to the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by it in respect of the Certificates pursuant to those provisions.

Value Added Tax ("VAT")

Saudi Arabia 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 Saudi Arabia in line with the GCC Framework Agreement.

All goods and services supplied within or imported into Saudi Arabia are subject to VAT, unless they are classified as exempt or outside the scope for VAT purposes. Certain goods and services are subject to VAT at a rate of 0 per cent. (including, among others, qualifying medicines, medical goods, investment metals, qualifying military goods, supplies to diplomatic missions, exports and international transportation). From 1 July 2020, the standard rate of VAT 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, profit, 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.

"Capital certificate" 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 economic activity. However, the issue of debt securities by persons residing outside the Kingdom would be outside the scope of VAT in the Kingdom. Any additional explicit fee in respect of a service, 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 at standard rate where the supply is made in the Kingdom. 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 the Kingdom.

Profits generated by holding the Certificates 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, services provided by a Saudi Arabian VAT registered person that are not related to Saudi Arabian real estate and other cases prescribed by law may qualify for VAT at a rate of 0 per cent. if supplied to non-Residents who benefit from the service outside of the Kingdom, 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 Certificateholders, 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.

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 defined the applicable tax on such a person as to being subject to the following:

- 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 Certificateholders—Certificateholders who are not Resident in the Kingdom”*); and
- capital gains tax, if the income is derived from disposal of fixed and traded assets, or from disposal of shares in a Resident company under the general provisions of the Income Tax Law.

Based on the above, if the sale of the Certificates by the Certificateholders 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.

Capital gains realised from disposal of securities (such as the Certificates) traded inside or outside the Kingdom are exempt from tax in the Kingdom if the following conditions are met:

- 1) the disposal is carried out in accordance with the regulations of 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 is not applicable to the Certificates, as the Certificates will not be listed on a stock exchange in the Kingdom and, therefore, this exemption is not considered in the below taxation summary.

Capital gains realised from the disposal of the Certificates by (a) a Resident Certificateholder and (b) a non-Resident Certificateholder will be included in the total income of such Certificateholders subject to corporate income tax or Zakat in the Kingdom.

Certain tax and Zakat implications for Certificateholders

(A) Certificateholders who are GCC persons and Resident in the Kingdom

Legal Entities Resident in the Kingdom and wholly owned by GCC persons

Certificateholders who are Legal Entities Resident in the Kingdom and wholly owned by GCC persons with respect to all income in the nature of profit, Loan Charge in respect of Certificates or capital gains realised in respect of the sale or transfer of the Certificates, will be part of such Certificateholder's Saudi Arabian reportable gross income subject to Zakat.

It should be noted that the above summary does not consider the extent to which such Certificateholder would be liable to Zakat as a consequence of acquiring, holding or disposing of its Certificates. Additionally, as mentioned above, per Article 55 of the Zakat regulations, Certificateholders are allowed to make a deduction of Certificates from the Zakat base, provided that the conditions specified in Article 55 are met.

Since these Certificates will be treated as equity (i.e. Certificates are for the long term, the Bank will add them to their Zakat base as equity and the treatment will remain the same throughout the tenure of the certificates), the Certificateholders may be able to take the deduction of their investments in these Certificates from their Zakat base.

Legal Entities Resident in the Kingdom but not Wholly Owned by GCC Persons

Certificateholders 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 Kingdom, based on the percentage of shares held by GCC and non-GCC shareholders, respectively in respect of any income earned or received in the nature of profit or Loan Charge in respect of Certificates or capital gains realised on the sale or transfer of the Certificate as such income will be part of such Certificateholder's gross income subject to Zakat/Income tax in the Kingdom.

Certificateholders that are GCC Natural Persons with a permanent residence in the Kingdom

Certificateholders that are GCC natural persons and Resident in the Kingdom are not subject to Zakat in the Kingdom in respect of any income received in the nature of profit, Loan Charge or capital gains realised in respect of the Certificates, unless such Certificateholder performs any business activity in the Kingdom (other than holding the Certificate) and carries such activities through a license as required under the applicable laws and regulations. If such income is connected to such Certificateholder's business activities in the Kingdom, such amounts will generally be subject to Zakat.

(B) Certificateholders who are Non-GCC persons and Resident in the Kingdom

Certificateholders 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 Certificates will be part of such Certificateholder'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 Certificateholders that are non-GCC natural persons and Resident in the Kingdom receive income in the nature of a Loan Charge or capital gains realised in respect of the Certificates and these incomes are connected to business activity in the Kingdom, such income generally will be subject to 20 per cent. corporate income tax. For Certificateholders that are non-GCC natural persons and Resident in the Kingdom but are not engaged in any business activity, these Certificateholders may be subject to Saudi Arabian income tax. Such prospective Certificateholders 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 Certificates and/or receiving any payments thereunder.

(C) *Certificateholders who are not Resident in the Kingdom without a Permanent Establishment*

Certificateholders, either natural persons or legal entities, that are not Resident and do not have a permanent establishment in the Kingdom, (whether such Certificateholders are GCC persons (other than the Kingdom) or non-GCC persons), prima facie, should not be subject to Saudi Arabian corporate income tax or Zakat.

However, direct payments by the Bank (if any) that are in the nature of a Loan Charge (other than capital gain realised from disposal of Certificate) in respect of the Certificates (as provided by the Terms and Conditions of the Certificates) to Certificateholders that are resident outside the Kingdom are subject to WHT at a rate of 5 per cent. as per Saudi Arabian domestic tax law. In a few limited instances, Certificateholders may claim a refund of the WHT where a double tax treaty is in place between the Kingdom and the country in which the Certificateholder is resident for tax purposes and where such treaty provides for an exemption, lower tax rate or refund subject to meeting certain conditions and submission of prescribed documents.

Certain Transaction Documents require the Bank to pay additional amounts in the event that any withholding or deduction is required by applicable law to be made in respect of payments made by it to the Trustee, or by the Trustee to Certificateholders, which are intended to fund Periodic Distribution Amounts and Dissolution Distribution Amounts.

Generally, the capital gains arising from the disposal of Certificates will be subject to 20 per cent. capital gains tax provided that the resulting capital gain is considered to be a source of income in the Kingdom.

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.

“Resident” means any natural person or company that satisfies the residency conditions stipulated in Article 3 of the Income Tax Law, Article 4 of the Zakat Regulations or any governmental department or ministry, public entity, or other corporate person or entity formed in the Kingdom (Article 1 of the Income Tax Law).

The concept of Residency in the Kingdom as defined in Article 3 of the Income Tax Law and Article 4 of the Zakat Regulations is set out below:

- (A) a natural person is considered to be a Resident in the Kingdom for a taxable year if such person meets either of the two following conditions:
 - (a) such person has a permanent place of abode in the Kingdom and is physically residing in the Kingdom for a period, in aggregate, of not less than 30 days during the taxable year, whether continuous or aggregated; or
 - (b) such person is physically residing in the Kingdom for a period of not less than 183 days in the taxable year, whether continuous or aggregated.

For the purposes of this paragraph, residence in the Kingdom for part of a day is considered residence for the whole day, except in the case of a person in transit between two points outside the Kingdom.

- (B) a company is considered Resident in the Kingdom during the taxable year if it meets either of the following conditions:
- (a) it is formed in accordance with the Saudi Arabian Companies Regulations; or
 - (b) its place of central management is located in the Kingdom.

“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.

“Persons Subject to Taxation” as defined in Article 2 of the Income Tax Law, are:

- (a) a Resident capital company with respect to the shares owned directly or indirectly by non-Saudi partners, as well as the shares owned directly or indirectly by persons working in the production of oil and hydrocarbons. However, this excludes shares owned directly or indirectly by persons working in the production of oil and hydrocarbons in Resident capital companies listed in the Saudi capital markets and with shares owned directly or indirectly by such companies;
- (b) a Resident non-GCC natural person who does business in the Kingdom;
- (c) a non-Resident who does business in the Kingdom through a Permanent Establishment;
- (d) a non-Resident with taxable income from sources in the Kingdom without a Permanent Establishment therein;
- (e) a person engaged in the field of natural gas investment; and
- (f) a person engaged in the production of oil and hydrocarbon products.

Note: A capital company, as per Article 1 of the Income Tax Law, is a joint stock company, a limited liability company or a company limited by shares. For purposes of the Income Tax Law, investment funds shall be considered capital companies.

“Persons Subject to Zakat” as per Article 3 of the Zakat Regulations, are:

- (a) The Saudi resident person who carries out an activity under a license in the Kingdom.
- (b) Saudi-owned sole proprietorship that is established in the Kingdom in accordance with the applicable rules and Regulations.
- (c) Saudi-owned company established in the Kingdom in accordance with the relevant applicable rules and regulations, including the share of the Saudi partner in foreign companies.
- (d) Finance funds licensed by the CMA.
- (e) State owned companies and resident companies owned by the Public Investment Fund in accordance with the controls included in the relevant Royal Orders and Ministerial Resolutions.
- (f) The share of the non-Saudi shareholder in resident companies listed on the Saudi Exchange (Tadawul). With the exception of the shares of non-Saudi founders in accordance with the articles of association or relevant regulatory documents.

“Permanent Establishment” subject to the exceptions stipulated in the Income Tax Law, a Permanent Establishment of a non-resident in the Kingdom represents a permanent place of a non-Resident’s activity through which it carries out its business activity, in full or in part; including business carried out through its

agent (an agent having the meaning specified in the Article 4(1) of the By-laws to the Income Tax Law). 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 Law) is considered to have a Permanent Establishment in the Kingdom.

“**ZATCA**” means the Zakat, Tax and Customs Authority.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign pass thru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Trustee may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign pass thru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign pass thru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under Condition 19) that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the “**Programme Agreement**”) dated 15 May 2025 (such programme agreement as modified and/or supplemented and/or restated from time to time), agreed with the Trustee and the Bank a basis upon which they or any of them may from time to time agree to purchase Certificates.

In accordance with the terms of the Programme Agreement, each of the Trustee and the Bank has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Certificates under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

Each Dealer has acknowledged and agreed that the Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold the Certificates and each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, it will not offer or sell any Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the relevant Issue Date, within the United States or to, or for the account or benefit of, U.S. persons.

The Certificates are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Each Dealer has also agreed that, at or prior to confirmation of sale of Certificates, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the issue date of the offering, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Certificate, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

In addition, until 40 days after the commencement of the offering of the Certificates, an offer or sale of the Certificates within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell

or otherwise make available any Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Bank; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the UK.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Certificates in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Offering Circular: (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Certificates, and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, marketed and/or sold by it in the State of Kuwait, except through a licensed person duly authorised to undertake such activity pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and Regulating of Securities Activities and its executive bylaws (each as amended) (the “CML Rules”) and unless all necessary approvals from the State of Kuwait Capital Markets Authority pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in the State of Kuwait, have been given in respect of the offering, marketing and/or sale of the Certificates.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA) or

(ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with, the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong by means of any document any Certificates other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made thereunder, or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under the Rules on the Offer of Securities and Continuing Obligations, made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 of the Rules on the Offer of Securities and Continuing Obligations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “institutional and qualified clients” under Article 8(a)(1) of the Rules on the Offer of Securities and Continuing Obligations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by, the Rules on the Offer of Securities and Continuing Obligations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the Rules on the Offer of Securities and Continuing Obligations.

Each offer of Certificates shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the Rules on the Offer of Securities and Continuing Obligations, but is subject to the restrictions on secondary market activity under Article 14 of the Rules on the Offer of Securities and Continuing Obligations.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market) governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (b) made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an “Exempt Offer” in accordance with the Market Rules (MKT) Module of the Financial Services Regulatory Authority (the “**FSRA**”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$1,000,000, excluding that person’s principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an “accredited investor” as defined in the Central Bank of Bahrain Rulebook.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make any offer or invitation (whether directly or indirectly) to the public in the Cayman Islands to subscribe for any Certificates.

Malaysia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified

under Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 or Section 230(1)(b), read together with Schedule 8 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers are responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

General

These selling restrictions may be modified by the agreement of the Trustee, the Bank and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Certificates to which it relates or in a supplement to this Base Offering Circular.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Offering Circular and neither the Trustee, the Bank nor any of the other Dealers shall have any responsibility therefor.

None of the Trustee, the Bank and the Dealers represents that (i) Certificates 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; or (ii) any action has been, or will be taken in any jurisdiction that would permit a public offering of any Certificates, or possession or distribution of this Base Offering Circular or any other offering material or any applicable Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

Admission to Trading

Application has been made to the London Stock Exchange for Certificates issued under the Programme during the 12 months from the date of this Base Offering Circular to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. The ISM is a market designated for professional investors. Certificates admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

Certificates may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Trustee and the Bank.

Authorisation

Each of the Trustee and the Bank has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates and the entry into and performance of the Transaction Documents to which it is a party. The establishment of the Programme was authorised by a resolution of the board of directors of the Trustee dated 9 May 2025 and a resolution of the board of directors of the Bank dated 5 May 2025.

Significant or Material Change

There has been no significant change in the financial or trading position, or material adverse change in the prospects, of the Trustee since the date of its incorporation.

There has been no significant change in the financial or trading position of the Bank or the Group since 31 March 2025 and there has been no material adverse change in the prospects of the Bank or the Group since 31 December 2024.

Litigation

Neither the Trustee nor the Bank nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Bank is aware) in the 12 months preceding the date of this Base Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Trustee, the Bank or the Group.

Clearing Systems

Certificates are expected to be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Tranche of Certificates will be set out in the applicable Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.

Documents Available

For the 12 months following the date of this Base Offering Circular, physical copies of the following documents (together with English translations, when appropriate) may be (i) inspected during normal business hours at the registered offices of the Trustee and the specified office of the Principal Paying Agent; or (ii) at the option of the Principal Paying Agent, emailed to any Certificateholder, at its request (subject to provision of proof of holding satisfactory to the Principal Paying Agent):

- (a) each applicable Pricing Supplement and the other Transaction Documents in relation to each Series (save that such documents will only be available for inspection by a holder of Certificates of such Series and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificate and identity);
- (b) the constitutional documents of the Trustee and the Bank;
- (c) the 2024 Financial Statements and the 2023 Financial Statements;
- (d) the most recently published consolidated financial statements of the Bank and interim condensed consolidated financial information of the Bank, in each case, together with any joint audit or review reports thereon and the notes thereto; and
- (e) this Base Offering Circular together with any supplement to this Base Offering Circular or further base offering circular.

Independent Auditors

The current joint auditors of the Bank are Ernst & Young Professional Services (Professional LLC) (“**EY**”) and KPMG Professional Services (“**KPMG**”). The business address of EY is Head Office, Al Faisaliah Office Tower, 14th Floor, King Fahad Road, PO Box 2732, Riyadh 11461, Kingdom of Saudi Arabia and the business address of KPMG is Roshn Front, Airport Road, P.O. Box 92876, Riyadh 11663, the Kingdom of Saudi Arabia. EY and KPMG are independent auditors regulated by and registered with the Ministry of Commerce and SOCPA to practice as auditors in Saudi Arabia.

The 2024 Financial Statements and 2023 Financial Statements were jointly audited by EY and KPMG, in each case without qualification, in accordance with the International Standards on Auditing as endorsed in the Kingdom, as stated in their respective joint audit reports incorporated by reference herein.

The Interim Financial Statements have not been audited but have been jointly reviewed by EY and KPMG in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* as endorsed in the Kingdom, as stated in their joint review report incorporated by reference herein. With respect to the Interim Financial Statements, KPMG and EY have jointly reported that they have applied limited procedures in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Auditor of the Entity"* as endorsed in the Kingdom of Saudi Arabia. Their joint review report dated 6 May 2025, incorporated by reference herein, states that they did not audit and they do not express any audit opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Cayman Islands Data Protection

The Trustee has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the “DPA”) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Trustee Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Trustee Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be accessed at <https://www.walkersglobal.com/external/SPVDPNotice.pdf>), which provides an outline of investors’ data protection rights and obligations as they relate to the investment in the Certificates. Oversight of the DPA is the responsibility of the Ombudsman’s office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Dealers transacting with the Bank

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Bank and its affiliates in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade securities (or related derivative securities) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Trustee, the Bank and their affiliates, including, without limitation, the Certificates. The Dealers and/or their affiliates may receive allocations of Certificates (subject to customary closing conditions), which may affect the future trading of the Certificates. Certain of the Dealers or their affiliates that have a financing relationship with the Trustee, the Bank and their affiliates may routinely hedge their credit exposure to the Trustee, the Bank and their affiliates consistent with their customary risk-management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of hedging instruments or the creation of trading positions in securities, including potentially any Certificates issued under the Programme. Any such trading positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their 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, trading positions in such securities and instruments.

THE TRUSTEE

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