



THE SAUDI INVESTMENT BANK

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of and for the three-month period ended March 31, 2024

(Unaudited)



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000) (Five million and five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

Deloitte.

Deloitte and Touche & Co.
Chartered Accountants
Al Waha Building 3225 Prince Turki
bin Abdullah Al Saud Street,
Sulaymaniyah
P.O. Box: 213, Riyadh 11411
Riyadh, Kingdom of Saudi Arabia
CR 1010600030
www.deloitte.com

Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Statements

To the Shareholders of The Saudi Investment Bank
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **The Saudi Investment Bank** (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2024, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review 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 of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Regulatory Matters

As required by the Saudi Central Bank ("SAMA"), certain capital adequacy information has been disclosed in note 18 to the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note 18 to the relevant analysis prepared by the Bank for its submission to SAMA and found no material inconsistencies.

Ernst & Young Professional Services
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

Rashid S. Roshod
Certified Public Accountant
License No. 366



Deloitte and Touche & Co. Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia

Waleed bin Moh'd Sobahi
Certified Public Accountant
License No. 378



1 Duh Al-Qi'dah 1445H
(May 9, 2024)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**


	Notes	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
ASSETS				
Cash and balances with SAMA	5a	9,945,681	11,018,269	11,158,699
Due from banks and other financial institutions, net	6,15	2,750,821	1,473,418	3,040,601
Investments, net	7a,15	34,166,665	32,301,073	30,053,801
Positive fair values of derivatives, net	11a,15	730,484	685,436	666,413
Loans and advances, net	8a,15	84,622,929	80,750,770	73,631,642
Investments in associates		954,568	967,945	941,224
Other real estate		858,830	858,897	451,981
Property, equipment, and right of use assets, net		1,260,330	1,185,742	1,186,793
Intangible assets, net		505,509	484,914	441,850
Other assets, net		609,468	257,709	328,384
Total assets		136,405,285	129,984,173	121,901,388
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions, net	9,15	28,801,413	27,288,658	24,040,560
Customers' deposits	10,15	88,433,139	83,233,264	79,215,858
Negative fair values of derivatives, net	11a,15	22,806	25,273	43,626
Other liabilities		1,866,956	2,201,925	1,818,134
Total liabilities		119,124,314	112,749,120	105,118,178
Equity				
Share capital		10,000,000	10,000,000	10,000,000
Statutory reserve		3,817,000	3,817,000	3,376,000
Other reserves	12	(941,275)	(1,008,408)	(1,104,827)
Retained earnings		1,690,246	1,711,461	1,347,037
Proposed dividend		-	-	450,000
Shareholders' equity		14,565,971	14,520,053	14,068,210
Tier I Sukuk	19	2,715,000	2,715,000	2,715,000
Total equity		17,280,971	17,235,053	16,783,210
Total liabilities and equity		136,405,285	129,984,173	121,901,388

Abdallah Salih Jum'ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Saad Altayyar
Chief Financial Officer

The accompanying notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

The Saudi Investment Bank
**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF INCOME (Unaudited)**



	Notes	Three months period ended	
		March 31, 2024	March 31, 2023
		SAR'000	SAR'000
Special commission income		2,059,014	1,606,832
Special commission expense		(1,212,813)	(761,824)
Net special commission income		846,201	845,008
Fee income from banking services		169,395	156,279
Fee expense from banking services		(83,760)	(85,331)
Net fee income from banking services		85,635	70,948
Exchange income, net		50,687	54,559
Unrealized gain / (loss) on FVSI financial instruments, net		12,605	(16,500)
Realized gain on FVSI financial instruments, net		-	109
Gains on disposals of FVOCI debt securities, net		-	8,806
Total operating income		995,128	962,930
Salaries and employee-related expenses		199,094	198,185
Rent and premises related expenses		11,859	18,569
Depreciation and amortization		43,816	42,309
Other general and administrative expenses		172,846	165,282
Operating expenses before provisions for credit and other losses		427,615	424,345
Provisions for credit and other losses		82,058	81,352
Total operating expenses		509,673	505,697
Operating income		485,455	457,233
Share in earnings of associates		26,010	18,241
Income before provisions for Zakat		511,465	475,474
Provisions for Zakat		69,049	66,567
Net income		442,416	408,907
Basic and diluted earnings per share (expressed in SAR per share)	17	0.43	0.39

Abdallah Salih Jum'ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Saad Altayyar
Chief Financial Officer

The Accompanying notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (Unaudited)**


	Notes	Three months period ended	
		March 31, 2024	March 31, 2023
		SAR'000	SAR'000
Net income		442,416	408,907
Other comprehensive income / (loss)			
Items that cannot be reclassified to the consolidated statement of income in subsequent periods:			
Net change in fair value of equity investments held at fair value through other comprehensive income		204,799	(14,763)
Items that will be reclassified to the consolidated statement of income in subsequent periods:			
Net change in fair value of debt securities held at fair value through other comprehensive income		(132,916)	127,861
Net change in expected credit loss impairment provision		(20)	(1,175)
Fair value gains transferred to the consolidated statement of income on disposals of FVOCI debt securities, net		-	(8,806)
Share in other comprehensive income of associates		(2,623)	-
Total other comprehensive income		69,240	103,117
Total comprehensive income attributable to equity shareholders		511,656	512,024

Abdallah Salih Jurr'ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Saad Altayyar
Chief Financial Officer

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

Notes	March 31, 2024 (SAR'000)						
	Share capital	Statutory reserve	Other reserves	Retained earnings	Shareholders' equity	Tier I Sukuk	Total equity
Balances at the beginning of the period (audited)	10,000,000	3,817,000	(1,008,408)	1,711,461	14,520,053	2,715,000	17,235,053
Net income	-	-	-	442,416	442,416	-	442,416
Total other comprehensive income	-	-	69,240	-	69,240	-	69,240
Total comprehensive income	-	-	69,240	442,416	511,656	-	511,656
Dividends paid	-	-	-	(450,000)	(450,000)	-	(450,000)
Tier I Sukuk costs	-	-	-	(15,738)	(15,738)	-	(15,738)
Realized gain on disposal of FVOCI equity securities	-	-	(2,107)	2,107	-	-	-
Balances at the end of the period	10,000,000	3,817,000	(941,275)	1,690,246	14,565,971	2,715,000	17,280,971



Abdallah Salih Jum'ah
Chairman



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - Continued (Unaudited)

March 31, 2023 (SAR'000)

Notes	Share capital	Statutory Reserve	Other reserves	Retained earnings	Proposed dividend	Shareholders' equity	Tier I Sukuk	Total equity
Balances at the beginning of the period (audited)	10,000,000	3,376,000	(1,207,944)	956,640	450,000	13,574,696	3,215,000	16,789,696
Net income	-	-	-	408,907	-	408,907	-	408,907
Total other comprehensive income	-	-	103,117	-	-	103,117	-	103,117
Total comprehensive income	-	-	103,117	408,907	-	512,024	-	512,024
Tier I Sukuk costs	-	-	-	(18,510)	-	(18,510)	-	(18,510)
Repayment of Tier I Sukuk	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Issuance of Tier I Sukuk	19	-	-	-	-	-	500,000	500,000
Balances at the end of the period	10,000,000	3,376,000	(1,104,827)	1,347,037	450,000	14,068,210	2,715,000	16,783,210



Abdallah Salih Jum'ah
Chairman



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Chief Financial Officer

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS (Unaudited)**

	March 31, 2024	March 31, 2023
Notes	(SAR'000)	(SAR'000)
OPERATING ACTIVITIES		
Income before provisions for Zakat	511,465	475,474
Adjustments to reconcile net income to net cash generated from operating activities		
Net accretion of discounts and net amortization of premiums on investments, net	(12,867)	(8,917)
Net change in deferred loan fees	2,280	11,902
Gains on disposals of FVOCI debt securities, net	-	(8,806)
Unrealized (Gain) / losses on FVSI financial instruments, net	(12,605)	16,500
Realized gain on FVSI financial instruments, net	-	(109)
Depreciation and amortization	43,816	42,309
Lease Interest Expense	2,874	3,320
Net effect of commission free deposit from SAMA and SAMA Private sector financing support program	(21,519)	(25,470)
Provisions for credit and other losses	82,058	81,352
Share in earnings of associates	(26,010)	(18,241)
	569,492	569,314
Net (increase) / decrease in operating assets:		
Statutory deposit with SAMA	(57,915)	(79,711)
Due from banks and other financial institutions maturing after three months from acquisition date	4,078	(378)
Loans and advances	(3,943,921)	(4,790,296)
Positive fair values of derivatives, net	(45,048)	47,006
Other assets	(370,677)	261,239
Net increase / (decrease) in operating liabilities:		
Due to banks and other financial institutions, net	1,512,755	3,173,560
Customers' deposits	5,199,875	9,528,580
Negative fair value of derivatives, net	(2,467)	(3,448)
Other liabilities	(370,885)	(94,900)
Interest paid on lease liabilities	(2,874)	(3,320)
Net cash generated from operating activities	2,492,413	8,607,646



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Chairman



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS - Continued (Unaudited)**

	Notes	March 31, 2024 (SAR'000)	March 31, 2023 (SAR'000)
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments		187,505	911,830
Purchase of investments		(1,956,384)	(2,540,648)
Dividends received from associates		36,764	-
Purchase of property, equipment, and intangible assets		(138,999)	(47,047)
Net cash (used) in investing activities		(1,871,114)	(1,675,865)
FINANCING ACTIVITIES			
Dividends paid		(450,000)	-
Repayment of Tier I Sukuk		-	(1,000,000)
Issuance of Tier I Sukuk		-	500,000
Payment of principal portion of lease liabilities		(4,251)	(219)
Tier I Sukuk costs		(15,738)	(18,510)
Net cash (used in) financing activities		(469,989)	(518,729)
Net increase in cash and cash equivalents		151,310	6,413,052
Cash and cash equivalents at the beginning of the period		8,471,482	4,156,381
Cash and cash equivalents at the end of the period	5b	8,622,792	10,569,433
Supplemental special commission information			
Special commission received		1,949,504	1,472,935
Special commission paid		974,440	618,487
Other supplemental information			
Right of use assets		182,047	194,236
Lease Liabilities		186,680	201,602

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Chairman

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



1. General

The Saudi Investment Bank (the “Bank”), a Saudi joint stock company, was formed pursuant to Royal Decree No. M/31 dated 25 Jumada II 1396H, corresponding to June 23, 1976 in the Kingdom of Saudi Arabia (“KSA”). The Bank operates under Commercial Registration No. 1010011570 dated 25 Rabie Awwal 1397H, corresponding to March 16, 1977 through its 51 branches (December 31, 2023: 51 branches; and March 31, 2023: 51 branches) in KSA. The address of the Bank’s Head Office is as follows:

The Saudi Investment Bank
Head Office
P. O. Box 3533
Riyadh 11481, KSA

The Bank offers a full range of commercial and retail banking services. The Bank also offers Shariah compliant (non-interest based) banking products and services, which are approved and supervised by an independent Shariah Board established by the Bank.

2. Basis of preparation

These interim condensed consolidated financial statements as of and for the three months period ended March 31, 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in KSA and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2023.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands, except where indicated herein.

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the annual consolidated financial statements as of and for the year ended December 31, 2023.

3. Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Bank and the financial statements of the following subsidiaries (collectively referred to as the “Group” in these interim condensed consolidated financial statements):

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



3. Basis of consolidation – continued

Name of subsidiaries	Ownership		Functional Currency	Description
	March 31, 2024	March 31, 2023		
Alistithmar for Financial Securities and Brokerage Company	100%	100%	Saudi Riyal	A Saudi closed joint stock company, which is registered in KSA under Commercial Registration No. 1010235995 issued on 8 Rajab 1428H (corresponding to July 22, 2007). The principal activities of Alistithmar Capital include dealing in securities as principal and agent, underwriting, management of investment funds and private investment portfolios on behalf of customers, and arrangement, advisory and custody services relating to financial securities;
Saudi Investment Real Estate Company	100%	100%	Saudi Riyal	A limited liability company, which is registered in KSA under commercial registration No. 101268297 issued on 29 Jumada Awwal 1430H (corresponding to May 25, 2009). The primary objective of the Company is to hold title deeds as collateral on behalf of the Bank for real estate related lending transactions
SAIB Markets Limited Company	100%	100%	Saudi Riyal	A Cayman Island limited liability company, registered in the Caymans Islands on July 18, 2017, and is 100% owned by the Bank. The objective of the Company is to conduct derivatives and repurchase activities on behalf of the Bank

References to the Bank hereafter in these interim condensed consolidated financial statements refer to disclosures that are relevant only to the Bank and not collectively to the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies. Changes are made to the accounting policies of the subsidiaries when necessary to align with the accounting policies of the Group.

Subsidiaries are investees controlled by the Group. The financial statements of the subsidiaries are included in the interim condensed consolidated financial statements from the date the Group obtains control of the investee and ceases when the Group loses control of the investee.

A structured entity is an entity designed so that its activities are not governed by way of voting rights. In assessing whether the Group has power over such investees in which it has an interest, the Group considers factors such as purpose and design of the investee, its practical ability to direct the relevant activities of the investee, the nature of its relationship with the investee, and the size of its exposure to the variability of returns of the investee. The financial statements of any such structured entities are consolidated from the date the Group obtains control and until the date when the Group ceases to control the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

3. Basis of consolidation – continued

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights granted by equity instruments such as shares.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group acts as Fund Manager to several investment funds. Determining whether the Group controls individual investment funds usually focuses on the assessment of the aggregate economic interests of the Group in an individual fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

All intra-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial statements.

4. Summary of material accounting policies

The accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023.

Other Standards, amendments or interpretations

The following standards, amendments or interpretations effective for annual periods beginning on or after January 1, 2024, did not have a significant impact on the Group's interim condensed consolidated financial statements:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



4. Summary of material accounting policies – continued

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	January 1, 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	January 1, 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	January 1, 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	January 1, 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	January 1, 2024 subject to endorsement from SOCPA

Prospective changes to the International Financial Reporting Framework

The Group has chosen not to early adopt the following new standards and amendments to IFRS which have been issued but not yet effective for the Group's accounting year beginning on or after January 1, 2025.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	January 1, 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



5. Cash and balances with SAMA

a) Cash and balances with SAMA as of March 31, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Cash in hand	742,408	678,550	750,879
Reverse repurchase agreements	5,651,000	6,440,000	6,970,000
Other balances	(522,564)	(117,203)	(193,220)
Cash and balances with SAMA excluding statutory deposit (note)	5,870,844	7,001,347	7,527,659
Statutory deposit	4,074,837	4,016,922	3,631,040
Cash and balances with SAMA	9,945,681	11,018,269	11,158,699

In accordance with the Banking Control Law and regulations issued by the Saudi Central Bank ("SAMA"), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its average demand, savings, time and other deposits, calculated at the end of last month. The statutory deposit with SAMA is not available to finance the Bank's day to day operations and therefore do not form part of cash and cash equivalents.

b) Cash and cash equivalents, included in the interim condensed consolidated statement of cash flows, as of March 31, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Cash and balances with SAMA excluding statutory deposit	5,870,844	7,001,347	7,527,659
Due from banks and other financial institutions maturing within three months from the date of acquisition	2,751,948	1,470,135	3,041,774
Cash and cash equivalents	8,622,792	8,471,482	10,569,433

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



6. Due from banks and other financial institutions, net

Due from banks and other financial institutions, net as of March 31, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Current accounts	2,002,975	1,126,516	1,024,982
Money market placements	748,973	347,697	2,017,027
Total due from banks and other financial institutions	2,751,948	1,474,213	3,042,009
Allowance for credit losses	(1,127)	(795)	(1,408)
Due from banks and other financial institutions, net	2,750,821	1,473,418	3,040,601

7. Investments, net

a) Investments, net as of March 31, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Held at amortized cost – debt securities	14,302,358	12,303,445	8,680,487
Allowance for credit losses	(4,511)	(3,888)	(2,826)
Held at amortized cost – debt securities, net	14,297,847	12,299,557	8,677,661
FVOCI – debt securities	19,316,503	19,670,682	21,201,337
FVOCI – equity securities	494,615	291,923	161,850
FVSI	57,700	38,911	12,953
Investments, net	34,166,665	32,301,073	30,053,801

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



7. Investments, net – continued

b) Investments, net as of March 31 2024 and 2023 and as of December 31, 2023 by type of securities are summarized as follows:

	March 31, 2024 SAR'000			December 31, 2023 SAR'000			March 31, 2023 SAR'000		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Investments - FVOCI									
Fixed rate debt securities	14,181,195	4,322,274	18,503,469	14,352,573	4,500,402	18,852,975	15,460,219	4,746,189	20,206,408
Bonds	6,421,806	3,758,372	10,180,178	6,479,418	3,740,310	10,219,728	6,476,819	3,985,089	10,461,908
Sukuk	7,759,389	563,902	8,323,291	7,873,155	760,092	8,633,247	8,983,400	761,100	9,744,500
Floating rate debt securities	813,034	-	813,034	817,707	-	817,707	819,574	175,355	994,929
Bonds	-	-	-	-	-	-	-	175,355	175,355
Sukuk	813,034	-	813,034	817,707	-	817,707	819,574	-	819,574
Total debt securities	14,994,229	4,322,274	19,316,503	15,170,280	4,500,402	19,670,682	16,279,793	4,921,544	21,201,337
Equities	494,615	-	494,615	291,923	-	291,923	153,199	8,651	161,850
Investments – FVOCI	15,488,844	4,322,274	19,811,118	15,462,203	4,500,402	19,962,605	16,432,992	4,930,195	21,363,187
Investments – FVSI									
Mutual funds	55,359	-	55,359	36,608	-	36,608	10,034	-	10,034
Other securities	-	2,341	2,341	-	2,303	2,303	-	2,919	2,919
Investments – FVSI	55,359	2,341	57,700	36,608	2,303	38,911	10,034	2,919	12,953
Investments – Amortized cost, net									
Fixed rate debt securities	4,489,970	9,288,409	13,778,379	4,112,838	8,045,439	12,158,277	2,955,143	5,612,273	8,567,416
Bonds	2,343,208	9,100,249	11,443,457	2,043,646	7,858,750	9,902,396	1,812,296	5,424,242	7,236,538
Sukuk	2,146,762	188,160	2,334,922	2,069,192	186,689	2,255,881	1,142,847	188,031	1,330,878
Floating rate debt securities	101,181	418,287	519,468	102,122	39,158	141,280	101,053	9,192	110,245
Bonds	-	388,283	388,283	-	9,152	9,152	-	9,192	9,192
Sukuk	101,181	30,004	131,185	102,122	30,006	132,128	101,053	-	101,053
Investments – amortized cost, net	4,591,151	9,706,696	14,297,847	4,214,960	8,084,597	12,299,557	3,056,196	5,621,465	8,677,661
Investments, net	20,135,354	14,031,311	34,166,665	19,713,771	12,587,302	32,301,073	19,499,222	10,554,579	30,053,801

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



7. Investments, net – continued

c) The composition of Investments, net as of March 31, 2024 and 2023 and as of December 31, 2023 is as follows :

	March 31, 2024 SAR'000			December 31, 2023 SAR'000			March 31, 2023 SAR'000		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments - FVOCI									
Fixed rate debt securities	18,132,035	371,434	18,503,469	18,469,598	383,377	18,852,975	19,829,880	376,528	20,206,408
Bonds	10,180,178	-	10,180,178	10,219,728	-	10,219,728	10,461,908	-	10,461,908
Sukuk	7,951,857	371,434	8,323,291	8,249,870	383,377	8,633,247	9,367,972	376,528	9,744,500
Floating rate debt securities	-	813,034	813,034	-	817,707	817,707	175,355	819,574	994,929
Bonds	-	-	-	-	-	-	175,355	-	175,355
Sukuk	-	813,034	813,034	-	817,707	817,707	-	819,574	819,574
Total debt securities	18,132,035	1,184,468	19,316,503	18,469,598	1,201,084	19,670,682	20,005,235	1,196,102	21,201,337
Equities	489,972	4,643	494,615	287,280	4,643	291,923	157,192	4,658	161,850
Investments – FVOCI	18,622,007	1,189,111	19,811,118	18,756,878	1,205,727	19,962,605	20,162,427	1,200,760	21,363,187
Investments – FVSI									
Mutual funds	-	55,359	55,359	-	36,608	36,608	-	10,034	10,034
Other securities	-	2,341	2,341	-	2,303	2,303	-	2,919	2,919
Investments – FVSI	-	57,700	57,700	-	38,911	38,911	-	12,953	12,953
Investments – Amortized cost, net									
Fixed rate debt securities	12,860,031	918,348	13,778,379	11,465,293	692,984	12,158,277	8,160,594	406,822	8,567,416
Bonds	11,293,329	150,128	11,443,457	9,902,396	-	9,902,396	7,236,538	-	7,236,538
Sukuk	1,566,702	768,220	2,334,922	1,562,897	692,984	2,255,881	924,056	406,822	1,330,878
Floating rate debt securities	388,283	131,185	519,468	9,152	132,128	141,280	9,192	101,053	110,245
Bonds	388,283	-	388,283	9,152	-	9,152	9,192	-	9,192
Sukuk	-	131,185	131,185	-	132,128	132,128	-	101,053	101,053
Investments – amortized cost, net	13,248,314	1,049,533	14,297,847	11,474,445	825,112	12,299,557	8,169,786	507,875	8,677,661
Investments, net	31,870,321	2,296,344	34,166,665	30,231,323	2,069,750	32,301,073	28,332,213	1,721,588	30,053,801

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



7. Investments, net - continued

The Group holds strategic investments in equity securities totaling SAR 494.6 million as of March 31, 2024 (31 December 2023: 291.9 million, 31 March 2023: 161.8 million) including the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, the Saudi Credit Bureau ("SIMAH"), and the Saudi Company for Registration of Finance Lease Contracts.

As of March 31, 2024, Investments include SAR 19.7 billion (December 31, 2023: SAR 19.7 billion, March 31, 2023: 15.8 billion) in debt securities, which have been pledged under repurchase agreements with other financial institutions. Pledged assets are those financial assets that may be repledged or resold by counterparties to whom they have been transferred. These transactions are conducted under terms that are usual and customary to standard securities borrowing and lending activities, as well as requirements determined by exchanges on which the Bank acts as a participant.

The unquoted debt securities above are principally comprised of Saudi corporate securities and Saudi Government Development Bonds. Mutual funds are considered as unquoted in the table above when the daily net asset values are published on the Saudi Stock Exchange (Tadawul).

The Group's investments in mutual funds represent investments in private real estate fund with the investment objective of delivering medium-term capital appreciation through development of premium residential apartments. The Group had also invested in shariah compliant open-ended investment funds for investors seeking capital appreciation and high liquidity through exposure to Shariah compliant Saudi equities and financial products.

- d) Investments, net are classified by counterparty as of March 31, 2024 and 2023 and as of December 31, 2023 is as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Government and quasi-government	19,993,859	18,801,266	19,407,655
Corporate	4,835,578	4,855,884	4,212,825
Banks and other financial institutions	9,337,228	8,643,923	6,433,321
Total	34,166,665	32,301,073	30,053,801

- e) The movement of the allowance for credit losses, for investments, for the period ended March 31, 2024 and 2023 and for the year ended December 31, 2023 is as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Balances at the beginning of the year / period	10,872	10,438	10,438
Allowance for credit losses	603	434	447
Balances at the end of the year / period	11,475	10,872	10,885

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



8. Loans and advances, net

a) Loans and advances, net, held at amortized cost, as of March 31, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	March 31, 2024 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	66,275,896	4,199,920	10,290,973	80,766,789
Stage 2	2,646,408	855,740	75,023	3,577,171
Stage 3	761,572	240,670	1,829	1,004,071
Total performing loans and advances	69,683,876	5,296,330	10,367,825	85,348,031
Non- performing loans and advances	277,663	906,845	88,712	1,273,220
Total loans and advances	69,961,539	6,203,175	10,456,537	86,621,251
Allowance for credit losses	(709,948)	(1,164,001)	(124,373)	(1,998,322)
Loans and advances, net	69,251,591	5,039,174	10,332,164	84,622,929

	December 31, 2023 (Audited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	62,714,331	3,910,635	10,277,957	76,902,923
Stage 2	2,774,036	713,371	68,435	3,555,842
Stage 3	742,173	233,731	441	976,345
Total performing loans and advances	66,230,540	4,857,737	10,346,833	81,435,110
Non -performing loans and advances	448,149	702,002	89,789	1,239,940
Total loans and advances	66,678,689	5,559,739	10,436,622	82,675,050
Allowance for credit losses	(903,295)	(889,509)	(131,476)	(1,924,280)
Loans and advances, net	65,775,394	4,670,230	10,305,146	80,750,770

	March 31, 2023 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	54,169,081	4,609,945	10,261,213	69,040,239
Stage 2	3,123,290	626,737	70,060	3,820,087
Stage 3	1,127,031	391,539	442	1,519,012
Total performing loans and advances	58,419,402	5,628,221	10,331,715	74,379,338
Non -performing loans and advances	6,925	1,026,185	102,518	1,135,628
Total loans and advances	58,426,327	6,654,406	10,434,233	75,514,966
Allowance for credit losses	(831,141)	(932,043)	(120,140)	(1,883,324)
Loans and advances, net	57,595,186	5,722,363	10,314,093	73,631,642

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



8. Loans and advances, net- continued

b) The movement of the allowance for credit losses, for loans and advances, for the periods ended March 31, 2024 and 2023 and for the year ended December 31, 2023 is as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Balances at the beginning of the period / year	1,924,280	1,804,869	1,804,869
Allowance for credit losses	68,977	362,863	77,631
Write-offs	(13,395)	(312,961)	(20,412)
Recoveries	18,460	69,509	21,236
Balances at the end of the period / year	1,998,322	1,924,280	1,883,324

9. Due to banks and other financial institutions, net

Due to banks and other financial institutions, net as of March 31, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Current accounts	3,012	13,777	4,667
Repurchase agreements	18,287,308	17,946,193	15,536,464
Money market deposits	4,873,119	2,166,891	2,819,363
Deposits from SAMA, net	5,637,974	7,161,797	5,680,066
Total	28,801,413	27,288,658	24,040,560

10. Customers' deposits

Customers' deposits as of March 31, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Murabaha commodity deposits	21,255,595	20,472,459	21,083,031
Conventional time deposits	32,722,557	29,485,629	23,058,348
Time deposits	53,978,152	49,958,088	44,141,379
Savings deposits	3,819,251	3,301,306	3,431,248
Total special commission bearing deposits	57,797,403	53,259,394	47,572,627
Demand deposits	28,189,453	27,754,612	28,452,644
Other deposits	2,446,283	2,219,258	3,190,587
Customers' deposits	88,433,139	83,233,264	79,215,858

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



11. Derivatives

- a) The table below summarize the positive and negative fair values of derivative financial instruments. The notional amounts, which provide an indication of the volumes of the transactions outstanding at each period/end, do not necessarily reflect the amounts of future cash flows involved. The notional amounts are not indicative of the Bank's exposure to credit risk which is generally limited to the net positive fair values of derivatives, nor market risk.

Derivative financial instruments as of March 31, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)			March 31, 2023 (Unaudited)		
	Fair value		Notional amount	Fair value		Notional amount	Fair value		Notional amount
	Positive	Negative		Positive	Negative		Positive	Negative	
Held for trading:									
<i>Forward foreign exchange contracts</i>	265	147	839,971	7,512	7,189	6,339,797	3,759	4,066	4,395,978
<i>Special commission rates instruments</i>	342,201	342,201	14,713,325	284,569	284,569	15,085,529	271,864	272,371	14,802,083
Held as fair value hedges:									
<i>Commission rate swaps</i>	388,826	-	8,098,517	328,546	-	8,285,158	351,013	-	8,677,603
CSA / EMIR cash margins	(126,374)	(319,542)	-	(48,257)	(266,485)	-	(42,914)	(232,811)	-
Subtotal	604,918	22,806	23,651,813	572,370	25,273	29,710,484	583,722	43,626	27,875,664
Associated company put option (note 11c)	125,566	-	-	113,066	-	-	82,691	-	-
Total	730,484	22,806	23,651,813	685,436	25,273	29,710,484	666,413	43,626	27,875,664

- b) The Bank, as part of its derivative management activities, has entered into a master agreement in accordance with the International Swaps and Derivative Association ("ISDA") directives. Under this agreement, the terms and conditions for derivative products purchased or sold by the Group are unified. As part of the master agreement, a credit support annex ("CSA") has also been signed. The CSA allows the Group to receive improved pricing by way of exchange of mark to market amounts in cash as collateral whether in favor of the Bank or the counter party.

For commission rate swaps entered with European counterparties, the Bank and the European counterparty both comply with the European Market Infrastructure Regulation ("EMIR"). EMIR is a body of European legislation for the central clearing and regulation of Over the Counter ("OTC") derivatives. The regulation includes requirements for reporting of derivatives contracts and implementation of risk management standards and establishes common rules for central counterparties and trade repositories. Accordingly, all such standardized OTC derivatives contracts are traded on exchanges and cleared through a Central Counter Party ("CCP") through netting arrangements and exchanges of cash to reduce counter party credit and liquidity risk.

The positive and negative fair values of derivatives including CSA and EMIR cash margins have been netted/offset when there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis, or to realize the assets and settle the liability simultaneously.

- c) The Bank has a put option arising from an existing master agreement entered by the Bank relating to an associated company, the estimated value of which is included in note 11a. The terms of the agreement give the Bank a put option and give the counter party a call option that is exercisable for the remaining term of the agreement. The Bank has valued only the put option, as the call option is deemed to be out of the money. The put option, once exercised, grants the Bank the right to receive a payment in exchange for its shares one year after the exercise, based on pre-determined formulas included in the agreement.

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12. Other Reserves

Other reserves classified in shareholders' equity as of March 31, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Unrealized losses on revaluation of debt securities at FVOCI before allowance for credit losses	(1,032,159)	(899,243)	(887,213)
Allowance for credit losses on debt securities at FVOCI	6,964	6,984	8,059
Unrealized losses on revaluation of debt securities at FVOCI after allowance for credit losses	(1,025,195)	(892,259)	(879,154)
Unrealized gain / (losses) on revaluation of equities held at FVOCI	116,443	(86,249)	(215,371)
Actuarial losses on end of service plans	(34,727)	(34,727)	(8,751)
Share of other comprehensive income / (loss) of associates	2,204	4,827	(1,551)
Other reserves	(941,275)	(1,008,408)	(1,104,827)

13. Commitments, contingencies, and financial guarantee contracts

- a) The contractual maturity structure for the Group's credit related commitments and contingencies as of March 31, 2024 and 2023 and as of December 31, 2023 are as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Letters of credit	2,988,872	3,180,934	2,645,815
Letters of guarantee	11,745,372	10,923,997	9,747,435
Acceptances	1,228,425	1,015,652	742,336
Total financial guarantee contracts	15,962,669	15,120,583	13,135,586
Irrevocable commitments to extend credit	1,527,844	1,397,101	1,462,598
Credit-related commitments and contingencies	17,490,513	16,517,684	14,598,184

- b) The credit quality of financial guarantee contracts as of March 31, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Stage 1	15,473,031	14,668,360	12,622,387
Stage 2	310,358	284,090	328,025
Stage 3	179,280	168,133	185,174
Total	15,962,669	15,120,583	13,135,586

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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13. Commitments, contingencies, and financial guarantee contracts – continued

- c) The movement of the allowance for credit losses for financial guarantee contracts for the periods ended March 31, 2024 and 2023 and for the year ended December 31, 2023 is summarized as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)	March 31, 2023 (Unaudited)
	SAR'000	SAR'000	SAR'000
Balances at the beginning of the year	237,943	241,688	241,688
(Reversals) / Allowance for credit losses	12,076	(3,745)	(1,508)
Balances at the end of the period	250,019	237,943	240,180

- d) The Group is subject to legal proceedings in the ordinary course of business. No provision has been made in cases where professional legal advice indicates that it is not probable that any significant loss will arise. However, provisions are made for legal cases where management foresees the probability of an adverse outcome based on professional advice.

14. Operating segments

- a) Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the Bank's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance is measured based on segment profit, as management believes that this indicator is the most relevant in evaluating the results of segments relative to other entities that operate within these sectors.

Transactions between the operating segments are on normal commercial terms and conditions as approved by management. The revenue from external parties reported to the Board is measured in a manner consistent with that in the interim condensed consolidated statement of income. Segment assets and liabilities are comprised of operating assets and liabilities. The Group's primary business is conducted in Kingdom of Saudi Arabia ("KSA").

- b) The Group's reportable segments are as follows:

Retail banking. Loans, deposits, and other credit products for high-net worth individuals and consumers.

Corporate banking. Loans, deposits and other credit products for corporate, small to medium-sized businesses, and institutional customers.

Treasury and Investments. Money market, investments and treasury services, and investments in associates and related activities.

Asset management and brokerage. Dealing, managing, advising and custody of securities services.

Other. Support functions, special credit, and other management and control units.

Commission is charged to operating segments based on Funds Transfer Price (FTP) rates. The net FTP contribution included in the segment information below includes the segmental net special commission income after FTP asset charges and liability credits (FTP net transfers). All other segment income is from external customers.

- c) The segment information provided to the Bank's Board of Directors for the reportable segments for the Group's total assets and liabilities as of March 31, 2024 and 2023, and its total operating income, expenses, and Income before provisions for Zakat for the period ended, are as follows:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



14. Operating segments – continued

March 31, 2024 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	23,017,881	61,685,301	47,894,677	812,762	2,994,664	136,405,285
Total liabilities	25,648,814	13,439,633	77,767,182	55,178	2,213,507	119,124,314
Net special commission income (loss)	258,555	1,133,806	(550,447)	15,955	(11,668)	846,201
FTP net transfers	28,101	(805,321)	779,674	-	(2,454)	-
Net FTP contribution	286,656	328,485	229,227	15,955	(14,122)	846,201
Fee income (loss) from banking services, net	6,599	27,572	6,752	49,228	(4,516)	85,635
Other operating income (loss)	26,162	16,971	63,289	-	(43,130)	63,292
Total operating income (loss)	319,417	373,028	299,268	65,183	(61,768)	995,128
Direct operating expenses	93,194	19,988	13,178	29,120	-	155,480
Indirect operating expenses	108,854	57,148	106,133	-	-	272,135
Allowance for credit and other losses	13,186	67,937	935	-	-	82,058
Total operating expenses	215,234	145,073	120,246	29,120	-	509,673
Operating income (loss)	104,183	227,955	179,022	36,063	(61,768)	485,455
Share in earnings of associates	-	-	26,010	-	-	26,010
Income (loss) before provisions for Zakat	104,183	227,955	205,032	36,063	(61,768)	511,465

March 31, 2023 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	20,826,928	52,468,301	45,100,224	662,980	2,842,955	121,901,388
Total liabilities	26,773,013	9,282,667	66,364,151	48,904	2,649,443	105,118,178
Net special commission income (loss)	219,010	815,674	(185,246)	13,438	(17,868)	845,008
FTP net transfers	50,173	(525,862)	475,614	-	75	-
Net FTP contribution	269,183	289,812	290,368	13,438	(17,793)	845,008
Fee income (loss) from banking services, net	3,836	27,521	8,532	37,106	(6,047)	70,948
Other operating income (loss)	19,088	23,364	46,866	109	(42,453)	46,974
Total operating income (loss)	292,107	340,697	345,766	50,653	(66,293)	962,930
Direct operating expenses	81,575	13,289	8,018	27,325	694	130,901
Indirect operating expenses	116,049	64,247	113,148	-	-	293,444
Allowance for credit and other losses	33,809	47,443	100	-	-	81,352
Total operating expenses	231,433	124,979	121,266	27,325	694	505,697
Operating income (loss)	60,674	215,718	224,500	23,328	(66,987)	457,233
Share in earnings of associates	-	-	18,241	-	-	18,241
Income (loss) before provisions for Zakat	60,674	215,718	242,741	23,328	(66,987)	475,474

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2024 and 2023



15. Fair values of financial assets and liabilities

- a) The Group uses the fair value hierarchy for determining and disclosing the fair value of financial instruments. The following table shows an analysis of financial assets and liabilities recorded at fair value as of March 31, 2024 and 2023 and as of December 31, 2023 by level of the fair value hierarchy.

March 31, 2024 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	604,918	125,566	730,484
Investments at FVOCI	18,622,007	1,184,468	4,643	19,811,118
Investments at FVSI	-	36,609	21,091	57,700
Total	18,622,007	1,825,995	151,300	20,599,302
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	22,806	-	22,806
Total	-	22,806	-	22,806
December 31, 2023 (Audited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	572,370	113,066	685,436
Investments at FVOCI	18,756,878	1,201,084	4,643	19,962,605
Investments at FVSI	-	36,608	2,303	38,911
Total	18,756,878	1,810,062	120,012	20,686,952
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	25,273	-	25,273
Total	-	25,273	-	25,273
March 31, 2023 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	583,722	82,691	666,413
Investments at FVOCI	20,162,427	1,196,102	4,658	21,363,187
Investments at FVSI	-	-	12,953	12,953
Total	20,162,427	1,779,824	100,302	22,042,553
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	43,626	-	43,626
Total	-	43,626	-	43,626

The total amount of the changes in fair value recognized in the consolidated statement of income for the period ended March 31, 2024 which was estimated using valuation models, is a gain of SAR 12.5 million (March 31, 2023: a loss of 17.0 million) which primarily relate to changes in the valuation of the associated company put option described in note 11c, which is included in unrealized gain/ loss on FVSI financial instruments.

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15. Fair values of financial assets and liabilities - continued

Level 2 investments include debt securities which are comprised of Saudi corporate and bank securities, and Saudi Arabian Government securities. These securities are generally unquoted. In the absence of a quoted price in an active market, these securities are valued using observable inputs such as yield information for similar instruments or last executed transaction prices in securities of the same issuer or based on indicative market quotes. Adjustments are also considered as part of the valuations when necessary to account for the different features of the instruments including difference in tenors. Because the significant inputs for these investments are observable, the Bank categorizes these investments within Level 2.

Level 2 derivative financial instruments include various derivatives contracts including forward foreign exchange contracts, commission rate options, and commission rate swaps. These derivatives are valued using widely recognized valuation models. The most frequently applied valuation techniques include the use of forward pricing standard models using present value calculations and well-recognized Black - Scholes option pricing models. These models incorporate various market observable inputs including foreign exchange rates, forward rates, and yield curves, and are therefore included within Level 2.

Level 3 investments include private equity funds and certain unquoted strategic investments in equities. These securities are generally not quoted in an active market, and therefore are valued using indicative market quotes from an issuer / counter-party or valued at cost in the absence of any such alternative reliable indicative estimate.

Level 3 derivative financial instruments include the embedded derivative put option arising from the existing master agreement entered into by the Bank relating to its investment in an associated company (see note 11c). For purposes of determining the fair value of the put option, the Bank uses a well-recognized and frequently used Binomial Option Pricing Model. This model requires certain inputs which are not observable in the current market place. Certain inputs are specifically stated within the master agreement with the associated company. Other inputs are based on the historical results of the associated company. These other inputs may require management's judgement including estimations about the future results of the associated company, the detrimental effects on the operating results of the associated company which may arise from an exercise of the option, and an estimate of the fair value of the underlying investment. Several of the inputs are also interdependent.

In all respects, the Group's significant estimates are based on experience and judgement relevant to each input, and in all cases, due care is taken to ensure that the inputs are prudent to ensure that the estimation of fair value is reasonable in the circumstances. However, any amounts which may be realized in the future may differ from the Bank's estimates of fair value.

- b) The following table summarizes the movement of the Level 3 fair values for the period ended March 31, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Fair values at the beginning of the period / year	120,012	107,535	107,535
Purchase during the period	18,750	-	-
Net change in fair value	12,538	12,477	(7,233)
Fair values at the end of the period / year	151,300	120,012	100,302

- c) The following table summarizes the estimated fair values of financial assets and financial liabilities as of March 31, 2024 and 2023 and as of December 31, 2023 that are not carried at fair value in the consolidated statement of financial position, along with the respective carrying amounts.

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For the three-month periods ended March 31, 2024 and 2023



15. Fair values of financial assets and liabilities - continued

	Carrying values SAR'000	Estimated fair values SAR'000
March 31, 2024		
Financial assets:		
Due from banks and other financial institutions, net	2,750,821	2,749,695
Investments – held at amortized cost	14,297,847	13,925,358
Loans and advances, net	84,622,929	84,171,841
Total	101,671,597	100,846,894
Financial liabilities:		
Due to banks and other financial institutions, net	28,801,413	28,790,330
Customers' deposits	88,433,139	88,180,241
Total	117,234,552	116,970,571
December 31, 2023		
Financial assets:		
Due from banks and other financial institutions, net	1,473,418	1,473,418
Investments – held at amortized cost	12,299,557	12,054,606
Loans and advances, net	80,750,770	80,405,936
Total	94,523,745	93,933,960
Financial liabilities:		
Due to banks and other financial institutions, net	27,288,658	27,288,658
Customers' deposits	83,233,264	82,890,344
Total	110,521,922	110,179,002
March 31, 2023		
Financial assets:		
Due from banks and other financial institutions, net	3,040,601	3,040,601
Investments – held at amortized cost	8,677,661	8,469,531
Loans and advances, net	73,631,642	73,173,059
Total	85,349,904	84,683,191
Financial liabilities:		
Due to banks and other financial institutions, net	24,040,560	24,040,560
Customers' deposits	79,215,858	79,008,571
Total	103,256,418	103,049,131

The estimated fair values of loans and advances, net are calculated using market based discounted cash flow models of individual loan portfolios using the weighted average estimated maturities of each individual loan portfolio. The estimated fair values of customers' deposits are calculated using market based discounted cash flow models of individual deposit classes using the weighted average estimated maturities of each individual deposit class. Fair value estimates for loans and advances, net and customers' deposits are considered as level 3 in the fair value hierarchy.

15. Fair values of financial assets and liabilities – continued

The fair values of other financial instruments that are not carried in the consolidated statement of financial position at fair value are not significantly different from the carrying values. The fair values of due from banks and other financial institutions and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the special commission rates at initial recognition, and because of the short duration of due from banks and other financial institutions.

16. Credit and financial risk management

a) Credit Risk

The Group manages its exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in customer lending activities that lead to loans and advances, and other investment activities. There is also credit risk in off consolidated statement of financial position financial instruments, such as loan commitments and financial guarantee contracts. The Group assesses the Probability of Default (PD) of counterparties using internal rating tools which can be mapped to external ratings where available. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation, and to control the level of credit risk taken. The Group assesses wholesale counterparties using the same techniques as for its lending activities to clients.

Concentrations of credit risk arise when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group has a comprehensive Board approved framework for managing credit risk which includes an independent credit risk review function and credit risk monitoring process. The Group seeks to control credit risk by monitoring credit exposures, limiting concentration risks, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are regularly monitored. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

b) Credit Risk management

The Group seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations, businesses, or economic sectors.

16. Credit and financial risk management – continued

The Group uses a credit classification system as a tool to assist in managing the quality of credit risk within the lending portfolio. It maintains classification grades that differentiate between portfolios and allocates expected credit loss allowances. The Group determines each individual borrower's grade based on specific objective and subjective financial and business assessment criteria covering debt service, profitability, liquidity, capital structure, industry, management quality, and company standing. The Group conducts periodic quality classification exercises over all of its existing borrowers and the results of these exercises are validated by the independent risk management unit established for that purpose. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, external economic environment, emerging best practices, and regulatory guidance.

c) Credit Risk Mitigation ("CRM")

The Group in the ordinary course of lending activities holds collateral as security for Credit Risk Mitigation (CRM) on its loans and advances. The collateral includes primarily time, demand, and other cash deposits, financial guarantees, local and international equities, real estate, and other assets. The collateral is held mainly against commercial and similar loans and is managed against relevant exposures at their net realizable value. Management monitors the market value of collateral, requests additional collateral in accordance with underlying agreements, and assesses the adequacy of the allowance for credit losses. The Group also seeks additional collateral from counterparties when impairment indicators are observed.

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16. Credit and financial risk management - continued
Due from banks and other financial institutions

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for due from banks and other financial institutions for the period ended March 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	1,305,673	779	-	1,306,452	1,661	90	-	1,751
Changes in exposures and re-measurements								
- existing placements	(81,084)	31	-	(81,053)	(351)	4	-	(347)
- new placements	1,976,877	-	-	1,976,877	6	-	-	6
- matured placements	(160,267)	-	-	(160,267)	(2)	-	-	(2)
Balances as of March 31, 2023	3,041,199	810	-	3,042,009	1,314	94	-	1,408
Balances as of December 31, 2023	1,473,223	990	-	1,474,213	734	61	-	795
Changes in exposures and re-measurements								
- existing placements	768,736	(112)	-	768,624	296	(6)	-	290
- new placements	512,235	-	-	512,235	43	-	-	43
- matured placements	(3,124)	-	-	(3,124)	(1)	-	-	(1)
Balances as of March 31, 2024	2,751,070	878	-	2,751,948	1,072	55	-	1,127

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16. Credit and financial risk management - continued
Investments – debt securities

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for debt securities for the period ended March 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	27,992,437	-	-	27,992,437	10,438	-	-	10,438
Changes in exposures and re-measurements								
- existing investments	124,173	-	-	124,173	(210)	-	-	(210)
- new investments	2,422,363	-	-	2,422,363	753	-	-	753
- matured investments	(657,149)	-	-	(657,149)	(96)	-	-	(96)
Balances as of March 31, 2023	29,881,824	-	-	29,881,824	10,885	-	-	10,885
Balances as of December 31, 2023	31,974,127	-	-	31,974,127	10,872	-	-	10,872
Changes in exposures and re-measurements								
- existing investments	(125,212)	-	-	(125,212)	92	-	-	92
- new investments	1,956,999	-	-	1,956,999	536	-	-	536
- matured investments	(187,053)	-	-	(187,053)	(25)	-	-	(25)
Balances as of March 31, 2024	33,618,861	-	-	33,618,861	11,475	-	-	11,475

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For the three-month periods ended March 31, 2024 and 2023

16. Credit and financial risk management - continued
Total loans and advances

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for total loans and advances for the period ended March 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	64,766,322	3,409,272	2,512,473	70,688,067	362,199	328,272	1,114,398	1,804,869
Transfers from Stage 1 to Stage 2	(427,503)	427,503	-	-	(2,173)	2,173	-	-
Transfers from Stage 1 to Stage 3	(43,907)	-	43,907	-	(1,046)	-	1,046	-
Transfers from Stage 2 to Stage 1	34,183	(34,183)	-	-	2,463	(2,463)	-	-
Transfers from Stage 2 to Stage 3	-	(108,619)	108,619	-	-	(5,111)	5,111	-
Transfers from Stage 3 to Stage 1	3,837	-	(3,837)	-	1,145	-	(1,145)	-
Transfers from Stage 3 to Stage 2	-	774	(774)	-	-	523	(523)	-
Post-model overlays	-	-	-	-	(3,982)	(2,534)	-	(6,516)
Changes in exposures and re-measurements								
- existing facilities	3,718,230	20,583	35,300	3,774,113	21,572	520	11,008	33,100
- transfer facilities	(2,100)	(3,118)	1,019	(4,199)	(3,079)	9,469	56,417	62,807
- new facilities	2,575,368	116,279	80	2,691,727	17,592	2,004	39	19,635
- matured facilities	(1,584,191)	(8,404)	(42,971)	(1,635,566)	(9,629)	(568)	(21,198)	(31,395)
Write-offs, net	-	-	824	824	-	-	824	824
Balances as of March 31, 2023	69,040,239	3,820,087	2,654,640	75,514,966	385,062	332,285	1,165,977	1,883,324
Balances as of December 31, 2023	76,902,923	3,555,842	2,216,285	82,675,050	359,462	342,150	1,222,668	1,924,280
Transfers from Stage 1 to Stage 2	(102,538)	102,538	-	-	(1,116)	1,116	-	-
Transfers from Stage 1 to Stage 3	(11,536)	-	11,536	-	(201)	-	201	-
Transfers from Stage 2 to Stage 1	47,397	(47,397)	-	-	6,724	(6,724)	-	-
Transfers from Stage 2 to Stage 3	-	(56,162)	56,162	-	-	(7,375)	7,375	-
Transfers from Stage 3 to Stage 1	1,053	-	(1,053)	-	703	-	(703)	-
Transfers from Stage 3 to Stage 2	-	1,991	(1,991)	-	-	1,056	(1,056)	-
Changes in exposures and re-measurements								
- existing facilities	2,641,216	39,615	19,389	2,700,220	(352)	781	52,700	53,129
- transfer facilities	9,002	(2,427)	(2,169)	4,406	(6,967)	15,486	16,786	25,305
- new facilities	2,013,903	5,305	-	2,019,208	11,994	301	-	12,295
- matured facilities	(734,631)	(22,134)	(25,933)	(782,698)	(4,120)	(1,300)	(16,332)	(21,752)
Write-offs, net	-	-	5,065	5,065	-	-	5,065	5,065
Balances as of March 31, 2024	80,766,789	3,577,171	2,277,291	86,621,251	366,127	345,491	1,286,704	1,998,322

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16. Credit and financial risk management - continued
Financial guarantee contracts

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for financial guarantee contracts for the period ended March 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	12,873,094	238,636	190,437	13,302,167	84,756	25,127	131,805	241,688
Transfers from Stage 1 to Stage 2	(114,870)	114,870	-	-	(1,221)	1,221	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	429	(429)	-	-	3	(3)	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Changes in exposures and re-measurements								
- existing facilities	(469,911)	(12,245)	(1,428)	(483,584)	(655)	(1,068)	(780)	(2,503)
- transfer facilities	-	(13,515)	-	(13,515)	(1)	514	-	513
- new facilities	1,033,551	1,474	2,105	1,037,130	8,360	18	1,043	9,421
- matured facilities	(699,906)	(766)	(5,940)	(706,612)	(3,330)	(13)	(5,596)	(8,939)
Balances as of March 31, 2023	12,622,387	328,025	185,174	13,135,586	87,912	25,796	126,472	240,180
Balances as of December 31, 2023	14,668,360	284,090	168,133	15,120,583	110,793	21,161	105,989	237,943
Transfers from Stage 1 to Stage 2	(750)	750	-	-	(1)	1	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 3	-	(9,036)	9,036	-	-	(876)	876	-
Transfers from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Changes in exposures and re-measurements								
- existing facilities	(123,412)	7,246	2,111	(114,055)	(7,220)	525	1,323	(5,372)
- transfer facilities	-	(158)	-	(158)	-	1	2,923	2,924
- new facilities	1,426,655	31,744	-	1,458,399	17,301	366	-	17,667
- matured facilities	(497,822)	(4,278)	-	(502,100)	(2,972)	(171)	-	(3,143)
Balances as of March 31, 2024	15,473,031	310,358	179,280	15,962,669	117,901	21,007	111,111	250,019

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17. Basic and diluted earnings per share

Details of basic and diluted earnings per share are as follows:

	March 31, 2024 (Unaudited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Profit attributable to ordinary shareholders		
Net income	442,416	408,907
Tier I Sukuk costs	(15,738)	(18,510)
Net income adjusted for Tier I Sukuk costs	426,678	390,397
Weighted average number of outstanding shares (in '000)		
Weighted average number of outstanding shares	1,000,000	1,000,000
Basic and diluted earnings per share (SAR)	0.43	0.39

18. Capital adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by SAMA to safeguard the Group's ability to continue as a going concern, and to maintain a strong capital base.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets, commitments, and notional amounts of derivatives, at a weighted amount to reflect their relative risk.

The following table summarizes the Bank's Pillar I Risk Weighted Assets (RWA), Tier I and Tier II Capital, and corresponding Capital adequacy ratio percentages as of March 31, 2024 and 2023 and as of December 31, 2023.

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
Credit Risk RWA	86,939,250	80,028,493	73,991,355
Operational Risk RWA	4,414,078	4,000,357	4,000,357
Market Risk RWA	1,522,837	6,183,372	7,081,472
Total Pillar- I RWA	92,876,165	90,212,222	85,073,184
Tier I Capital	17,262,676	17,490,943	17,039,101
Tier II Capital	552,139	605,567	599,066
Total Tier I plus II Capital	17,814,815	18,096,510	17,638,167
Capital Adequacy Ratios:			
CET I Ratio	15.66%	16.08%	16.41%
Tier I Ratio	18.59%	19.39%	20.03%
Tier I plus Tier II Ratio	19.18%	20.06%	20.73%

Capital adequacy and the use of Regulatory capital are regularly monitored by the Bank's management. SAMA requires the Bank to hold a minimum level of regulatory capital and maintain a ratio of total Regulatory capital to Risk Weighted Assets (RWA) at or above the requirement of 10.5%, which includes additional buffers as required by the Basel Committee on Banking Supervision.

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19. Tier I Sukuk

The Bank completed the establishment of a Sharia compliant Tier I Sukuk Program (the Program) in 2016 and 2022. The Program was approved by the Bank's regulatory authorities. The following tranches of Tier I Sukuk issued under the program on the dates indicated below are outstanding as of March 31, 2024 and 2023 and as of December 31, 2023:

	March 31, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	March 31, 2023 (Unaudited) SAR'000
April 15, 2019	215,000	215,000	215,000
June 29, 2022	2,000,000	2,000,000	2,000,000
February 6, 2023	500,000	500,000	500,000
Total	2,715,000	2,715,000	2,715,000

The Tier I Sukuk securities are perpetual with no fixed redemption dates and represent an undivided ownership interest in the Sukuk assets, constituting an unsecured conditional and subordinated obligation of the Bank classified under equity. However, the Bank has the exclusive right to redeem or call the Tier I Sukuk debt securities in a specific period of time, subject to the terms and conditions stipulated in the Program.

The applicable profit rate on the Tier I Sukuk is payable on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such a non-payment event or non-payment election are not considered to be an event of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

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20. Related party transactions

- a) In the ordinary course of its activities, the Group transacts business with related parties. Related parties, balances, and transactions are governed by the Banking Control Law and other regulations issued by SAMA.
- b) The balances as of March 31, 2024 and March 31, 2023 and as of December 31, 2023 resulting from such transactions included in the consolidated statement of financial position are as follows:

	March, 31 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	March, 31 2023 (Unaudited) SAR'000
Management of the Bank, their relatives and/or their affiliated entities:			
Loans and advances	666,473	155,377	314,605
Customers' deposits	3,251,356	1,135,008	1,160,079
Tier I Sukuk	25,300	25,300	25,300
Commitments and contingencies	901,589	1,360,983	548,817
Investments	249,846	249,900	610,708
Principal shareholders of the Bank and/or their relatives:			
Customers' deposits	4,865,381	4,945,712	3,841,784
Tier I Sukuk	50,000	50,000	50,000
Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives:			
Loans and advances	1,689,468	1,500,906	1,065,668
Customers' deposits	939,895	1,048,678	554,841
Tier I Sukuk	10,000	10,000	12,000
Commitments, contingencies and derivatives	349,971	455,794	269,731
Trusts for the benefit of the Bank's employees such as pension or other benefits plans that are managed by the Bank:			
Customers' deposits and other liabilities	283,876	325,176	248,864

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For the three-month periods ended March 31, 2024 and 2023



20. Related party transactions – continued

- c) Income and expense for the period ended March 31, 2024 and 2023 and for the year ended December 31, 2023, pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	March, 31 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	March, 31 2023 (Unaudited) SAR'000
Management of the Bank and/or members of their immediate family:			
Special commission income	20,850	40,223	11,054
Special commission expense	18,272	46,811	18,478
Fee income from banking services	36	63	7
Other expenses	10,684	51,765	10,641
Principal shareholders of the Bank and/or members of their immediate family:			
Special commission expense	11,424	132,101	35,348
Rent and premises-related expenses (Building rental)	122	7,758	1,940
Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:			
Special commission income	66,727	203,997	59,318
Special commission expense	12,148	36,968	4,483
Fee income from banking services	75	266	59
Other income	33	7,891	90
Other expenses	1,388	8,408	4,198
Board of Directors and other Board Committee member remuneration	2,440	10,574	2,219

All related party transactions are conducted on terms approved by the management.

21. Zakat

The Bank has filed the required Zakat declarations with the Zakat, Tax, and Customs Authority ("ZATCA") which are due on April 30 each year, through the year ended December 31, 2023.

On March 14, 2019, the ZATCA published rules (the "Rules") for the computation of Zakat for companies engaged in financing activities and licensed by SAMA. The Rules are issued pursuant to the Zakat Implementing Regulations and are applicable for the periods beginning January 1, 2019. In addition to providing a new basis for calculation of the Zakat base, the Rules have also introduced a minimum floor and maximum cap at 4 times and 8 times respectively of net income. The Zakat liability for the Saudi shareholders will continue to be calculated at 2.5% of the Zakat base but it will not fall below the minimum floor nor would exceed the maximum cap as prescribed by the Rules.

22. Dividends and Bonus shares

During the period ended March 31, 2024, the Board of Directors proposed an interim cash dividend of SAR 450 million equal to SAR 0.45 per share, for the second half of the fiscal year 2023, to 1,000 million eligible shares. The proposed cash dividend was paid during the period ended March 31, 2024.

On February 15, 2024, the Board of Directors' recommended to the Extraordinary General Assembly for the capital increase by way of issuing bonus shares to the bank's shareholders by capitalizing part of the Statutory Reserve by way of granting one share for every four shares.

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For the three-month periods ended March 31, 2024 and 2023



23. Comparative figures

Certain comparative amounts have been reclassified to conform to current year presentation. However, there was no impact of such reclassifications on the consolidated statement of changes in equity and the consolidated statement of cash flows.

24. Events after the reporting date

There were no significant events after the reporting date which require disclosure or adjustment to these consolidated financial statements.

25. Board of Director's Approval

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors on Shawwal 28, 1445H, corresponding to May 07, 2024.
