



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, 2025

(Unaudited)



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Independent Auditors' Report on Review of 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 2025, and the related interim condensed consolidated statements of income and comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes.

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.

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Waleed G. Tawfiq
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03 Thul-Qi'dah, 1446 AH
(May 01, 2025)

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Certified Public Accountant
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



		March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
	Notes			
ASSETS				
Cash and balances with Saudi Central Bank	5a	11,591,259	9,918,878	9,945,681
Due from banks and other financial institutions, net	6,15	2,083,897	1,314,000	2,750,821
Investments, net	7a,15	40,398,375	40,431,316	34,166,665
Positive fair values of derivatives, net	11a,15	582,852	526,498	730,484
Loans and advances, net	8a,15	104,134,906	99,466,490	84,622,929
Investments in associates		1,051,058	1,022,418	954,568
Other real estate		858,897	858,830	858,830
Property, equipment, and right of use assets, net		1,249,502	1,245,910	1,260,330
Intangible assets, net		686,797	630,573	505,509
Other assets, net		1,161,565	1,251,775	609,468
Total assets		163,799,108	156,666,688	136,405,285
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions, net	9,15	39,288,371	39,900,998	28,801,413
Customers' deposits	10,15	101,665,889	94,013,131	88,433,139
Negative fair values of derivatives, net	11a,15	16,261	58,757	22,806
Other liabilities		1,986,068	1,965,188	1,866,956
Total liabilities		142,956,589	135,938,074	119,124,314
Equity				
Share capital		12,500,000	12,500,000	10,000,000
Statutory reserve		1,806,500	1,806,500	3,817,000
Other reserves	12	(842,646)	(967,752)	(941,275)
Treasury shares		(34,979)	(34,979)	-
Retained earnings		2,101,144	2,112,345	1,690,246
Shareholders' equity		15,530,019	15,416,114	14,565,971
Tier I Sukuk	19	5,312,500	5,312,500	2,715,000
Total equity		20,842,519	20,728,614	17,280,971
Total liabilities and equity		163,799,108	156,666,688	136,405,285


Abdulatif Alseif
Chairman


Faisal Al-Omran
Chief Executive Officer


Ahmed AlMohsen
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 INCOME (Unaudited)**


	Notes	Three months period ended	
		March 31, 2025	March 31, 2024
		ﷲ'000	ﷲ'000
Special commission income		2,281,690	2,063,295
Special commission expense		(1,391,048)	(1,212,813)
Net special commission income		890,642	850,482
Fee income from banking services		166,690	169,395
Fee expense from banking services		(82,967)	(88,041)
Net fee income from banking services		83,723	81,354
Exchange income, net		64,278	50,687
Unrealized gain on FVSI financial instruments, net		408	12,605
Gains on disposals of FVOCI debt securities, net		10,588	-
Other income		679	-
Total operating income		1,050,318	995,128
Salaries and employee-related expenses		207,400	199,094
Rent and premises related expenses		16,298	11,859
Depreciation and amortization		47,854	43,816
Other general and administrative expenses		160,909	172,846
Operating expenses before provisions for credit and other losses		432,461	427,615
Provisions for credit and other losses		61,462	82,058
Total operating expenses		493,923	509,673
Operating income		556,395	485,455
Share in earnings of associates		28,866	26,010
Income before provisions for Zakat		585,261	511,465
Provisions for Zakat		81,937	69,049
Net income		503,324	442,416
Basic and diluted earnings per share (expressed in ﷲ per share)	17	0.39	0.34

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


		Three months period ended	
		March 31, 2025	March 31, 2024
	Notes	ﷲ'000	ﷲ'000
Net income		503,324	442,416
Other comprehensive income			
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		(74,158)	202,692
Net amount transferred to retained earnings on disposal of equity investments held at fair value through other comprehensive income		30	2,107
Net change in present value of defined benefits obligations due to change in actuarial assumptions		(1,015)	-
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		209,894	(132,916)
Net change in expected credit loss impairment provision		(405)	(20)
Share in other comprehensive income of associates		1,378	(2,623)
Fair value gains transferred to consolidated statement of income on disposal of FVOCI debt securities, net		(10,588)	-
Total other comprehensive income		125,136	69,240
Total comprehensive income attributable to equity shareholders		628,460	511,656

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

March 31, 2025 (S'000)

	Share capital	Statutory reserve	Other reserves	Retained earnings	Treasury shares	Shareholders' equity	Tier I Sukuk	Total equity
Balances at the beginning of the period (audited)	12,500,000	1,806,500	(967,752)	2,112,345	(34,979)	15,416,114	5,312,500	20,728,614
Net income	-	-	-	503,324	-	503,324	-	503,324
Total other comprehensive income	-	-	125,136	-	-	125,136	-	125,136
Total comprehensive income	-	-	125,136	503,324	-	628,460	-	628,460
Tier I Sukuk costs	-	-	-	(15,625)	-	(15,625)	-	(15,625)
Realized gain on disposal of FVOCI equity	-	-	(30)	30	-	-	-	-
Dividend paid	-	-	-	(498,930)	-	(498,930)	-	(498,930)
Balances at the end of the period	12,500,000	1,806,500	(842,646)	2,101,144	(34,979)	15,530,019	5,312,500	20,842,519



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

March 31, 2024 (S'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


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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Three months period ended	
	March 31,	March 31,
	2025	2024
Notes	ﷲ'000	ﷲ'000
OPERATING ACTIVITIES		
Income before provisions for Zakat	585,261	511,465
Adjustments to reconcile net income to net cash generated from operating activities		
Net accretion of discounts and net amortization of premiums on investments, net	(24,727)	(12,867)
Net change in deferred loan fees	(5,590)	2,280
Gains on disposals of FVOCI debt securities, net	(10,588)	-
Unrealized gain on FVSI financial instruments, net	(408)	(12,605)
Depreciation and amortization	47,854	43,816
Lease Interest Expense	2,472	2,874
Net effect of commission free deposit received from Saudi Central Bank	(14,504)	(21,519)
Provisions for credit and other losses	61,462	82,058
Share in earnings of associates	(28,866)	(26,010)
	612,366	569,492
Net (increase) / decrease in operating assets:		
Statutory deposit with Saudi Central Bank	338,409	(57,915)
Due from banks and other financial institutions maturing after three months from acquisition date	(200)	4,078
Loans and advances	(4,719,898)	(3,943,921)
Positive fair values of derivatives, net	(56,354)	(45,048)
Other assets	75,158	(370,677)
Net increase / (decrease) in operating liabilities:		
Due to banks, Saudi central bank and other financial institutions, net	(612,627)	1,512,755
Customers' deposits	7,652,758	5,199,875
Negative fair value of derivatives, net	(42,496)	(2,467)
Other liabilities	(321,010)	(370,885)
Interest paid on lease liabilities	(2,472)	(2,874)
Net cash generated from operating activities	2,923,634	2,492,413

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

	Notes	Three months period ended	
		March 31, 2025	March 31, 2024
		ﷲ'000	ﷲ'000
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments		1,218,882	187,505
Purchase of investments		(734,096)	(1,956,384)
Dividends received from associates		-	36,764
Purchase of property, equipment, and intangible assets		(107,669)	(138,999)
Net cash generated from /(used in) investing activities		377,117	(1,871,114)
FINANCING ACTIVITIES			
Dividends paid		(498,930)	(450,000)
Payment of principal portion of lease liabilities		(5,395)	(4,251)
Tier I Sukuk costs		(15,625)	(15,738)
Net cash used in financing activities		(519,950)	(469,989)
Net increase in cash and cash equivalents		2,780,801	151,310
Cash and cash equivalents at the beginning of the period		6,137,954	8,471,482
Cash and cash equivalents at the end of the period	5b	8,918,755	8,622,792
Supplemental special commission information			
Special commission received		2,040,182	1,959,765
Special commission paid		1,388,610	1,451,162
Other supplemental information			
Right of use assets		164,523	182,047
Lease Liabilities		171,710	186,680


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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (Unaudited)**

For the three-month periods ended March 31, 2025 and 2024

**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 50 branches (December 31, 2024: 51 branches; and March 31, 2024: 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, 2025 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, 2024.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (ﷲ) 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, 2024.

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, 2025 and 2024



3. Basis of consolidation – continued

Name of subsidiaries	Ownership		Functional Currency	Description
	March 31, 2025	March 31, 2024		
Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)	100%	100%	﷼	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%	﷼	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%	﷼	A Cayman Islands limited liability company, registered in the Caymans Islands on July 18, 2017. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2024.

Other Standards, amendments or interpretations

The following standards, amendments or interpretations effective for annual periods beginning on or after January 1, 2025, 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, 2025 and 2024

4. Summary of material accounting policies – continued

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

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
IFRS 18- Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027
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
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

5. Cash and balances with Saudi Central Bank

- a) Cash and balances with Saudi Central Bank as of March 31, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Cash in hand	1,094,288	797,881	742,408
Reverse repurchase agreements	5,902,000	4,244,000	5,651,000
Other balances	(2,600)	(58,983)	(522,564)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 4b)	6,993,688	4,982,898	5,870,844
Statutory deposit	4,597,571	4,935,980	4,074,837
Cash and balances with Saudi Central Bank	11,591,259	9,918,878	9,945,681

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, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Cash and balances with Saudi Central Bank excluding statutory deposit	6,993,688	4,982,898	5,870,844
Due from banks and other financial institutions maturing within three months from the date of acquisition	1,925,067	1,155,056	2,751,948
Cash and cash equivalents	8,918,755	6,137,954	8,622,792

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024



6. Due from banks and other financial institutions, net

Due from banks and other financial institutions, net as of March 31, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Current accounts	1,646,148	1,124,032	2,002,975
Money market placements	439,119	191,024	748,973
Total due from banks and other financial institutions	2,085,267	1,315,056	2,751,948
Allowance for credit losses	(1,370)	(1,056)	(1,127)
Due from banks and other financial institutions, net	2,083,897	1,314,000	2,750,821

7. Investments, net

a) Investments, net as of March 31, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Held at amortized cost – debt securities	22,158,332	21,432,223	14,302,358
Allowance for credit losses	(8,513)	(8,653)	(4,511)
Held at amortized cost – debt securities, net	22,149,819	21,423,570	14,297,847
FVOCI – debt securities	17,516,938	18,420,580	19,316,503
FVOCI – equity securities	449,927	524,340	494,615
FVSI	281,691	62,826	57,700
Investments, net	40,398,375	40,431,316	34,166,665

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

7. Investments, net – continued

b) Investments, net as of March 31 2025, 2024 and as of December 31, 2024 by type of securities are summarized as follows:

	March 31, 2025 ٠٠٠			December 31, 2024 ٠٠٠			March 31, 2024 ٠٠٠		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Investments - FVOCI									
Fixed rate debt securities	13,449,611	3,561,391	17,011,002	13,732,564	3,928,497	17,661,061	14,181,195	4,322,274	18,503,469
Bonds	6,531,608	3,508,716	10,040,324	6,429,242	3,463,642	9,892,884	6,421,806	3,758,372	10,180,178
Sukuk	6,918,003	52,675	6,970,678	7,303,322	464,855	7,768,177	7,759,389	563,902	8,323,291
Floating rate debt securities	505,936	-	505,936	759,519	-	759,519	813,034	-	813,034
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	505,936	-	505,936	759,519	-	759,519	813,034	-	813,034
Total debt securities	13,955,547	3,561,391	17,516,938	14,492,083	3,928,497	18,420,580	14,994,229	4,322,274	19,316,503
Equities	449,927	-	449,927	524,340	-	524,340	494,615	-	494,615
Investments – FVOCI	14,405,474	3,561,391	17,966,865	15,016,423	3,928,497	18,944,920	15,488,844	4,322,274	19,811,118
Investments – FVSI									
Mutual funds	279,987	-	279,987	60,928	-	60,928	55,359	-	55,359
Other securities	-	1,704	1,704	-	1,898	1,898	-	2,341	2,341
Investments – FVSI	279,987	1,704	281,691	60,928	1,898	62,826	55,359	2,341	57,700
Investments – Amortized cost, net									
Fixed rate debt securities	7,278,773	14,352,573	21,631,346	7,094,483	13,809,084	20,903,567	4,489,970	9,288,409	13,778,379
Bonds	4,542,249	12,536,177	17,078,426	4,550,552	12,574,393	17,124,945	2,343,208	9,100,249	11,443,457
Sukuk	2,736,524	1,816,396	4,552,920	2,543,931	1,234,691	3,778,622	2,146,762	188,160	2,334,922
Floating rate debt securities	131,006	387,467	518,473	132,037	387,966	520,003	131,185	388,283	519,468
Bonds	-	387,467	387,467	-	387,966	387,966	-	388,283	388,283
Sukuk	131,006	-	131,006	132,037	-	132,037	131,185	-	131,185
Investments – amortized cost, net	7,409,779	14,740,040	22,149,819	7,226,520	14,197,050	21,423,570	4,621,155	9,676,692	14,297,847
Investments, net	22,095,240	18,303,135	40,398,375	22,303,871	18,127,445	40,431,316	20,165,358	14,001,307	34,166,665

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

7. Investments, net – continued

c) The composition of Investments, net as of March 31, 2025 and 2024 and as of December 31, 2024 is as follows :

	March 31, 2025 ^{٠٠٠}			December 31, 2024 ^{٠٠٠}			March 31, 2024 ^{٠٠٠}		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments - FVOCI									
Fixed rate debt securities	16,651,913	359,089	17,011,002	17,313,576	347,485	17,661,061	18,132,035	371,434	18,503,469
Bonds	10,040,324	-	10,040,324	9,892,884	-	9,892,884	10,180,178	-	10,180,178
Sukuk	6,611,589	359,089	6,970,678	7,420,692	347,485	7,768,177	7,951,857	371,434	8,323,291
Floating rate debt securities	-	505,936	505,936	-	759,519	759,519	-	813,034	813,034
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	-	505,936	505,936	-	759,519	759,519	-	813,034	813,034
Total debt securities	16,651,913	865,025	17,516,938	17,313,576	1,107,004	18,420,580	18,132,035	1,184,468	19,316,503
Equities	445,284	4,643	449,927	519,697	4,643	524,340	489,972	4,643	494,615
Investments – FVOCI	17,097,197	869,668	17,966,865	17,833,273	1,111,647	18,944,920	18,622,007	1,189,111	19,811,118
Investments – FVSI									
Mutual funds	-	279,987	279,987	-	60,928	60,928	-	55,359	55,359
Other securities	-	1,704	1,704	-	1,898	1,898	-	2,341	2,341
Investments – FVSI	-	281,691	281,691	-	62,826	62,826	-	57,700	57,700
Investments – Amortized cost, net									
Fixed rate debt securities	20,863,211	768,135	21,631,346	20,133,827	769,740	20,903,567	12,860,031	918,348	13,778,379
Bonds	17,078,426	-	17,078,426	17,124,945	-	17,124,945	11,293,329	150,128	11,443,457
Sukuk	3,784,785	768,135	4,552,920	3,008,882	769,740	3,778,622	1,566,702	768,220	2,334,922
Floating rate debt securities	387,467	131,006	518,473	387,966	132,037	520,003	388,283	131,185	519,468
Bonds	387,467	-	387,467	387,966	-	387,966	388,283	-	388,283
Sukuk	-	131,006	131,006	-	132,037	132,037	-	131,185	131,185
Investments – amortized cost, net	21,250,678	899,141	22,149,819	20,521,793	901,777	21,423,570	13,248,314	1,049,533	14,297,847
Investments, net	38,347,875	2,050,500	40,398,375	38,355,066	2,076,250	40,431,316	31,870,321	2,296,344	34,166,665

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

7. Investments, net - continued

The Group holds strategic investments in equity securities totaling ﷲ 449.9 million as of March 31, 2025 (31 December 2024: ﷲ 524.3 million, 31 March 2024: ﷲ 494.6 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, 2025, Investments include ﷲ 23.95 billion (December 31, 2024: ﷲ 26.4 billion, March 31, 2024: ﷲ 19.7 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.

Fixed rate bonds included investments in SAMA treasury bills totaling ﷲ 976.1 million as of March 31, 2025 (December 31, 2024: ﷲ 962.6 million, March 31, 2024: ﷲ nil). These were valued through quoted prices in an active market.

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, 2025 and 2024 and as of December 31, 2024 is as follows:

	March 31, 2025 (Unaudited) ﷲ'000	December 31, 2024 (Audited) ﷲ'000	March 31, 2024 (Unaudited) ﷲ'000
Government and quasi-government	22,960,372	22,527,049	19,993,859
Corporate	5,270,409	5,311,170	4,835,578
Banks and other financial institutions	12,167,594	12,593,097	9,337,228
Total	40,398,375	40,431,316	34,166,665

- e) The movement of the allowance for credit losses, for investments, for the period ended March 31, 2025 and 2024 and for the year ended December 31, 2024 is as follows:

	March 31, 2025 (Unaudited) ﷲ'000	December 31, 2024 (Audited) ﷲ'000	March 31, 2024 (Unaudited) ﷲ'000
Balances at the beginning of the year	14,671	10,872	10,872
(Reversal) / Allowance for credit losses	(545)	3,799	603
Balances at the end of the period / year	14,126	14,671	11,475

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

8. Loans and advances, net

a) Loans and advances, net, held at amortized cost, as of March 31, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

March 31, 2025 (Unaudited) ١٠٠٠				
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	84,058,940	5,425,536	12,138,857	101,623,333
Stage 2	1,396,275	720,563	65,555	2,182,393
Stage 3	681,052	295,345	1,726	978,123
Total performing loans and advances	86,136,267	6,441,444	12,206,138	104,783,849
Non- performing loans and advances	170,242	795,488	83,451	1,049,181
Total loans and advances	86,306,509	7,236,932	12,289,589	105,833,030
Allowance for credit losses	(718,220)	(853,289)	(126,615)	(1,698,124)
Loans and advances, net	85,588,289	6,383,643	12,162,974	104,134,906

December 31, 2024 (Audited) ١٠٠٠				
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	80,321,892	4,523,806	12,381,807	97,227,505
Stage 2	1,152,220	703,881	89,594	1,945,695
Stage 3	673,778	214,584	2,509	890,871
Total performing loans and advances	82,147,890	5,442,271	12,473,910	100,064,071
Non -performing loans and advances	183,282	783,011	88,357	1,054,650
Total loans and advances	82,331,172	6,225,282	12,562,267	101,118,721
Allowance for credit losses	(696,884)	(812,237)	(143,110)	(1,652,231)
Loans and advances, net	81,634,288	5,413,045	12,419,157	99,466,490

March 31, 2024 (Unaudited) ١٠٠٠				
	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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 and for the year ended December 31, 2024 is as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Balances at the beginning of the year	1,652,231	1,924,280	1,924,280
Allowance for credit losses	50,824	275,722	68,977
Write-offs	(11,134)	(605,503)	(13,395)
Recoveries	6,203	57,732	18,460
Balances at the end of the period / year	1,698,124	1,652,231	1,998,322

9. Due to banks, Saudi Central Bank and other financial institutions, net

Due to banks, Saudi Central Bank and other financial institutions, net as of March 31, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Current accounts	4,447	2,761	3,012
Repurchase agreements	22,329,180	24,733,104	18,287,308
Money market deposits	5,738,898	3,806,151	4,873,119
Deposits from Saudi Central Bank, net	11,215,846	11,358,982	5,637,974
Due to banks, Saudi Central Bank and other financial institutions, net	39,288,371	39,900,998	28,801,413

10. Customers' deposits

Customers' deposits as of March 31, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Murabaha commodity deposits	35,951,182	22,943,391	21,255,595
Conventional time deposits	33,658,851	36,035,523	32,722,557
Time deposits	69,610,033	58,978,914	53,978,152
Savings deposits	1,941,914	3,325,313	3,819,251
Total special commission bearing deposits	71,551,947	62,304,227	57,797,403
Demand deposits	27,984,480	29,655,634	28,189,453
Other deposits	2,129,462	2,053,270	2,446,283
Customers' deposits	101,665,889	94,013,131	88,433,139

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

SAR '000	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)			March 31, 2024 (Unaudited)		
	Fair value		Notional amount	Fair value		Notional amount	Fair value		Notional amount
	Positive	Negative		Positive	Negative		Positive	Negative	
Held for trading:									
Forward foreign exchange contracts	5,078	1,461	7,634,564	4,897	13,019	5,887,835	265	147	839,971
Special commission rates instruments	400,820	383,619	34,000,266	369,671	352,743	33,375,923	342,201	342,201	14,713,325
Held as fair value hedges:									
Commission rate swaps	180,098	-	6,831,727	278,145	-	7,247,308	388,826	-	8,098,517
CSA / EMIR cash margins	(187,054)	(368,819)	-	(310,125)	(307,005)	-	(126,374)	(319,542)	-
Subtotal	398,942	16,261	48,466,557	342,588	58,757	46,511,066	604,918	22,806	23,651,813
Associated company put option (note 11c)	183,910	-	-	183,910	-	-	125,566	-	-
Total	582,852	16,261	48,466,557	526,498	58,757	46,511,066	730,484	22,806	23,651,813

- 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

12. Other Reserves

Other reserves classified in shareholders' equity as of March 31, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Unrealized losses on revaluation of debt securities at FVOCI before allowance for credit losses	(863,672)	(1,062,978)	(1,032,159)
Allowance for credit losses on debt securities at FVOCI	5,613	6,018	6,964
Unrealized losses on revaluation of debt securities at FVOCI after allowance for credit losses	(858,059)	(1,056,960)	(1,025,195)
Unrealized gain on revaluation of equities held at FVOCI	71,754	145,912	116,443
Actuarial losses on end of service plans	(57,044)	(56,029)	(34,727)
Share of other comprehensive income / (loss) of associates	703	(675)	2,204
Other reserves	(842,646)	(967,752)	(941,275)

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, 2025 and 2024 and as of December 31, 2024 are as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Letters of credit	3,356,187	2,968,479	2,988,872
Letters of guarantee	14,480,372	14,283,155	11,745,372
Acceptances	1,449,111	1,535,924	1,228,425
Irrevocable commitments to extend credit	8,667,804	7,924,814	1,527,844
Credit-related commitments and contingencies	27,953,474	26,712,372	17,490,513

- b) The credit quality of financial guarantee contracts as of March 31, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Stage 1	27,555,388	26,340,010	17,000,875
Stage 2	237,559	211,570	310,358
Stage 3	160,527	160,792	179,280
Total	27,953,474	26,712,372	17,490,513

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 and for the year ended December 31, 2024 is summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Balances at the beginning of the year	248,024	237,943	237,943
Allowance for credit losses	10,936	10,081	12,076
Balances at the end of the period / year	258,960	248,024	250,019

- 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 products for public institutions, high-net worth individuals and consumers.

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

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, litigation, 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

14. Operating segments – continued

- 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, 2025 and 2024, and its total operating income, expenses, and Income before provisions for Zakat for the period ended, are as follows:

March 31, 2025 (Unaudited) ﷲ'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	27,552,529	76,788,342	55,160,167	862,900	3,435,170	163,799,108
Total liabilities	75,943,744	13,051,209	51,448,209	72,312	2,441,115	142,956,589
Net special commission income (loss)	(244,874)	1,261,866	(134,548)	17,605	(9,407)	890,642
FTP net transfers	582,998	(887,894)	308,291	-	(3,395)	-
Net FTP contribution	338,124	373,972	173,743	17,605	(12,802)	890,642
Fee income (loss) from banking services, net	3,820	31,847	5,192	43,355	(491)	83,723
Other operating income (loss)	28,752	21,912	75,169	105	(49,985)	75,953
Total operating income (loss)	370,696	427,731	254,104	61,065	(63,278)	1,050,318
Direct operating expenses	85,490	22,108	10,217	30,483	-	148,298
Indirect operating expenses	139,239	71,042	73,882	-	-	284,163
Allowance for credit and other losses	5,310	56,450	(231)	-	(67)	61,462
Total operating expenses	230,039	149,600	83,868	30,483	(67)	493,923
Net operating income (loss)	140,657	278,131	170,236	30,582	(63,211)	556,395
Share in earnings of associates	-	-	28,866	-	-	28,866
Income (loss) before provisions for Zakat	140,657	278,131	199,102	30,582	(63,211)	585,261

March 31, 2024 (Unaudited) ﷲ'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	23,024,059	61,684,396	47,889,573	821,005	2,986,252	136,405,285
Total liabilities	62,216,134	13,444,100	41,199,863	59,850	2,204,367	119,124,314
Net special commission income (loss)	(135,481)	1,133,800	(153,204)	15,955	(10,588)	850,482
FTP net transfers	492,434	(805,321)	315,341	-	(2,454)	-
Net FTP contribution	356,953	328,479	162,137	15,955	(13,042)	850,482
Fee income (loss) from banking services, net	6,837	27,572	6,514	49,228	(8,797)	81,354
Other operating income (loss)	30,162	16,971	59,289	-	(43,130)	63,292
Total operating income (loss)	393,952	373,022	227,940	65,183	(64,969)	995,128
Direct operating expenses	95,939	19,985	10,431	29,125	-	155,480
Indirect operating expenses	130,625	62,591	78,919	-	-	272,135
Allowance for credit and other losses	13,186	67,868	937	-	67	82,058
Total operating expenses	239,750	150,444	90,287	29,125	67	509,673
Net operating income (loss)	154,202	222,578	137,653	36,058	(65,036)	485,455
Share in earnings of associates	-	-	26,010	-	-	26,010
Income (loss) before provisions for Zakat	154,202	222,578	163,663	36,058	(65,036)	511,465

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 and as of December 31, 2024 by level of the fair value hierarchy.

March 31, 2025 (Unaudited) ٠٠٠'٠٠٠				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	398,942	183,910	582,852
Investments at FVOCI	17,097,197	865,025	4,643	17,966,865
Investments at FVSI	-	257,486	24,205	281,691
Total	17,097,197	1,521,453	212,758	18,831,408
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	16,261	-	16,261
Total	-	16,261	-	16,261
December 31, 2024 (Audited) ٠٠٠'٠٠٠				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	342,588	183,910	526,498
Investments at FVOCI	17,833,273	1,107,004	4,643	18,944,920
Investments at FVSI	-	38,422	24,404	62,826
Total	17,833,273	1,488,014	212,957	19,534,244
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	58,757	-	58,757
Total	-	58,757	-	58,757
March 31, 2024 (Unaudited) ٠٠٠'٠٠٠				
	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

Change in fair value of associated company put option described in note 11c for the period ended March 31, 2025 which was estimated using valuation models, is a gain of ٠ Nil (March 31, 2024: a gain of ٠ 12.5 million) which is included in unrealized gain/ loss on FVSI financial instruments.

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For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Fair values at the beginning of the year	212,957	120,012	120,012
Purchase during the period	-	22,504	18,750
Net change in fair value	(199)	70,441	12,538
Fair values at the end of the period / year	212,758	212,957	151,300

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

15. Fair values of financial assets and liabilities - continued

- c) The following table summarizes the estimated fair values of financial assets and financial liabilities as of March 31, 2025 and 2024 and as of December 31, 2024 that are not carried at fair value in the consolidated statement of financial position, along with the respective carrying amounts.

	Carrying values S'000	Estimated fair values S'000
March 31, 2025		
Financial assets:		
Due from banks and other financial institutions, net	2,083,897	2,083,827
Investments – held at amortized cost	22,149,819	21,771,422
Loans and advances, net	104,134,906	104,451,383
Total	128,368,622	128,306,632
Financial liabilities:		
Due to banks and other financial institutions, net	39,288,371	39,291,624
Customers' deposits	101,665,889	101,860,669
Total	140,954,260	141,152,293

	Carrying values S'000	Estimated fair values S'000
December 31, 2024		
Financial assets:		
Due from banks and other financial institutions, net	1,314,000	1,313,886
Investments – held at amortized cost	21,423,570	20,831,682
Loans and advances, net	99,466,490	99,690,975
Total	122,204,060	121,836,543
Financial liabilities:		
Due to banks and other financial institutions, net	39,900,998	39,903,458
Customers' deposits	94,013,131	94,230,190
Total	133,914,129	134,133,648

	Carrying values S'000	Estimated fair values S'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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

15. Fair values of financial assets and liabilities – continued

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.

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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (Unaudited)**

For the three-month periods ended March 31, 2025 and 2024

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
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
Balances as of December 31, 2024	1,312,808	2,248	-	1,315,056	911	145	-	1,056
Changes in exposures and re-measurements								
- existing placements	523,770	1,129	-	524,899	219	84	-	303
- new placements	248,586	-	-	248,586	12	-	-	12
- matured placements	(3,274)	-	-	(3,274)	(1)	-	-	(1)
Balances as of March 31, 2025	2,081,890	3,377	-	2,085,267	1,141	229	-	1,370

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
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
Balances as of December 31, 2024	39,852,803	-	-	39,852,803	14,671	-	-	14,671
Changes in exposures and re-measurements								
- existing investments	307,253	-	-	307,253	20	-	-	20
- new investments	734,096	-	-	734,096	184	-	-	184
- matured investments	(1,218,882)	-	-	(1,218,882)	(749)	-	-	(749)
Balances as of March 31, 2025	39,675,270	-	-	39,675,270	14,126	-	-	14,126

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
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)
Recoveries, 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
Balances as of December 31, 2024	97,227,505	1,945,695	1,945,521	101,118,721	459,105	295,594	897,532	1,652,231
Transfers from Stage 1 to Stage 2	(417,072)	417,072	-	-	(3,077)	3,077	-	-
Transfers from Stage 1 to Stage 3	(8,761)	-	8,761	-	(370)	-	370	-
Transfers from Stage 2 to Stage 1	203,327	(203,327)	-	-	17,690	(17,690)	-	-
Transfers from Stage 2 to Stage 3	-	(98,929)	98,929	-	-	(8,348)	8,348	-
Transfers from Stage 3 to Stage 1	2,092	-	(2,092)	-	1,076	-	(1,076)	-
Transfers from Stage 3 to Stage 2	-	3,904	(3,904)	-	-	2,315	(2,315)	-
Changes in exposures and re-measurements								
- existing facilities	4,587,266	79,451	10,005	4,676,722	26,177	(54)	(9,143)	16,980
- transfer facilities	(3,051)	21,523	(14,444)	4,028	(16,275)	15,952	36,300	35,977
- new facilities	1,780,074	25,479	5,159	1,810,712	10,971	1,985	2,119	15,075
- matured facilities	(1,748,047)	(8,475)	(15,700)	(1,772,222)	(7,148)	(2,270)	(7,790)	(17,208)
Write-offs, net	-	-	(4,931)	(4,931)	-	-	(4,931)	(4,931)
Balances as of March 31, 2025	101,623,333	2,182,393	2,027,304	105,833,030	488,149	290,561	919,414	1,698,124

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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, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2023	16,065,461	284,090	168,133	16,517,684	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	7,331	7,246	2,111	16,688	(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	17,000,875	310,358	179,280	17,490,513	117,901	21,007	111,111	250,019
Balances as of December 31, 2024	26,340,010	211,570	160,792	26,712,372	143,359	4,405	100,260	248,024
Transfers from Stage 1 to Stage 2	(45,751)	45,751	-	-	(349)	349	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	24,426	(24,426)	-	-	297	(297)	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Changes in exposures and re-measurements								
- existing facilities	124,653	9,053	(265)	133,441	4,895	(28)	(2,885)	1,982
- transfer facilities	-	(4,558)	-	(4,558)	1	2,743	-	2,744
- new facilities	1,722,729	2,250	-	1,724,979	8,697	116	-	8,813
- matured facilities	(610,679)	(2,081)	-	(612,760)	(2,576)	(27)	-	(2,603)
Balances as of March 31, 2025	27,555,388	237,559	160,527	27,953,474	154,324	7,261	97,375	258,960

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

17. Basic and diluted earnings per share

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

	March 31, 2025 (Unaudited) S'000	March 31, 2024 (Unaudited) S'000
<u>Profit attributable to ordinary shareholders</u>		
Net income	503,324	442,416
Tier I Sukuk costs	(15,625)	(15,738)
Net income adjusted for Tier I Sukuk costs	487,699	426,678
<u>Weighted average number of outstanding shares (in '000)</u>		
Weighted average number of outstanding shares	1,247,325	1,250,000
Basic and diluted earnings per share (S)	0.39	0.34

18. Capital adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by Saudi Central Bank 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 Saudi Central Bank. 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, 2025 and 2024 and as of December 31, 2024.

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
Credit Risk RWA	107,051,182	103,472,476	86,939,250
Operational Risk RWA	5,303,485	4,414,078	4,414,078
Market Risk RWA	696,006	598,099	1,522,837
Total Pillar- I RWA	113,050,673	108,484,653	92,876,165
Tier I Capital	20,824,224	20,710,319	17,262,676
Tier II Capital	694,659	668,667	552,139
Total Tier I plus II Capital	21,518,883	21,378,986	17,814,815
Capital Adequacy Ratios:			
CET I Ratio	13.72%	14.19%	15.66%
Tier I Ratio	18.42%	19.09%	18.59%
Tier I plus Tier II Ratio	19.03%	19.71%	19.18%

Capital adequacy and the use of Regulatory capital are regularly monitored by the Bank's management. Saudi Central Bank 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

19. Tier I Sukuk

The Bank completed the establishment of a Sharia compliant Tier I Sukuk Program (the Program) in 2016 and 2023. During 2024 the Bank also completed the establishment of US Dollar denominated additional tier 1 capital sustainable sukuk by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally. 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, 2025 and 2024 and as of December 31, 2024:

	March 31, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	March 31, 2024 (Unaudited) S'000
April 15, 2019	-	-	215,000
June 29, 2022	2,000,000	2,000,000	2,000,000
February 6, 2023	500,000	500,000	500,000
November 28, 2024	2,812,500	2,812,500	-
Total	5,312,500	5,312,500	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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

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 Saudi Central Bank.
- b) The balances as of March 31, 2025 and March 31, 2024 and as of December 31, 2024 resulting from such transactions included in the consolidated statement of financial position are as follows:

	March, 31 2025 (Unaudited) S'000	December, 31 2024 (Audited) S'000	March, 31 2024 (Unaudited) S'000
Management of the Bank, their relatives and/or their affiliated entities:			
Loans and advances	640,732	442,205	666,473
Customers' deposits	594,535	502,867	3,251,356
Tier I Sukuk	55,500	55,800	25,300
Commitments and contingencies	407,666	595,397	901,589
Investments	-	250,145	249,846
Principal shareholders of the Bank and/or their relatives:			
Customers' deposits	5,135,411	8,132,947	4,865,381
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	1,512,607	1,423,209	1,689,468
Customers' deposits	433,828	706,396	939,895
Tier I Sukuk	10,000	10,000	10,000
Commitments, contingencies and derivatives	522,622	530,865	349,971
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	299,285	370,994	283,876

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three-month periods ended March 31, 2025 and 2024

20. Related party transactions – continued

- c) Income and expense for the period ended March 31, 2025 and 2024 and for the year ended December 31, 2024, pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	March, 31 2025 (Unaudited) S'000	December, 31 2024 (Audited) S'000	March, 31 2024 (Unaudited) S'000
Management of the Bank and/or members of their immediate family:			
Special commission income	17,179	92,330	20,850
Special commission expense	5,377	103,351	18,272
Fee income from banking services	259	1,119	36
Other expenses	-	38,419	10,684
Principal shareholders of the Bank and/or members of their immediate family:			
Special commission expense	40,539	143,806	11,424
Other expenses	-	122	122
Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:			
Special commission income	58,414	219,114	66,727
Special commission expense	3,856	40,389	12,148
Fee income from banking services	54	281	75
Other income	33	120	33
Other expenses	1,200	4,838	1,388
Board of Directors and other Board Committee member remuneration	4,912	19,000	2,420

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, 2024.

On March 14, 2019, the ZATCA published rules (the "Rules") for the computation of Zakat for companies engaged in financing activities and licensed by Saudi Central Bank. 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, 2025, the Board of Directors proposed an interim cash dividend of S' 499 million equal to S' 0.40 per share, for the second half of the fiscal year 2024, to 1,250 million eligible shares. The proposed cash dividend was paid during the period ended March 31, 2025.

During the period ended March 31, 2024, the Board of Directors proposed an interim cash dividend of S' 450 million equal to S' 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (Unaudited)**

For the three-month periods ended March 31, 2025 and 2024

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 Dhu al-Qidah 02, 1446H, corresponding to April 30, 2025.
