



## **THE SAUDI INVESTMENT BANK**

**(A SAUDI JOINT STOCK COMPANY)**

### **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**As of and for the six-month period ended June 30, 2025**

**(Unaudited)**



**Ernst & Young Professional Services  
(Professional LLC)**  
**Paid-up capital (SR 5,500,000 – Five  
million five hundred thousand Saudi Riyal)**  
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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 30 June 2025, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-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", 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.

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

**Waleed G. Tawfiq**  
Certified Public Accountant  
License No. 437



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



**Tariq Bin Mohammed Al-Fattani**  
Certified Public Accountant  
License No. 446

5 Safar, 1447 AH  
(July 30, 2025)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



		June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
	Notes			
<b>ASSETS</b>				
Cash and balances with Saudi Central Bank	5a	9,296,837	9,918,878	11,724,901
Due from banks and other financial institutions, net	6,15	1,067,050	1,314,000	1,205,732
Investments, net	7a,15	43,054,961	40,431,316	34,783,123
Positive fair values of derivatives, net	11a,15	585,970	526,498	833,376
Loans and advances, net	8a,15	108,422,537	99,466,490	90,644,157
Investments in associates		1,014,671	1,022,418	960,266
Other real estate		858,897	858,830	858,830
Property, equipment, and right of use assets, net		1,258,567	1,245,910	1,249,133
Intangible assets, net		711,813	630,573	554,262
Other assets, net		1,020,966	1,251,775	544,289
<b>Total assets</b>		<b>167,292,269</b>	<b>156,666,688</b>	<b>143,358,069</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to banks, Saudi Central Bank and other financial institutions, net	9,15	44,042,873	39,900,998	28,765,004
Customers' deposits	10,15	100,236,326	94,013,131	95,362,797
Negative fair values of derivatives, net	11a,15	28,093	58,757	40,309
Other liabilities		1,739,049	1,965,188	1,689,367
<b>Total liabilities</b>		<b>146,046,341</b>	<b>135,938,074</b>	<b>125,857,477</b>
<b>Equity</b>				
Share capital		12,500,000	12,500,000	12,500,000
Statutory reserve		1,806,500	1,806,500	1,317,000
Other reserves	12	(800,385)	(967,752)	(916,450)
Treasury shares		(34,979)	(34,979)	(10,436)
Retained earnings		2,462,292	2,112,345	2,110,478
<b>Shareholders' equity</b>		<b>15,933,428</b>	<b>15,416,114</b>	<b>15,000,592</b>
Tier I Sukuk	19	5,312,500	5,312,500	2,500,000
<b>Total equity</b>		<b>21,245,928</b>	<b>20,728,614</b>	<b>17,500,592</b>
<b>Total liabilities and equity</b>		<b>167,292,269</b>	<b>156,666,688</b>	<b>143,358,069</b>

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)**

	Three months period ended		Six months period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Notes	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000
Special commission income	2,394,140	2,159,880	4,675,830	4,223,175
Special commission expense	(1,488,654)	(1,281,124)	(2,879,702)	(2,493,937)
<b>Net special commission income</b>	<b>905,486</b>	<b>878,756</b>	<b>1,796,128</b>	<b>1,729,238</b>
Fee income from banking services	191,037	188,189	357,727	357,584
Fee expense from banking services	(95,472)	(107,982)	(178,439)	(196,023)
<b>Net fee income from banking services</b>	<b>95,565</b>	<b>80,207</b>	<b>179,288</b>	<b>161,561</b>
Exchange income, net	56,808	51,343	121,086	102,030
Unrealized gain on FVSI financial instruments, net	11,774	12,218	12,182	24,823
Gains on disposals of FVOCI debt securities, net	-	-	10,588	-
Other income	215	-	894	-
<b>Total operating income</b>	<b>1,069,848</b>	<b>1,022,524</b>	<b>2,120,166</b>	<b>2,017,652</b>
Salaries and employee-related expenses	207,932	202,320	415,332	401,414
Rent and premises related expenses	14,795	15,871	29,026	27,730
Depreciation and amortization	45,887	43,391	93,741	87,207
Other general and administrative expenses	168,209	160,968	331,185	333,814
<b>Operating expenses before provisions for credit and other losses</b>	<b>436,823</b>	<b>422,550</b>	<b>869,284</b>	<b>850,165</b>
Provisions for credit and other losses	64,248	62,069	125,710	144,127
<b>Total operating expenses</b>	<b>501,071</b>	<b>484,619</b>	<b>994,994</b>	<b>994,292</b>
<b>Operating income</b>	<b>568,777</b>	<b>537,905</b>	<b>1,125,172</b>	<b>1,023,360</b>
Share in earnings of associates	27,101	24,381	55,967	50,391
<b>Income before provisions for Zakat</b>	<b>595,878</b>	<b>562,286</b>	<b>1,181,139</b>	<b>1,073,751</b>
Provisions for Zakat	83,422	75,908	165,359	144,957
<b>Net income</b>	<b>512,456</b>	<b>486,378</b>	<b>1,015,780</b>	<b>928,794</b>
<b>Basic and diluted earnings per share (expressed in ﷲ per share)</b>	<b>0.29</b>	<b>0.34</b>	<b>0.68</b>	<b>0.68</b>

**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 COMPREHENSIVE INCOME (Unaudited)**


	Three months period ended		Six months period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Notes	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000
<b>Net income</b>	<b>512,456</b>	<b>486,378</b>	<b>1,015,780</b>	<b>928,794</b>
<b>Other comprehensive income</b>				
<b>Items that cannot be reclassified to the interim condensed consolidated statement of income in subsequent periods:</b>				
Net change in fair value of equity investments held at fair value through other comprehensive income	(45,086)	53,074	(119,244)	257,873
Net amount transferred to retained earnings on disposal of equity investments held at fair value through other comprehensive income	(30)	-	-	-
Net change in present value of defined benefits obligations due to change in actuarial assumptions	1,405	-	390	-
<b>Items that will be reclassified to the interim condensed consolidated statement of income in subsequent periods:</b>				
Net change in fair value of debt securities held at fair value through other comprehensive income	87,164	(28,272)	297,058	(161,188)
Net change in expected credit loss impairment provision	(155)	(428)	(560)	(448)
Share in other comprehensive (loss) / income of associates	(1,067)	857	311	(1,766)
Fair value gains transferred to consolidated statement of income on disposal of FVOCI debt securities, net	-	-	(10,588)	-
<b>Total other comprehensive income</b>	<b>42,231</b>	<b>25,231</b>	<b>167,367</b>	<b>94,471</b>
<b>Total comprehensive income attributable to equity shareholders</b>	<b>554,687</b>	<b>511,609</b>	<b>1,183,147</b>	<b>1,023,265</b>

**Abdulatif Alseif**  
Chairman



**Faisal Al-Omran**  
Chief Executive Officer



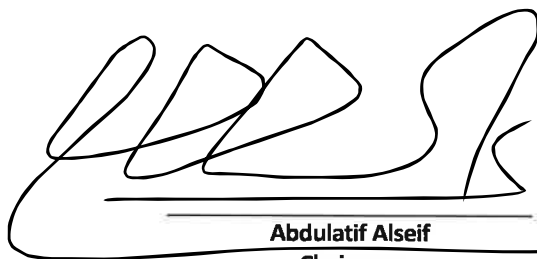
**Ahmed AlMohsen**  
Chief Financial Officer

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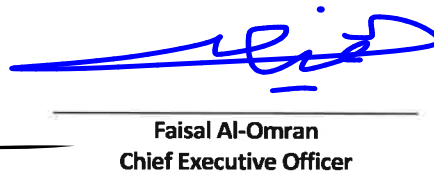
## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

June 30, 2025 (S'000)

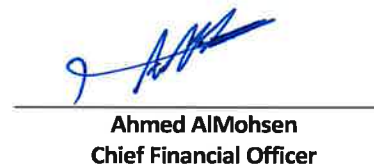
	Share capital	Statutory reserve	Other reserves	Retained earnings	Treasury shares	Shareholders' equity	Tier I Sukuk	Total equity
<b>Balances at the beginning of the period (audited)</b>	<b>12,500,000</b>	<b>1,806,500</b>	<b>(967,752)</b>	<b>2,112,345</b>	<b>(34,979)</b>	<b>15,416,114</b>	<b>5,312,500</b>	<b>20,728,614</b>
Net income	-	-	-	1,015,780	-	1,015,780	-	1,015,780
Total other comprehensive income	-	-	167,367	-	-	167,367	-	167,367
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>167,367</b>	<b>1,015,780</b>	<b>-</b>	<b>1,183,147</b>	<b>-</b>	<b>1,183,147</b>
Tier I Sukuk costs	-	-	-	(166,903)	-	(166,903)	-	(166,903)
Dividends paid	-	-	-	(498,930)	-	(498,930)	-	(498,930)
<b>Balances at the end of the period</b>	<b>12,500,000</b>	<b>1,806,500</b>	<b>(800,385)</b>	<b>2,462,292</b>	<b>(34,979)</b>	<b>15,933,428</b>	<b>5,312,500</b>	<b>21,245,928</b>



Abdulatif Alseif  
Chairman



Faisal Al-Omran  
Chief Executive Officer



Ahmed AlMohsen  
Chief Financial Officer


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

June 30, 2024 (S'000)

Notes	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)	10,000,000	3,817,000	(1,008,408)	1,711,461	-	14,520,053	2,715,000	17,235,053
Net income	-	-	-	928,794	-	928,794	-	928,794
Total other comprehensive income	-	-	94,471	-	-	94,471	-	94,471
Total comprehensive income	-	-	94,471	928,794	-	1,023,265	-	1,023,265
Tier I Sukuk costs	-	-	-	(82,290)	-	(82,290)	-	(82,290)
Realized gain on disposal of FVOCI equity securities	-	-	(2,513)	2,513	-	-	-	-
Increase in share capital through issuance of bonus shares	2,500,000	(2,500,000)	-	-	-	-	-	-
Dividends paid	-	-	-	(450,000)	-	(450,000)	-	(450,000)
Shares purchased for employee stock options	-	-	-	-	(10,436)	(10,436)	-	(10,436)
Repayment of Tier I Sukuk 19	-	-	-	-	-	-	(215,000)	(215,000)
Balances at the end of the period	12,500,000	1,317,000	(916,450)	2,110,478	(10,436)	15,000,592	2,500,000	17,500,592



 Abdulatif Alseif  
 Chairman



 Faisal Al-Omran  
 Chief Executive Officer



 Ahmed AlMohsen  
 Chief Financial Officer

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

	Notes	Six months period ended	
		June 30, 2025	June 30, 2024
		ﷲ'000	ﷲ'000
<b>OPERATING ACTIVITIES</b>			
Income before provisions for Zakat		1,181,139	1,073,751
Adjustments to reconcile net income to net cash generated from operating activities			
Net accretion of discounts and net amortization of premiums on investments, net		(48,975)	(25,707)
Net change in deferred loan fees		5,886	(17,457)
Gains on disposals of FVOCI debt securities, net		(10,588)	-
Unrealized gain on FVSI financial instruments, net		(12,182)	(24,823)
Depreciation and amortization		93,741	87,207
Lease Interest Expense		4,918	4,608
Net effect of commission free deposit received from Saudi Central Bank		(14,504)	(43,099)
Provisions for credit and other losses		125,710	144,127
Share in earnings of associates		(55,967)	(50,391)
		1,269,178	1,148,216
<b>Net (increase) / decrease in operating assets:</b>			
Statutory deposit with Saudi Central Bank		178,846	(302,599)
Due from banks and other financial institutions maturing after three months from acquisition date		158,973	4,078
Loans and advances		(9,045,346)	(10,039,291)
Positive fair values of derivatives, net		(59,472)	(147,940)
Other assets		230,813	(263,399)
<b>Net increase / (decrease) in operating liabilities:</b>			
Due to banks, Saudi central bank and other financial institutions, net		4,141,875	1,476,346
Customers' deposits		6,223,195	12,129,533
Negative fair value of derivatives, net		(30,664)	15,036
Other liabilities		(279,308)	(344,489)
Interest paid on lease liabilities		(4,918)	(4,608)
Zakat Payment		(284,717)	(265,494)
<b>Net cash generated from operating activities</b>		<b>2,498,455</b>	<b>3,405,389</b>

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 CASH FLOWS - Continued (Unaudited)

	Notes	Six months period ended	
		June 30, 2025	June 30, 2024
		ﷲ'000	ﷲ'000
<b>INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments		2,150,230	937,868
Purchase of investments		(4,382,066)	(3,274,216)
Dividends received from associates		64,025	56,304
Purchase of property, equipment, and intangible assets		(186,745)	(219,946)
<b>Net cash used in investing activities</b>		<b>(2,354,556)</b>	<b>(2,499,990)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(498,930)	(450,000)
Repayment of Tier I Sukuk		-	(215,000)
Treasury shares purchased		-	(10,436)
Payment of principal portion of lease liabilities		(9,299)	(7,340)
Tier I Sukuk costs		(166,903)	(82,290)
<b>Net cash used in financing activities</b>		<b>(675,132)</b>	<b>(765,066)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(531,233)</b>	<b>140,333</b>
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	5,606,721	8,611,815
<b>Supplemental special commission information</b>			
Special commission received		4,457,998	4,179,496
Special commission paid		2,749,286	2,183,624
<b>Other supplemental information</b>			
Right of use assets		167,597	180,119
Lease Liabilities		175,361	186,906

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.

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

For the six-month periods ended June 30, 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 June 30, 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 six months period ended June 30, 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 six-month periods ended June 30, 2025 and 2024



## 3. Basis of consolidation – continued

Name of subsidiaries	Ownership		Functional Currency	Description
	June 30, 2025	June 30, 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.

### 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 six-month periods ended June 30, 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 six-month periods ended June 30, 2025 and 2024

## 5. Cash and balances with Saudi Central Bank

- a) Cash and balances with Saudi Central Bank as of June 30, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Cash in hand	716,688	797,881	968,464
Reverse repurchase agreements	3,956,000	4,244,000	6,322,000
Other balances	(132,985)	(58,983)	114,916
<b>Cash and balances with Saudi Central Bank excluding statutory deposit (note 5b)</b>	<b>4,539,703</b>	<b>4,982,898</b>	<b>7,405,380</b>
Statutory deposit	4,757,134	4,935,980	4,319,521
<b>Cash and balances with Saudi Central Bank</b>	<b>9,296,837</b>	<b>9,918,878</b>	<b>11,724,901</b>

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 June 30, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Cash and balances with Saudi Central Bank excluding statutory deposit	4,539,703	4,982,898	7,405,380
Due from banks and other financial institutions maturing within three months from the date of acquisition	1,067,018	1,155,056	1,206,435
<b>Cash and cash equivalents</b>	<b>5,606,721</b>	<b>6,137,954</b>	<b>8,611,815</b>



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

For the six-month periods ended June 30, 2025 and 2024



## 6. Due from banks and other financial institutions, net

Due from banks and other financial institutions, net as of June 30, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Current accounts	1,033,887	1,124,032	915,905
Money market placements	34,158	191,024	290,530
<b>Total due from banks and other financial institutions</b>	<b>1,068,045</b>	<b>1,315,056</b>	<b>1,206,435</b>
Allowance for credit losses	(995)	(1,056)	(703)
<b>Due from banks and other financial institutions, net</b>	<b>1,067,050</b>	<b>1,314,000</b>	<b>1,205,732</b>

## 7. Investments, net

a) Investments, net as of June 30, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Held at amortized cost – debt securities	25,708,898	21,432,223	15,708,276
Allowance for credit losses	(9,876)	(8,653)	(4,952)
<b>Held at amortized cost – debt securities, net</b>	<b>25,699,022</b>	<b>21,423,570</b>	<b>15,703,324</b>
FVOCI – debt securities	16,637,975	18,420,580	18,475,319
FVOCI – equity securities	404,841	524,340	547,425
FVSI	313,123	62,826	57,055
<b>Investments, net</b>	<b>43,054,961</b>	<b>40,431,316</b>	<b>34,783,123</b>

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

For the six-month periods ended June 30, 2025 and 2024

**7. Investments, net – continued**

b) Investments, net as of June 30, 2025 and 2024 and as of December 31, 2024 by type of securities are summarized as follows:

	June 30, 2025 <sup>٠٠٠</sup>			December 31, 2024 <sup>٠٠٠</sup>			June 30, 2024 <sup>٠٠٠</sup>		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
<b>Investments - FVOCI</b>									
Fixed rate debt securities	12,926,664	3,209,941	16,136,605	13,732,564	3,928,497	17,661,061	13,673,156	3,985,310	17,658,466
Bonds	5,992,374	3,156,676	9,149,050	6,429,242	3,463,642	9,892,884	6,374,389	3,421,143	9,795,532
Sukuk	6,934,290	53,265	6,987,555	7,303,322	464,855	7,768,177	7,298,767	564,167	7,862,934
Floating rate debt securities	501,370	-	501,370	759,519	-	759,519	816,853	-	816,853
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	501,370	-	501,370	759,519	-	759,519	816,853	-	816,853
Total debt securities	13,428,034	3,209,941	16,637,975	14,492,083	3,928,497	18,420,580	14,490,009	3,985,310	18,475,319
Equities	404,841	-	404,841	524,340	-	524,340	547,425	-	547,425
<b>Investments – FVOCI</b>	<b>13,832,875</b>	<b>3,209,941</b>	<b>17,042,816</b>	<b>15,016,423</b>	<b>3,928,497</b>	<b>18,944,920</b>	<b>15,037,434</b>	<b>3,985,310</b>	<b>19,022,744</b>
<b>Investments – FVSI</b>									
Mutual funds	311,854	-	311,854	60,928	-	60,928	55,076	-	55,076
Other securities	-	1,269	1,269	-	1,898	1,898	-	1,979	1,979
<b>Investments – FVSI</b>	<b>311,854</b>	<b>1,269</b>	<b>313,123</b>	<b>60,928</b>	<b>1,898</b>	<b>62,826</b>	<b>55,076</b>	<b>1,979</b>	<b>57,055</b>
<b>Investments – Amortized cost, net</b>									
Fixed rate debt securities	7,308,062	17,872,108	25,180,170	7,094,483	13,809,084	20,903,567	4,719,637	10,463,229	15,182,866
Bonds	4,575,725	16,070,588	20,646,313	4,550,552	12,574,393	17,124,945	2,573,648	10,214,315	12,787,963
Sukuk	2,732,337	1,801,520	4,533,857	2,543,931	1,234,691	3,778,622	2,145,989	248,914	2,394,903
Floating rate debt securities	131,856	386,996	518,852	132,037	387,966	520,003	132,069	388,389	520,458
Bonds	-	386,996	386,996	-	387,966	387,966	-	388,389	388,389
Sukuk	131,856	-	131,856	132,037	-	132,037	132,069	-	132,069
<b>Investments – amortized cost, net</b>	<b>7,439,918</b>	<b>18,259,104</b>	<b>25,699,022</b>	<b>7,226,520</b>	<b>14,197,050</b>	<b>21,423,570</b>	<b>4,851,706</b>	<b>10,851,618</b>	<b>15,703,324</b>
<b>Investments, net</b>	<b>21,584,647</b>	<b>21,470,314</b>	<b>43,054,961</b>	<b>22,303,871</b>	<b>18,127,445</b>	<b>40,431,316</b>	<b>19,944,216</b>	<b>14,838,907</b>	<b>34,783,123</b>

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

For the six-month periods ended June 30, 2025 and 2024

**7. Investments, net – continued**

c) The composition of Investments, net as of June 30, 2025 and 2024 and as of December 31, 2024 is as follows :

	June 30, 2025 <sup>٠٠٠</sup>			December 31, 2024 <sup>٠٠٠</sup>			June 30, 2024 <sup>٠٠٠</sup>		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments - FVOCI</b>									
Fixed rate debt securities	15,778,209	358,396	16,136,605	17,313,576	347,485	17,661,061	17,286,727	371,739	17,658,466
Bonds	9,149,051	-	9,149,051	9,892,884	-	9,892,884	9,795,532	-	9,795,532
Sukuk	6,629,158	358,396	6,987,554	7,420,692	347,485	7,768,177	7,491,195	371,739	7,862,934
Floating rate debt securities	-	501,370	501,370	-	759,519	759,519	-	816,853	816,853
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	-	501,370	501,370	-	759,519	759,519	-	816,853	816,853
Total debt securities	15,778,209	859,766	16,637,975	17,313,576	1,107,004	18,420,580	17,286,727	1,188,592	18,475,319
Equities	400,198	4,643	404,841	519,697	4,643	524,340	542,782	4,643	547,425
<b>Investments – FVOCI</b>	<b>16,178,407</b>	<b>864,409</b>	<b>17,042,816</b>	<b>17,833,273</b>	<b>1,111,647</b>	<b>18,944,920</b>	<b>17,829,509</b>	<b>1,193,235</b>	<b>19,022,744</b>
<b>Investments – FVSI</b>									
Mutual funds	-	311,854	311,854	-	60,928	60,928	-	55,076	55,076
Other securities	-	1,269	1,269	-	1,898	1,898	-	1,979	1,979
<b>Investments – FVSI</b>	<b>-</b>	<b>313,123</b>	<b>313,123</b>	<b>-</b>	<b>62,826</b>	<b>62,826</b>	<b>-</b>	<b>57,055</b>	<b>57,055</b>
<b>Investments – Amortized cost, net</b>									
Fixed rate debt securities	24,411,051	769,119	25,180,170	20,133,827	769,740	20,903,567	14,070,889	1,111,977	15,182,866
Bonds	20,646,313	-	20,646,313	17,124,945	-	17,124,945	12,445,391	342,573	12,787,964
Sukuk	3,764,738	769,119	4,533,857	3,008,882	769,740	3,778,622	1,625,498	769,404	2,394,902
Floating rate debt securities	386,996	131,856	518,852	387,966	132,037	520,003	388,389	132,069	520,458
Bonds	386,996	-	386,996	387,966	-	387,966	388,389	-	388,389
Sukuk	-	131,856	131,856	-	132,037	132,037	-	132,069	132,069
<b>Investments – amortized cost, net</b>	<b>24,798,047</b>	<b>900,975</b>	<b>25,699,022</b>	<b>20,521,793</b>	<b>901,777</b>	<b>21,423,570</b>	<b>14,459,278</b>	<b>1,244,046</b>	<b>15,703,324</b>
<b>Investments, net</b>	<b>40,976,454</b>	<b>2,078,507</b>	<b>43,054,961</b>	<b>38,355,066</b>	<b>2,076,250</b>	<b>40,431,316</b>	<b>32,288,787</b>	<b>2,494,336</b>	<b>34,783,123</b>

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

For the six-month periods ended June 30, 2025 and 2024

## 7. Investments, net - continued

The Group holds strategic investments in equity securities totaling **ﷲ** 404.8 million as of June 30, 2025 (31 December 2024: **ﷲ** 524.3 million, June 30, 2024: **ﷲ** 547.4 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 June 30, 2025, Investments include **ﷲ** 28.3 billion (December 31, 2024: **ﷲ** 26.4 billion, June 30, 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** 989.9 million as of June 30, 2025 (December 31, 2024: **ﷲ** 962.6 million, June 30, 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.

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 June 30, 2025 and 2024 and as of December 31, 2024 is as follows:

	June 30, 2025 (Unaudited) ﷲ'000	December 31, 2024 (Audited) ﷲ'000	June 30, 2024 (Unaudited) ﷲ'000
Government and quasi-government	22,076,729	22,527,049	20,013,964
Corporate	5,289,437	5,311,170	4,381,725
Banks and other financial institutions	15,688,795	12,593,097	10,387,434
<b>Total</b>	<b>43,054,961</b>	<b>40,431,316</b>	<b>34,783,123</b>

- e) The movement of the allowance for credit losses, for investments, for the period ended June 30, 2025 and 2024 and for the year ended December 31, 2024 is as follows:

	June 30, 2025 (Unaudited) ﷲ'000	December 31, 2024 (Audited) ﷲ'000	June 30, 2024 (Unaudited) ﷲ'000
Balances at the beginning of the year	14,671	10,872	10,872
Allowance for credit losses	663	3,799	616
<b>Balances at the end of the period / year</b>	<b>15,334</b>	<b>14,671</b>	<b>11,488</b>

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

For the six-month periods ended June 30, 2025 and 2024

## 8. Loans and advances, net

- a) Loans and advances, net, held at amortized cost, as of June 30, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

	June 30, 2025 (Unaudited) ١٠٠٠			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	87,839,302	5,091,037	12,795,068	105,725,407
Stage 2	1,491,950	748,727	74,616	2,315,293
Stage 3	773,012	299,391	2,401	1,074,804
Total performing loans and advances	90,104,264	6,139,155	12,872,085	109,115,504
Non-performing loans and advances	158,263	808,145	88,041	1,054,449
Total loans and advances	90,262,527	6,947,300	12,960,126	110,169,953
Allowance for credit losses	(743,422)	(871,779)	(132,215)	(1,747,416)
Loans and advances, net	89,519,105	6,075,521	12,827,911	108,422,537

	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

	June 30, 2024 (Unaudited) ١٠٠٠			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	71,468,847	5,025,118	10,468,920	86,962,885
Stage 2	2,510,415	828,526	57,647	3,396,588
Stage 3	738,912	238,252	1,841	979,005
Total performing loans and advances	74,718,174	6,091,896	10,528,408	91,338,478
Non-performing loans and advances	178,497	1,083,794	96,115	1,358,406
Total loans and advances	74,896,671	7,175,690	10,624,523	92,696,884
Allowance for credit losses	(647,017)	(1,274,802)	(130,908)	(2,052,727)
Loans and advances, net	74,249,654	5,900,888	10,493,615	90,644,157

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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 and for the year ended December 31, 2024 is as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Balances at the beginning of the year	1,652,231	1,924,280	1,924,280
Allowance for credit losses	94,828	275,722	126,104
Write-offs	(17,534)	(605,503)	(25,714)
Recoveries	17,891	57,732	28,057
<b>Balances at the end of the period / year</b>	<b>1,747,416</b>	<b>1,652,231</b>	<b>2,052,727</b>

## 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 June 30, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Current accounts	3,400	2,761	3,341
Repurchase agreements	26,313,930	24,733,104	18,413,394
Money market deposits	5,152,967	3,806,151	4,484,132
Deposits from Saudi Central Bank, net	12,572,576	11,358,982	5,864,137
<b>Due to banks, Saudi Central Bank and other financial institutions, net</b>	<b>44,042,873</b>	<b>39,900,998</b>	<b>28,765,004</b>

## 10. Customers' deposits

Customers' deposits as of June 30, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Murabaha commodity deposits	31,540,418	22,943,391	26,037,622
Conventional time deposits	37,296,963	36,035,523	35,566,837
Time deposits	68,837,381	58,978,914	61,604,459
Savings deposits	1,968,393	3,325,313	4,924,579
<b>Total special commission bearing deposits</b>	<b>70,805,774</b>	<b>62,304,227</b>	<b>66,529,038</b>
Demand deposits	27,929,884	29,655,634	26,705,828
Other deposits	1,500,668	2,053,270	2,127,931
<b>Customers' deposits</b>	<b>100,236,326</b>	<b>94,013,131</b>	<b>95,362,797</b>



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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

S'000	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)			June 30, 2024 (Unaudited)		
	Fair value		Notional amount	Fair value		Notional amount	Fair value		Notional amount
	Positive	Negative		Positive	Negative		Positive	Negative	
<b>Held for trading:</b>									
Forward foreign exchange contracts	9,305	3,675	9,640,761	4,897	13,019	5,887,835	1,946	2,379	2,203,290
Special commission rates instruments	391,906	374,831	35,080,215	369,671	352,743	33,375,923	350,674	350,674	15,187,894
<b>Held as fair value hedges:</b>									
Commission rate swaps	143,933	-	6,447,901	278,145	-	7,247,308	388,485	-	7,341,882
CSA / EMIR cash	(153,084)	(350,413)	-	(310,125)	(307,005)	-	(45,795)	(312,744)	-
<b>Subtotal</b>	<b>392,060</b>	<b>28,093</b>	<b>51,168,877</b>	<b>342,588</b>	<b>58,757</b>	<b>46,511,066</b>	<b>695,310</b>	<b>40,309</b>	<b>24,733,066</b>
Associated company put option (note 11c)	193,910	-	-	183,910	-	-	138,066	-	-
<b>Total</b>	<b>585,970</b>	<b>28,093</b>	<b>51,168,877</b>	<b>526,498</b>	<b>58,757</b>	<b>46,511,066</b>	<b>833,376</b>	<b>40,309</b>	<b>24,733,066</b>

- 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 six-month periods ended June 30, 2025 and 2024

## 12. Other Reserves

Other reserves classified in shareholders' equity as of June 30, 2025 and 2024 and as of December 31, 2024 are comprised of the following:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Unrealized losses on revaluation of debt securities at FVOCI before allowance for credit losses	(776,508)	(1,062,978)	(1,060,431)
Allowance for credit losses on debt securities at FVOCI	5,458	6,018	6,536
Unrealized losses on revaluation of debt securities at FVOCI after allowance for credit losses	(771,050)	(1,056,960)	(1,053,895)
Unrealized gain on revaluation of equities held at FVOCI	26,668	145,912	169,111
Actuarial losses on end of service plans	(55,639)	(56,029)	(34,727)
Share of other comprehensive income / (loss) of associates	(364)	(675)	3,061
<b>Other reserves</b>	<b>(800,385)</b>	<b>(967,752)</b>	<b>(916,450)</b>

## 13. Commitments, contingencies, and financial guarantee contracts

- a) The contractual maturity structure for the Group's credit related commitments and contingencies as of June 30, 2025 and 2024 and as of December 31, 2024 are as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Letters of credit	3,615,378	2,968,479	2,910,876
Letters of guarantee	15,037,797	14,283,155	12,424,756
Acceptances	1,344,764	1,535,924	1,300,114
Irrevocable commitments to extend credit	7,827,535	7,924,814	1,295,848
<b>Credit-related commitments and contingencies</b>	<b>27,825,474</b>	<b>26,712,372</b>	<b>17,931,594</b>

- b) The credit quality of credit related commitments and contingencies as of June 30, 2025 and 2024 and as of December 31, 2024 are summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Stage 1	27,428,126	26,340,010	17,481,337
Stage 2	217,875	211,570	267,418
Stage 3	179,473	160,792	182,839
<b>Total</b>	<b>27,825,474</b>	<b>26,712,372</b>	<b>17,931,594</b>

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

For the six-month periods ended June 30, 2025 and 2024

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

- c) The movement of the allowance for credit losses for credit related commitments and contingencies for the periods ended June 30, 2025 and 2024 and for the year ended December 31, 2024 is summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Balances at the beginning of the year	248,024	237,943	237,943
Allowance for credit losses	30,318	10,081	17,320
<b>Balances at the end of the period / year</b>	<b>278,342</b>	<b>248,024</b>	<b>255,263</b>

- 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 six-month periods ended June 30, 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 June 30, 2025 and 2024, and its total operating income, expenses, and Income before provisions for Zakat for the period ended, are as follows:

June 30, 2025 (Unaudited) ﷲ'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	26,629,904	81,280,908	54,799,173	1,011,703	3,570,581	167,292,269
Total liabilities	72,260,741	12,876,275	58,580,397	103,010	2,225,918	146,046,341
Net special commission income (loss)	(550,609)	2,563,850	(245,178)	36,351	(8,286)	1,796,128
FTP net transfers	1,216,817	(1,803,484)	595,495	-	(8,828)	-
Net FTP contribution	666,208	760,366	350,317	36,351	(17,114)	1,796,128
Fee income from banking services, net	1,719	65,986	12,712	98,578	293	179,288
Other operating income (loss)	58,441	40,089	141,859	1,998	(97,637)	144,750
Total operating income (loss)	726,368	866,441	504,888	136,927	(114,458)	2,120,166
Direct operating expenses	172,051	43,893	20,603	60,025	-	296,572
Indirect operating expenses	280,628	143,179	148,905	-	-	572,712
Allowance (Reversal) for credit and other losses	28,070	97,076	602	29	(67)	125,710
Total operating expenses	480,749	284,148	170,110	60,054	(67)	994,994
Net operating income (loss)	245,619	582,293	334,778	76,873	(114,391)	1,125,172
Share in earnings of associates	-	-	55,967	-	-	55,967
Income (loss) before provisions for Zakat	245,619	582,293	390,745	76,873	(114,391)	1,181,139

June 30, 2024 (Unaudited) ﷲ'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	24,979,322	65,812,240	48,641,071	818,943	3,106,493	143,358,069
Total liabilities	70,719,202	10,380,456	42,734,332	58,466	1,965,021	125,857,477
Net special commission income (loss)	(333,016)	2,327,572	(276,727)	32,620	(21,211)	1,729,238
FTP net transfers	1,049,807	(1,626,595)	582,084	-	(5,296)	-
Net FTP contribution	716,791	700,977	305,357	32,620	(26,507)	1,729,238
Fee income (loss) from banking services, net	6,722	67,553	20,775	83,767	(17,256)	161,561
Other operating income (loss)	60,467	33,575	127,152	(282)	(94,059)	126,853
Total operating income (loss)	783,980	802,105	453,284	116,105	(137,822)	2,017,652
Direct operating expenses	237,720	40,963	21,016	56,847	-	356,546
Indirect operating expenses	246,810	98,723	148,086	-	-	493,619
Allowance for credit and other losses	25,342	118,188	522	75	-	144,127
Total operating expenses	509,872	257,874	169,624	56,922	-	994,292
Net operating income (loss)	274,108	544,231	283,660	59,183	(137,822)	1,023,360
Share in earnings of associates	-	-	50,391	-	-	50,391
Income (loss) before provisions for Zakat	274,108	544,232	334,050	59,183	(137,822)	1,073,751

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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 and as of December 31, 2024 by level of the fair value hierarchy.

June 30, 2025 (Unaudited) ﷲ'000				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value:</b>				
Derivative financial instruments at FVSI, net	-	392,060	193,910	585,970
Investments at FVOCI	16,178,407	859,766	4,643	17,042,816
Investments at FVSI	-	259,353	53,770	313,123
<b>Total</b>	<b>16,178,407</b>	<b>1,511,179</b>	<b>252,323</b>	<b>17,941,909</b>
<b>Financial liabilities carried at fair value:</b>				
Derivative financial instruments at FVSI, net	-	28,093	-	28,093
<b>Total</b>	<b>-</b>	<b>28,093</b>	<b>-</b>	<b>28,093</b>
December 31, 2024 (Audited) ﷲ'000				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value:</b>				
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
<b>Total</b>	<b>17,833,273</b>	<b>1,488,014</b>	<b>212,957</b>	<b>19,534,244</b>
<b>Financial liabilities carried at fair value:</b>				
Derivative financial instruments at FVSI, net	-	58,757	-	58,757
<b>Total</b>	<b>-</b>	<b>58,757</b>	<b>-</b>	<b>58,757</b>
June 30, 2024 (Unaudited) ﷲ'000				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value:</b>				
Derivative financial instruments at FVSI, net	-	695,310	138,066	833,376
Investments at FVOCI	17,829,509	1,188,592	4,643	19,022,744
Investments at FVSI	-	36,326	20,729	57,055
<b>Total</b>	<b>17,829,509</b>	<b>1,920,228</b>	<b>163,438</b>	<b>19,913,175</b>
<b>Financial liabilities carried at fair value:</b>				
Derivative financial instruments at FVSI, net	-	40,309	-	40,309
<b>Total</b>	<b>-</b>	<b>40,309</b>	<b>-</b>	<b>40,309</b>

Change in fair value of associated company put option described in note 11c for the period ended June 30, 2025 which was estimated using valuation models, is a gain of ﷲ 10 million (June 30, 2024: a gain of ﷲ 25 million) which is included in unrealized gain/ loss on FVSI financial instruments.

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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 and as of December 31, 2024 is summarized as follows:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
Fair values at the beginning of the year	212,957	120,012	120,012
Purchase during the period	30,000	22,504	18,750
Net change in fair value	9,366	70,441	24,676
<b>Fair values at the end of the period / year</b>	<b>252,323</b>	<b>212,957</b>	<b>163,438</b>



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

For the six-month periods ended June 30, 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 June 30, 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
<b>June 30, 2025</b>		
<b>Financial assets:</b>		
Due from banks and other financial institutions, net	1,067,050	1,066,735
Investments – held at amortized cost	25,699,022	25,486,507
Loans and advances, net	108,422,537	109,017,554
<b>Total</b>	<b>135,188,609</b>	<b>135,570,796</b>
<b>Financial liabilities:</b>		
Due to banks and other financial institutions, net	44,042,873	44,045,792
Customers' deposits	100,236,326	100,450,128
<b>Total</b>	<b>144,279,199</b>	<b>144,495,920</b>

	Carrying values S'000	Estimated fair values S'000
<b>December 31, 2024</b>		
<b>Financial assets:</b>		
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
<b>Total</b>	<b>122,204,060</b>	<b>121,836,543</b>
<b>Financial liabilities:</b>		
Due to banks and other financial institutions, net	39,900,998	39,903,458
Customers' deposits	94,013,131	94,230,190
<b>Total</b>	<b>133,914,129</b>	<b>134,133,648</b>

	Carrying values S'000	Estimated fair values S'000
<b>June 30, 2024</b>		
<b>Financial assets:</b>		
Due from banks and other financial institutions, net	1,205,732	1,205,512
Investments – held at amortized cost	15,703,324	15,270,174
Loans and advances, net	90,644,157	90,186,339
<b>Total</b>	<b>107,553,213</b>	<b>106,662,025</b>
<b>Financial liabilities:</b>		
Due to banks and other financial institutions, net	28,765,004	28,752,000
Customers' deposits	95,362,797	94,973,683
<b>Total</b>	<b>124,127,801</b>	<b>123,725,683</b>

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

For the six-month periods ended June 30, 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 six-month periods ended June 30, 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 six-month periods ended June 30, 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 June 30, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts $\text{S'000}$				Allowances for credit losses $\text{S'000}$			
	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	250,019	(294)	-	249,725	61	(18)	-	43
- new placements	37,314	-	-	37,314	1	-	-	1
- matured placements	(554,817)	-	-	(554,817)	(136)	-	-	(136)
Balances as of June 30, 2024	1,205,739	696	-	1,206,435	660	43	-	703
<b>Balances as of December 31, 2024</b>	<b>1,312,808</b>	<b>2,248</b>	<b>-</b>	<b>1,315,056</b>	<b>911</b>	<b>145</b>	<b>-</b>	<b>1,056</b>
Changes in exposures and re-measurements								
- existing placements	(92,690)	(52)	-	(92,742)	(67)	8	-	(59)
- new placements	36,635	-	-	36,635	1	-	-	1
- matured placements	(190,904)	-	-	(190,904)	(3)	-	-	(3)
<b>Balances as of June 30, 2025</b>	<b>1,065,849</b>	<b>2,196</b>	<b>-</b>	<b>1,068,045</b>	<b>842</b>	<b>153</b>	<b>-</b>	<b>995</b>

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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts <b>ﷲ'000</b>				Allowances for credit losses <b>ﷲ'000</b>			
	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	(259,627)	-	-	(259,627)	(251)	-	-	(251)
- new investments	3,559,961	-	-	3,559,961	980	-	-	980
- matured investments	(1,090,866)	-	-	(1,090,866)	(113)	-	-	(113)
Balances as of June 30, 2024	34,183,595	-	-	34,183,595	11,488	-	-	11,488
<b>Balances as of December 31, 2024</b>	<b>39,852,803</b>	<b>-</b>	<b>-</b>	<b>39,852,803</b>	<b>14,671</b>	<b>-</b>	<b>-</b>	<b>14,671</b>
Changes in exposures and re-measurements								
- existing investments	476,020	-	-	476,020	30	-	-	30
- new investments	4,168,280	-	-	4,168,280	1,126	-	-	1,126
- matured investments	(2,150,230)	-	-	(2,150,230)	(493)	-	-	(493)
<b>Balances as of June 30, 2025</b>	<b>42,346,873</b>	<b>-</b>	<b>-</b>	<b>42,346,873</b>	<b>15,334</b>	<b>-</b>	<b>-</b>	<b>15,334</b>

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

For the six-month periods ended June 30, 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 June 30, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts <b>ﷲ'000</b>				Allowances for credit losses <b>ﷲ'000</b>			
	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	(138,668)	138,668	-	-	(1,152)	1,152	-	-
Transfers from Stage 1 to Stage 3	(30,522)	-	30,522	-	(446)	-	446	-
Transfers from Stage 2 to Stage 1	65,935	(65,935)	-	-	8,361	(8,361)	-	-
Transfers from Stage 2 to Stage 3	-	(107,108)	107,108	-	-	(9,525)	9,525	-
Transfers from Stage 3 to Stage 1	846	-	(846)	-	542	-	(542)	-
Transfers from Stage 3 to Stage 2	-	3,394	(3,394)	-	-	1,894	(1,894)	-
Changes in exposures and re-measurements								
- existing facilities	4,776,105	(39,201)	34,467	4,771,371	(7,263)	607	85,279	78,623
- transfer facilities	(1,523)	(58,798)	(3,817)	(64,138)	(8,215)	11,551	43,325	46,661
- new facilities	7,187,857	6,856	3,841	7,198,554	39,213	367	1,830	41,410
- matured facilities	(1,800,068)	(37,130)	(46,755)	(1,883,953)	(14,092)	(3,143)	(23,355)	(40,590)
Recoveries, net	-	-	-	-	-	-	2,343	2,343
Balances as of June 30, 2024	86,962,885	3,396,588	2,337,411	92,696,884	376,410	336,692	1,339,625	2,052,727
<b>Balances as of December 31, 2024</b>	<b>97,227,505</b>	<b>1,945,695</b>	<b>1,945,521</b>	<b>101,118,721</b>	<b>459,105</b>	<b>295,594</b>	<b>897,532</b>	<b>1,652,231</b>
Transfers from Stage 1 to Stage 2	(610,083)	610,083	-	-	(4,277)	4,277	-	-
Transfers from Stage 1 to Stage 3	(104,103)	-	104,103	-	(726)	-	726	-
Transfers from Stage 2 to Stage 1	173,722	(173,722)	-	-	15,960	(15,960)	-	-
Transfers from Stage 2 to Stage 3	-	(92,433)	92,433	-	-	(9,478)	9,478	-
Transfers from Stage 3 to Stage 1	2,976	-	(2,976)	-	1,601	-	(1,601)	-
Transfers from Stage 3 to Stage 2	-	1,201	(1,201)	-	-	640	(640)	-
Changes in exposures and re-measurements								
- existing facilities	4,664,562	48,102	27,732	4,740,396	15,004	3,901	(5,042)	13,863
- transfer facilities	176	12,511	(1,515)	11,172	(15,182)	28,807	50,775	64,400
- new facilities	6,843,602	18,932	1,263	6,863,797	50,472	1,386	665	52,523
- matured facilities	(2,472,950)	(55,076)	(36,107)	(2,564,133)	(12,181)	(4,531)	(19,246)	(35,958)
Recoveries, net	-	-	-	-	-	-	357	357
<b>Balances as of June 30, 2025</b>	<b>105,725,407</b>	<b>2,315,293</b>	<b>2,129,253</b>	<b>110,169,953</b>	<b>509,776</b>	<b>304,636</b>	<b>933,004</b>	<b>1,747,416</b>



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

For the six-month periods ended June 30, 2025 and 2024

### 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 June 30, 2025 and 2024 is summarized as follows:

	Gross Carrying Amounts $\text{S'000}$				Allowances for credit losses $\text{S'000}$			
	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	(4,590)	4,590	-	-	(6)	6	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	7,955	(7,955)	-	-	110	(110)	-	-
Transfers from Stage 2 to Stage 3	-	(13,395)	13,395	-	-	(927)	927	-
Changes in exposures and re-measurements								
- existing facilities	3,620	(22,764)	1,311	(17,833)	(6,392)	(57)	(124)	(6,573)
- transfer facilities	-	(112)	-	(112)	(81)	6	4,388	4,313
- new facilities	2,428,162	35,754	-	2,463,916	25,760	468	-	26,228
- matured facilities	(1,019,271)	(12,790)	-	(1,032,061)	(6,358)	(290)	-	(6,648)
Balances as of June 30, 2024	17,481,337	267,418	182,839	17,931,594	123,826	20,257	111,180	255,263
<b>Balances as of December 31, 2024</b>	<b>26,340,010</b>	<b>211,570</b>	<b>160,792</b>	<b>26,712,372</b>	<b>143,359</b>	<b>4,405</b>	<b>100,260</b>	<b>248,024</b>
Transfers from Stage 1 to Stage 2	(59,046)	59,046	-	-	(460)	460	-	-
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	-	(37,693)	37,693	-	-	(1,739)	1,739	-
Changes in exposures and re-measurements								
- existing facilities	(541,296)	9,841	(1,056)	(532,511)	12,067	(186)	(3,788)	8,093
- transfer facilities	-	(1,248)	(17,548)	(18,796)	(71)	4,272	8,538	12,739
- new facilities	2,863,572	11,116	-	2,874,688	13,937	1,062	-	14,999
- matured facilities	(1,199,540)	(10,331)	(408)	(1,210,279)	(5,153)	(136)	(224)	(5,513)
<b>Balances as of June 30, 2025</b>	<b>27,428,126</b>	<b>217,875</b>	<b>179,473</b>	<b>27,825,474</b>	<b>163,976</b>	<b>7,841</b>	<b>106,525</b>	<b>278,342</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## (Unaudited)

For the six-month periods ended June 30, 2025 and 2024

### 17. Basic and diluted earnings per share

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

	Three months period ended		Six months period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	ﷲ'000	ﷲ'000	ﷲ'000	ﷲ'000
<b>Profit attributable to ordinary shareholders</b>				
Net income	512,456	486,378	1,015,780	928,794
Tier I Sukuk costs	(151,278)	(66,552)	(166,903)	(82,290)
Net income adjusted for Tier I Sukuk costs	361,178	419,826	848,877	846,504
<b>Weighted average number of outstanding shares (in '000)</b>				
Weighted average number of outstanding shares	1,247,325	1,249,829	1,247,325	1,249,829
<b>Basic and diluted earnings per share (ﷲ)</b>	<b>0.29</b>	<b>0.34</b>	<b>0.68</b>	<b>0.68</b>

### 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 June 30, 2025 and 2024 and as of December 31, 2024.

	June 30, 2025 (Unaudited) ﷲ'000	December 31, 2024 (Audited) ﷲ'000	June 30, 2024 (Unaudited) ﷲ'000
Credit Risk RWA	109,192,845	103,472,476	90,054,494
Operational Risk RWA	5,303,485	4,414,078	4,414,078
Market Risk RWA	485,138	598,099	1,396,888
<b>Total Pillar- I RWA</b>	<b>114,981,468</b>	<b>108,484,653</b>	<b>95,865,460</b>
Tier I Capital	21,227,633	20,710,319	17,482,297
Tier II Capital	731,430	668,667	557,772
<b>Total Tier I plus II Capital</b>	<b>21,959,063</b>	<b>21,378,986</b>	<b>18,040,069</b>
<b>Capital Adequacy Ratios:</b>			
CET I Ratio	13.84%	14.19%	15.63%
Tier I Ratio	18.46%	19.09%	18.24%
Tier I plus Tier II Ratio	19.10%	19.71%	18.82%

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 six-month periods ended June 30, 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 June 30, 2025 and 2024 and as of December 31, 2024:

	June 30, 2025 (Unaudited) S'000	December 31, 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
April 15, 2019	-	-	-
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	-
<b>Total</b>	<b>5,312,500</b>	<b>5,312,500</b>	<b>2,500,000</b>

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 six-month periods ended June 30, 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 June 30, 2025 and June 30, 2024 and as of December 31, 2024 resulting from such transactions included in the consolidated statement of financial position are as follows:

	June 30, 2025 (Unaudited) S'000	December, 31 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
<b>Management of the Bank, their relatives and/or their affiliated entities:</b>			
Loans and advances	403,194	442,205	528,067
Customers' deposits	536,492	502,867	2,135,609
Tier I Sukuk	55,500	55,800	18,300
Commitments and contingencies	366,223	595,397	733,126
Investments	-	250,145	249,654
<b>Principal shareholders of the Bank and/or their relatives:</b>			
Customers' deposits	4,070,735	8,132,947	7,982,203
Tier I Sukuk	50,000	50,000	50,000
<b>Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives:</b>			
Loans and advances	1,910,954	1,423,209	1,331,042
Customers' deposits	653,935	706,396	1,129,215
Tier I Sukuk	10,000	10,000	10,000
Commitments, contingencies and derivatives	648,081	530,865	42,529
<b>Trusts for the benefit of the Bank's employees such as pension or other benefits plans that are managed by the Bank:</b>			
Customers' deposits and other liabilities	327,293	370,994	307,541

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

For the six-month periods ended June 30, 2025 and 2024

## 20. Related party transactions – continued

- c) Income and expense for the period ended June 30, 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:

	June 30, 2025 (Unaudited) S'000	December, 31 2024 (Audited) S'000	June 30, 2024 (Unaudited) S'000
<b>Management of the Bank and/or members of their immediate family:</b>			
Special commission income	25,939	92,330	49,278
Special commission expense	12,770	103,351	41,629
Fee income from banking services	5	1,119	543
Other expenses	-	38,419	19,209
<b>Principal shareholders of the Bank and/or members of their immediate family:</b>			
Special commission expense	60,401	143,806	36,016
Other expenses	-	122	122
<b>Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:</b>			
Special commission income	151,436	219,114	133,201
Special commission expense	8,521	40,389	25,279
Fee income from banking services	628	281	158
Other income	48	120	62
Other expenses	2,901	4,838	2,538
<b>Board of Directors and other Board Committee member remuneration</b>	<b>9,929</b>	<b>19,000</b>	<b>8,868</b>

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 six-month period ended June 30, 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 six-month period ended June 30, 2025.

During the six-month period ended June 30, 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 six-month period ended June 30, 2024

During the six-month period ended June 30, 2024, the capital was increased 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.

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

For the six-month periods ended June 30, 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 Safar 4, 1447H, corresponding to July 29, 2025.

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