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INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To: THE SHAREHOLDERS OF
RIYAD BANK
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyad Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group") as of 31 March 2021, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and other explanatory notes (the "interim condensed consolidated financial statements").

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 financial information 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 International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other regulatory matters

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

Ernst & Young & Co.
Certified Public Accountants
P. O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

Waleed G. Tawfiq
Certified Public Accountant
License No. 437

PricewaterhouseCoopers

P. O. Box 8282
Riyadh 11482
Kingdom of Saudi Arabia

Mufaddal A. Ali
Certified Public Accountant
License No. 447

22 Ramadan 1442H
(4 May 2021)

RIYAD BANK

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED

31 MARCH 2021

Public

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**31 March 2021 (Unaudited)**	31 December 2020 (Audited)	31 March 2020 (Unaudited)
ASSETS		**SAR'000**	SAR'000	SAR'000
Cash and balances with Saudi Central Bank (SAMA)		**34,089,471**	41,954,124	21,495,091
Due from banks and other financial institutions, net		**14,280,345**	13,624,476	11,296,605
Positive fair value of derivatives	6	**1,288,803**	1,558,957	1,675,430
- Investment at FVIS		**991,778**	1,101,133	792,727
- Investment at amortised cost, net		**32,828,229**	33,290,075	34,901,560
- Investments at FVOCI, net		**23,114,282**	22,058,598	18,449,503
Investments, net	7	**56,934,289**	56,449,806	54,143,790
Loans and advances, net	8	**196,442,769**	191,346,635	182,783,863
Investment in associates		**687,827**	699,151	702,361
Other real estate		**314,776**	324,054	251,973
Property, equipment and right of use assets, net		**2,465,808**	2,427,811	2,167,007
Other assets		**1,532,192**	1,702,893	5,180,446
Total assets		**308,036,280**	310,087,907	279,696,566
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Due to banks and other financial institutions		**40,412,130**	41,788,903	16,687,383
Negative fair value of derivatives	6	**1,271,586**	1,640,934	1,851,911
Customer deposits	9	**198,598,285**	203,039,336	192,902,121
Debt securities in issue	10	**8,647,581**	5,684,008	9,692,316
Other liabilities		**14,878,955**	13,579,628	20,765,498
Total liabilities		**263,808,537**	265,732,809	241,899,229
Shareholders' equity				
Share capital		**30,000,000**	30,000,000	30,000,000
Statutory reserve		**7,680,879**	7,680,879	6,502,130
Other reserves		**1,764,677**	1,745,649	(1,573,549)
Retained earnings		**4,782,187**	4,928,570	2,868,756
Total shareholders' equity		**44,227,743**	44,355,098	37,797,337
Total liabilities and shareholders' equity		**308,036,280**	310,087,907	279,696,566

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Note	For the three month period ended 31 March	
		2021	2020
		SAR'000	SAR'000
Special commission income		**2,300,062**	2,608,381
Special commission expense		**204,258**	619,063
Net special commission income		**2,095,804**	1,989,318
Fee and commission income		**694,706**	785,097
Fee and commission expense		**240,283**	213,139
Fee and commission income, net		**454,423**	571,958
Exchange income, net		**86,299**	113,056
Trading income, net		**28,311**	78,772
Dividend income		**29,531**	25,993
Gains on disposal of non-trading investments, net		**120,005**	101,661
Other operating income		**9,457**	4,721
Total operating income, net		**2,823,830**	2,885,479
Salaries and employee-related expenses		**509,286**	510,876
Rent and premises-related expenses		**43,234**	45,693
Depreciation of property, equipment and right of use assets		**123,857**	114,800
Other general and administrative expenses		**265,130**	238,185
Other operating expenses		**40,678**	15,841
Total operating expenses before impairment charge		**982,185**	925,395
Impairment charge for credit losses and other financial assets, net	8.4	**246,782**	308,129
Impairment charge for investments, net		**55,470**	304
Total operating expenses, net		**1,284,437**	1,233,828
Net operating income		**1,539,393**	1,651,651
Share in earnings of associates, net		**(10,776)**	7,783
Income for the period before zakat		**1,528,617**	1,659,434
Zakat for the period		**175,000**	183,000
Net income for the period		**1,353,617**	1,476,434
Basic and diluted earnings per share (in SAR)	17	**0.45**	0.49

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	For the three month period ended 31 March	
	2021	2020
	SAR'000	SAR'000
Net income for the period	**1,353,617**	1,476,434
Other comprehensive income (OCI):		
a) Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods		
- Fair value through other comprehensive income (FVOCI- debt instruments)		
- Net change in fair value	**(257,150)**	(1,940,176)
- Net amounts transferred to interim condensed consolidated statement of income	**(91,260)**	(86,522)
- Net changes in allowance for expected credit losses (ECL) of debt instruments	**60,105**	1,645
- Net change in fair value of cash flow hedge	**(13,019)**	-
b) Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods		
- Net change in fair value of equity instruments at fair value through other comprehensive income (FVOCI- equity instruments)	**320,352**	(575,506)
Other comprehensive income (loss) for the period	**19,028**	(2,600,559)
Total comprehensive income (loss) for the period	**1,372,645**	(1,124,125)

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

For the three month period ended 31 March 2021 & 2020

SAR'000	Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total
31 March 2021						
Balance at the beginning of the period	**30,000,000**	**7,680,879**	**1,745,649**	**4,928,570**	**-**	**44,355,098**
Total comprehensive income						
Net changes in fair values of						
- FVOCI -equity instruments	**-**	**-**	**320,352**	**-**	**-**	**320,352**
- FVOCI -debt instruments	**-**	**-**	**(257,150)**	**-**	**-**	**(257,150)**
Net amount reclassified to the interim condensed consolidated statement of income for FVOCI -debt instruments	**-**	**-**	**(91,260)**	**-**	**-**	**(91,260)**
Net changes in allowance for expected credit losses on FVOCI -debt instruments	**-**	**-**	**60,105**	**-**	**-**	**60,105**
Net change in fair value of cash flow hedge	**-**	**-**	**(13,019)**	**-**	**-**	**(13,019)**
Net income for the period	**-**	**-**	**-**	**1,353,617**	**-**	**1,353,617**
Total comprehensive income	**-**	**-**	**19,028**	**1,353,617**	**-**	**1,372,645**
Final proposed dividends - 2020 (note 16)	**-**	**-**	**-**	**(1,500,000)**	**1,500,000**	**-**
Final dividends declared - 2020 (note 16)	**-**	**-**	**-**	**-**	**(1,500,000)**	**(1,500,000)**
Balance at the end of the period	**30,000,000**	**7,680,879**	**1,764,677**	**4,782,187**	**-**	**44,227,743**
31 March 2020						
Balance at the beginning of the period	30,000,000	6,502,130	1,027,108	1,392,224	1,650,000	40,571,462
Total comprehensive income						
Net changes in fair values of						
- FVOCI -equity instruments	-	-	(575,506)	-	-	(575,506)
- FVOCI -debt instruments	-	-	(1,940,176)	-	-	(1,940,176)
Net amount reclassified to the interim condensed consolidated statement of income for FVOCI -debt instruments	-	-	(86,522)	-	-	(86,522)
Net changes in allowance for expected credit losses on FVOCI -debt instruments	-	-	1,645	-	-	1,645
Net income for the period	-	-	-	1,476,434	-	1,476,434
Total comprehensive income	-	-	(2,600,559)	1,476,434	-	(1,124,125)
Disposal of FVOCI-equity instruments	-	-	(98)	98	-	-
Final dividend - 2019	-	-	-		(1,650,000)	(1,650,000)
Balance at the end of the period	30,000,000	6,502,130	(1,573,549)	2,868,756	-	37,797,337

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Note	For the three month period ended 31 March 2021 SAR'000	2020 SAR'000
OPERATING ACTIVITIES			
Income for the period before zakat		**1,528,617**	1,659,434
Adjustments to reconcile net income for the period to net cash from operating activities:			
Accretion of discounts and amortisation of premium on non-FVIS instruments, net		**(2,133)**	10,452
Gains on non-trading investments, net		**(120,005)**	(101,661)
Gains (losses) on trading investments, net		**(697)**	5,355
Dividend income		**(29,531)**	(25,993)
Depreciation of property, equipment and right of use assets		**123,857**	114,800
Share in earnings of associates, net		**10,776**	(7,783)
Impairment charge for investments, net		**55,470**	304
Impairment charge for credit losses and other financial assets, net	8.4	**246,782**	308,129
		1,813,136	1,963,037
Net (increase) decrease in operating assets:			
Statutory deposit with SAMA		**177,651**	(346,887)
Due from banks and other financial institutions maturing after three months from date of acquisition		**209,000**	(908,397)
Positive fair value of derivatives		**270,154**	(1,066,583)
Investments at Fair value through income statement (FVIS)		**81,060**	240,526
Loans and advances, net		**(5,345,529)**	(9,105,268)
Other real estate		**9,278**	(18,916)
Other assets		**173,096**	(4,400,265)
Net increase (decrease) in operating liabilities:			
Due to banks and other financial institutions		**(1,376,773)**	3,562,903
Negative fair value of derivatives		**(369,348)**	1,202,685
Customer deposits		**(4,441,051)**	(1,616,131)
Other liabilities		**(336,919)**	6,041,796
Net cash used in operating activities		**(9,136,245)**	(4,451,500)
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments not held as FVIS instruments		**12,075,451**	13,693,627
Purchase of investments not held as FVIS instruments		**(12,524,998)**	(17,150,868)
Purchase of property and equipment, net		**(143,098)**	(74,906)
Net cash used in investing activities		**(592,645)**	(3,532,147)
FINANCING ACTIVITIES			
Lease payments		**(38,896)**	(45,650)
Debt securities in issue, net		**2,963,573**	5,642,850
Dividend paid		**(821)**	(320)
Net cash from financing activities		**2,923,856**	5,596,880
Net decrease in cash and cash equivalents		**(6,805,034)**	(2,386,767)
Cash and cash equivalents at beginning of the period		**44,965,596**	23,472,740
Cash and cash equivalents at end of the period	12	**38,160,562**	21,085,973
Special commission received during the period		**2,165,703**	2,586,824
Special commission paid during the period		**404,273**	518,178
Supplemental non-cash information			
Net changes in fair value and transfers to interim condensed consolidated statement of income		**(41,076)**	(2,602,204)
ROU assets		**(18,756)**	(4,976)
ROU lease liabilities		**2,734**	(26,538)

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

1. GENERAL

Riyad Bank (the "Bank") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia, formed pursuant to the Royal Decree and the Council of Ministers' Resolution No. 91 dated 1 Jumad Al-Awal 1377H (corresponding to 23 November 1957G). The Bank operates under commercial registration No. 1010001054 dated 25 Rabi Al-Thani 1377H (corresponding to 18 November 1957G) through its 341 licensed branches (31 March 2020: 341 licensed branches) in the Kingdom of Saudi Arabia, a branch in London, United Kingdom, an agency in Houston, United States, and a representative office in Singapore. The registered address of the Bank's Head Office is as follows:

Granada Oasis - A1 Tower
Riyadh - Al Shuhada District
P.O. Box 22622
Riyadh 11416
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of banking services. The Bank also provides to its customers Islamic (non-interest based) banking products which are approved and supervised by an independent Shariah Board established by the Bank.

The interim condensed consolidated financial statements comprise the financial statements of Riyad Bank and its wholly owned subsidiaries, a) Riyad Capital (engaged in investment services and asset management activities related to dealing, managing, arranging, advising and custody of securities regulated by the Capital Market Authority), b) Ithra Al-Riyad Real Estate Company (formed with the objective to hold, manage, sell and purchase real estate assets for owners or third parties for financing activities); c) Riyad Company for Insurance Agency (which acts as an agent for selling insurance products owned and managed by another principal insurance company), incorporated in the Kingdom of Saudi Arabia; d) Curzon Street Properties Limited incorporated in the Isle of Man; e) Riyad Financial Markets incorporated in the Cayman Islands - a netting and bankruptcy jurisdiction country, to execute derivative transactions with international counterparties on behalf of Riyad Bank; and f) Esnad Al-Riyadh - a limited liability company registered in the Kingdom of Saudi Arabia to provide human resources services to the Group. These entities together with the Bank, are collectively referred to as "the Group".

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group as at and for the three months period ended 31 March 2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and therefore should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2020.

3. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the subsidiaries which are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases.

Balances between the Bank and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Group acts as a Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the 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.

4. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

The below are amended accounting standards that become applicable for annual reporting periods commencing on 1 January 2021

(a) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from IBOR.

Phase (1) - The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. The amendments are effective from 1 January 2020 and are mandatory for all hedge relationships directly affected by IBOR reform.

Phase (2) - The second phase relates to the replacement of benchmark rates (IBOR) with alternative risk-free rates (RFR). The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021. Now that the Phase 2 Amendments have been finalised, the Bank will complete its assessment of the accounting implications of the scenarios it expects to encounter as the transition from IBORs to RFRs in order to accelerate its programmes to implement the new requirements. The Phase 2 Amendments introduce new areas of judgement, the Bank needs to ensure it has appropriate accounting policies and governance in place. For the additional disclosures, the Bank will have to assess and implement required updates in the financial reporting systems and processes to gather and present the information required.

The Bank of England and the Financial Conduct Authority (FCA) have set out clear expectations for regulated firms to remove their reliance on LIBOR in all new business and in legacy contracts, where feasible. The primary way for market participants to have certainty over the economic terms of their contracts is to actively transition them away from LIBOR.

On 5 March 2021, the Financial Conduct Authority (FCA), the UK regulator, announced that all LIBOR settings for all currencies will either cease or no longer be representative immediately after the following dates:

- 31 December 2021, for Sterling, Euro, Swiss Franc and Japanese Yen LIBOR settings in all tenors, and US Dollar LIBOR 1-week and 2-month settings; and
- 30 June 2023, for US Dollar Overnight, 1-month, 3-month, 6-month and 12-month settings.

In addition, the above announcement, as confirmed by the International Swaps and Derivatives Association ("ISDA"), constitutes an index cessation event under the IBOR Fallbacks Supplement and the ISDA 2020 IBOR Fallbacks Protocol for all 35 LIBOR settings. As a result, the fallback spread adjustment (i.e. to the adjusted risk-free rate plus spread) published by Bloomberg is fixed as of the date of this announcement (i.e. 5 March 2021) for all euro, sterling, Swiss franc, US dollar and yen LIBOR settings. The fallbacks will automatically occur for outstanding derivatives contracts that incorporate the IBOR Fallbacks Supplement or are subject to adherence of the ISDA 2020 IBOR Fallbacks Protocol on the following dates:

- After December 31, 2021: For outstanding derivatives referenced to all euro, sterling, Swiss franc and yen LIBOR settings.
- After June 30, 2023: For outstanding derivatives referenced to all US dollar LIBOR settings.

Regulatory authorities and public and private sector working groups in several jurisdictions, including the International Swaps and Derivatives Association (ISDA), the Sterling Risk-Free Rates Working Group, the Working Group on Euro Risk-Free Rates, and the Alternative Reference Rates Committee (ARRC), have been discussing alternative benchmark rates to replace the IBORs. These working groups are also considering how to support a transition to alternative rates and the development of new products referencing them.

These reforms are expected to cause some interest rate benchmarks to either perform differently to the way that they do currently or to disappear.

Management is running a project on the Group's overall transition activities and continues to engage with various stakeholders to support an orderly transition. The project is significant in terms of scale and complexity and will impact products, internal systems and processes.

The above amendments to IFRS do not have material impact on the accompanying interim condensed consolidated financial statements of the Group.

5. SIGNIFICANT 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 as at and for the year ended 31 December 2020, except for the adoption of amended standards explained in note 4.

6. DERIVATIVES

The table below sets out the positive and negative fair values of derivative financial instruments, together with their notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the end of the period, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

	31 March 2021 (Unaudited)			31 December 2020 (Audited)			31 March 2020 (Unaudited)		
	Positive fair value SAR'000	**Negative fair value SAR'000**	**Notional amount SAR'000**	Positive fair value SAR'000	Negative fair value SAR'000	Notional amount SAR'000	Positive fair value SAR'000	Negative fair value SAR'000	Notional amount SAR'000
Held for trading:									
Special commission rate swaps	**1,207,170**	**(979,175)**	**47,285,795**	1,436,648	(1,210,717)	46,191,559	1,551,646	(1,324,405)	45,477,557
Forward foreign exchange contracts	**77,388**	**(32,041)**	**29,378,446**	118,908	(78,021)	24,759,998	123,784	(126,154)	40,934,220
Held as fair value hedges:									
Special commission rate swaps	**4,245**	**(250,752)**	**3,108,297**	-	(352,196)	3,253,728	-	(401,352)	3,405,181
Held as cash flow hedges:									
Special commission rate swaps	**-**	**(9,618)**	**925,000**	3,401	-	925,000	-	-	-
Total	**1,288,803**	**(1,271,586)**	**80,697,538**	1,558,957	(1,640,934)	75,130,285	1,675,430	(1,851,911)	89,816,958

7. INVESTMENTS, NET

Investments by type of securities

SAR'000	Domestic			International			Total		
	31 March 2021	31 December 2020	31 March 2020	**31 March 2021**	31 December 2020	31 March 2020	**31 March 2021**	31 December 2020	31 March 2020
i) Investment at FVIS									
Mutual Funds	**991,778**	1,101,133	792,727	**-**	-	-	**991,778**	1,101,133	792,727
Total	**991,778**	1,101,133	792,727	**-**	-	-	**991,778**	1,101,133	792,727
ii) Investment at amortised cost, net									
Fixed rate securities	**24,974,319**	24,925,136	26,030,790	**412,167**	935,799	888,800	**25,386,486**	25,860,935	26,919,590
Floating rate securities	**7,190,990**	7,178,921	7,730,491	**250,753**	250,219	251,479	**7,441,743**	7,429,140	7,981,970
Total	**32,165,309**	32,104,057	33,761,281	**662,920**	1,186,018	1,140,279	**32,828,229**	33,290,075	34,901,560
iii) Investments at FVOCI, net									
Fixed rate securities	**-**	-	-	**19,258,784**	18,539,730	15,756,774	**19,258,784**	18,539,730	15,756,774
Equities	**3,192,306**	2,846,303	2,210,722	**663,192**	672,565	482,007	**3,855,498**	3,518,868	2,692,729
Total	**3,192,306**	2,846,303	2,210,722	**19,921,976**	19,212,295	16,238,781	**23,114,282**	22,058,598	18,449,503
Total	**36,349,393**	36,051,493	36,764,730	**20,584,896**	20,398,313	17,379,060	**56,934,289**	56,449,806	54,143,790

Above investments include sukuks amounting to SAR 16.02 billion as at 31 March 2021 (31 December 2020: SAR 16.7 billion and 31 March 2020: SAR 15.8 billion).

8. LOANS AND ADVANCES, NET

8.1 Loans and advances held at amortised cost

These comprise the following:

31 March 2021 (Unaudited) **SAR'000**	**Overdraft**	**Credit Cards**	**Consumer Loans**	**Commercial Loans**	**Others**	**Total**
Performing loans and advances-gross	**5,609,698**	**665,788**	**65,818,196**	**124,783,844**	**492,819**	**197,370,345**
Non-performing loans and advances	**323,544**	**19,340**	**801,076**	**2,787,102**	**2,675**	**3,933,737**
Total loans and advances	**5,933,242**	**685,128**	**66,619,272**	**127,570,946**	**495,494**	**201,304,082**
Allowance for impairment	**(202,942)**	**(30,644)**	**(868,501)**	**(3,757,568)**	**(1,658)**	**(4,861,313)**
Loans and advances, net	**5,730,300**	**654,484**	**65,750,771**	**123,813,378**	**493,836**	**196,442,769**

31 December 2020 (Audited) SAR'000	Overdraft	Credit Cards	Consumer Loans	Commercial Loans	Others	Total
Performing loans and advances-gross	6,432,126	679,634	63,426,847	121,300,756	389,349	192,228,712
Non-performing loans and advances	327,012	30,482	1,105,749	2,186,669	2,024	3,651,936
Total loans and advances	6,759,138	710,116	64,532,596	123,487,425	391,373	195,880,648
Allowance for impairment	(217,061)	(29,830)	(998,568)	(3,287,425)	(1,129)	(4,534,013)
Loans and advances, net	6,542,077	680,286	63,534,028	120,200,000	390,244	191,346,635

31 March 2020 (Unaudited) SAR'000	Overdraft	Credit Cards	Consumer Loans	Commercial Loans	Others	Total
Performing loans and advances-gross	8,639,743	746,079	59,240,886	114,852,118	712,321	184,191,147
Non-performing loans and advances	184,066	-	398,452	1,294,599	2,619	1,879,736
Total loans and advances	8,823,809	746,079	59,639,338	116,146,717	714,940	186,070,883
Allowance for impairment	(234,839)	(34,428)	(973,734)	(2,041,272)	(2,747)	(3,287,020)
Loans and advances, net	8,588,970	711,651	58,665,604	114,105,445	712,193	182,783,863

Loans and advances, net, include non-conventional banking products of SAR 128.9 billion as at 31 March 2021 (31 December 2020: SAR 122.9 billion and 31 March 2020: SAR 110.6 billion).

8.2 The movement in the allowance for impairment of loans and advances to customers is as follows:

SAR'000	**For the three month period ended 31 March 2021 (Unaudited)**	For the year-ended 31 December 2020 (Audited)	For the three month period ended 31 March 2020 (Unaudited)
Balance at the beginning of the period/ year	**4,534,013**	2,755,866	2,755,866
Provided during the period/ year	**334,758**	2,319,696	674,668
Bad debts written off against provision during the period/ year	**(7,458)**	(541,549)	(143,514)
	4,861,313	4,534,013	3,287,020

8. LOANS AND ADVANCES, NET (continued)

8.3 The breakdown of allowance for impairment of loans and advances by stages is as follows:

SAR'000	12 Months ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Balance at 31 March 2021 (Unaudited)	**1,117,246**	**1,120,900**	**2,623,167**	**4,861,313**
Balance at 31 December 2020 (Audited)	1,026,381	945,452	2,562,180	4,534,013
Balance at 31 March 2020 (Unaudited)	869,865	370,127	2,047,028	3,287,020

8.4 Impairment charges for credit losses and other financial assets, net as reflected in the interim condensed consolidated statement of income are detailed as follows:

	For the three month period ended 31 March	
SAR'000	**2021 (Unaudited)**	2020 (Unaudited)
Impairment charge for credit losses, net	**249,395**	303,404
Impairment (reversal) charge for other financial assets, net	**(2,613)**	4,725
Total	**246,782**	308,129

9. CUSTOMER DEPOSITS

Customer deposits comprise the following:

SAR'000	**31 March 2021 (Unaudited)**	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Demand	**126,653,489**	116,760,934	101,994,843
Saving	**1,162,515**	1,054,476	774,088
Time	**45,386,101**	67,075,543	69,254,660
Others	**25,396,180**	18,148,383	20,878,530
Total	**198,598,285**	203,039,336	192,902,121

Customer Time deposits include non-conventional banking deposits of SAR 24,788 million as at 31 March 2021(31 December 2020: SAR 25,992 million and 31 March 2020: SAR 29,320 million).

10. DEBT SECURITIES IN ISSUE

During February 2021, the Bank successfully issued SAR denominated Tier 2 capital-eligible sukuk amounting to SAR 3 billion. The sukuks carry special commission rate of 6 month SAIBOR plus 150 basis points and have a term of 10 years, callable at year 5, subject to terms and conditions of the sukuk.

11. CREDIT RELATED COMMITMENTS AND CONTINGENCIES AND OTHERS

a) The Group's credit related commitments and contingencies are as follows:

SAR'000	**31 March 2021 (Unaudited)**	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Letters of credit	**9,021,657**	9,073,317	9,192,034
Letters of guarantee	**62,935,345**	62,522,328	62,571,977
Acceptances	**2,396,113**	2,497,502	2,629,207
Irrevocable commitments to extend credit	**14,288,616**	12,435,189	11,508,434
Total	**88,641,731**	86,528,336	85,901,652

b) The breakdown of allowance for impairment of credit related commitments and contingencies by stages is as follows:

SAR'000	12 Months ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Balance at 31 March 2021 (Unaudited)	**54,214**	**14,343**	**197,723**	**266,280**
Balance at 31 December 2020 (Audited)	47,346	39,174	198,864	285,384
Balance at 31 March 2020 (Unaudited)	64,115	3,120	151,829	219,064

Other liabilities as at 31 March 2021, include write-off reserves amounting to SAR 569 million (31 December 2020: SAR 577 million and 31 March 2020: SAR 581 million).

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise the following:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
	SAR'000	SAR'000	SAR'000
Cash and balances with SAMA excluding statutory deposit	**23,857,700**	31,544,430	11,521,504
Due from banks and other financial institutions maturing within three months from date of acquisition	**14,302,862**	13,421,166	9,564,469
Total	**38,160,562**	44,965,596	21,085,973

13. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data: and

Level 3: valuation techniques for which any significant input is not based on observable market data.

Following are the financial instruments carried at fair value in the interim condensed consolidated financial statements.

Fair value and fair value hierarchy

31 March 2021 **SAR'000 (Unaudited)**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
- Positive fair value of derivatives	**-**	**1,288,803**	**-**	**1,288,803**
- Investments held at FVIS	**991,778**	**-**	**-**	**991,778**
- Investments held at FVOCI	**22,660,115**	**-**	**454,167**	**23,114,282**
Financial liabilities measured at fair value				
- Negative fair value of derivatives	**-**	**1,271,586**	**-**	**1,271,586**

31 December 2020 SAR'000 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
- Positive fair value of derivatives	-	1,558,957	-	1,558,957
- Investments held at FVIS	1,101,133	-	-	1,101,133
- Investments held at FVOCI	21,603,888	-	454,710	22,058,598
Financial liabilities measured at fair value				
- Negative fair value of derivatives	-	1,640,934	-	1,640,934

31 March 2020 SAR'000 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
- Positive fair value of derivatives	-	1,675,430	-	1,675,430
- Investments held at FVIS	792,727	-	-	792,727
- Investments held at FVOCI	18,056,644	-	392,859	18,449,503
Financial liabilities measured at fair value				
- Negative fair value of derivatives	-	1,851,911	-	1,851,911

13. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Reconciliation of movement in Level 3	**For the three month period ended 31 March 2021 (Unaudited) SAR'000**	For the year ended 31 December 2020 (Audited) SAR'000	For the three month period ended 31 March 2020 (Unaudited) SAR'000
Opening balance	**454,710**	392,722	392,722
Total gains or losses, net:			
- recognised in interim condensed consolidated statement of income	**(543)**	16,399	137
- recognised in interim condensed consolidated statement of other comprehensive income	**-**	(1,218)	-
Purchases	**-**	46,807	-
Closing balance	**454,167**	454,710	392,859

There were no transfers between the fair value hierarchy levels during the current or prior period.

The fair values of on-balance sheet financial instruments, except for loans and advances and investments held at amortised cost are not significantly different from the carrying values included in the interim condensed consolidated financial statements. The fair values of customer deposits, debt securities in issue, cash and balances with SAMA, due from and due to banks and other financial institutions, other assets and other liabilities which are carried at amortised cost, are not significantly different from the carrying values included in the interim condensed consolidated financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the contracted rates, and for the short duration of due from and due to banks and other financial institutions, other assets and other liabilities.

The management uses discounted cash flow method, using the current yield curve adjusted for credit risk spreads to arrive at the fair value of loans and advances. The estimated fair values of loans and advances was SAR 207.1 billion as at 31 March 2021 (31 December 2020: SAR 201.5 billion and 31 March 2020: SAR 188.9 billion).

The estimated fair values of investments held at amortised cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds. The estimated fair values of these investments was SAR 33.5 billion as at 31 March 2021 (31 December 2020: SAR 33.3 billion and 31 March 2020: SAR 35.2 billion).

14. OPERATING SEGMENTS

The Group determines and presents operating segments based on the information that is provided internally to the chief operating decision maker in order to allocate resources to the segments and to assess its performance. The operating segments are managed separately based on the Group's management and internal reporting structure. The Group's primary business is conducted in the Kingdom of Saudi Arabia with one international branch, a representative office and an agency. However, the total assets, liabilities, commitments and results of operations of this branch, the representative office and the agency are not material to the Group's overall interim condensed consolidated financial statements and as a result have not been separately disclosed. The transactions between the Group's operating segments are recorded as per the Group's transfer pricing system.There are no other material items of income or expenses between the operating segments.

14. OPERATING SEGMENTS (continued)

The Group's reportable segments under IFRS 8 are as follows:

Retail banking

Deposits, credit and investment products for individuals and small to medium sized businesses.

Investment banking and brokerage

Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Corporate banking

Principally handling corporate customers' current accounts, deposits and providing loans, overdrafts and other credit facilities and derivative products.

Treasury and investment

Principally providing money market, trading and treasury services as well as the management of the Group's investment portfolios.

The Group's total assets and liabilities at 31 March 2021 and 2020 and its total operating income, total operating expenses and income before zakat for the three months periods then ended, by operating segments, are as follows:

31 March 2021

SAR'000 (Unaudited)	Retail banking	Investment banking and brokerage	Corporate banking	Treasury and investment	Total
Total assets	**79,021,505**	**2,085,730**	**134,856,991**	**92,072,054**	**308,036,280**
Total liabilities	**98,933,720**	**456,592**	**140,712,361**	**23,705,864**	**263,808,537**
Total operating income, net of which	**922,738**	**207,561**	**1,104,707**	**588,824**	**2,823,830**
- Net special commission income	**908,103**	**39,134**	**830,285**	**318,282**	**2,095,804**
- Fee and commission income, net	**19,701**	**164,288**	**268,628**	**1,806**	**454,423**
Inter segment revenues	**2,937**	**37,910**	**(77,089)**	**36,242**	**-**
Total operating expenses, net of which	**507,513**	**52,040**	**614,308**	**110,576**	**1,284,437**
- Depreciation of property, equipment and right of use assets	**92,409**	**5,915**	**18,556**	**6,977**	**123,857**
- Impairment (reversal) charge for credit losses and other financial assets, net	**(157,871)**	**-**	**387,079**	**17,574**	**246,782**
- Impairment charge for investments, net	**-**	**-**	**-**	**55,470**	**55,470**
Share in earnings of associates, net	**-**	**-**	**-**	**(10,776)**	**(10,776)**
Income for the period before zakat	**415,225**	**155,521**	**490,399**	**467,472**	**1,528,617**

31 March 2020

SAR'000 (Unaudited)	Retail banking	Investment banking and brokerage	Corporate banking	Treasury and investment	Total
Total assets	72,252,183	1,638,416	132,137,968	73,667,999	279,696,566
Total liabilities	82,574,439	243,147	130,153,722	28,927,921	241,899,229
Total operating income, net of which	964,007	142,841	1,081,775	696,856	2,885,479
- Net special commission income	870,798	30,385	719,444	368,691	1,989,318
- Fee and commission income, net	94,860	115,426	358,318	3,354	571,958
Inter segment revenues	59,780	28,711	(131,527)	43,036	-
Total operating expenses, net of which	619,752	47,175	532,604	34,297	1,233,828
- Depreciation of property, equipment and right of use assets	90,547	5,239	16,928	2,086	114,800
- Impairment charge for credit losses and other financial assets, net	5,051	-	301,817	1,261	308,129
- Impairment charge for investment, net	-	-	-	304	304
Share in earnings of associates, net	-	-	-	7,783	7,783
Income for the period before zakat	344,255	95,666	549,171	670,342	1,659,434

15. FINANCIAL RISK MANAGEMENT

Credit risk

Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The Group uses internal credit rating tools to assess credit standing of its counterparties and assigns credit ratings accordingly. Also the Group uses the external ratings, of the major rating agency, where applicable. A potential credit loss might arise due to lack of proper credit analysis of the borrower's credit worthiness, inability to service the debt, lack of appropriate documentation, etc.

The Group attempts to control credit risk by appropriate credit structuring, credit review process, post-disbursal monitoring of credit exposures, 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 monitored daily. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances, and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

The Group's credit risk for derivatives, represents the potential cost to replace the derivative contracts if counterparties fail to fulfil their obligation, and to control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Concentration risk refers to the risk from an uneven distribution of counterparties in credit or in other business relationship or from concentration in business sectors or geographical regions. Accordingly, concentration risk in the credit portfolios comes into existence through a skewed distribution of financing to (a) individual borrower (name concentration) (b) industry /service sector (sector concentration) and (c) geographical regions (regional concentration). Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting any particular category of concentration.

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 or business. It also takes security when appropriate. The Group also seeks additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Management monitors the market value of collateral recurrently, requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses. The Group regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

16. DIVIDENDS AND ZAKAT

On 23 March 2021, the shareholders in the Ordinary General Assembly meeting approved the distribution of dividends to shareholders for 2020. The amount of such dividend amounted to SAR 1,500 million (SAR 0.50 per share) and the distribution date for the dividend was 6 April 2021.

Based on the new regulations, the Bank has estimated provision for zakat liability for the period ended 31 March 2021 at SAR 175 million (31 March 2020: SAR 183 million). Under the SAMA COVID-19 support initiatives, the banks in Kingdom of Saudi Arabia (KSA) received long term interest free deposits from SAMA. The nature and purpose of these deposits are defined as monetary policy tool from the Government of KSA to the banks in KSA. However, as per the zakat regulations in KSA, all long-term liabilities are included as a zakatable financing source for the calculation of zakat charge. Considering the purpose of these deposits, the Bank is in an advanced level of discussion with concerned authorities, to exclude these deposits from scope of zakatable financing source so that the Bank should not be liable for any related additional zakat charge. Therefore, the Bank did not consider these deposits in its zakat charge for the period ended 31 March 2021 or for the year ended 31 December 2020 in the consolidated statement of income as it considers that the payment of this additional zakat to be less than probable. Had these deposits been considered in the zakat base, the zakat charge for the period ended 31 March 2021 and for the year ended 31 December 2020 would have increased and the net income for the year would have decreased by SAR 49 million and SAR 268 million, respectively.

17. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the period ended 31 March 2021 and 2020 are calculated by dividing the net income for the period by 3,000 million outstanding shares.

18. CAPITAL ADEQUACY

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

The Group monitors the adequacy of its capital using the methodologies and ratios established by the Basel Committee on Banking Supervision and as adopted by SAMA, with a view to maintain a sound capital base to support its business development and meet regulatory capital requirement as defined by SAMA.

The Group management reviews on a periodical basis its capital base and level of risk weighted assets to ensure that capital is adequate for risks inherent in its current business activities and future growth plans. In making such assessments, the management also considers the Group’s business plans along with economic conditions which directly and indirectly affects its business environment.

SAMA has issued the framework and guidance regarding implementation of the capital reforms under Basel III - which are effective from 1 January 2013. Accordingly, the Group’s consolidated Risk Weighted Assets (RWA), total eligible capital and related ratios on a consolidated group basis are calculated under the Basel III framework.

The following table summarizes the Bank's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios.

	31 March 2021	31 December 2020	31 March 2020
	(Unaudited)	(Audited)	(Unaudited)
Risk weighted assets	**SAR Millions**	SAR Millions	SAR Millions
Credit	**251,040**	245,887	237,392
Operational	**18,732**	18,367	17,089
Market	**4,838**	3,880	3,574
Total Pillar-I Risk Weighted Assets	**274,610**	268,134	258,055
Eligible capital			
Tier I Capital	**44,238**	44,352	37,797
Tier II Capital	**9,853**	6,779	10,591
Total Tier I and II Capital	**54,091**	51,131	48,388
Tier I Capital Adequacy Ratio %	**16.1%**	16.5%	14.6%
Total Capital Adequacy Ratio %	**19.7%**	19.1%	18.8%

19 IMPACT OF COVID-19 ON EXPECTED CREDIT LOSSES ("ECL") AND SAMA PROGRAMS

The Coronavirus ("COVID-19") pandemic continues to disrupt global markets as many geographies are beginning to experience a second / third wave of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of Kingdom of Saudi Arabia ("the Government") however has managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government. The Government has approved number of vaccines for mass immunizations. The drive is in full swing and it is expected that majority of the population will be vaccinated in near future.

The Group continues to evaluate the current situation through conducting stress-testing scenarios on expected movements of oil prices and other macroeconomic variables and their impact on key credit, liquidity, operational, solvency and performance indicators in addition to other risk management practices to manage the impact COVID-19 outbreak has had on its normal operations and financial performance. The steps taken by management includes ongoing review of credit exposure concentrations at a more granular level with particular focus on specific economic sectors, regions, counterparties and collateral protection and taking appropriate customer credit rating actions and initiating restructuring of loans, where required. The credit reviews also take into consideration the impact of the Government and SAMA support relief programs.

The prevailing economic conditions which are severely affected by the ongoing pandemic, require the Group to revise certain inputs and assumptions used for the determination of expected credit losses ("ECL"). These primarily revolve around either adjusting macroeconomic factors used by the Group in the estimation of expected credit losses and revisions to the scenario probabilities currently being used by the Group in ECL estimation. In 2020, the Group made certain adjustments to the macroeconomic factors and scenario weightings.

The Group's ECL model continues to be sensitive to macroeconomic variables and scenario weightings. As with any forecasts, the projections and likelihoods of occurrence are underpinned by significant judgement and uncertainty and therefore, the actual outcomes may be different to those projected. The impact of such uncertain economic environment is judgmental and the Group will continue to reassess its position and the related impact on a regular basis.

To the extent that certain effects cannot be fully incorporated into the ECL model calculations at this point in time, management continues to exercise expert credit judgement to estimate ECL by considering reasonable and supportable information not already included in the quantitative models. The Group has therefore recognised overlays of SAR 328.5 million for corporate financing as at 31 March 2021. These have been based on a sector-based analysis and other post model adjustments performed by the Group depending on the impacted portfolios.

Private Sector Financing Support Program ("PSFSP")

In response to COVID-19, SAMA launched the Private Sector Financing Support Program ("PSFSP") in March 2020 to provide the necessary support to the Micro, Small and Medium Enterprises ("MSME") as per the definition issued by SAMA via Circular No. 381000064902 dated 16 Jumada II 1438H. The PSFSP mainly encompasses the following programs:

- Deferred payments program;
- Funding for lending program;
- Loan guarantee program; and
- Point of sale ("POS") and e-commerce service fee support program.

As part of the deferred payments program launched by SAMA in March 2020 and with a number of extensions to the program subsequently announced, the Group is required to defer payments on lending facilities to those companies that qualify as MSMEs. The payment reliefs are considered as short-term liquidity support to address the borrower's potential cash flow issues. The Group has effected the payment reliefs by deferring the instalments falling due within the period from 14 March 2020 to 30 June 2021, and increasing the facility tenors accordingly. The Group continues to believe that in the absence of other factors, participation in the deferment program on its own, is not considered a significant increase in credit risk.

The accounting impact of above changes in terms of the credit facilities has been assessed and are treated as per the requirements of IFRS 9 as modification in terms of arrangement. This resulted in total modification losses amounting to SAR 1,009.3 million of which SAR 377.4 million has been recorded in current quarter which have been presented as part of net financing income. During the three months period ended 31 March 2021, SAR 302.1 million (2020: SAR 427.7 million) has been charged to the statement of income relating to unwinding of modification losses.

19. IMPACT OF COVID-19 ON EXPECTED CREDIT LOSSES ("ECL") AND SAMA PROGRAMS (continued)

In order to compensate the related cost that the Group is expected to incur under the SAMA and other public authorities program, during 2020 the Group received profit free deposits from SAMA amounting to SAR 19.9 billion with varying maturities, which qualify as government grants. Management has determined based on the communication from SAMA that the government grant primarily relates to compensation for the modification loss incurred on the deferral of payments. The benefit of the subsidised funding rate has been accounted for on a systematic basis, in accordance with government grant accounting requirements. The management has exercised certain judgements in the recognition and measurement of this grant income. Total day 1 fair valuation gain of SAR 1,440 million arose on these profit free deposits out of which SAR 631.8 million was recognised as income in prior periods. During the three months period ended 31 March 2021, SAR 260.9 million has been recognised to the statement of income with SAR 379 million as deferred grant income as at 31 March 2021.

As at 31 March 2021, the Group has participated in SAMA's funding for lending and facility guarantee programs and the accounting impact for the period is immaterial.

Furthermore, during the three months period ended 31 March 2021, the Group has recognised reimbursement from SAMA for the forgone POS and e-commerce service fee amounting to SAR 17 million.

SAMA liquidity support for the Saudi banking sector amounting to SAR 50 billion

In line with its monetary and financial stability mandate, SAMA injected an amount of fifty billion riyals in order to:

- enhance the liquidity in the banking sector and enable it to continue its role in providing credit facilities to private sector companies;
- restructure current credit facilities without any additional fees;
- support plans to maintain employment levels in the private sector; and
- provide relief for a number of banking fees that have been waived for customers.

In this regard, during Q2 2020, the Bank received SR 6.3 billion profit free deposit with one year maturity. Management has determined based on the communication received from SAMA, that this government grant primarily relates to liquidity support. The benefit of the subsidised funding rate has been accounted for on a systematic basis, in accordance with government grant accounting requirements. This resulted in a total day 1 fair valuation gain of SAR 97 million of which SAR 22 million has been recognised by the Bank to date with the remaining amount deferred.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period presentation.

21. BOARD OF DIRECTORS APPROVAL

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 15 Ramadan 1442H (corresponding to 27 April 2021.