

Riyad Bank

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial
Statements for period ended 31 March 2025



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Independent Auditors' Report on Review of Interim Financial Information

**To the Shareholders of Riyadh Bank
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyadh Bank (“the Bank”) and its subsidiaries (collectively referred to as “the Group”) as at 31 March 2025, and the statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information 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 this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, as endorsed in the Kingdom of Saudi Arabia. A review of interim 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 the International Standards on Auditing, that are 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 financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The interim financial information for the period ended 31 March 2024 was reviewed by other joint auditors who expressed an unmodified conclusion on that information on 5 May 2024 (corresponding to 26 Shawwal 1445H).

Ernst & Young Professional Services

Rashid S. Roshod
Certified Public Accountant
License No. 366

Deloitte and Touche & Co.
Chartered Accountants

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



Riyadh: 30 Shawwal 1446H
(28 April 2025)



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)	31 March 2024 SAR'000 (Unaudited)
	Note			
ASSETS				
Cash and balances with Saudi Central Bank (SAMA), net		26,910,416	22,599,973	28,641,826
Due from banks and other financial institutions, net		15,227,443	22,574,084	17,577,187
Positive fair value of derivatives	6	4,867,967	5,568,952	4,444,171
Investments, net	7 a)	69,270,797	69,668,963	60,663,493
- Investment at fair value through income statement (FVIS)		4,521,245	4,492,580	4,235,133
- Investment at amortised cost, net		42,626,243	44,151,537	35,624,205
- Investments at fair value through other comprehensive income(FVOCI)		22,123,309	21,024,846	20,804,155
Loans and advances, net	8 a)	338,991,099	320,089,491	282,854,210
Other assets		2,108,867	2,204,083	4,020,918
Investment in associates		415,060	402,419	385,430
Other real estate		761,873	753,700	659,388
Property, equipment and right of use assets, net		6,791,692	6,517,129	5,612,283
Total assets		465,345,214	450,378,794	404,858,906
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions		47,820,037	43,949,020	40,120,517
Negative fair value of derivatives	6	4,341,033	5,165,593	4,150,961
Customer deposits	9	304,092,494	306,423,391	270,947,883
Debt securities in issue and term loans	10	22,752,011	13,324,453	13,198,750
Other liabilities		13,823,463	13,574,238	16,363,942
Total liabilities		392,829,038	382,436,695	344,782,053
Shareholders' equity				
Share capital		30,000,000	30,000,000	30,000,000
Treasury shares		(165,105)	(165,105)	(165,912)
Statutory reserve		15,283,989	15,283,989	12,953,515
Other reserves		279,732	77,216	(271,750)
Retained earnings		13,045,385	13,359,899	10,998,125
Proposed dividends		2,695,525	-	-
Equity attributable to the shareholders of the Bank		61,139,526	58,555,999	53,513,978
Tier 1 Sukuk	10	11,376,650	9,386,100	6,562,875
Total equity		72,516,176	67,942,099	60,076,853
Total liabilities and equity		465,345,214	450,378,794	404,858,906

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.




Abdullah A. Al-Oraini
Chief Financial Officer



Nadir S. Al-Koraya
Chief Executive Officer




Eng. Abdullah M. Al-Issa
Chairman of the Board

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Note	For the three month period ended 31 March	
		2025	2024
		<u>SAR'000</u>	<u>SAR'000</u>
Special commission income		6,350,556	5,669,418
Special commission expense		3,068,074	2,618,537
Net special commission income		3,282,482	3,050,881
Fee and commission income		1,189,926	1,066,194
Fee and commission expense		378,747	362,871
Fee and commission income, net		811,179	703,323
Exchange income, net		174,647	154,744
Trading income, net		215,948	158,923
Dividend income		4,894	7,876
(Losses) / gains on disposal of non-trading investments, net		(7,891)	2,033
Other operating income		22,382	9,907
Total operating income, net		4,503,641	4,087,687
Salaries and employee-related expenses		734,137	694,846
Rent and premises-related expenses		69,979	57,222
Depreciation of property, equipment and right of use assets		188,744	187,954
Other general and administrative expenses		363,442	388,130
Other operating expenses		22,582	17,563
Total operating expenses before impairment charge		1,378,884	1,345,715
Impairment charge for credit losses and other financial assets, net	8 d)	370,793	437,907
Impairment charge for investments, net		(9,070)	(1,319)
Total operating expenses, net		1,740,607	1,782,303
Net operating income		2,763,034	2,305,384
Share in income of associates, net		8,744	5,620
Income before zakat		2,771,778	2,311,004
Zakat		285,771	238,281
Net income for the period		2,486,007	2,072,723
Basic and diluted earnings per share (in SAR)	17	0.79	0.66


The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

Abdullah A. Al-Oraini
Chief Financial Officer



Nadir S. Al-Koraya
Chief Executive Officer



Eng. Abdullah M. Al-Issa
Chairman of the Board

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	For the three month period ended 31 March	
	2025 SAR'000	2024 SAR'000
Net income for the period	2,486,007	2,072,723
Other comprehensive income (OCI):		
<u>a) Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods</u>		
- Fair value through other comprehensive income (FVOCI- debt instruments)		
- Net change in fair value	236,932	72,442
- Net amounts transferred to interim condensed consolidated statement of income	7,891	(2,033)
- Net changes in allowance for expected credit losses (ECL) of debt instruments	(13,322)	(1,938)
- Effective portion of net change in fair value of cash flow hedge	(85,576)	(8,009)
<u>b) Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods</u>		
- Net change in fair value and transfers of equity instruments at fair value through other comprehensive income (FVOCI- equity instruments)	50,874	36,991
Other comprehensive income for the period	196,799	97,453
Total comprehensive income for the period	2,682,806	2,170,176


The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.




Abdullah A. Al-Oraini
Chief Financial Officer



Nadir S. Al-Koraya
Chief Executive Officer



Eng. Abdullah M. Al-Hssa
Chairman of the Board

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the three month period ended 31 March 2025 & 2024

<u>SAR'000</u>	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
31 March 2025									
Balance at the beginning of the period	30,000,000	(165,105)	15,283,989	77,216	13,359,899	-	58,555,999	9,386,100	67,942,099
<u>Total comprehensive income</u>									
Net changes in fair values of									
- FVOCI -equity instruments	-	-	-	50,874	-	-	50,874	-	50,874
- FVOCI -debt instruments	-	-	-	236,932	-	-	236,932	-	236,932
Net amount reclassified to the interim condensed consolidated statement of income	-	-	-	7,891	-	-	7,891	-	7,891
Net changes in allowance for expected on FVOCI -debt instruments	-	-	-	(13,322)	-	-	(13,322)	-	(13,322)
Net change in fair value of cash flow hedge	-	-	-	(85,576)	-	-	(85,576)	-	(85,576)
Net income for the period	-	-	-	-	2,486,007	-	2,486,007	-	2,486,007
Total comprehensive income	-	-	-	196,799	2,486,007	-	2,682,806	-	2,682,806
Disposal of FVOCI-equity instruments	-	-	-	-	-	-	-	-	-
Tier 1 sukuk issued	-	-	-	-	-	-	-	1,990,550	1,990,550
Tier 1 sukuk costs	-	-	-	-	(104,996)	-	(104,996)	-	(104,996)
Final dividends proposed - 2024(note 16)	-	-	-	-	(2,695,525)	2,695,525	-	-	-
Employee share plan reserve	-	-	-	5,717	-	-	5,717	-	5,717
Balance at the end of the period	30,000,000	(165,105)	15,283,989	279,732	13,045,385	2,695,525	61,139,526	11,376,650	72,516,176
31 March 2024									
Balance at the beginning of the period	30,000,000	(165,912)	12,953,515	(369,203)	11,277,171	-	53,695,571	6,562,500	60,258,071
<u>Total comprehensive income</u>									
Net changes in fair values of									
- FVOCI -equity instruments	-	-	-	36,991	-	-	36,991	-	36,991
- FVOCI -debt instruments	-	-	-	72,442	-	-	72,442	-	72,442
Net amount reclassified to the interim condensed consolidated statement of income	-	-	-	(2,033)	-	-	(2,033)	-	(2,033)
Net changes in allowance for expected credit on FVOCI -debt instruments	-	-	-	(1,938)	-	-	(1,938)	-	(1,938)
Net change in fair value of cash flow hedge	-	-	-	(8,009)	-	-	(8,009)	-	(8,009)
Net income for the period	-	-	-	-	2,072,723	-	2,072,723	-	2,072,723
Total comprehensive income	-	-	-	97,453	2,072,723	-	2,170,176	-	2,170,176
Final dividends paid - 2023(note 16)	-	-	-	-	(2,246,250)	-	(2,246,250)	-	(2,246,250)
Tier 1 sukuk costs	-	-	-	-	(105,519)	-	(105,519)	375	(105,144)
Balance at the end of the period	30,000,000	(165,912)	12,953,515	(271,750)	10,998,125	-	53,513,978	6,562,875	60,076,853

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.




Abdullah A. Al-Oraini
Chief Financial Officer



Nadir S. Al-Koraya
Chief Executive Officer



Eng. Abdullah M. Al-Issa
Chairman of the Board

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS(Unaudited)

	Note	For the three month period ended 31 March	
		2025 SAR'000	2024 SAR'000
OPERATING ACTIVITIES			
Income before zakat		2,771,778	2,311,004
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		(182,657)	(129,807)
(Gains)/ losses on disposal of non-trading investments, net		7,891	(2,033)
Gains on trading investments, net		(25,099)	(29,376)
Gains on sale of property and equipment, net		(1,170)	(104)
Dividend income		(4,894)	(7,876)
Depreciation of property, equipment and right of use assets		188,744	187,954
Share in income of associates, net		(8,744)	(5,620)
Impairment charge for credit losses and other financial assets, net	8 d)	370,793	437,907
Interest on lease liabilities		3,698	3,892
Impairment charge for investments, net		(9,070)	(1,319)
		<u>3,111,270</u>	<u>2,764,622</u>
Net (increase) decrease in operating assets:			
Statutory deposit with SAMA		(1,383,388)	(448,085)
Positive fair value of derivatives		700,985	(776,041)
Investments at FVIS		(3,566)	(1,882,912)
Loans and advances, net		(19,233,176)	(8,891,914)
Other real estate		(8,173)	11,082
Other assets		95,216	(1,473,798)
Net increase (decrease) in operating liabilities:			
Due to banks and other financial institutions		3,871,017	(2,343,509)
Negative fair value of derivatives		(824,560)	722,386
Customer deposits		(2,330,897)	16,040,259
Other liabilities		211,324	1,813,188
		<u>(15,793,948)</u>	<u>5,535,278</u>
Zakat paid		-	-
Net cash (used in) from operating activities		<u>(15,793,948)</u>	<u>5,535,278</u>
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments not held as FVIS instruments		6,992,109	5,119,638
Purchase of investments not held as FVIS instruments		(6,443,523)	(5,889,793)
Purchase of property and equipment		(469,502)	(288,741)
Proceeds from sale of property and equipment		7,365	19,620
Net cash from (used in) investing activities		<u>86,449</u>	<u>(1,039,276)</u>
FINANCING ACTIVITIES			
Proceeds from issue of debt securities in issue and term loans, net	10	9,427,558	-
Debt securities in issue and term loans, net, related movements		-	(173,872)
Proceeds from issue of Tier 1 sukuk	10	1,990,550	-
Dividend paid		(1,192)	(444)
Tier 1 sukuk related costs		(104,997)	(105,519)
Payment of principal portion of lease liabilities		(24,006)	(54,190)
Net cash from (used in) financing activities		<u>11,287,913</u>	<u>(334,025)</u>
Net (Decrease) increase in cash and cash equivalents		<u>(4,419,586)</u>	<u>4,161,977</u>
Cash and cash equivalents at beginning of the period		29,546,689	28,290,580
Cash and cash equivalents at end of the period	12	<u>25,127,103</u>	<u>32,452,557</u>
Special commission received during the period		5,674,593	5,740,045
Special commission paid during the period		3,029,636	2,850,614
Supplemental non-cash information			
Net changes in fair value and transfers to consolidated statement of income		210,121	99,391
Right of use (ROU) assets		10,236	(47,663)
Lease liabilities		27,703	(44,146)

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.



Abdullah A. Al-Oraini
Chief Financial Officer



Nadir S. Al-Koraya
Chief Executive Officer



Eng. Abdullah M. Al-Issa
Chairman of the Board

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

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 333 licensed branches (31 March 2024: 335 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 Group is to provide a full range of banking and investment 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 subsidiaries (the Bank and the subsidiaries are collectively referred to as "the Group"). The significant subsidiaries of Riyad Bank are given below:

Subsidiary	Ownership	Description
Riyad Capital	100%	Engaged in investment services and asset management activities related to dealing, managing, arranging, advising and custody of securities regulated by the Capital Market Authority, incorporated in the Kingdom of Saudi Arabia.
Ithra Al-Riyad Real Estate Company	100%	Formed with the objective to hold, manage, sell and purchase real estate assets for owners or third parties for financing activities, incorporated in the Kingdom of Saudi Arabia.
Esnad Al-Riyadh	100%	A limited liability company registered in the Kingdom of Saudi Arabia to provide human resources services to the Group, incorporated in the Kingdom of Saudi Arabia.
Curzon Street Properties Limited	100%	A property holding company, incorporated in the Isle of Man.
Riyad Financial Markets	100%	A netting and bankruptcy jurisdiction country, to execute derivative transactions with international counterparties on behalf of Riyad Bank, incorporated in the Cayman Islands.
Jeel Digital Innovation Company	100%	Engaged in systems analysis, application and operating systems development, hosting websites, financial technology solutions and related activities, incorporated in the Kingdom of Saudi Arabia.
1957 Ventures Fund	100%	Engaged in fostering innovation by investing in building FinTech ventures and offering comprehensive support, including resources, mentorship, and strategic insights, incorporated in the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group as at and for the three months period ended 31 March 2025 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 issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The consolidated financial statements of the Group as at and for the year ended 31 December 2024, were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank. The interim condensed 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 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

2. BASIS OF PREPARATION(continued)

The interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts rounded to the nearest thousand except where otherwise stated. The functional currency of the Group is Saudi Arabian except where otherwise stated in the notes to the financial statements.

The preparation of 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 and liabilities, income and expense. Actual results may differ from these estimates.

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 the 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
4. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new Amendments/Standards effective as of 1 January 2025.

During the period, the Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments, given below, apply for the first time in 2025, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

<u>Standard</u>	<u>Description</u>
Amendment to IAS 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.

New /Amended Standards not yet effective and not early adopted.

<u>Standard, Interpretation, Amendments</u>	<u>Description</u>	<u>Effective date</u>
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.	1 January 2026
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.	1 January 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.	1 January 2027
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Not yet endorsed by SOCPA
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

5. 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 as at and for the year ended 31 December 2024.

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 2025 (Unaudited)			31 December 2024 (Audited)			31 March 2024 (Unaudited)		
	Positive fair value <u>SAR'000</u>	Negative fair value <u>SAR'000</u>	Notional amount <u>SAR'000</u>	Positive fair value <u>SAR'000</u>	Negative fair value <u>SAR'000</u>	Notional amount <u>SAR'000</u>	Positive fair value <u>SAR'000</u>	Negative fair value <u>SAR'000</u>	Notional amount <u>SAR'000</u>
Held for trading:									
Special commission rate swaps	4,701,428	(4,164,776)	281,755,110	5,372,222	(4,864,104)	268,796,411	4,308,900	(3,981,392)	192,369,178
Forward foreign exchange contracts	120,220	(90,716)	26,157,349	136,489	(202,044)	30,812,814	46,977	(32,423)	15,202,125
Currency options	599	(832)	681,210	522	-	441,194	1,151	(56)	1,028,337
Commodity swaps	28,311	(27,766)	1,993,119	30,757	(30,210)	1,231,424	33,867	(30,797)	1,285,558
Held as fair value hedges:									
Special commission rate swaps	17,409	-	787,731	28,962	-	1,595,940	53,276	-	1,593,094
Held as cash flow hedges:									
Special commission rate swaps	-	(56,943)	1,375,000	-	(69,235)	1,375,000	-	(106,293)	1,375,000
Total	4,867,967	(4,341,033)	312,749,519	5,568,952	(5,165,593)	304,252,783	4,444,171	(4,150,961)	212,853,292

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
7. INVESTMENTS, NET
a) Investments by type of securities

SAR'000	Domestic			International			Total		
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 December 2024	31 March 2024
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
i) Investment at FVIS									
Mutual Funds	4,521,245	4,492,580	4,235,133	-	-	-	4,521,245	4,492,580	4,235,133
Total	4,521,245	4,492,580	4,235,133	-	-	-	4,521,245	4,492,580	4,235,133
ii) Investment at amortised cost, net									
Fixed rate securities	39,914,875	41,392,621	32,798,728	103,961	105,806	102,598	40,018,836	41,498,427	32,901,326
Floating rate securities	2,607,407	2,653,110	2,722,879	-	-	-	2,607,407	2,653,110	2,722,879
Total	42,522,282	44,045,731	35,521,607	103,961	105,806	102,598	42,626,243	44,151,537	35,624,205
iii) Investments at FVOCI, net									
Fixed rate securities	-	-	-	20,139,057	18,852,456	19,134,194	20,139,057	18,852,456	19,134,194
Floating rate securities	-	-	-	385,892	627,771	2,632	385,892	627,771	2,632
Equities	429,498	432,952	545,112	1,168,862	1,111,667	1,122,217	1,598,360	1,544,619	1,667,329
Total	429,498	432,952	545,112	21,693,811	20,591,894	20,259,043	22,123,309	21,024,846	20,804,155
Total	47,473,025	48,971,263	40,301,852	21,797,772	20,697,700	20,361,641	69,270,797	69,668,963	60,663,493

Above investments include sukuks amounting to SAR 27.5 billion as at 31 March 2025 (31 December 2024: SAR 25.2 billion and 31 March 2024 : SAR 25.7 billion).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
7. INVESTMENTS, NET (continued)

b) An analysis of changes in loss allowance is as follows:

Debt instruments carried at amortised cost
(SAR'000)

	<u>Stage 1</u> <u>12-month</u> <u>ECL</u>	<u>Stage 2</u> <u>lifetime ECL -</u> <u>not credit</u> <u>impaired</u>	<u>Stage 3</u> <u>lifetime ECL -</u> <u>credit</u> <u>impaired</u>	<u>Total</u>
Balance at 1 January 2025	2,853	611	-	3,464
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	4,383	(131)	-	4,252
Balance as at 31 March 2025	7,236	480	-	7,716
Balance at 1 January 2024	1,769	1,064	-	2,833
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	745	(126)	-	619
Balance as at 31 March 2024	2,514	938	-	3,452

Debt instruments carried at FVOCI
(SAR'000)

	<u>Stage 1</u> <u>12-month</u> <u>ECL</u>	<u>Stage 2</u> <u>lifetime ECL -</u> <u>not credit</u> <u>impaired</u>	<u>Stage 3</u> <u>lifetime ECL -</u> <u>credit</u> <u>impaired</u>	<u>Total</u>
Balance at 1 January 2025	32,147	70,941	380,886	483,974
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(42)	42	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	(2,115)	(10,539)	(668)	(13,322)
Balance as at 31 March 2025	29,990	60,444	380,218	470,652
Balance at 1 January 2024	38,198	77,085	357,704	472,987
Transfer from Stage 2 & Stage 3 to Stage 1	4,094	(4,094)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(1,052)	1,052	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	(3,226)	7,528	(6,240)	(1,938)
Balance as at 31 March 2024	38,014	81,571	351,464	471,049

* Includes remeasurement

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
7. INVESTMENTS, NET (continued)

c) An analysis of changes in gross carrying amount is as follows:

Debt instruments carried at amortised cost
(SAR'000)

	<u>Stage 1</u> <u>12-month ECL</u>	<u>Stage 2</u> <u>lifetime ECL</u> <u>- not credit</u> <u>impaired</u>	<u>Stage 3</u> <u>lifetime ECL -</u> <u>credit impaired</u>	<u>Total</u>
Balance at 1 January 2025	44,049,664	105,337	-	44,155,001
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	(1,520,853)	(189)	-	(1,521,042)
Balance as at 31 March 2025	<u>42,528,811</u>	<u>105,148</u>	<u>-</u>	<u>42,633,959</u>
Balance at 1 January 2024	34,515,854	105,183	-	34,621,037
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	1,006,619	1	-	1,006,620
Balance as at 31 March 2024	<u>35,522,473</u>	<u>105,184</u>	<u>-</u>	<u>35,627,657</u>

Debt instruments carried at FVOCI
(SAR'000)

	<u>Stage 1</u> <u>12-month ECL</u>	<u>Stage 2</u> <u>lifetime ECL</u> <u>- not credit</u> <u>impaired</u>	<u>Stage 3</u> <u>lifetime ECL -</u> <u>credit impaired</u>	<u>Total</u>
Balance at 1 January 2025	17,235,352	1,398,462	846,413	19,480,227
Transfer from Stage 2 & Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(43,777)	43,777	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	1,098,160	(52,531)	(907)	1,044,722
Balance as at 31 March 2025	<u>18,289,735</u>	<u>1,389,708</u>	<u>845,506</u>	<u>20,524,949</u>
Balance at January 1, 2024	16,849,562	1,892,537	794,897	19,536,996
Transfer from Stage 2 & Stage 3 to Stage 1	372,667	(372,667)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(151,147)	151,147	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net other movements*	(256,518)	(130,058)	(13,594)	(400,170)
Balance as at 31 March 2024	<u>16,814,564</u>	<u>1,540,959</u>	<u>781,303</u>	<u>19,136,826</u>

* Includes remeasurement

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
8. LOANS AND ADVANCES, NET
a) Loans and advances held at amortised cost

These comprise the following:

<u>31 March 2025 (Unaudited)</u>	Overdraft	Credit Cards	Consumer Loans*	Commercial Loans	Others	Total
SAR'000						
Performing loans and advances	6,918,239	1,622,330	97,049,954	232,216,215	2,476,741	340,283,479
Non-performing loans and advances	216,185	77,112	1,166,345	2,452,825	2,300	3,914,767
Total loans and advances	7,134,424	1,699,442	98,216,299	234,669,040	2,479,041	344,198,246
Allowance for impairment	(645,562)	(84,878)	(1,476,671)	(2,996,684)	(3,352)	(5,207,147)
Loans and advances, net	6,488,862	1,614,564	96,739,628	231,672,356	2,475,689	338,991,099
<u>31 December 2024 (Audited)</u>	Overdraft	Credit Cards	Consumer Loans*	Commercial Loans	Others	Total
SAR'000						
Performing loans and advances	6,094,029	1,726,609	94,476,642	217,284,176	2,636,059	322,217,515
Non-performing loans and advances	84,882	73,259	1,184,031	1,829,052	2,300	3,173,524
Total loans and advances	6,178,911	1,799,868	95,660,673	219,113,228	2,638,359	325,391,039
Allowance for impairment	(497,903)	(84,617)	(1,425,880)	(3,290,604)	(2,544)	(5,301,548)
Loans and advances, net	5,681,008	1,715,251	94,234,793	215,822,624	2,635,815	320,089,491
<u>31 March 2024 (Unaudited)</u>	Overdraft	Credit Cards	Consumer Loans*	Commercial Loans	Others	Total
SAR'000						
Performing loans and advances	5,760,633	1,518,837	93,989,559	180,852,779	2,130,063	284,251,871
Non-performing loans and advances	37,347	57,124	1,253,633	2,079,094	1,750	3,428,948
Total loans and advances	5,797,980	1,575,961	95,243,192	182,931,873	2,131,813	287,680,819
Allowance for impairment	(159,341)	(66,300)	(1,103,082)	(3,496,121)	(1,765)	(4,826,609)
Loans and advances, net	5,638,639	1,509,661	94,140,110	179,435,752	2,130,048	282,854,210

Loans and advances, net, include non-conventional banking products of SAR 219.1 billion as at 31 March 2025 (31 December 2024: SAR 208.3 billion and 31 March 2024: SAR 190.7 billion).

b) An analysis of changes in loss allowance for total loans and advances is, as follows:

<u>ECL on total loans and advances (SAR'000)</u> (Unaudited)	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12-month ECL</u>	<u>lifetime ECL - not credit impaired</u>	<u>lifetime ECL - credit impaired</u>	
Balance at 1 January 2025	982,176	2,296,954	2,022,418	5,301,548
Transfer from Stage 2 & Stage 3 to Stage 1	70,196	(43,559)	(26,637)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(25,540)	52,761	(27,221)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(1,958)	(837,644)	839,602	-
Net re-measurement of loss allowance**	(98,921)	186,412	187,509	275,000
Write-offs	-	-	(369,401)	(369,401)
Balance as at 31 March 2025	925,953	1,654,924	2,626,270	5,207,147
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12-month ECL</u>	<u>lifetime ECL - not credit impaired</u>	<u>lifetime ECL - credit impaired</u>	
Balance at 1 January 2024	811,401	2,085,676	2,025,242	4,922,319
Transfer from Stage 2 & Stage 3 to Stage 1	39,831	(15,487)	(24,344)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(13,017)	29,598	(16,581)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(1,862)	(107,965)	109,827	-
Net re-measurement of loss allowance**	(113,158)	99,589	386,087	372,518
Write-offs	-	-	(468,228)	(468,228)
Balance as at 31 March 2024	723,195	2,091,411	2,012,003	4,826,609

* Includes consumer mortgage loans

** Includes charge-offs (consumer loans and credit cards)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
8. LOANS AND ADVANCES, NET (continued)
c) An analysis of changes in gross carrying amount of loans and advances
Total loans and advances (SAR'000)

	<u>Stage 1</u> <u>12-month ECL</u>	<u>Stage 2</u> <u>lifetime ECL -</u> <u>not credit</u> <u>impaired</u>	<u>Stage 3</u> <u>lifetime ECL -</u> <u>credit impaired</u>	<u>Total</u>
Balance at 1 January 2025	307,845,048	13,522,245	4,023,746	325,391,039
Transfer from Stage 2 & Stage 3 to Stage 1	756,564	(663,123)	(93,441)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(3,096,478)	3,189,781	(93,303)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(141,776)	(1,687,134)	1,828,910	-
Net other movements*	19,626,068	83,861	(350,034)	19,359,895
Write-off**	-	-	(552,688)	(552,688)
Balance as at 31 March 2025	<u>324,989,426</u>	<u>14,445,630</u>	<u>4,763,190</u>	<u>344,198,246</u>
Balance at 1 January 2024	258,856,541	16,131,359	4,332,665	279,320,565
Transfer from Stage 2 & Stage 3 to Stage 1	1,571,686	(1,495,201)	(76,485)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(3,127,018)	3,177,861	(50,843)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(135,436)	(809,853)	945,289	-
Net other movements*	9,072,058	159,849	(222,141)	9,009,766
Write-offs**	-	-	(649,512)	(649,512)
Balance as at 31 March 2024	<u>266,237,831</u>	<u>17,164,015</u>	<u>4,278,973</u>	<u>287,680,819</u>

*Includes new loans generated, loans repaid and other movements

** Includes charge-offs (consumer loans and credit cards)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

8. LOANS AND ADVANCES, NET (continued)

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

SAR'000	For the three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Impairment charge for credit losses, net	331,568	435,950
Impairment charge (reversal) for other financial assets, net	39,225	1,957
Total	370,793	437,907

9. CUSTOMER DEPOSITS

Customer deposits comprise the following:

SAR'000	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Demand	148,704,082	153,052,165	128,227,445
Saving	1,485,600	1,305,481	1,434,589
Time	140,959,536	138,269,399	118,131,635
Others	12,943,276	13,796,346	23,154,214
Total	304,092,494	306,423,391	270,947,883

Customer time deposits include non-conventional banking deposits of SAR 44,756 million as at 31 March 2025 (31 December 2024: SAR 53,005 million and 31 March 2024: SAR 38,102 million).

10. DEBT SECURITIES IN ISSUE AND TERM LOANS AND TIER 1 SUKUK

During January 2025, the Bank successfully completed the issuance of SAR denominated additional Tier 1 capital-eligible sukuk amounting to SAR 2 billion. The Sukuk carry a special commission rate of 6% and are classified as perpetual securities with no fixed or contractual maturity.

During January 2025, the Bank obtained the necessary approvals from SAMA for exercising its call option on its USD 1.5 billion (SAR 5.6 billion) fixed rate Tier 2 Sukuk due at 2030. The Sukuk redeemed at face value (100% of issue price) at the end of year five period on February 25, 2025.

During current quarter, the Bank issued certificate of deposits (CD) amounting to SAR 8.0 billion, under its CD Programme and syndicated term loans amounting to SAR 7.1 billion.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

11. COMMITMENTS AND CONTINGENCIES

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

SAR'000	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Letters of credit	9,854,054	10,077,081	8,285,680
Letters of guarantee	125,049,368	121,359,197	104,339,786
Acceptances	4,779,933	5,139,590	5,049,000
Irrevocable commitments to extend credit	44,277,129	43,116,547	29,762,453
Total	183,960,484	179,692,415	147,436,919

b) An analysis of changes in loss allowance for credit related commitments and contingencies are, as follows:

SAR'000	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at January 1, 2025	60,634	10,276	479,343	550,253
Transfer from Stage 2 & Stage 3 to Stage 1	126	(126)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(53)	162	(109)	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Net re-measurement of loss allowance	13,418	(4,111)	32,033	41,340
Transfer to write-off reserves	-	-	-	-
Balance as at 31 March 2025	74,125	6,201	511,267	591,593
Balance at January 1, 2024	50,764	9,992	145,424	206,180
Transfer from Stage 2 & Stage 3 to Stage 1	232	(232)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(81)	81	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	(34)	34	-
Net re-measurement of loss allowance	(317)	2,368	1,048	3,099
Transfer to write-off reserves	-	-	(1,109)	(1,109)
Balance as at 31 March 2024	50,598	12,175	145,397	208,170

Other liabilities as at 31 March 2025, include write-off reserves amounting to SAR 168 million (31 December 2024: SAR 173 million and 31 March 2024: SAR 540 million).

c) Legal proceedings

The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as disclosed in December 31, 2024 annual consolidated financial statements.

12. CASH AND CASH EQUIVALENTS

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
	SAR'000	SAR'000	SAR'000
Cash and balances with SAMA excluding statutory deposit	9,899,660	6,972,605	14,875,370
Due from banks and other financial institutions maturing within three months from date of acquisition	15,227,443	22,574,084	17,577,187
Total	25,127,103	29,546,689	32,452,557

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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 2025

SAR'000 (Unaudited)

Financial assets measured at fair value

	Level 1	Level 2	Level 3	Total
- Positive fair value of derivatives	-	4,867,967	-	4,867,967
- Investments held at FVIS	4,521,245	-	-	4,521,245
Mutual Funds	4,521,245	-	-	4,521,245
- Investments held at FVOCI	21,612,042	-	511,267	22,123,309
Fixed rate securities	20,139,057	-	-	20,139,057
Floating rate securities	385,892	-	-	385,892
Equities	1,087,093	-	511,267	1,598,360

Financial liabilities measured at fair value

- Negative fair value of derivatives	-	4,341,033	-	4,341,033
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31 December 2024

SAR'000 (Audited)

Financial assets measured at fair value

	Level 1	Level 2	Level 3	Total
- Positive fair value of derivatives	-	5,568,952	-	5,568,952
- Investments held at FVIS	4,492,580	-	-	4,492,580
Mutual Funds	4,492,580	-	-	4,492,580
- Investments held at FVOCI	20,520,644	-	504,202	21,024,846
Fixed rate securities	18,852,456	-	-	18,852,456
Floating rate securities	627,771	-	-	627,771
Equities	1,040,417	-	504,202	1,544,619

Financial liabilities measured at fair value

- Negative fair value of derivatives	-	5,165,593	-	5,165,593
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31 March 2024

SAR'000 (Unaudited)

Financial assets measured at fair value

	Level 1	Level 2	Level 3	Total
- Positive fair value of derivatives	-	4,444,171	-	4,444,171
- Investments held at FVIS	4,235,133	-	-	4,235,133
Mutual Funds	4,235,133	-	-	4,235,133
- Investments held at FVOCI	20,123,950	-	680,205	20,804,155
Fixed rate securities	19,134,194	-	-	19,134,194
Floating rate securities	2,632	-	-	2,632
Equities	987,124	-	680,205	1,667,329

Financial liabilities measured at fair value

- Negative fair value of derivatives	-	4,150,961	-	4,150,961
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
13. FAIR VALUES OF FINANCIAL INSTRUMENTS(continued)

	For the three months ended 31 March 2025	For the year ended 31 December 2024	For the three months ended 31 March 2024
	(Unaudited) SAR'000	(Audited) SAR'000	(Unaudited) SAR'000
Reconciliation of movement in Level 3			
Opening balance	504,202	680,767	680,767
Total gains or losses, net:			
- recognised in other comprehensive income	-	(47,271)	9
Other movements	502	10,282	-
Purchases	6,563	107,021	(571)
Sales/ redemptions	-	(246,597)	-
Closing balance	511,267	504,202	680,205

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

Although the Group believes that its estimates of fair value of Level 3 securities are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. Level 3 consists of local and international unquoted equity securities. The Group uses net assets valuation and price to book value method based on most recent available audited financial statements to fair value these investments. Other methodology that could be used to value the securities is discounted cash flow model based on expected dividend yield for which no data is available. Therefore potential impact of using reasonably possible alternative assumptions for the valuation techniques is not quantified.

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 and term loans, 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, which are categorised within level 3 of fair value hierarchy. The estimated fair values of loans and advances was SAR 343.3 billion (carrying value: SAR 344.6 billion), as at 31 March 2025 (31 December 2024: SAR 324.2 billion, carrying value: SAR 325.4 billion and 31 March 2024: SAR 283.2 billion, carrying value: SAR 287.7 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 40.0 billion as at 31 March 2025 (carrying value: SAR 42.6 billion), (31 December 2024: SAR 40.7 billion, carrying value: SAR 44.1 billion and 31 March 2024: SAR 32.2 billion, carrying value: SAR 35.6 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

14. OPERATING SEGMENTS (continued)

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

Retail banking

Deposits, credit and investment products for individuals.

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 includes small to medium sized businesses.

Treasury and investment

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

The Group's total assets and liabilities at 31 March 2025 and 2024 and its net 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 2025

SAR'000 (Unaudited)	Retail banking	Investment banking and brokerage	Corporate banking	Treasury and investment	Total
Total assets	116,293,300	3,650,252	247,502,499	97,899,163	465,345,214
Total liabilities	124,334,518	520,942	201,967,707	66,005,871	392,829,038
Operating income from external customers	1,083,658	249,131	2,364,433	806,419	4,503,641
Inter segment income/(expense)	190,055	-	(2,183)	(187,872)	-
Total operating income, net of which	1,273,713	249,131	2,362,250	618,547	4,503,641
- Net special commission income	1,201,600	93,173	1,761,737	225,972	3,282,482
- Fee and commission income, net	87,809	142,524	570,462	10,384	811,179
Total operating expenses, net of which	924,801	82,408	668,688	64,710	1,740,607
- Depreciation of property, equipment & right of use assets	127,480	7,670	46,730	6,864	188,744
- Impairment charge for credit losses and other financial assets, net	144,025	-	224,975	1,793	370,793
- Impairment charge for investments, net	-	-	-	(9,070)	(9,070)
Share in profits of associates, net	-	-	-	8,744	8,744
Income for the period before zakat	348,912	166,723	1,693,562	562,581	2,771,778

31 March 2024

SAR'000 (Unaudited)	Retail banking	Investment banking and brokerage	Corporate banking	Treasury and investment	Total
Total assets	112,482,706	6,360,036	191,359,632	94,656,532	404,858,906
Total liabilities	123,417,133	568,891	174,420,016	46,376,013	344,782,053
Operating income from external customers	983,753	196,802	2,290,766	616,366	4,087,687
Inter segment income/(expense)	147,819	30,174	(150,712)	(27,281)	-
Total operating income, net of which	1,131,572	226,976	2,140,054	589,085	4,087,687
- Net special commission income	1,056,265	68,941	1,660,165	265,510	3,050,881
- Fee and commission income, net	88,682	153,420	459,621	1,600	703,323
Total operating expenses, net of which	944,549	74,592	699,126	64,036	1,782,303
- Depreciation of property, equipment & right of use assets	131,161	9,607	40,740	6,446	187,954
- Impairment charge for credit losses and other financial assets, net	134,759	-	301,808	1,340	437,907
- Impairment charge for investment, net	-	-	-	(1,319)	(1,319)
Share in losses of associates, net	-	-	-	5,620	5,620
Income for the period before zakat	187,023	152,384	1,440,928	530,669	2,311,004

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For the three month period ended 31 March 2025 & 2024

15. FINANCIAL RISK MANAGEMENT

Credit risk

Credit exposures arise principally in lending activities (for both conventional and non-conventional banking products) 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.

The Group attempts to control credit risk by deploying various credit risk management techniques and processes, such as, application Risk Acceptance Criteria (RAC's) as credit risk screening tools, 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 economic 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

16. DIVIDENDS

On February 3, 2025, final dividends of SAR 2,696 million at SAR 0.90 per share was proposed for second half of 2024. Final dividends of SAR 2,696 million (2024:SAR 2,246 million) at SAR 0.90 per share (2024: SAR 0.75 per share), were approved by the Extraordinary General Assembly meeting on 13 April 2025 and the distribution date for the dividend was 24 April 2025

17. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the period ended 31 March 2025 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 sukuk costs for the period, by 2,995 million shares (2024 : 2,995 million shares), after excluding treasury 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.

Capital adequacy and the use of regulatory capital are monitored regularly by management. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above Basel prescribed minimum.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its 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-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios.

	31 March 2025	31 December 2024	31 March 2024
	(Unaudited)	(Audited)	(Unaudited)
	SAR Millions	SAR Millions	SAR Millions
Risk weighted assets			
Credit risk weighted assets	407,165	381,892	336,746
Operational risk weighted assets	17,583	15,712	15,712
Market risk weighted assets	15,605	15,359	10,751
Total Pillar-I Risk Weighted Assets	440,353	412,963	363,209
Eligible capital			
Common equity Tier 1 (CET 1) Capital	61,031	58,359	53,291
Total Tier I Capital	72,408	67,745	59,854
Tier II Capital	4,620	10,480	10,289
Total Tier I and II Capital	77,028	78,225	70,143
CET 1 Ratio %	13.9%	14.1%	14.7%
Tier I Capital Adequacy Ratio %	16.4%	16.4%	16.5%
Total Capital Adequacy Ratio %	17.5%	18.9%	19.3%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the three month period ended 31 March 2025 & 2024
19. RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. Related party transactions are governed by the limits set by the Banking Control Law and regulations issued by SAMA. The balances at 31 March resulting from such transactions are as follows:

	31 March 2025 (Unaudited)	31 March 2024 Unaudited)
	<u>SAR'000</u>	<u>SAR'000</u>
a) Major Shareholders		
Loans and advances	1,045,000	265,000
Customer deposits	40,148,398	24,230,659
Derivatives asset (at fair value)	(1,557)	(3,789)
Commitments and contingencies (irrevocable)	195,000	985,000
b) Bank's Board of Directors and Senior Executives:		
Loans and advances	437,553	528,203
Customer deposits	572,820	529,345
Commitments and contingencies (irrevocable)	2,044,587	1,187,075
Executive end of service	41,537	34,382
c) Associates		
Loans and advances	234,480	83,337
Customer deposits	94,905	86,278
Commitments and contingencies (irrevocable)	208,048	427,574

Key management personnel are those persons, including a non-executive director, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

	31 March 2025 (Unaudited)	31 March 2024 Unaudited)
	<u>SAR'000</u>	<u>SAR'000</u>
Group's mutual funds:		
Customer deposits	218,594	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

19. RELATED PARTY TRANSACTIONS (continued)

Income and expenses pertaining to transactions with related parties included in these interim condensed consolidated financial statements are as follows:

	31 March 2025 (Unaudited)	31 March 2024 Unaudited)
	SAR'000	SAR'000
a) Major Shareholders		
Special commission income	15,386	4,174
Special commission expense	524,144	230,267
Fees from banking services, net	321	324
Directors and committees remuneration and expenses	-	-
Executive remuneration and bonus	-	-
Executive end of service	-	-
Other expenses	42,658	56,961
b) Bank's Board of Directors and Senior Executives:		
Special commission income	8,829	12,864
Special commission expense	5,362	6,139
Fees from banking services, net	1,482	311
Directors and committees remuneration and expenses	327	342
Executive remuneration and bonus	36,567	61,804
Executive end of service	3,423	4,383
Other expenses	-	-
c) Associates and funds managed by the group		
Special commission income	3,505	1,101
Special commission expense	2,296	1,905
Fees from banking services, net	73,108	65,946
Directors and committees remuneration and expenses	-	-
Executive remuneration and bonus	-	-
Executive end of service	-	-
Other expenses	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three month period ended 31 March 2025 & 2024

20. BOARD OF DIRECTORS APPROVAL

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 22 Shawwal 1446H (corresponding to 20 April 2025).