Riyad Bank

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements for period ended 30 June 2026

بنك الرياض
Riyad Bank

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Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

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 at 30 June 2026, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes (collectively referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this 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 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Ebrahim Oboud Baeshen
Certified Public Accountant
License No. 382

Deloitte and Touche & Co.
Chartered Accountants

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

13 Safar 1448H
(27 July 2026)

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بنك الرياض
Riyad Bank

Riyad Bank بنك الرياض

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2026 SAR'000 (Unaudited)	31 December 2025 SAR'000 (Audited)	30 June 2025 SAR'000 (Unaudited) Restated
ASSETS				
Cash and balances with Saudi Central Bank (SAMA), net		**24,172,006**	19,295,251	19,601,532
Due from banks and other financial institutions, net		**15,281,963**	21,272,353	21,430,884
Investments, net	6 a)	**92,473,153**	79,512,892	73,109,598
- Investment at fair value through income statement (FVIS)		**4,860,724**	4,870,489	4,531,525
- Investment at amortised cost, net		**62,544,981**	50,945,418	45,274,266
- Investments at fair value through other comprehensive income(FVOCI)		**25,067,448**	23,696,985	23,303,807
Positive fair value of derivatives	7	**8,374,435**	6,398,711	5,110,294
Loans and advances, net	8 a)	**377,628,855**	373,304,812	354,549,970
Other assets		**6,491,050**	10,899,109	9,841,160
Investment in associates		**448,280**	427,963	425,883
Other real estate, net		**621,240**	648,713	725,974
Property, equipment and right of use assets, net		**8,146,330**	7,721,487	7,026,614
Total assets		**533,637,312**	519,481,291	491,821,909
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions		**35,933,430**	39,082,215	48,856,432
Negative fair value of derivatives	7	**6,835,280**	5,418,500	4,539,564
Customer deposits	9	**348,270,590**	331,721,047	316,810,862
Debt securities in issue and term loan	10	**47,583,268**	47,937,627	27,614,237
Other liabilities		**14,693,085**	19,840,445	21,211,200
Total liabilities		**453,315,653**	443,999,834	419,032,295
Shareholders' equity				
Share capital		**40,000,000**	30,000,000	30,000,000
Treasury shares		**(371,733)**	(371,733)	(264,729)
Statutory reserve		**12,886,727**	17,886,727	15,283,989
Other reserves		**1,318,035**	1,225,715	909,266
Retained earnings		**13,664,970**	15,364,548	15,485,488
Equity attributable to the shareholders of the Bank		**67,497,999**	64,105,257	61,414,014
Tier 1 Sukuk		**12,823,660**	11,376,200	11,375,600
Total equity		**80,321,659**	75,481,457	72,789,614
Total liabilities and equity		**533,637,312**	519,481,291	491,821,909

The accompanying notes 1 to 23 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 30 June		For the six month period ended 30 June	
		2026	2025	**2026**	2025
		SAR'000	SAR'000	**SAR'000**	SAR'000
Special commission income		**6,938,847**	6,567,812	**13,746,115**	12,918,368
Special commission expense		**3,562,658**	3,368,160	**6,985,391**	6,436,234
Net special commission income		**3,376,189**	3,199,652	**6,760,724**	6,482,134
Fee and commission income		**1,107,015**	1,234,733	**2,177,679**	2,424,659
Fee and commission expense		**375,089**	378,833	**731,926**	757,580
Fee and commission income, net		**731,926**	855,900	**1,445,753**	1,667,079
Exchange income, net		**145,201**	152,943	**319,457**	327,590
Trading income, net		**460,596**	231,123	**783,417**	447,071
Dividend income		**13,038**	4,647	**16,064**	9,541
Gains on disposal of non-trading investments, net		**5,018**	43,670	**1,608**	35,779
Other operating income		**3,898**	32,196	**22,890**	54,578
Total operating income, net		**4,735,866**	4,520,131	**9,349,913**	9,023,772
Salaries and employee-related expenses		**717,875**	696,451	**1,458,785**	1,430,588
Rent and premises-related expenses		**44,763**	51,605	**98,246**	121,584
Depreciation of property, equipment and right of use assets		**238,981**	174,976	**457,132**	363,720
Other general and administrative expenses		**339,089**	373,646	**689,855**	737,088
Other operating expenses		**21,304**	29,210	**29,744**	51,792
Total operating expenses before impairment charge		**1,362,012**	1,325,888	**2,733,762**	2,704,772
Impairment charge for credit losses and other financial assets, net	8 d)	**345,948**	311,322	**555,403**	682,115
Impairment charge/(reversal) for investments, net		**53,849**	(1,858)	**119,526**	(10,928)
Total operating expenses, net		**1,761,809**	1,635,352	**3,408,691**	3,375,959
Net operating income		**2,974,057**	2,884,779	**5,941,222**	5,647,813
Share in income of associates, net		**8,459**	10,325	**18,650**	19,069
Income before zakat		**2,982,516**	2,895,104	**5,959,872**	5,666,882
Zakat		**333,488**	298,484	**697,305**	584,255
Net income for the period		**2,649,028**	2,596,620	**5,262,567**	5,082,627
Basic and diluted earnings per share (in SAR)	17	**0.62**	0.61	**1.24**	1.21

The accompanying notes 1 to 23 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 30 June		For the six month period ended 30 June	
	2026	2025	**2026**	2025
	SAR'000	SAR'000	**SAR'000**	SAR'000
Net income for the period	**2,649,028**	2,596,620	**5,262,567**	5,082,627
Other comprehensive income (OCI):				
a) Items that are or may 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	**226,128**	214,790	**(47,714)**	451,722
- Net amounts transferred to interim condensed consolidated statement of income	**(5,018)**	(14,748)	**(1,608)**	(6,857)
- Net changes in allowance for expected credit losses (ECL) of debt instruments	**53,081**	339	**119,589**	(12,983)
- Effective portion of net change in fair value of cash flow hedge	**12,821**	(8,590)	**23,767**	(94,166)
b) Items that cannot be reclassified to interim condensed consolidated statement of income in subsequent periods				
- Net change in fair value and transfers of equity instruments at fair value through other comprehensive income	**39,985**	(22,999)	**(1,714)**	27,875
Other comprehensive income for the period	326,997	168,792	92,320	365,591
Total comprehensive income for the period	**2,976,025**	2,765,412	**5,354,887**	5,448,218

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

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Chief Financial Officer

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Chairman of the Board

Riyad Bank بنك الرياض

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six month period ended 30 June 2026 & 2025

SAR'000	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
30 June 2026									
Balance at the beginning of the period	**30,000,000**	**(371,733)**	**17,886,727**	**1,225,715**	**15,364,548**	**-**	**64,105,257**	**11,376,200**	**75,481,457**
Total comprehensive income									
Net changes in fair values of									
- FVOCI -equity instruments	**-**	**-**	**-**	**(1,714)**	**-**	**-**	**(1,714)**	**-**	**(1,714)**
- FVOCI -debt instruments	**-**	**-**	**-**	**(47,714)**	**-**	**-**	**(47,714)**	**-**	**(47,714)**
Net amount reclassified to the interim condensed consolidated statement of income for FVOCI -debt instruments	**-**	**-**	**-**	**(1,608)**	**-**	**-**	**(1,608)**	**-**	**(1,608)**
Net changes in allowance for expected credit on FVOCI -debt instruments	**-**	**-**	**-**	**119,589**	**-**	**-**	**119,589**	**-**	**119,589**
Net change in fair value of cash flow hedge	**-**	**-**	**-**	**23,767**	**-**	**-**	**23,767**	**-**	**23,767**
Net income for the period	**-**	**-**	**-**	**-**	**5,262,567**	**-**	**5,262,567**	**-**	**5,262,567**
Total comprehensive income	**-**	**-**	**-**	**92,320**	**5,262,567**	**-**	**5,354,887**	**-**	**5,354,887**
Disposal of FVOCI equity instruments	**-**	**-**	**-**	**-**	**47**	**-**	**47**	**-**	**47**
Issue of bonus shares	**10,000,000**	**-**	**(5,000,000)**	**-**	**(5,000,000)**	**-**	**-**	**-**	**-**
Tier 1 sukuk issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,447,460**	**1,447,460**
Tier 1 sukuk costs	**-**	**-**	**-**	**-**	**(319,052)**	**-**	**(319,052)**	**-**	**(319,052)**
Final dividends proposed - 2025(note 16)	**-**	**-**	**-**	**-**	**(1,643,140)**	**1,643,140**	**-**	**-**	**-**
Final dividends paid - 2025(note 16)	**-**	**-**	**-**	**-**	**-**	**(1,643,140)**	**(1,643,140)**	**-**	**(1,643,140)**
Balance at the end of the period	**40,000,000**	**(371,733)**	**12,886,727**	**1,318,035**	**13,664,970**	**-**	**67,497,999**	**12,823,660**	**80,321,659**
30 June 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
Impact of fair valution of equity investment	-	-	-	451,483	-	-	451,483	-	451,483
Restated balance beginning of year(note 21))	30,000,000	(165,105)	15,283,989	528,699	13,359,899	-	59,007,482	9,386,100	68,393,582
Total comprehensive income									
Net changes in fair values of									
- FVOCI -equity instruments	-	-	-	27,875	-	-	27,875	-	27,875
- FVOCI -debt instruments	-	-	-	451,722	-	-	451,722	-	451,722
Net amount reclassified to the interim condensed consolidated statement of income for FVOCI -debt instruments	-	-	-	(6,857)	-	-	(6,857)	-	(6,857)
Net changes in allowance for expected credit losses on FVOCI -debt instruments	-	-	-	(12,983)	-	-	(12,983)	-	(12,983)
Net change in fair value of cash flow hedge	-	-	-	(94,166)	-	-	(94,166)	-	(94,166)
Net income for the period	-	-	-	-	5,082,627	-	5,082,627	-	5,082,627
Total comprehensive income	-	-	-	365,591	5,082,627	-	5,448,218	-	5,448,218
Final dividends proposed - 2024(note 16)	-	-	-	-	(2,695,525)	2,695,525	-	-	-
Final dividends paid - 2024(note 16)	-	-	-	-	-	(2,695,525)	(2,695,525)	-	(2,695,525)
Tier 1 sukuk issued	-	-	-	-	-	-	-	1,989,500	1,989,500
Tier 1 sukuk costs	-	-	-	-	(261,513)	-	(261,513)	-	(261,513)
Treasury shares	-	(99,624)	-	-	-	-	(99,624)	-	(99,624)
Employee share plan reserve	-	-	-	14,976	-	-	14,976	-	14,976
Balance at the end of the period	30,000,000	(264,729)	15,283,989	909,266	15,485,488	-	61,414,014	11,375,600	72,789,614

The accompanying notes 1 to 23 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

بنك الرياض
Riyad Bank

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS(Unaudited)

	Note	For the six month period ended in 30 June 2026 SAR'000	2025 SAR'000
OPERATING ACTIVITIES			
Income before zakat		**5,959,872**	5,666,882
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		**(312,623)**	(349,972)
Gains on disposal of non-trading investments, net		**(1,608)**	(35,779)
Gains on trading investments, net		**(71,713)**	(45,240)
Loss (gains) on sale of property and equipment, net		**7,175**	(2,232)
Dividend income		**(16,064)**	(9,541)
Depreciation of property, equipment and right of use assets		**457,132**	363,720
Share in income of associates, net		**(18,650)**	(19,069)
Impairment charge for credit losses and other financial assets, net	8 d)	**555,403**	682,115
Interest on lease liabilities		**10,478**	9,534
Impairment charge/(reversal) for investments, net		**119,526**	(10,928)
		6,688,928	6,249,490
Net (increase) decrease in operating assets:			
Statutory deposit with SAMA		**(1,370,655)**	(1,243,030)
Positive fair value of derivatives		**(1,975,724)**	458,658
Investments at FVIS		**80,897**	6,295
Loans and advances, net		**(5,082,647)**	(35,084,387)
Other real estate		**27,473**	27,726
Other assets		**4,408,059**	(7,645,405)
Net increase (decrease) in operating liabilities:			
Due to banks and other financial institutions		**(3,148,785)**	4,907,412
Negative fair value of derivatives		**1,416,780**	(626,029)
Customer deposits		**16,549,543**	10,387,471
Other liabilities		**(4,214,992)**	8,121,282
Net cash from (used in) operating activities before zakat		**13,378,877**	(14,440,517)
Zakat paid		**(1,307,052)**	(1,134,760)
Net cash from (used in) operating activities		**12,071,825**	(15,575,277)
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments not held as FVIS instruments		**5,612,098**	13,270,096
Purchase of investments not held as FVIS instruments		**(18,365,802)**	(15,366,196)
Purchase of property and equipment		**(896,821)**	(873,205)
Proceeds from sale of property and equipment		**8,082**	2,232
Net cash used in investing activities		**(13,642,443)**	(2,967,073)
FINANCING ACTIVITIES			
Repayment of Tier 2 Sukuk		**(3,081,275)**	(5,636,100)
Proceeds from issue of Tier 2 Sukuk		**4,710,255**	-
Proceeds from issue of debt securities in issue and term loans, net		**6,609,351**	20,368,174
Maturities of debt securities in issue and term loans, net		**(10,315,049)**	-
Debt securities in issue and term loans, net, related movements		**1,722,359**	(442,289)
Proceeds from issue of Tier 1 Sukuk		**1,447,460**	1,989,500
Purchase of treasury shares		**-**	(99,624)
Proceeds from Tier 1 sukuk related costs		**(319,052)**	(261,515)
Dividend paid		**(1,638,925)**	(2,690,500)
Payment of principal portion of lease liabilities		**(48,796)**	(69,967)
Net cash (used in) from financing activities		**(913,672)**	13,157,679
Net decrease in cash and cash equivalents		**(2,484,290)**	(5,384,671)
Cash and cash equivalents at beginning of the period		**24,513,927**	29,546,689
Cash and cash equivalents at end of the period	12	**22,029,637**	**24,162,018**
Special commission received during the period		**13,646,236**	11,458,590
Special commission paid during the period		**6,885,104**	9,850,202
Supplemental non-cash information			
Net changes in fair value and transfers to interim condensed consolidated statement of income		**(27,269)**	378,575
Right of use (ROU) assets		**16,885**	(19,238)
Lease liabilities		**61,060**	(7,884)

The accompanying notes 1 to 23 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

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 332 licensed branches (30 June 2025: 333 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:

Riyad Bank Tower, King Abdullah Financial District (KAFD),
Financial Boulevard - Al Aqeeq District - Building No. 3128,
P.O. Box 22622, Riyadh 13519 – 6671,
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%	An entity in 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 six months period ended 30 June 2026 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 2025, 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 2025.

2. BASIS OF PREPARATION (continued)

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

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

The accounting policies adopted in the preparation of the condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have a significant impact on the condensed interim consolidated financial information of the Group.

Standard, Interpretation, Amendments	Description	Effective date
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
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026

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

Standard, Interpretation, Amendments	Description	Effective date
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
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

IFRS 18 - PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 'Presentation and Disclosure in Financial Statements', will replace IAS 1 'Presentation of Financial Statements'' as endorsed in the Kingdom of Saudi Arabia, for annual reporting periods beginning on or after 1 January 2027. While earlier application is permitted, the Bank has not early adopted IFRS 18 in preparing this interim condensed consolidated financial information.

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

IFRS 18 - PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS (continued)

Presentation of Statement of Income

IFRS 18 requires entities to classify income and expenses into specified categories within the statement of income, namely operating, investing, financing, income taxes and discontinued operations.

It also introduces mandatory subtotal including Operating Profit and Profit for the year

Neither total profit for the period nor total equity is expected to change as a result of adopting IFRS 18. However, the Bank expects changes to the presentation and classification of certain income and expense items within the statement of income, including the introduction of IFRS-defined subtotals.

Based on its preliminary assessment, the Bank has concluded that providing financing to customers and investing in financial assets as part of its banking activities constitute specified main business activities for the purposes of IFRS 18. Based on this, the Bank expects the following impacts on the interim condensed consolidated financial statements:

- Financing income arising from customer financing assets, investment securities and treasury activities supporting the Bank's specified main business activities is expected to be presented within the operating category.
- Funding costs relating to customer deposits, debt securities issued and other financing liabilities that support the Bank's specified main business activities are expected to be presented within the operating category.
- Foreign exchange differences are expected to be classified in the same category as the underlying assets and liabilities giving rise to those differences. Based on the Bank's current assessment, the majority of foreign exchange differences arise from financing, treasury and investment activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any foreign exchange differences relate to activities that may require presentation outside the operating category under IFRS 18.
- Gains and losses arising from derivatives designated in hedging relationships are expected to be presented in the same category as the underlying hedged exposures. Based on the Bank's current assessment, the majority of derivatives are associated with customer financing, treasury and funding activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any derivatives relate to activities that may require presentation outside the operating category under IFRS 18.
- The share of profit or loss from associates accounted for using the equity method, if any, will be presented within the investing category and outside operating profit as required by IFRS 18.
- Certain expenses arising from liabilities or other obligations that are not directly linked to the Bank's specified main business activities, i-e. interest charge on lease liabilities and the interest cost of employee benefit obligations are currently being assessed and would be presented within the financing category in accordance with IFRS 18.

In addition, IFRS 18 may require changes to certain line-item descriptions, subtotals and disclosures currently presented in the statement of income. The assessment remains subject to completion of the Bank's implementation activities and any future interpretative or regulatory developments.

Management-defined Performance Measures

IFRS 18 introduces new disclosure requirements for Management-defined Performance Measures ("MPMs"), which are subtotals of income and expenses used in public communications to communicate management's view of an aspect of the Bank's financial performance. Such measures will be required to be disclosed within a single note to the financial statements together with explanations of their purpose and reconciliations to the most directly comparable IFRS-defined totals or subtotals.

The Bank is assessing whether measures communicated externally, including net operating income before impairment charge or other performance metrics, that meet the definition of Management-defined Performance Measures under IFRS 18 and may therefore require enhanced disclosures and reconciliations.

Principles of Aggregation and Disaggregation

IFRS 18 introduces enhanced requirements relating to the aggregation and disaggregation of information throughout the financial statements and accompanying notes. These requirements are intended to improve transparency by ensuring that material information is presented separately and dissimilar items are not obscured through aggregation. The Bank is currently assessing whether additional disaggregation may be required for other assets, other liabilities, other operating income, other general and administrative expenses, other operating expenses. The Bank also expects certain line-item descriptions currently used within the financial statements to be refined to enhance clarity and consistency with the objectives of IFRS 18.

Consequential Amendments

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows , IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting.

Implementation Status

The Bank has established a formal IFRS 18 implementation programme overseen by senior management and the Audit Committee, supported by a cross-functional working group. The programme includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications

The Bank is currently assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements. Based on the assessment performed to date, the expected impacts pertain to the presentation, aggregation, disaggregation and disclosure of information within the consolidated financial statements.

The Bank is currently assessing the impact of these amendments, including potential changes to the presentation of operating cash flows and the classification of interest, dividends and other cash flow items. The Bank is also evaluating requirements relating to comparative information and retrospective application upon adoption of IFRS 18. The Bank's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress, industry practice evolves and additional guidance from regulators and standard setters becomes available.

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 2025.

6. INVESTMENTS, NET

a) Investments by type of securities

SAR'000	Domestic			International			Total		
	30 June 2026	31 December 2025	30 June 2025	**30 June 2026**	31 December 2025	30 June 2025	**30 June 2026**	31 December 2025	30 June 2025
	(Unaudited)	(Audited)	(Unaudited) (Restated)	**(Unaudited)**	(Audited)	(Unaudited) (Restated)	**(Unaudited)**	(Audited)	(Unaudited) (Restated)
i) Investment at FVIS									
Mutual Funds	**4,855,474**	4,865,903	4,531,525	**5,250**	4,586	-	**4,860,724**	4,870,489	4,531,525
Total	**4,855,474**	4,865,903	4,531,525	**5,250**	4,586	-	**4,860,724**	4,870,489	4,531,525
ii) Investment at amortised cost, net									
Fixed rate securities	**59,700,246**	48,190,249	42,518,953	**105,750**	105,140	104,584	**59,805,996**	48,295,389	42,623,537
Floating rate securities	**2,738,985**	2,650,029	2,650,729	**-**	-	-	**2,738,985**	2,650,029	2,650,729
Total	**62,439,231**	50,840,278	45,169,682	**105,750**	105,140	104,584	**62,544,981**	50,945,418	45,274,266
iii) Investments at FVOCI, net									
Fixed rate securities	**-**	11,697	-	**22,417,994**	20,549,957	20,966,803	**22,417,994**	20,561,654	20,966,803
Floating rate securities	**-**	-	-	**471,907**	1,005,040	297,620	**471,907**	1,005,040	297,620
Equities	**1,113,513**	1,050,508	905,227	**1,064,034**	1,079,783	1,134,157	**2,177,547**	2,130,291	2,039,384
Total	**1,113,513**	1,062,205	905,227	**23,953,935**	22,634,780	22,398,580	**25,067,448**	23,696,985	23,303,807
Total	**68,408,218**	56,768,386	50,606,434	**24,064,935**	22,744,506	22,503,164	**92,473,153**	79,512,892	73,109,598

Above investments include sukuks amounting to SAR 45.8 billion as at 30 June 2026 (31 December 2025: SAR 33.9 billion and 30 June 2025 : SAR 29.5 billion).

Investments include SAR 18.40 billion (Dec 31 2025: SAR 19.08 billion, 30 June 2025: SAR 19.27 billion), which have been pledged under repurchase agreements with other banks and customers.

b) The analysis of the composition of investment at amortised cost, net is as follows

	30 June 2026			31 December 2025			30 June 2025		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Fixed rate securities	**49,237,345**	**10,568,651**	**59,805,996**	37,209,201	11,086,188	48,295,389	32,623,657	9,999,880	42,623,537
Floating rate securities	**1,381,096**	**1,357,889**	**2,738,985**	1,382,150	1,267,879	2,650,029	1,382,009	1,268,720	2,650,729
Total	**50,618,441**	**11,926,540**	**62,544,981**	38,591,351	12,354,067	50,945,418	34,005,666	11,268,600	45,274,266

c) The analysis of investments by counter-party is as follows:

	30 June 2026	31 December 2025	30 June 2025
	SAR '000 **(Unaudited)**	SAR '000 (Audited)	SAR '000 (Unaudited)
Government and quasi Government	**63,821,347**	52,212,291	45,574,942
Corporate	**21,011,636**	20,044,864	21,030,739
Banks and other financial institutions	**7,640,170**	7,255,737	6,503,917
Total	**92,473,153**	79,512,892	73,109,598

6. INVESTMENTS, NET (continued)

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

Debt instruments carried at amortised cost

(SAR'000)	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at 1 January 2026	**5,091**	**440**	**-**	**5,531**
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*	**(13)**	**(50)**	**-**	**(63)**
Balance as at 30 June 2026	**5,078**	**390**	**-**	**5,468**
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*	2,058	(3)	-	2,055
Balance as at 30 June 2025	4,911	608	-	5,519

Debt instruments carried at FVOCI

(SAR'000)	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at 1 January 2026	**27,641**	**53,621**	**413,053**	**494,315**
Transfer from Stage 2 & Stage 3 to Stage 1	**240**	**(240)**	**-**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(298)**	**298**	**-**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(32)**	**(615)**	**647**	**-**
Net other movements*	**3,872**	**3,077**	**112,640**	**119,589**
Balance as at 30 June 2026	**31,423**	**56,141**	**526,340**	**613,904**
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	(876)	876	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	(1,602)	1,602	-
Net other movements*	(3,675)	(11,609)	2,301	(12,983)
Balance as at 30 June 2025	27,596	58,606	384,789	470,991

* Includes remeasurement

6. INVESTMENTS, NET (continued)

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

Debt instruments carried at amortised cost

(SAR'000)	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at 1 January 2026	**50,845,849**	**105,100**	**-**	**50,950,949**
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	**-**	**-**	**-**	**-**
Other movements*	**11,599,347**	**153**	**-**	**11,599,500**
Balance as at 30 June 2026	**62,445,196**	**105,253**	**-**	**62,550,449**
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	-	-	-	-
Other movements*	1,125,006	(222)	-	1,124,784
Balance as at 30 June 2025	45,174,670	105,115	-	45,279,785

Debt instruments carried at FVOCI

(SAR'000)	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at 1 January 2026	**19,825,281**	**858,766**	**882,647**	**21,566,694**
Transfer from Stage 2 & Stage 3 to Stage 1	**13,373**	**(13,373)**	**-**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(39,363)**	**39,363**	**-**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(17,025)**	**(1,213)**	**18,238**	**-**
Other movements*	**1,373,740**	**(41,717)**	**(8,816)**	**1,323,207**
Balance as at 30 June 2026	**21,156,006**	**841,826**	**892,069**	**22,889,901**
Balance at January 1, 2025	17,235,352	1,398,462	846,413	19,480,227
Transfer from Stage 2 & Stage 3 to Stage 1	9,380	(9,380)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(150,133)	150,133	-	-
Transfer from Stage 1 & Stage 2 to Stage 3	-	-	-	-
Other movements*	1,853,394	(78,654)	9,456	1,784,196
Balance as at 30 June 2025	18,947,993	1,460,561	855,869	21,264,423

* Includes remeasurement

7. 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.

	30 June 2026 (Unaudited)			31 December 2025 (Audited)			30 June 2025 (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	**8,157,665**	**(6,644,405)**	**388,163,573**	6,216,504	(5,274,373)	345,374,759	4,910,246	(4,357,960)	292,372,014
Forward foreign exchange contracts	**145,545**	**(126,286)**	**35,772,751**	134,562	(53,556)	40,754,048	156,918	(99,195)	16,664,164
Currency options	**21**	**(20)**	**385,063**	677	(613)	293,849	806	(2,259)	467,468
Commodity swaps	**36,504**	**(32,083)**	**609,081**	36,150	(35,687)	262,764	30,000	(29,518)	1,652,773
Held as fair value hedges:									
Special commission rate swaps	**15,801**	**-**	**789,012**	10,818	-	787,668	12,324	-	787,584
Cross currency swaps	**14,185**	**(6,543)**	**4,654,122**	-	(9,275)	526,771	-	-	-
Held as cash flow hedges:									
Special commission rate swaps	**-**	**(20,776)**	**1,375,000**	-	(32,774)	1,375,000	-	(50,632)	1,518,333
Cross currency swaps	**4,714**	**(5,167)**	**2,587,452**	-	(12,222)	2,911,668	-	-	-
Total	**8,374,435**	**(6,835,280)**	**434,336,054**	6,398,711	(5,418,500)	392,286,527	5,110,294	(4,539,564)	313,462,336

8. LOANS AND ADVANCES, NET

a) **These comprise the following:**

30 June 2026 SAR'000 (Unaudited)	**Performing loans and advances**	**Non-performing loans and advances**	**Total loans and advances**	**Allowance for impairment/ ECL**	**Loans and advances, net**
Commercial loans					
Corporate loans	**184,613,854**	**1,048,881**	**185,662,735**	**(2,791,597)**	**182,871,138**
Micro,small and medium enterprises loans	**95,872,633**	**1,191,756**	**97,064,389**	**(785,786)**	**96,278,603**
Total	**280,486,487**	**2,240,637**	**282,727,124**	**(3,577,383)**	**279,149,741**
Retail loans					
Personal loans	**23,340,757**	**284,436**	**23,625,193**	**(499,557)**	**23,125,636**
Mortgage loans	**67,160,637**	**724,711**	**67,885,348**	**(820,886)**	**67,064,462**
Auto loans	**6,546,060**	**58,607**	**6,604,667**	**(37,441)**	**6,567,226**
Credit cards	**1,750,405**	**59,004**	**1,809,409**	**(87,619)**	**1,721,790**
Total	**98,797,859**	**1,126,758**	**99,924,617**	**(1,445,503)**	**98,479,114**
Total	**379,284,346**	**3,367,395**	**382,651,741**	**(5,022,886)**	**377,628,855**

31 December 2025 SAR'000 (Audited)	Performing loans and advances	Non-performing loans and advances	Total loans and advances	Allowance for impairment/ ECL	Loans and advances, net
Commercial loans					
Corporate loans	185,363,680	694,350	186,058,030	(2,467,548)	183,590,482
Micro,small and medium enterprises loans	90,130,800	1,125,802	91,256,602	(538,133)	90,718,469
Total	275,494,480	1,820,152	277,314,632	(3,005,681)	274,308,951
Retail loans					
Personal loans	23,530,058	309,325	23,839,383	(510,837)	23,328,546
Mortgage loans	67,800,540	729,133	68,529,673	(819,744)	67,709,929
Auto loans	6,161,406	35,650	6,197,056	(32,307)	6,164,749
Credit cards	1,804,010	72,855	1,876,865	(84,228)	1,792,637
Total	99,296,014	1,146,963	100,442,977	(1,447,116)	98,995,861
Total	374,790,494	2,967,115	377,757,609	(4,452,797)	373,304,812

30 June 2025 (Unaudited) SAR'000	Performing loans and advances	Non-performing loans and advances	Total loans and advances	Allowance for impairment/ ECL	Loans and advances, net
Commercial loans					
Corporate loans	177,214,829	1,732,554	178,947,383	(3,466,806)	175,480,577
Micro,small and medium enterprises loans	79,539,668	1,064,473	80,604,141	(467,589)	80,136,552
Total	256,754,497	2,797,027	259,551,524	(3,934,395)	255,617,129
Retail loans					
Personal loans	25,260,795	329,237	25,590,032	(529,271)	25,060,761
Mortgage loans	66,853,860	849,323	67,703,183	(947,493)	66,755,690
Auto loans	5,502,418	34,469	5,536,887	(32,350)	5,504,537
Credit cards	1,624,928	71,767	1,696,695	(84,842)	1,611,853
Total	99,242,001	1,284,796	100,526,797	(1,593,956)	98,932,841
Total	355,996,498	4,081,823	360,078,321	(5,528,351)	354,549,970

8. LOANS AND ADVANCES, NET (continued)

a) Loans and advances held at amortised cost (continued)

The non-conventional banking products gross portfolio mainly comprises of the following :

SAR Billions	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Tawarooq	**163.7**	161.8	161.0
Murabaha	**29.8**	29.3	29.7
Ijarah	**21.9**	22.0	21.6
Total	**215.4**	213.1	212.3

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

ECL on total loans and advances (SAR'000)

(Unaudited)	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL - not credit impaired**	**Stage 3 lifetime ECL - credit impaired**	**Total**
Balance at 1 January 2026	**866,996**	**1,466,891**	**2,118,910**	**4,452,797**
Transfer from Stage 2 & Stage 3 to Stage 1	**155,012**	**(46,267)**	**(108,745)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(27,847)**	**77,859**	**(50,012)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(5,844)**	**(108,535)**	**114,379**	**-**
Net re-measurement of loss allowance	**(79,754)**	**260,554**	**948,055**	**1,128,855**
Write-offs*	**-**	**-**	**(558,766)**	**(558,766)**
Balance as at 30 June 2026	**908,563**	**1,650,502**	**2,463,821**	**5,022,886**

	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
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	107,575	(52,684)	(54,891)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(38,930)	83,111	(44,181)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(11,171)	(870,742)	881,913	-
Net re-measurement of loss allowance	(190,380)	138,865	1,036,455	984,940
Write-offs*	-	-	(758,137)	(758,137)
Balance as at 30 June 2025	849,270	1,595,504	3,083,577	5,528,351

* Includes charge-off for retails loans

8. LOANS AND ADVANCES, NET (continued)

b) An analysis of changes in loss allowance for loans and advances (continued)

ECL on commercial loans (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, 2026	**413,989**	**1,203,204**	**1,388,488**	**3,005,681**
Transfer from Stage 2 & Stage 3 to Stage 1	**13,699**	**(11,060)**	**(2,639)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(19,741)**	**21,052**	**(1,311)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(4,183)**	**(42,484)**	**46,667**	**-**
Net re-measurement of loss allowance	**29,455**	**226,110**	**494,091**	**749,656**
Write-offs	**-**	**-**	**(177,954)**	**(177,954)**
Balance as at 30 June 2026	**433,219**	**1,396,822**	**1,747,342**	**3,577,383**
Balance at January 1, 2025	532,654	2,003,240	1,255,157	3,791,051
Transfer from Stage 2 & Stage 3 to Stage 1	19,616	(18,357)	(1,259)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(17,245)	20,952	(3,707)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(1,888)	(800,493)	802,381	-
Net re-measurement of loss allowance	(114,457)	67,242	559,389	512,174
Write-offs	-	-	(368,830)	(368,830)
Balance as at 30 June 2025	418,680	1,272,584	2,243,131	3,934,395

ECL on retail loans (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, 2026	**453,007**	**263,687**	**730,422**	**1,447,116**
Transfer from Stage 2 & Stage 3 to Stage 1	**141,313**	**(35,207)**	**(106,106)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(8,106)**	**56,807**	**(48,701)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(1,661)**	**(66,051)**	**67,712**	**-**
Net re-measurement of loss allowance	**(109,209)**	**34,444**	**453,964**	**379,199**
Write-offs*	**-**	**-**	**(380,812)**	**(380,812)**
Balance as at 30 June 2026	**475,344**	**253,680**	**716,479**	**1,445,503**
Balance at January 1, 2025	449,522	293,714	767,261	1,510,497
Transfer from Stage 2 & Stage 3 to Stage 1	87,959	(34,327)	(53,632)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(21,685)	62,159	(40,474)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(9,283)	(70,249)	79,532	-
Net re-measurement of loss allowance	(75,923)	71,623	477,066	472,766
Write-offs*	-	-	(389,307)	(389,307)
Balance as at 30 June 2025	430,590	322,920	840,446	1,593,956

*Includes charge-off

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)

	Stage 1 12-month ECL	Stage 2 lifetime ECL - not credit impaired	Stage 3 lifetime ECL - credit impaired	Total
Balance at 1 January 2026	**359,626,221**	**13,898,398**	**4,232,990**	**377,757,609**
Transfer from Stage 2 & Stage 3 to Stage 1	**1,730,393**	**(1,379,245)**	**(351,148)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(4,645,693)**	**4,793,136**	**(147,443)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(602,901)**	**(1,015,887)**	**1,618,788**	**-**
Net other movements*	**2,518,006**	**2,863,986**	**70,906**	**5,452,898**
Write-off**	**-**	**-**	**(558,766)**	**(558,766)**
Balance as at 30 June 2026	**358,626,026**	**19,160,388**	**4,865,327**	**382,651,741**
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	1,318,072	(1,143,053)	(175,019)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(4,655,557)	4,789,508	(133,951)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(476,065)	(1,922,273)	2,398,338	-
Net other movements*	35,715,208	(297,655)	27,866	35,445,419
Write-offs**	-	-	(758,137)	(758,137)
Balance as at 30 June 2025	339,746,706	14,948,772	5,382,843	360,078,321

*Includes new loans generated, loans repaid and other movements

** Includes charge-off for retails loans

8. LOANS AND ADVANCES, NET (continued)

c) An analysis of changes in gross carrying amount of loans and advances

Commercial loans (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, 2026	**262,397,104**	**11,831,502**	**3,086,026**	**277,314,632**
Transfer from Stage 2 & Stage 3 to Stage 1	**682,782**	**(673,799)**	**(8,983)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(3,398,617)**	**3,409,582**	**(10,965)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(317,914)**	**(686,531)**	**1,004,445**	**-**
Net other movements*	**2,609,224**	**3,135,222**	**(154,000)**	**5,590,446**
Write-off	**-**	**-**	**(177,954)**	**(177,954)**
Balance as at 30 June 2026	**261,972,579**	**17,015,976**	**3,738,569**	**282,727,124**
Balance at January 1, 2025	213,729,171	11,434,872	2,766,455	227,930,498
Transfer from Stage 2 & Stage 3 to Stage 1	551,848	(547,577)	(4,271)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(3,316,874)	3,334,147	(17,273)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(205,108)	(1,620,514)	1,825,622	-
Net other movements*	32,183,704	(90,192)	(103,656)	31,989,856
Write-offs	-	-	(368,830)	(368,830)
Balance as at 30 June 2025	242,942,741	12,510,736	4,098,047	259,551,524

Retail loans*(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, 2026	**97,229,117**	**2,066,896**	**1,146,964**	**100,442,977**
Transfer from Stage 2 & Stage 3 to Stage 1	**1,047,611**	**(705,446)**	**(342,165)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(1,247,076)**	**1,383,554**	**(136,478)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(284,987)**	**(329,356)**	**614,343**	**-**
Net other movements*	**(91,218)**	**(271,236)**	**224,906**	**(137,548)**
Write offs**	**-**	**-**	**(380,812)**	**(380,812)**
Balance as at 30 June 2026	**96,653,447**	**2,144,412**	**1,126,758**	**99,924,617**
Balance at January 1, 2025	94,115,877	2,087,373	1,257,291	97,460,541
Transfer from Stage 2 & Stage 3 to Stage 1	766,224	(595,476)	(170,748)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(1,338,683)	1,455,361	(116,678)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(270,957)	(301,759)	572,716	-
Net other movements*	3,531,504	(207,463)	131,522	3,455,563
Write-offs**	-	-	(389,307)	(389,307)
Balance as at 30 June 2025	96,803,965	2,438,036	1,284,796	100,526,797

*Includes new loans generated, loans repaid and other movements
** Includes charge-off

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 period ended 30 June 2026 (Unaudited)	2025 (Unaudited)	For the six months period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Impairment charge for credit losses, net	**334,645**	292,340	**758,604**	623,908
Impairment charge(reversal) for other financial assets, net	**11,303**	18,982	**(203,201)**	58,207
Total	**345,948**	311,322	**555,403**	682,115

9. CUSTOMER DEPOSITS

Customer deposits comprise the following:

SAR'000	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Demand	**140,328,401**	142,263,106	138,199,762
Saving	**1,846,374**	1,368,453	1,417,053
Time	**194,069,084**	173,788,672	165,980,112
Others	**12,026,731**	14,300,816	11,213,935
Total	**348,270,590**	331,721,047	316,810,862

Customer time deposits include non-conventional banking deposits of SAR 66,820 million as at 30 June 2026 (31 December 2025: SAR 53,818 million and 30 June 2025: SAR 53,577 million).

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

a) DEBT SECURITIES IN ISSUE AND TERM LOANS

During current period, the Bank obtained the necessary approvals from SAMA for exercising its call option on its Tier 2 Sukuk amounting to SAR 3.0 billion and were redeemed after the expiry five year period on February 9, 2026.

During current period, the Bank successfully completed the issuance of U.S. dollar denominated tier 2 capital sustainable notes (the “Notes”) amounting to USD 1 billion, carrying special commission rate of 5.805 % and have maturity of 10 years, callable after 5 years.
The Bank also issued Tier 2 capital notes with a principal amount of SGD 300 million due 2036, represented by up to 1,200 notes at a nominal value of SGD 250,000 per note, with the first call date on 22 January 2031, under its U.S.$5 billion medium term note programme.

b) TIER 1 SUKUK

During current period, the Bank successfully completed the issuance of SAR denominated additional Tier 1 capital-eligible sukuk amounting to SAR 1.25 billion. The Sukuk carry a special commission rate of 6.37% and are classified as perpetual securities with no fixed or contractual maturity.

The Bank also issued additional Tier 1 capital sukuk with a face amount of U.S.$50 million, represented by up to 250 sukuk at a nominal value of U.S.$200,000 per sak, with the first call date on 5 February 2031, under its U.S.$5 billion additional Tier 1 capital certificate issuance programme.

11. COMMITMENTS AND CONTINGENCIES

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

SAR'000	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Letters of credit	**8,137,762**	8,359,657	8,743,070
Letters of guarantee	**126,593,849**	130,003,116	124,064,720
Acceptances	**3,037,551**	3,678,758	3,987,789
Irrevocable commitments to extend credit	**31,033,638**	39,396,468	41,581,312
Total	**168,802,800**	181,437,999	178,376,891

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, 2026	**98,185**	**15,393**	**108,927**	**222,505**
Transfer from Stage 2 & Stage 3 to Stage 1	**2,736**	**(2,736)**	**-**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(2,477)**	**2,477**	**-**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**-**	**-**	**-**	**-**
Net re-measurement of loss allowance	**14,995**	**2,869**	**142,031**	**159,895**
Balance as at 30 June 2026	**113,439**	**18,003**	**250,958**	**382,400**
Balance at January 1, 2025	60,634	10,276	479,343	550,253
Transfer from Stage 2 & Stage 3 to Stage 1	3,176	(3,176)	-	-
Transfer from Stage 1 & Stage 3 to Stage 2	(252)	361	(109)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(1)	(5)	6	-
Net re-measurement of loss allowance	15,392	(1,072)	(7,585)	6,735
Balance as at 30 June 2025	78,949	6,384	471,655	556,988

Other liabilities as at 30 June 2026, include write-off reserves amounting to SAR 31.2 million (31 December 2025: SAR 426 million and 30 June 2025: SAR 164 million).

11. COMMITMENTS AND CONTINGENCIES (continued)

c) An analysis of changes in gross carrying amount for credit quality of letters of credit, letters of guarantee and acceptances as at 30 June 2026 and 2025 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, 2026	**137,348,755**	**4,008,253**	**684,523**	**142,041,531**
Transfer from Stage 2 & Stage 3 to Stage 1	**1,534,074**	**(1,529,738)**	**(4,336)**	**-**
Transfer from Stage 1 & Stage 3 to Stage 2	**(1,458,437)**	**1,462,880**	**(4,443)**	**-**
Transfer from Stage 1 & Stage 2 to Stage 3	**(60,949)**	**(154,091)**	**215,040**	**-**
Net re-measurement of loss allowance	**(4,540,605)**	**(75,121)**	**343,357**	**(4,272,369)**
Balance as at 30 June 2026	**132,822,838**	**3,712,183**	**1,234,141**	**137,769,162**
Balance at January 1, 2025	132,074,034	3,475,639	1,026,195	136,575,868
Transfer from Stage 2 & Stage 3 to Stage 1	429,042	(428,691)	(351)	-
Transfer from Stage 1 & Stage 3 to Stage 2	(1,058,328)	1,110,588	(52,260)	-
Transfer from Stage 1 & Stage 2 to Stage 3	(22,612)	(110,893)	133,505	-
Net re-measurement of loss allowance	451,430	(212,030)	(19,689)	219,711
Balance as at 30 June 2025	131,873,566	3,834,613	1,087,400	136,795,579

d) 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, 2025 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:

	30 June 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	30 June 2025 (Unaudited) SAR'000
Cash and balances with SAMA excluding statutory deposit	**6,747,674**	3,241,574	2,731,134
Due from banks and other financial institutions maturing within three months from date of acquisition	**15,281,963**	21,272,353	21,430,884
Total	**22,029,637**	24,513,927	24,162,018

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

30 June 2026 **SAR'000 (Unaudited)**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
- Positive fair value of derivatives	**-**	**8,374,435**	**-**	**8,374,435**
- Investments held at FVIS	**4,860,724**	**-**	**-**	**4,860,724**
Mutual Funds	**4,860,724**	**-**	**-**	**4,860,724**
- Investments held at FVOCI	**23,952,115**	**45,029**	**1,070,304**	**25,067,448**
Fixed rate securities	**22,372,965**	**45,029**	**-**	**22,417,994**
Floating rate securities	**471,907**	**-**	**-**	**471,907**
Equities	**1,107,243**	**-**	**1,070,304**	**2,177,547**
- Negative fair value of derivatives	**-**	**6,835,280**	**-**	**6,835,280**

31 December 2025 SAR'000 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
- Positive fair value of derivatives	-	6,398,711	-	6,398,711
- Investments held at FVIS	4,870,489	-	-	4,870,489
Mutual Funds	4,870,489	-	-	4,870,489
- Investments held at FVOCI (Restated)	22,564,523	47,271	1,085,191	23,696,985
Fixed rate securities	20,514,383	47,271	-	20,561,654
Floating rate securities	1,005,040	-	-	1,005,040
Equities	1,045,100	-	1,085,191	2,130,291
Financial liabilities measured at fair value				
- Negative fair value of derivatives	-	5,418,500	-	5,418,500

30 June 2025 SAR'000 (Unaudited) -Restated	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
- Positive fair value of derivatives	-	5,110,294	-	5,110,294
- Investments held at FVIS	4,531,525	-	-	4,531,525
Mutual Funds	4,531,525	-	-	4,531,525
- Investments held at FVOCI (Restated)	22,296,554	-	1,007,253	23,303,807
Fixed rate securities	20,966,803	-	-	20,966,803
Floating rate securities	297,620	-	-	297,620
Equities	1,032,131	-	1,007,253	2,039,384
Financial liabilities measured at fair value				
- Negative fair value of derivatives	-	4,539,564	-	4,539,564

13. FAIR VALUES OF FINANCIAL INSTRUMENTS(continued)

	For the six months period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)	For the six months period ended 30 June 2025 (Unaudited) Restated
Reconciliation of movement in Level 3	**SAR'000**	SAR'000	SAR'000
Opening balance	**1,085,191**	955,685	955,685
Valuation impact recognized in other comprehensive income	**(98)**	106,013	31,425
Other movements	**(14,789)**	23,493	2,587
Purchases	**-**	-	17,813
Sales/ redemptions	**-**	-	(257)
Closing balance	**1,070,304**	1,085,191	1,007,253

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 loan, 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 385.1 billion (carrying value: SAR 382.7 billion), as at 30 June 2026 (31 December 2025: SAR 379.7 billion, carrying value: SAR 377.7 billion and 30 June 2025: SAR 361.4 billion (carrying value: SAR 360.1 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 59.7 billion as at 30 June 2026 (carrying value: SAR 62.5 billion), (31 December 2025: SAR 48.3 billion, carrying value: SAR 50.9 billion and 30 June 2025: SAR 42.7 billion (carrying value: SAR 45.3 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.

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 30 June 2026 and 2025 and its net total operating income, total operating expenses and income before zakat for the six months periods then ended, by operating segments, are as follows:

30 June 2026

SAR'000 (Unaudited)	**Retail banking**	**Investment banking and brokerage**	**Corporate banking**	**Treasury and investment**	**Total**
Total assets	**115,044,833**	**4,672,920**	**291,605,484**	**122,314,075**	**533,637,312**
Total liabilities	**98,207,768**	**492,193**	**264,551,397**	**90,064,295**	**453,315,653**
Operating income from external customers	**2,148,877**	**492,959**	**5,523,252**	**1,184,825**	**9,349,913**
Inter segment income/(expense)	**(64,858)**	**-**	**176,734**	**(111,876)**	**-**
Total operating income, net of which	**2,084,019**	**492,959**	**5,699,986**	**1,072,949**	**9,349,913**
- Net special commission income	**2,035,878**	**208,509**	**4,559,846**	**(43,509)**	**6,760,724**
- Fee and commission income, net	**53,793**	**249,208**	**1,116,752**	**26,000**	**1,445,753**
Total operating expenses, net of which	**1,757,182**	**197,206**	**1,199,571**	**254,732**	**3,408,691**
- Depreciation of property, equipment & right of use assets	**299,842**	**27,314**	**101,170**	**28,806**	**457,132**
- Impairment charge/(reversal) for credit losses and other financial assets, net	**150,218**	**21,222**	**386,888**	**(2,925)**	**555,403**
- Impairment charge for investments, net	**-**	**-**	**-**	**119,526**	**119,526**
Share in profits of associates, net	**-**	**-**	**-**	**18,650**	**18,650**
Income for the period before zakat	**326,837**	**295,753**	**4,500,415**	**836,867**	**5,959,872**

30 June 2025

SAR'000 (Unaudited)	Retail banking	Investment banking and brokerage	Corporate banking	Treasury and investment	Total
Total assets (restated)	115,363,039	3,870,478	270,936,687	101,651,705	491,821,909
Total liabilities	94,837,607	485,451	239,674,296	84,034,941	419,032,295
Operating income from external customers	2,318,913	506,510	4,776,067	1,422,282	9,023,772
Inter segment income/(expense)	(224,118)	-	399,707	(175,589)	-
Total operating income, net of which	2,094,795	506,510	5,175,774	1,246,693	9,023,772
- Net special commission income	1,991,999	206,527	3,865,730	417,878	6,482,134
- Fee and commission income, net	138,959	276,399	1,233,660	18,061	1,667,079
Total operating expenses, net of which	1,889,331	171,810	1,179,010	135,808	3,375,959
- Depreciation of property, equipment & right of use assets	250,290	15,181	84,531	13,718	363,720
- Impairment charge for credit losses and other financial assets, net	306,363	6,720	362,457	6,575	682,115
- Impairment charge for investment, net	-	-	-	(10,928)	(10,928)
Share in profits of associates, net	-	-	-	19,069	19,069
Income for the period before zakat	205,464	334,700	3,996,764	1,129,954	5,666,882

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.

16. DIVIDENDS

During July 2025, interim dividends of SAR 2,543 million at SAR 0.85 per share (2024: SAR 2,396 million at SAR 0.80 per share) were declared by the Bank with 17 August 2025 as the distribution date.

Final dividends of SAR 1,643 million (2024:SAR 2,696 million) at SAR 0.55 per share (2024: SAR 0.90 per share), were proposed for the year 2025.

17. BONUS SHARES AND BASIC AND DILUTED EARNINGS PER SHARE

The Extraordinary General Assembly Meeting held on 17th Shawwal, 1447H (corresponding to 5 April 2026) approved the capital Increase of the bank by granting bonus shares to the shareholders by capitalization from the Statuary reserve and retained earnings by way of granting one share for every three shares totaling, SAR 10,000 million, which will be capitalized from the statutory reserve and retained earnings in equal proportion.

Basic and diluted earnings per share for the three month period ended 30 June 2026 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 sukuk costs for the period, by 3,983 million shares (three month period ended 30 June 2025 : 3,991 million shares), after excluding treasury shares and to give a retroactive effect of change in the number of shares increased as a result of the bonus share issue.

Basic and diluted earnings per share for the six month period ended 30 June 2026 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 sukuk costs for the period, by 3,983 million shares (six month period ended 30 June 2025 : 3,992 million shares), after excluding treasury shares to give a retroactive effect of change in the number of shares increased as a result of the bonus share issue.

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.

	30 June 2026 (Unaudited) SAR Millions	31 December 2025 (Audited) SAR Millions	30 June 2025 (Unaudited) SAR Millions
Risk weighted assets			
Credit risk weighted assets	**443,691**	440,038	422,514
Operational risk weighted assets	**16,469**	17,583	17,583
Market risk weighted assets	**21,127**	14,955	15,433
Total Pillar-I Risk Weighted Assets	**481,288**	472,576	455,530
Eligible capital			
Common equity Tier 1 (CET 1) Capital	**67,446**	64,065	60,866
Total Tier I Capital	**80,269**	75,441	72,242
Tier II Capital	**13,166**	11,287	4,632
Total Tier I and II Capital	**93,435**	86,728	76,874
CET 1 Ratio %	**14.0%**	13.6%	13.4%
Tier I Capital Adequacy Ratio %	**16.7%**	16.0%	15.9%
Total Capital Adequacy Ratio %	**19.4%**	18.4%	16.9%

Tier 1 capital of the Group comprises share capital, statutory reserve, other reserves, retained earnings, Tier 1 eligible debt securities, treasury shares less intangible assets and other deductions

Tier 2 capital of the Group comprises prescribed amounts of eligible portfolio provisions less prescribed deductions. As at 30 June 2026, the Bank is in compliance with all externally imposed capital requirements.

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 30 June 2026 and 2025, resulting from such transactions are as follows:

	30 June 2026 SAR'000 (Unaudited)	30 June 2025 SAR'000 (Unaudited)
a) Major Shareholders		
Loans and advances	**941,000**	865,000
Customer deposits	**43,619,309**	50,908,153
Derivatives asset (at fair value)	**(814)**	(1,176)
Commitments and contingencies (irrevocable)	**899,000**	375,000
b) Bank's Board of Directors and Senior Executives:		
Loans and advances	**947,874**	378,787
Customer deposits	**401,754**	589,121
Commitments and contingencies (irrevocable)	**1,616,512**	2,536,279
Executive end of service	**28,917**	36,585
c) Associates		
Loans and advances	**107,069**	216,915
Customer deposits	**19,741**	83,416
Commitments and contingencies (irrevocable)	**144,292**	225,613

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. Related party balances include balances arising from transactions with governmental shareholders

Group's mutual funds:		
Customer deposits	**-**	463,000

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:

	30 June 2026 SAR'000 (Unaudited)	30 June 2025 SAR'000 (Unaudited)
a) Major Shareholders		
Special commission income	**28,722**	30,225
Special commission expense	**1,129,110**	1,138,893
Fees from banking services, net	**861**	565
Directors and committees remuneration and expenses	**-**	-
Executive remuneration and bonus	**-**	-
Executive end of service	**-**	-
Other expenses	**21,945**	99,995
b) Bank's Board of Directors and Senior Executives:		
Special commission income	**30,318**	16,484
Special commission expense	**5,612**	11,094
Fees from banking services, net	**3,803**	2,411
Directors and committees remuneration and expenses	**440**	638
Executive remuneration and bonus	**40,745**	59,681
Executive end of service	**920**	4,260
Other expenses	**-**	-
c) Associates and funds managed by the group		
Special commission income	**3,604**	7,135
Special commission expense	**2,575**	6,265
Fees from banking services, net	**-**	149,831
Directors and committees remuneration and expenses	**-**	-
Executive remuneration and bonus	**-**	-
Executive end of service	**-**	-
Other expenses	**-**	-

20. IMPACT OF GEO-POLITICAL SITUATION ON EXPECTED CREDIT LOSSES ("ECL")

The geopolitical situation in the Middle East has deteriorated significantly since February 28, 2026. The situation has remained highly volatile and has impacted several countries in the Middle East, including the Kingdom of Saudi Arabia, causing disruption to some business and economic activities. The Bank continues to evaluate and closely monitor the current situation to assess any impact the geopolitical situation may have had on its business and financial performance. The prevailing geopolitical situation has brought about additional uncertainties in the economic environment which require the Bank to conduct periodic stress tests of its portfolio to evaluate the appropriateness of current provisioning levels taking into account potential deterioration, combined with continuous reassessment and calibration of staging and ECL assumptions including adjustment of the weightages assigned to its forward looking scenarios in order to ensure expected credit losses are reflective of current risk.

The Bank continues to apply multiple approaches to ensure the existing ECL provisions are appropriate, including conducting stress testing scenarios on critical model assumptions and a more granular review of credit exposures within distressed economic sectors. The impact of such uncertain economic environment is judgmental, and the Bank will continue to reassess its position and the related impact on a regular basis as more reliable data becomes available, and accordingly determine if any adjustments in the ECL are required in subsequent reporting periods.

21. COMPARATIVE FIGURES

During the year ended December 31, 2025, the Bank reclassified certain margin balances receivable and payable on derivatives to other assets and other liabilities respectively for a more appropriate financial statement line-item classification. In addition, margin balances that were previously presented on a net basis have been grossed up to reflect the actual settlement mechanism under the derivative collateral arrangements.

A summary of the effect on the individual components of consolidated statement of financial position for the aforementioned changes is summarized as follows:

As at 30 June 2025 (SAR 000s)	Balance as previously reported	Effect of reclassification	Balance as restated
Assets			
Due from banks and other financial institutions, net	26,989,281	(5,558,397)	21,430,884
Other assets	3,728,635	6,112,525	9,841,160
Liabilities			
Due to banks and other financial institutions	54,568,694	(5,712,262)	48,856,432
Other liabilities	14,944,810	6,266,390	21,211,200

During third quarter of 2025, the Bank corrected the valuation of its equity interest in Saudi Credit Bureau (SIMAH) that is classified as investments at fair value through other comprehensive income(FVOCI), which was historically valued at net asset. The impact of the change in valuation method from net asset to fair value has resulted in an increase by SAR 451 million as at 30 June 2025 and accordingly, the Bank has restated investments, net and other reserves.

In addition to the above, certain prior year balances have been reclassified to conform to the current year presentation. The effect of all the reclassifications is not material to the consolidated financial statements.

22. EVENTS AFTER THE REPORTING PERIOD

On 20 July 2026, interim dividends of SAR 2,549 million at SAR 0.64 per share (2025: SAR 2,543 million at SAR 0.85 per share) were declared by the Bank with 10 August 2026 as the distribution date

23. BOARD OF DIRECTORS APPROVAL

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 6 Safar 1448 H (corresponding to 20 July 2026).