



BANQUE SAUDI FRANSI

(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2026**





**Ernst & Young Professional Services
(Professional LLC)**
Paid-up capital: ﷲ 5,500,000 (Five million five hundred thousand Saudi Riyal)

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

**To: The Shareholders of Banque Saudi Fransi
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Banque Saudi Fransi (the "Bank") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related condensed interim consolidated statements of income and comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated 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 these condensed interim consolidated financial information based on our review.

Scope of review

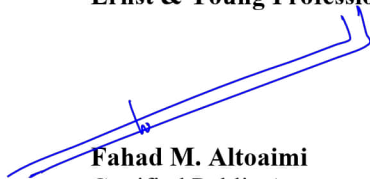
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, 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 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 condensed interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Ernst & Young Professional Services

Deloitte and Touche & Co.



Fahad M. Altoaimi
Certified Public Accountant
License No. 354



Waleed bin Moh'd Sobahi
Certified Public Accountant
License Number: 378

10 Thul-Qi'dah 1447
27 April 2026



As at

ﷲ '000	Notes	Mar 31, 2026 (Unaudited)	Dec 31, 2025 (Audited)	Mar 31, 2025 (Unaudited) Restated – note 24
ASSETS				
Cash and balances with Saudi Central Bank	5	11,785,005	10,931,246	13,898,882
Due from banks and other financial institutions, net	6	7,965,928	3,816,772	6,517,789
Investments, net	7	71,628,968	68,681,703	61,912,850
Positive fair value of derivatives	11	4,310,819	4,464,099	4,959,528
Loans and advances, net	8	221,928,947	214,891,263	208,978,353
Investment in associate, net		9,695	9,695	9,695
Property, equipment and right of use assets, net		2,668,758	2,544,406	2,302,118
Other real estate, net		215,341	219,041	294,367
Other assets, net		4,296,984	3,447,561	4,704,957
Total assets		324,810,445	309,005,786	303,578,539
LIABILITIES AND EQUITY				
Liabilities				
Due to Saudi Central Bank	9	12,973,994	4,980,012	14,501,394
Due to banks and other financial institutions	10	11,275,524	7,904,600	15,641,454
Customers' deposits	12	199,583,270	195,219,089	190,727,568
Negative fair value of derivatives	11	4,121,276	4,251,687	5,188,354
Debt securities and term loans	13	38,184,296	38,876,945	20,395,566
Other liabilities		7,155,274	7,114,015	8,103,641
Total liabilities		273,293,634	258,346,348	254,557,977
Equity				
Share capital		25,000,000	25,000,000	25,000,000
Statutory reserve		9,527,945	9,527,945	8,189,590
General reserve		982,857	982,857	982,857
Other reserves		334,606	748,911	37,119
Retained earnings		6,684,295	5,388,140	5,746,471
Proposed dividend		1,294,696	1,294,696	1,245,666
Treasury shares		(245,088)	(220,611)	(181,141)
Equity attributable to the shareholders of the Bank		43,579,311	42,721,938	41,020,562
Tier I capital	16	7,937,500	7,937,500	8,000,000
Total equity		51,516,811	50,659,438	49,020,562
Total liabilities and equity		324,810,445	309,005,786	303,578,539

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

S\$ '000	For the three month period ended	
	Mar 31, 2026	Mar 31, 2025
Special commission income	4,432,922	4,196,388
Special commission expense	2,216,225	2,078,053
Net special commission income	2,216,697	2,118,335
Fee and commission income	406,985	425,929
Fee and commission expense	189,214	163,798
Net fee and commission income	217,771	262,131
Exchange income, net	107,677	120,963
Trading income, net	71,894	69,647
Dividend income	28,895	8,894
Gains on FVOCI / non-trading investments, net	64,933	53,085
Other operating income	199	5,069
Total operating income	2,708,066	2,638,124
Salaries and employee related expenses	496,135	471,259
Rent and premises related expenses	26,262	19,885
Depreciation and amortization	84,477	67,946
Other operating and general and administrative expenses	315,387	307,504
Total operating expenses before impairment charge	922,261	866,594
Impairment charge for expected credit losses on loans and advances, net	264,521	268,984
Impairment (reversal) / charge for investments, financial assets and others, net	(18,637)	10,862
Total operating expenses, net	1,168,145	1,146,440
Net income for the period before Zakat	1,539,921	1,491,684
Zakat for the period	158,766	153,793
Net income for the period	1,381,155	1,337,891
Basic and diluted earnings per share (S\$)	0.52	0.50

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

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Chief Financial Officer

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Bader AlSalloom

Chief Executive Officer

Mazin AlRomaih

Chairman of the Board

S'000	For the three month period ended	
	Mar 31, 2026	Mar 31, 2025 Restated – note 24
Net income for the period	1,381,155	1,337,891
Other comprehensive income / (loss):		
Items that cannot be recycled back to condensed interim consolidated statement of income in subsequent periods		
<u>Movement in equity instruments at fair value through other comprehensive income</u>		
Net change in the fair value	(279)	59,069
Items that can be recycled back to condensed interim consolidated statement of income in subsequent periods		
<u>Debt instruments at fair value through other comprehensive income</u>		
Net change in the fair value	(329,239)	464,908
Net change in ECL	(3,099)	(4,502)
Income transferred to condensed interim consolidated statement of income	(54,403)	(53,085)
<u>Cash flow hedge</u>		
Net change in the fair value	(149,247)	28,738
Loss transferred to condensed interim consolidated statement of income	121,962	143,931
Total other comprehensive (loss) / income for the period	(414,305)	639,059
Total comprehensive income for the period	966,850	1,976,950

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

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Chief Financial Officer

Bader AlSalloom

Chief Executive Officer

Mazin AlRomaih

Chairman of the Board

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BANQUE SAUDI FRANSI (A Saudi Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited

SAR '000	Share capital	Statutory reserve	General reserve	Retained earnings	Other reserves			Proposed dividend	Treasury shares	Total equity attributable to the shareholders	Tier I capital	Total Equity
					FVOCI	Actuarial gain on defined benefit plans	Cash flow hedge					
For the three month period ended March 31, 2026												
Balance at the beginning of the period	25,000,000	9,527,945	982,857	5,388,140	720,764	70,629	(42,482)	1,294,696	(220,611)	42,721,938	7,937,500	50,659,438
Net income for the period	-	-	-	1,381,155	-	-	-	-	-	1,381,155	-	1,381,155
Net change in the fair value	-	-	-	-	(332,617)	-	(149,247)	-	-	(481,864)	-	(481,864)
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(54,403)	-	121,962	-	-	67,559	-	67,559
Total comprehensive income for the period	-	-	-	1,381,155	(387,020)	-	(27,285)	-	-	966,850	-	966,850
Tier I capital related cost	-	-	-	(85,000)	-	-	-	-	-	(85,000)	-	(85,000)
Net change in treasury shares	-	-	-	-	-	-	-	-	(24,477)	(24,477)	-	(24,477)
Balance at the end of the period	25,000,000	9,527,945	982,857	6,684,295	333,744	70,629	(69,767)	1,294,696	(245,088)	43,579,311	7,937,500	51,516,811
For the three month period ended March 31, 2025												
Balance at the beginning of the period	25,000,000	8,189,590	982,857	4,509,836	(550,817)	26,537	(608,556)	1,245,666	(188,111)	38,607,002	8,000,000	46,607,002
Impact on prior years adjustment (note 24)	-	-	-	-	530,896	-	-	-	-	530,896	-	530,896
Restated balance as at January 01, 2025	25,000,000	8,189,590	982,857	4,509,836	(19,921)	26,537	(608,556)	1,245,666	(188,111)	39,137,898	8,000,000	47,137,898
Net income for the period	-	-	-	1,337,891	-	-	-	-	-	1,337,891	-	1,337,891
Net change in the fair value	-	-	-	-	519,475	-	28,738	-	-	548,213	-	548,213
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(53,085)	-	143,931	-	-	90,846	-	90,846
Total comprehensive income for the period	-	-	-	1,337,891	466,390	-	172,669	-	-	1,976,950	-	1,976,950
Tier I capital related cost	-	-	-	(101,256)	-	-	-	-	-	(101,256)	-	(101,256)
Net change in treasury shares	-	-	-	-	-	-	-	-	6,970	6,970	-	6,970
Balance at the end of the period	25,000,000	8,189,590	982,857	5,746,471	446,469	26,537	(435,887)	1,245,666	(181,141)	41,020,562	8,000,000	49,020,562

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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SAR '000	Notes	For the three month period ended	
		Mar 31, 2026	Mar 31, 2025
OPERATING ACTIVITIES			
Net income for the period before zakat		1,539,921	1,491,684
Adjustments to reconcile net income before zakat to net cash from / (used in) operating activities:			
Accretion of discounts on investments not held as FVSI, net		33,039	14,275
Gains on non-trading investment		(64,933)	(53,085)
Depreciation and amortization		84,255	67,946
Gains on disposal of property, equipment, net		(179)	(4,838)
Impairment charge for expected credit losses, net	8	299,537	300,742
Impairment (reversal) / charge for investments, financial assets and others, net		(18,637)	10,862
Long term incentive scheme provision		13,638	13,643
Operating income before changes in operating assets and liabilities		1,886,641	1,841,229
Net increase in operating assets:			
Statutory deposit with Saudi Central Bank		7,818	(118,491)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		(1,728,144)	(806)
Investments held as FVSI, trading		(310,504)	(115,341)
Loans and advances		(7,337,221)	(5,110,820)
Other assets		(719,616)	209,750
Net increase / (decrease) in operating liabilities:			
Due to Saudi Central Bank, banks and other financial institutions, net		11,364,906	(2,164,011)
Customers' deposits		4,364,181	5,609,389
Other liabilities		(146,597)	145,715
Net cash generated from operating activities		7,381,464	296,614
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investment not held as FVSI		6,883,472	4,355,199
Purchase of investments not held as FVSI, net		(9,875,359)	(4,770,015)
Purchases of property and equipment		(321,804)	(79,530)
Proceeds from sale of property and equipment		186	33,109
Net cash used in investing activities		(3,313,505)	(461,237)
FINANCING ACTIVITIES			
Issuance of debt securities and term loans		666,994	4,668,750
Repayment of debt securities and term loans		(1,272,558)	-
Tier I capital related cost		(85,000)	(101,256)
Payment of lease liability		(56,697)	(34,434)
Purchase of Treasury Shares		(38,115)	(6,673)
Net cash (used in) / generated from financing activities		(785,376)	4,526,387
Increase in cash and cash equivalents		3,282,583	4,361,764
Cash and cash equivalents at the beginning of the period		2,657,098	3,029,528
Cash and cash equivalents at the end of the period	15	5,939,681	7,391,292
Special commission received during the period		4,477,261	4,224,071
Special commission paid during the period		2,149,404	1,897,202
Supplemental non-cash information			
RoU assets		28,423	22,181
Lease liability		7,205	7,290
Movement in other reserve and transfers to the condensed interim consolidated statement of income		(414,305)	639,059

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

1. General

Banque Saudi Fransi (the Bank) is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 04, 1977). The Bank formally commenced its activities on Muharram 01, 1398H (corresponding to December 11, 1977), by taking over the branches of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration Number 1010073368 dated Safar 04, 1410H (corresponding to September 05, 1989), Unified National Number 7000025333 and the Bank provides service through its 79 branches (March 31, 2025: 81 branches) in the Kingdom of Saudi Arabia, employing 3,146 people (March 31, 2025: 3,064 people).

The objective of the Bank is to provide a full range of banking services, including Islamic products, which are approved and supervised by an independent Shariah Board. The Bank's Head Office is located at King Saud Road, P.O. Box 56006, Riyadh 11554, Kingdom of Saudi Arabia.

The Bank is regulated by the Saudi Central Bank (SAMA).

The consolidated financial statements comprise the financial statement of Banque Saudi Fransi and its wholly owned subsidiaries (collectively referred to as the "Group").

Subsidiary	Ownership	Main activities
Saudi Fransi Capital (BSF Capital)	100%	Brokerage, asset management and corporate finance business
Saudi Fransi for Finance Leasing (rebranded from SFL to JB)	100%	Islamic lease financing for vehicles and personal financing
Saudi Fransi Insurance Agency (SAFIA)	100%	Insurance agent for Banque Saudi Fransi in Saudi Arabia (under liquidation)
Sofinco Saudi Fransi	100%	Lease financing of automobiles and household equipment (under liquidation)
Saudi Fransi Digital Ventures (SFDV)	100%	Providing digital services to Banque Saudi Fransi (under liquidation)
Sakan Real Estate Financing	100%	Sakan holds title deeds on behalf of Banque Saudi Fransi (Banque Saudi Fransi holds 95% direct ownership and 5% indirect ownership through its subsidiary)
Sur Multi Family Office Limited	100%	Provides a wide range of wealth management services to BSF's high net worth clients and their families

The above subsidiaries are incorporated in the Kingdom of Saudi Arabia except for Sur Multi Family Office which is registered in United Kingdom.

The Bank also formed subsidiaries, BSF Markets Limited and BSF Finance Limited registered in Cayman Islands having 100% share in equity in each of these subsidiaries. The objective of BSF Markets Limited is derivative trading and Repo activities. BSF Finance Limited is a special purpose vehicle established to raise capital for Banque Saudi Fransi by the issuance of debt instruments.

The Bank has investment in an associate representing shareholding in Banque BEMO Saudi Fransi, incorporated in Syria. Banque Bemo Saudi Fransi offers diverse banking services and solutions to individuals and companies.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

2. Basis of preparation

The condensed interim consolidated financial statements of the Group as at and for the period ended March 31, 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 condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2025.

The consolidated financial statements of the Group as at and for the year ended December 31, 2025, were prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA. The condensed interim consolidated financial statements are expressed in Saudi Arabian Riyals (ﷲ) and amounts are rounded to the nearest thousand.

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the annual consolidated financial statements as of and for the year ended December 31, 2025, except from those relating to the impact of the Geopolitical situation on ECL (expected credit losses), disclosed in note 25 of these condensed interim consolidated financial statements.

3. Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies. Adjustments are made wherever necessary in the financial statements of the subsidiaries to align with the Bank's condensed interim consolidated financial statements.

Subsidiaries are the entities that are controlled by the Bank. The Bank controls an entity when it is exposed, or has a right, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and cease to be consolidated from the date on which the control is transferred from the Bank. The results of subsidiaries acquired or disposed during the period, if any, are consolidated in the condensed interim consolidated statement of income from the effective date of the acquisition or up to the effective date of disposal, as appropriate.

Balances between the Bank and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the condensed interim 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

4. Material Accounting Policies and Estimates

The accounting policies, estimates and assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2025.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards effective as of January 01, 2026. These do not have a significant impact on the condensed interim consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The impact of these new standards is currently being assessed.

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	<p>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.</p> <p>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.</p>	01 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	01 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.	01 January 2026

4. Material Accounting Policies and Estimates (continued)

New standards issued but not yet effective

Standard, interpretation, amendments	Description	Effective date
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 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.	01 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.	01 January 2027

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

5. Cash and balances with Saudi Central Bank

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Cash on hand	1,103,289	849,676	922,765
Current account	289,964	-	45,723
Statutory deposit	10,073,752	10,081,570	10,055,754
Money market placements	318,000	-	2,874,640
Total	11,785,005	10,931,246	13,898,882

6. Due from banks and other financial institutions, net

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Current accounts	1,477,903	1,807,728	2,775,155
Money market placements	6,488,635	2,009,660	3,744,061
	7,966,538	3,817,388	6,519,216
Less: impairment	(610)	(616)	(1,427)
Total	7,965,928	3,816,772	6,517,789

- i) The following table shows the stage wise movement in ECL allowance for due from banks and other financial institutions:

ﷲ '000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	349	267	-	616
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net charge / (reversal) for the period	95	(101)	-	(6)
Balance at the end of the period	444	166	-	610

ﷲ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01, 2025	462	159	-	621
Net (reversal) / charge for the year	(113)	108	-	(5)
Balance as at December 31, 2025	349	267	-	616

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

6. Due from banks and other financial institutions, net (continued)

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	462	159	-	621
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net charge for the period	790	16	-	806
Balance at the end of the period	1,252	175	-	1,427

ii) The following table shows the gross carrying amount of the due from banks and other financial institutions:

S'000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01	3,800,164	17,224	-	3,817,388
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	4,158,570	(9,420)	-	4,149,150
Write-offs	-	-	-	-
Balance at the end of the period	7,958,734	7,804	-	7,966,538

S'000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01	5,012,801	3,630	-	5,016,431
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the year	(1,212,637)	13,594	-	(1,199,043)
Write-offs	-	-	-	-
Balance at the end of the year	3,800,164	17,224	-	3,817,388

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01	5,012,801	3,630	-	5,016,431
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	1,496,398	6,387	-	1,502,785
Write-offs	-	-	-	-
Balance at the end of the period	6,509,199	10,017	-	6,519,216

7. Investments, net

a) Investment securities are classified as follows:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited) Restated – note 24
Investment at amortized cost – gross	28,178,467	29,140,342	28,070,303
Less: impairment	(18,580)	(19,983)	(14,402)
Investment at amortized cost, net	28,159,887	29,120,359	28,055,901
Investments at FVOCI – Debt instruments	40,084,570	37,304,098	31,535,719
Investments at FVOCI – Equity/other investments	2,923,358	2,106,597	1,847,977
Total FVOCI	43,007,928	39,410,695	33,383,696
Investment at FVSI – Debt/equity instruments	461,153	150,649	473,253
Total	71,628,968	68,681,703	61,912,850

Gross Investments include Shariah based investments amounting to ﷲ 53,843 million (December 31, 2025: ﷲ 50,346 million; March 31, 2025: ﷲ 41,859 million).

b) Investments by type of Instruments:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited) Restated - note 24
Bonds	15,705,304	17,092,011	18,220,500
Sukuk	51,562,943	48,352,504	41,271,122
Equities and Funds	2,932,151	2,111,449	1,847,977
Other	1,428,570	1,125,739	573,251
Total	71,628,968	68,681,703	61,912,850

c) The analysis of investments by counterparty is as follows:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited) Restated - note 24
Government and quasi government	54,046,353	51,122,647	45,853,310
Corporate	6,627,515	6,357,728	5,224,841
Banks and other financial institutions	10,955,100	11,201,328	10,834,699
Total	71,628,968	68,681,703	61,912,850

d) Investments held at fair value through statement of income (FVSI)

Investments by type of securities

ﷲ '000	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)			March 31, 2025 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	395,050	57,310	452,360	145,797	-	145,797	473,253	-	473,253
Debt securities – floating rate	-	-	-	-	-	-	-	-	-
Equities	8,793	-	8,793	4,852	-	4,852	-	-	-
Total	403,843	57,310	461,153	150,649	-	150,649	473,253	-	473,253

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

7. Investments, net (continued)

e) Investments held at fair value through other comprehensive income (FVOCI)

Investments by type of securities

SAR '000	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)			March 31, 2025 (Unaudited) Restated – note 24		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	28,721,501	8,010,624	36,732,125	24,700,913	9,018,697	33,719,610	19,507,701	8,478,684	27,986,385
Debt securities – floating rate	2,810,976	541,469	3,352,445	3,038,830	545,658	3,584,488	3,003,898	545,436	3,549,334
Equities and others	2,001,478	921,880	2,923,358	1,699,855	406,742	2,106,597	1,837,364	10,613	1,847,977
Total	33,533,955	9,473,973	43,007,928	29,439,598	9,971,097	39,410,695	24,348,963	9,034,733	33,383,696

f) Investments held at amortised cost

Investments by type of securities

SAR '000	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)			March 31, 2025 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	27,325,618	-	27,325,618	28,282,283	-	28,282,283	27,221,632	-	27,221,632
Debt securities – floating rate	834,269	-	834,269	838,076	-	838,076	834,269	-	834,269
Total	28,159,887	-	28,159,887	29,120,359	-	29,120,359	28,055,901	-	28,055,901

i) The following table shows the stage wise movement in ECL allowance for debt instruments held at FVOCI and amortised cost:

SAR '000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	52,161	-	-	52,161
Net reversal for the period	(4,501)	-	-	(4,501)
Balance at the end of the period	47,660	-	-	47,660

SAR '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	44,582	-	-	44,582
Net charge for the year	7,579	-	-	7,579
Balance at the end of the year	52,161	-	-	52,161

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

7. Investments, net (continued)

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	44,582	-	-	44,582
Net reversal for the period	(7,113)	-	-	(7,113)
Balance at the end of the period	37,469	-	-	37,469

ii) The following table shows the stage wise gross carrying value of debt instruments:

S'000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	66,444,440	-	-	66,444,440
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	1,818,597	-	-	1,818,597
Write-offs	-	-	-	-
Balance at the end of the period	68,263,037	-	-	68,263,037

S'000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	58,588,200	-	-	58,588,200
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	7,856,240	-	-	7,856,240
Write-offs	-	-	-	-
Balance at the end of the year	66,444,440	-	-	66,444,440

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	58,588,200	-	-	58,588,200
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	1,017,822	-	-	1,017,822
Write-offs	-	-	-	-
Balance at the end of the period	59,606,022	-	-	59,606,022

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

8. Loans and advances, net

i) Loans and advances held at amortised cost are classified as follows:

SAR '000	March 31, 2026 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances	178,102,947	905,002	44,650,441	223,658,390
Non-performing loans and advances	1,831,869	33,321	417,418	2,282,608
Total loans and advances	179,934,816	938,323	45,067,859	225,940,998
Allowance for impairment	(3,462,021)	(53,302)	(496,728)	(4,012,051)
Loans and advances held at amortised cost, net	176,472,795	885,021	44,571,131	221,928,947

SAR '000	December 31, 2025 (Audited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances	171,986,137	957,776	43,608,855	216,552,768
Non-performing loans and advances	1,724,240	37,999	356,884	2,119,123
Total loans and advances	173,710,377	995,775	43,965,739	218,671,891
Allowance for impairment	(3,302,389)	(53,919)	(424,320)	(3,780,628)
Loans and advances held at amortised cost, net	170,407,988	941,856	43,541,419	214,891,263

SAR '000	March 31, 2025 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances	171,119,191	699,695	38,927,797	210,746,683
Non-performing loans and advances	1,531,097	21,875	242,249	1,795,221
Total loans and advances	172,650,288	721,570	39,170,046	212,541,904
Allowance for impairment	(3,148,894)	(41,710)	(372,947)	(3,563,551)
Loans and advances held at amortised cost, net	169,501,394	679,860	38,797,099	208,978,353

Gross Loans and advances include Shariah based loans and advances amounting to SAR 163,593 million (December 31, 2025: SAR 162,828 million; March 31, 2025: SAR 155,124 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

8. Loans and advances, net (continued)

The below table shows the loans and advances break up by product categories:

S'000	March 31, 2026 (Unaudited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate Loans	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	161,842,505	16,260,442	13,958,982	22,961,560	905,002	7,729,899	223,658,390
Non-performing loans and advances	1,494,839	337,030	306,115	84,685	33,321	26,618	2,282,608
Total loans and advances	163,337,344	16,597,472	14,265,097	23,046,245	938,323	7,756,517	225,940,998
Allowance for impairment	(3,020,784)	(441,237)	(351,292)	(75,410)	(53,302)	(70,026)	(4,012,051)
Loans and advances held at amortised cost, net	160,316,560	16,156,235	13,913,805	22,970,835	885,021	7,686,491	221,928,947

S'000	December 31, 2025 (Audited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate Loans	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	157,551,212	14,434,925	13,782,391	22,223,709	957,776	7,602,755	216,552,768
Non-performing loans and advances	1,391,674	332,566	265,699	70,606	37,999	20,579	2,119,123
Total loans and advances	158,942,886	14,767,491	14,048,090	22,294,315	995,775	7,623,334	218,671,891
Allowance for impairment	(2,900,282)	(402,107)	(303,270)	(58,848)	(53,919)	(62,202)	(3,780,628)
Loans and advances held at amortised cost, net	156,042,604	14,365,384	13,744,820	22,235,467	941,856	7,561,132	214,891,263

S'000	March 31, 2025 (Unaudited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate Loans	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	159,104,750	12,014,441	12,947,718	18,934,319	699,695	7,045,760	210,746,683
Non-performing loans and advances	988,324	542,773	177,063	38,548	21,875	26,638	1,795,221
Total loans and advances	160,093,074	12,557,214	13,124,781	18,972,867	721,570	7,072,398	212,541,904
Allowance for impairment	(2,610,633)	(538,261)	(259,648)	(53,197)	(41,710)	(60,102)	(3,563,551)
Loans and advances held at amortised cost, net	157,482,441	12,018,953	12,865,133	18,919,670	679,860	7,012,296	208,978,353

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

8. Loans and advances, net (continued)

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

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Opening loss allowance as at January 01	3,780,628	3,514,792	3,514,792
Charge for the period / year, net	299,537	1,381,343	300,742
Bad debts written off against provision	(68,114)	(1,115,507)	(251,983)
Balance at the end of the period / year	4,012,051	3,780,628	3,563,551

iii) The following table shows the stage wise movement in ECL allowance for loans and advances:

ﷲ '000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	831,282	1,163,096	1,786,250	3,780,628
Transfer from 12-month ECL	(11,413)	11,401	12	-
Transfer from lifetime ECL not credit impaired	11,463	(29,835)	18,372	-
Transfer from Lifetime ECL credit impaired	13,713	6,353	(20,066)	-
Net charge for the period	26,757	91,896	180,884	299,537
Write-offs	-	-	(68,114)	(68,114)
Balance at the end of the period	871,802	1,242,911	1,897,338	4,012,051

ﷲ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	945,871	1,247,200	1,321,721	3,514,792
Transfer from 12-month ECL	(26,900)	22,619	4,281	-
Transfer from lifetime ECL not credit impaired	38,608	(303,783)	265,175	-
Transfer from Lifetime ECL credit impaired	13,556	14,990	(28,546)	-
Net (reversal) / charge for the year	(139,853)	182,070	1,339,126	1,381,343
Write-offs	-	-	(1,115,507)	(1,115,507)
Balance at the end of the year	831,282	1,163,096	1,786,250	3,780,628

ﷲ '000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	945,871	1,247,200	1,321,721	3,514,792
Transfer from 12-month ECL	(7,447)	6,900	547	-
Transfer from lifetime ECL not credit impaired	9,169	(95,909)	86,740	-
Transfer from Lifetime ECL credit impaired	8,950	2,423	(11,373)	-
Net charge for the period	104,050	73,993	122,699	300,742
Write-offs	-	-	(251,983)	(251,983)
Balance at the end of the period	1,060,593	1,234,607	1,268,351	3,563,551

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

8. Loans and advances, net (continued)

iv) The following table shows the stage wise gross loans and advances by product:

S'000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Overdraft & commercial loans	163,730,909	14,102,203	2,101,704	179,934,816
Credit Card	859,414	28,691	50,218	938,323
Consumer	43,716,637	747,750	603,472	45,067,859
Balance at the end of the period	208,306,960	14,878,644	2,755,394	225,940,998

S'000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Overdraft & commercial loans	159,530,402	12,218,918	1,961,057	173,710,377
Credit Card	911,348	32,670	51,757	995,775
Consumer	42,882,590	562,298	520,851	43,965,739
Balance at the end of the year	203,324,340	12,813,886	2,533,665	218,671,891

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Overdraft & commercial loans	159,413,694	11,598,991	1,637,603	172,650,288
Credit Card	671,805	20,320	29,445	721,570
Consumer	38,400,482	429,332	340,232	39,170,046
Balance at the end of the period	198,485,981	12,048,643	2,007,280	212,541,904

v) The following table shows the stage wise gross carrying value of loans and advances:

S'000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	203,324,340	12,813,886	2,533,665	218,671,891
Transfer from 12-month ECL	(2,495,174)	2,443,231	51,943	-
Transfer from lifetime ECL not credit impaired	322,403	(575,895)	253,492	-
Transfer from Lifetime ECL credit impaired	32,945	13,860	(46,805)	-
Net change for the period	7,122,446	183,562	31,213	7,337,221
Write-offs	-	-	(68,114)	(68,114)
Balance at the end of the period	208,306,960	14,878,644	2,755,394	225,940,998

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

8. Loans and advances, net (continued)

S'000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	193,863,171	11,731,130	2,088,766	207,683,067
Transfer from 12-month ECL	(4,495,163)	4,041,660	453,503	-
Transfer from lifetime ECL not credit impaired	1,560,149	(2,513,552)	953,403	-
Transfer from Lifetime ECL credit impaired	31,633	30,522	(62,155)	-
Net change for the year	12,364,550	(475,874)	215,655	12,104,331
Write-offs	-	-	(1,115,507)	(1,115,507)
Balance at the end of the year	203,324,340	12,813,886	2,533,665	218,671,891

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	193,863,171	11,731,130	2,088,766	207,683,067
Transfer from 12-month ECL	(966,994)	939,654	27,340	-
Transfer from lifetime ECL not credit impaired	162,320	(497,654)	335,334	-
Transfer from Lifetime ECL credit impaired	22,012	5,717	(27,729)	-
Net change for the period	5,405,472	(130,204)	(164,448)	5,110,820
Write-offs	-	-	(251,983)	(251,983)
Balance at the end of the period	198,485,981	12,048,643	2,007,280	212,541,904

9. Due to Saudi Central Bank

S'000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Current accounts	-	9,136	-
Repo	9,470,327	995,625	9,964,923
Deposits	3,503,667	3,975,251	4,048,625
Government grant	-	-	489,403
Modification impact, net	-	-	(1,557)
Total	12,973,994	4,980,012	14,501,394

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

10. Due to banks and other financial institutions

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Current accounts	443,312	460,851	2,139,524
Money market placements	6,831,035	1,494,628	6,718,547
Repos	4,001,177	5,949,121	6,783,383
Total	11,275,524	7,904,600	15,641,454

11. Derivatives

In the ordinary course of business, the Bank utilizes the following derivative financial instruments for both trading and hedging purposes:

a) Swaps

Swaps are commitments to exchange one set of cash flows for another. For commission rate swaps, counterparties generally exchange fixed and floating rate commission payments in a single currency without exchanging principal. For currency rate swaps, fixed and floating commission payments and principal are exchanged in different currencies.

b) Forwards and futures

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts transacted in the over the counter market. Foreign currency and commission rate futures are transacted in standardized amounts on regulated exchanges and changes in futures contract values are settled daily.

c) Forward rate agreements

Forward rate agreements are individually negotiated commission rate contracts that call for a cash settlement for the difference between a contracted commission rate and the market rate on a specified future date, on a notional principal for an agreed period of time.

d) Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

Held for trading purposes

Most of the Bank's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers, Banks and other financial institutions in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favorable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profiting from price differentials between markets or products. The Bank also holds structured derivatives which are fully back to back in accordance with the Bank's risk management strategy.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

11. Derivatives (continued)

Held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and the management of risk. Part of the risk management process involves managing the Bank's exposure to fluctuations in foreign exchange and commission rates to reduce its exposure to currency and commission rate risks to an acceptable level as determined by the Board of Directors in accordance with the guidelines issued by SAMA.

The Board of Directors has established the levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits. The Board of Directors has also established the level of commission rate risk by setting commission rate sensitivity limits. Commission rate exposure in terms of the sensitivity is reviewed on a periodic basis and hedging strategies are used to reduce the exposure within the established limits.

As part of its asset and liability management the Bank uses derivatives for hedging purposes in order to adjust its own exposure to currency and commission rate risks. This is generally achieved by hedging specific transactions as well as strategic hedging against overall consolidated statement of financial position exposures. Strategic hedging does not qualify for special hedge accounting and the related derivatives are accounted for as held for trading.

The Bank uses forward foreign exchange contracts and currency rate swaps to hedge against specifically identified currency risks. In addition, the Bank uses commission rate swaps and commission rate futures to hedge against the commission rate risk arising from specifically identified fixed commission rate exposures. The Bank also uses commission rate swaps to hedge against the cash flow risk arising on certain floating rate exposures. In all such cases, the hedging relationship and objective, including details of the hedged items and hedging instrument are formally documented and the transactions are accounted for as fair value or cash flow hedges.

Cash flow hedges

The Bank is exposed to variability in future special commission income cash flows on non-trading assets and liabilities which bear variable commission rate. The Bank uses commission rate swaps as cash flow hedges of these commission rate risks. Also, as a result of firm commitments in foreign currencies, such as its issued foreign currency debt, the Bank is exposed to foreign exchange and commission rate risks which are hedged with cross currency commission rate swaps.

The tables below show the positive and negative fair values of derivative financial instruments held, 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 / year, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

S'000	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)			March 31, 2025 (Unaudited)		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount
Held for trading:									
Commission rate swaps	3,587,571	3,707,065	277,521,594	3,698,131	3,873,087	279,446,119	4,386,025	4,538,992	268,766,857
Commission rate futures and options	53,099	53,102	15,093,783	41,241	41,241	6,662,882	72,382	72,382	7,855,682
Forward foreign exchange contracts & currency swaps	82,701	106,010	27,763,216	31,537	101,121	16,566,414	73,313	79,490	14,489,837
Currency options	13,243	13,263	2,595,980	2,366	2,366	1,561,932	1,308	1,308	428,775
Others	119,926	120,064	1,965,621	86,721	86,722	2,637,379	35,010	35,010	2,749,598
Held as fair value hedges:									
Commission rate swaps	104,055	38,647	18,610,250	174,069	52,046	18,610,250	69,895	65,820	15,168,750
Held as cash flow hedges:									
Commission rate swaps	326,500	76,176	21,925,500	404,156	92,025	25,013,000	321,595	395,352	30,363,250
Foreign currency swap	23,724	6,949	30,945,533	25,878	3,079	29,058,273	-	-	-
Total	4,310,819	4,121,276	396,421,477	4,464,099	4,251,687	379,556,249	4,959,528	5,188,354	339,822,749

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

12. Customers' deposits

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Demand	82,722,445	79,122,868	79,375,826
Saving	1,036,063	864,568	1,027,241
Time	110,969,771	111,338,983	104,763,728
Other	4,854,991	3,892,670	5,560,773
Total	199,583,270	195,219,089	190,727,568

Time deposits include Shariah based deposits amounting to ﷲ 62,005 million (December 31, 2025: ﷲ 56,800 million; March 31, 2025: ﷲ 51,903 million).

13. Debt securities and term loans

Debt securities and term loans comprises:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Debt securities and term loans	30,211,583	30,249,673	20,395,566
Certificate of deposit	7,972,713	8,627,272	-
Total	38,184,296	38,876,945	20,395,566

During 2022 the Bank has established a USD 4 Billion Euro Medium term Note (MTN) Programme. The issuer under the programme is BSF Finance Limited, operating as a special purpose entity for the guarantor Banque Saudi Fransi.

In 2023 the Bank established a USD 4 Billion Trust Certificate Issuance Programme. The issuer under the programme is BSF Sukuk Company, which operates as a special purpose entity for the guarantor Banque Saudi Fransi.

During Q2 2025 the Bank has established a USD 4 Billion Certificate of Deposit Programme. The issuer under the programme is Banque Saudi Fransi.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

14. Commitments and contingencies

The Bank's credit related commitments and contingencies are as follows:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Letters of credit	9,899,481	10,398,581	10,032,810
Letters of guarantee	53,240,663	53,410,664	51,305,139
Acceptances	1,921,597	3,411,607	2,971,380
Irrevocable commitments to extend credit	12,605,558	13,080,754	16,727,296
Total	77,667,299	80,301,606	81,036,625

i) The following table shows the stage wise movement in ECL allowance for commitments and contingencies:

ﷲ '000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	48,245	32,735	147,735	228,715
Transfer from 12-month ECL	(487)	487	-	-
Transfer from lifetime ECL not credit impaired	250	(250)	-	-
Net (reversal) / charge for the period	(14,718)	(32)	732	(14,018)
Write-offs	-	-	-	-
Balance at the end of the period	33,290	32,940	148,467	214,697

ﷲ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	50,011	23,836	147,863	221,710
Transfer from 12-month ECL	(4,190)	3,949	241	-
Transfer from lifetime ECL not credit impaired	5,131	(5,548)	417	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net (reversal) / charge for the year	(2,707)	10,498	(786)	7,005
Write-offs	-	-	-	-
Balance as the end of the year	48,245	32,735	147,735	228,715

ﷲ '000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	50,011	23,836	147,863	221,710
Transfer from 12-month ECL	(64)	64	-	-
Transfer from lifetime ECL not credit impaired	208	(209)	1	-
Net charge for the period	666	15,741	820	17,227
Write-offs	-	-	-	-
Balance at the end of the period	50,821	39,432	148,684	238,937

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

14. Commitments and contingencies (continued)

ii) The following table shows the stage wise movement for commitments and contingencies:

S'000	March 31, 2026 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	75,399,426	3,841,763	1,060,417	80,301,606
Transfer from 12-month ECL	(595,294)	595,294	-	-
Transfer from lifetime ECL not credit impaired	142,868	(143,285)	417	-
Transfer from Lifetime ECL credit impaired	26	1,155	(1,181)	-
Net change for the period	(2,827,349)	276,160	(83,118)	(2,634,307)
Write-offs	-	-	-	-
Balance at the end of the period	72,119,677	4,571,087	976,535	77,667,299

S'000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	76,702,102	4,202,611	979,834	81,884,547
Transfer from 12-month ECL	(2,536,140)	2,337,022	199,118	-
Transfer from lifetime ECL not credit impaired	1,146,678	(1,320,977)	174,299	-
Transfer from Lifetime ECL credit impaired	9,441	3,021	(12,462)	-
Net change for the year	77,345	(1,379,914)	(280,372)	(1,582,941)
Write-offs	-	-	-	-
Balance at the end of the year	75,399,426	3,841,763	1,060,417	80,301,606

S'000	March 31, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	76,702,102	4,202,611	979,834	81,884,547
Transfer from 12-month ECL	(290,129)	290,129	-	-
Transfer from lifetime ECL not credit impaired	65,665	(65,821)	166	10
Transfer from Lifetime ECL credit impaired	-	-	-	-
Net change for the period	(1,124,547)	288,881	(12,266)	(847,932)
Write-offs	-	-	-	-
Balance at the end of the period	75,353,091	4,715,800	967,734	81,036,625

The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings filed against the Bank as disclosed at December 31, 2025.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

15. Cash and cash equivalents

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

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5)	1,711,253	849,676	3,843,128
Due from banks and other financial institutions maturing within three months from the date of acquisition	4,228,428	1,807,422	3,548,164
Total	5,939,681	2,657,098	7,391,292

16. Tier I capital

During Q3 2024, the Bank through a Shariah compliant arrangement issued Tier I Sukuk (the "Sukuk"), amounting to ﷲ 3 billion under its ﷲ 8 billion Tier I Sukuk Programme established in Q1 2024. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.0% per annum from date of issue up to 2029 and is subjected to reset every 5 years.

During Q2 2025, the Bank issued USD 650 million Additional Tier I Capital as part of its USD 3 Billion Additional Tier I Capital Note Programme established in Q3 2024, the issuer under the programme is Banque Saudi Fransi. The applicable profit rate is 6.375% per annum from date of issue up to 2030.

During Q4 2025 the Bank exercised the call option on its existing Tier I Sukuk (the "Sukuk") which was issued in 2020, amounting to ﷲ 5 billion.

During Q4 2025, the Bank through a Shariah compliant arrangement issued Tier I Sukuk (the "Sukuk"), amounting to ﷲ 2.5 billion under its ﷲ 8 billion Tier I Sukuk Programme established in Q1 2024. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.4% per annum from date of issue up to 2030 and is subjected to reset every 5 years.

The applicable profit on the instrument is payable quarterly in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

17. Zakat

The Bank filed its 2024 Zakat return under the new Zakat Regulations issued by Ministerial Decree No. 2215 and obtained the corresponding Zakat certificate. ZATCA has finalized the review of the Zakat returns up to the year 2024.

Zakat for the period ended March 31, 2026 amounted to approximately ﷲ 159 million (March 31, 2025: ﷲ 154 million). The provision of Zakat is estimated based on the results of operations of the Bank for the three months period ended and the consolidated financial position at March 31, 2026.

As of the reporting date, Pillar Two legislation (OECD – global minimum tax framework) has been enacted in certain jurisdictions in which the Group operates; however there is no impact from top-up taxes for the current reporting period in line with Undertaxed Profit Rule (UTPR) relief.

The Group will continue to monitor developments in the local and international tax reforms for Pillar Two income taxes.

18. Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and equity prices and foreign currency exchange rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Bank uses widely recognized valuation models for determining the fair value of common and simpler financial instruments.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Bank believes that a third party market participant would take them into account in pricing a transaction. Fair values aim also to reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and the counterparty where appropriate.

Valuation Framework

The Bank has an established control framework with respect to the measurement of fair values. This framework includes a Market Risk Department, which is independent of Front Office management and reports to the Chief Risk Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements.

Determination of fair value and fair value hierarchy

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

Level 1: Quoted prices in active markets for the same instrument (i.e. without modification or repackaging)

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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

18. Fair values of financial assets and liabilities (continued)

Derivative products valued using a valuation technique with market observable inputs are mainly commission rate swaps and options, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and commission rate curves. Other investments in level 2 are valued based on market observable date including broker rates etc.

ﷲ '000	Carrying Value	Level 1	Level 2	Level 3	Total
March 31, 2026 (Unaudited)					
Financial assets					
Derivative financial instruments positive fair value	4,310,819	-	4,310,819	-	4,310,819
Financial investments designated at FVSI	461,153	461,153	-	-	461,153
Financial investments at FVOCI	43,007,928	38,861,676	3,327,326	818,926	43,007,928
Total	47,779,900	39,322,829	7,638,145	818,926	47,779,900
Financial Liabilities					
Derivative financial instruments negative fair value	4,121,276	-	4,121,276	-	4,121,276
Total	4,121,276	-	4,121,276	-	4,121,276

ﷲ '000	Carrying Value	Level 1	Level 2	Level 3	Total
December 31, 2025 (Audited)					
Financial assets					
Derivative financial instruments positive fair value	4,464,099	-	4,464,099	-	4,464,099
Financial investments designated at FVSI	150,649	150,649	-	-	150,649
Financial investments at FVOCI	39,410,695	35,313,307	2,931,531	1,165,857	39,410,695
Total	44,025,443	35,463,956	7,395,630	1,165,857	44,025,443
Financial Liabilities					
Derivative financial instruments negative fair value	4,251,687	-	4,251,687	-	4,251,687
Total	4,251,687	-	4,251,687	-	4,251,687

ﷲ '000	Carrying Value	Level 1	Level 2	Level 3	Total
March 31, 2025 (Unaudited)					
Restated – note 24					
Financial assets					
Derivative financial instruments positive fair value	4,959,528	-	4,959,528	-	4,959,528
Financial investments designated at FVSI	473,253	96,889	376,364	-	473,253
Financial investments at FVOCI	33,383,696	19,660,229	12,793,439	930,028	33,383,696
Total	38,816,477	19,757,118	18,129,331	930,028	38,816,477
Financial Liabilities					
Derivative financial instruments negative fair value	5,188,354	-	5,188,354	-	5,188,354
Total	5,188,354	-	5,188,354	-	5,188,354

During the period there have been no transfers between level 1 and level 2.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

18. Fair values of financial assets and liabilities (continued)

The fair values of investments held at amortized cost are ~~₹~~ 27,395 million (December 31, 2025: ~~₹~~ 28,175 million and March 31, 2025: ~~₹~~ 27,303 million) against carrying value of ~~₹~~ 28,160 million (December 31, 2025: ~~₹~~ 29,120 million and March 31, 2025: ~~₹~~ 28,070 million). The fair values of commission bearing customers' deposits, debt securities, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the condensed interim consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of due from and due to banks and other financial institutions. An active market for these instruments is not available and the Bank intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

The estimated fair values of investments held at amortized cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds. Consequently, differences can arise between carrying values and fair value estimates. The fair values of derivatives are based on the quoted market prices when available or by using the appropriate valuation technique. The Bank uses the discounted cash flow method using current yield curve to arrive at the fair value of loans and advances after adjusting internal credit spread which is ~~₹~~ 223,829 (December 31, 2025: ~~₹~~ 216,738 million and March 31, 2025: ~~₹~~ 210,465 million). The carrying values of those loans and advances are ~~₹~~ 221,929 million (December 31, 2025: ~~₹~~ 214,891 million and March 31, 2025: ~~₹~~ 208,978 million).

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy:

₹ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited) Restated – note 24
Balance at the beginning of the period / year	1,165,857	830,575	830,575
Additions during the period / year	12,768	189,458	41,372
Disposal during the period / year	-	-	-
Transfer to level 2	(359,699)	-	-
Change in value	-	145,824	58,081
Balance at the end of period / year	818,926	1,165,857	930,028

19. Segment information

Operating segments are identified on the basis of internal reports about components of the Bank that are regularly reviewed by the Bank's Board of Directors in its function as chief decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between operating segments are approved by the management as per agreed terms and are reported according to the Bank's internal transfer pricing policy. These terms are in line with normal commercial terms and conditions. The revenue from external parties report to the Board is measured in a manner consistent with that in the condensed interim consolidated statement of income.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

19. Segment information (continued)

The Bank is organised into the following main operating segments:

Retail banking – incorporates private and small establishment customers' demand accounts, overdrafts, loans, saving accounts, deposits, credit and debit cards, consumer loans, certain forex products and auto leasing.

Corporate banking – incorporates corporate and medium establishment customers' demand accounts, deposits, overdrafts, loans and other credit facilities and derivative products.

Treasury – incorporates treasury services, trading activities, investment securities, money market, Bank's funding operations and derivative products.

Investment banking and brokerage – Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities, retail investments products, corporate finance and international and local shares brokerage services and insurance.

The Bank's total assets and liabilities, together with total operating income, total operating expenses and net income before zakat for the three months then ended, by operating segments, are as follows:

₹ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>March 31, 2026 (Unaudited)</u>					
Total assets	63,530,344	161,416,466	96,474,061	3,389,574	324,810,445
Loans and advances, net	60,540,663	159,736,198	-	1,652,086	221,928,947
Total liabilities	71,169,308	132,445,802	68,574,827	1,103,697	273,293,634
Customers' deposits	68,784,042	130,799,228	-	-	199,583,270
Total operating income	894,866	1,203,833	474,096	135,271	2,708,066
Total operating expenses before impairment charge	515,028	219,598	103,778	83,857	922,261
Impairment charges for financial assets & others, net	116,810	130,398	(1,324)	-	245,884
Net income for the period before zakat	263,028	853,837	371,642	51,414	1,539,921
Net special commission income	892,327	1,058,041	226,153	40,176	2,216,697
Fee and commission income, net	(3,080)	145,915	(2,603)	77,539	217,771
Exchange income, net	5,472	(123)	102,328	-	107,677
Trading income, net	-	-	71,516	378	71,894
Inter-segment revenue	172,388	(436,428)	264,040	-	-
Depreciation and amortization	53,890	19,425	7,015	4,147	84,477

₹ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>December 31, 2025 (Audited)</u>					
Total assets	61,446,604	154,717,337	89,433,642	3,408,203	309,005,786
Loans and advances, net	59,854,171	153,249,174	-	1,787,918	214,891,263
Total liabilities	73,055,525	125,994,054	57,691,267	1,605,502	258,346,348
Customers' deposits	71,023,505	124,195,584	-	-	195,219,089

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

19. Segment information (continued)

ﷲ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>March 31, 2025 (Unaudited)</u>					
Restated – note 24					
Total assets	54,851,838	157,425,116	88,478,707	2,822,878	303,578,539
Loans and advances, net	52,586,290	154,664,415	-	1,727,648	208,978,353
Total liabilities	70,955,933	124,998,413	57,644,802	958,829	254,557,977
Customers' deposits	68,536,513	122,191,055	-	-	190,727,568
Total operating income	740,629	1,370,815	362,453	164,227	2,638,124
Total operating expenses before impairment charge	472,509	218,089	102,905	73,091	866,594
Impairment charges for financial assets & others, net	55,023	228,716	(3,924)	31	279,846
Net income for the period before zakat	213,097	924,010	263,472	91,105	1,491,684
Net special commission income	725,074	1,207,527	128,681	57,053	2,118,335
Fee and commission income, net	3,673	161,503	(1,950)	98,905	262,131
Exchange income, net	11,838	1,783	107,342	-	120,963
Trading income, net	-	-	68,009	1,638	69,647
Inter-segment revenue	164,983	(392,266)	227,283	-	-
Depreciation and amortization	46,310	14,999	5,763	874	67,946

20. Share capital and Earnings per share

The authorised, issued and fully paid share capital of the Bank consists of 2,500 million shares of ﷲ 10 each (December 31, 2025: 2,500 million shares of ﷲ 10 each and March 31, 2025: 2,500 million shares of ﷲ 10 each).

Basic and diluted earnings per share for the periods ended March 31, 2026 and 2025 are calculated on a weighted average basis by dividing the net income adjusted for Tier I capital costs for the period by 2,500 million shares after excluding treasury shares consisting of 26.3 million shares as of March 31, 2025 (December 31, 2025: 24.4 million shares and March 31, 2025: 19.5 million shares).

The Board of Directors have proposed final net dividend of ﷲ 0.52 net per share for the year 2025 which is subject to the approval of the shareholders at the Annual General Assembly Meeting and the regulatory agencies.

21. Related party balances

In the ordinary course of its activities, the Bank transacts business with related parties. In the opinion of the management and the Board, the related party transactions are carried out on group's internal pricing framework. The related party transactions are governed by limits set by the Banking Control Law and Regulations issued by SAMA. The balances with related parties have been defined as per regulatory guidelines which also include relationships with entities with common directorships or common key management personal.

21. Related party balances (continued)

The balances as at March 31, 2026, December 31, 2025 and March 31, 2025 resulting from such transactions included in the consolidated financial statements are as follows:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited)
Associates			
Investments	9,695	9,695	9,695
Due to banks and other financial institutions	465,748	472,013	8,893
Directors, senior management, shariah members and their affiliates (key management personal)			
Loans and advances	10,451,309	9,283,040	6,750,104
Investments	728,008	683,203	784,207
Due from banks and other financial institutions	1,000,000	-	397,289
Other assets	9,925	20,906	33,102
Customers' deposits	3,040,857	8,604,702	7,800,826
Due to banks and other financial institutions	1,000,000	-	-
Other liabilities	12,074	11,712	6,544
Derivatives at fair value, net	(83,005)	(15,968)	(55,231)
Commitments and contingencies	2,165,296	2,499,640	2,913,840
Major shareholders' and their affiliates			
Loans and advances	689,320	411,774	907,217
Customers' deposits	117,602	227,833	183,771
Other liabilities	3	-	-
Derivatives at fair value, net	(16)	(24)	(50)
Commitments and contingencies	12,500	24,203	17,953

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

ﷲ '000	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Special commission income		
-Directors, senior management, shariah members and their affiliates (key management personal)	147,678	40,225
-Major shareholders' and their affiliates	8,482	8,816
Total Special commission income	156,160	49,041
Special commission expense		
-Directors, senior management, shariah members and their affiliates (key management personal)	58,272	11,449
Major shareholders' and their affiliates	266	159
-Associates	4,540	63
Total Special commission expense	63,078	11,671
Fees, commission income and others, net	22,830	22,355
Directors' fees	5,427	5,410
Other general and administrative expenses	5,428	7,805

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

22. Capital Adequacy

The Bank's objectives when managing capital are, to comply with the capital requirements set by SAMA; to safeguard the Bank'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 daily by the Bank's management.

The Bank 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 amount of derivatives at a weighted amount to reflect their relative risk.

SAMA requires holding the minimum level of the regulatory capital of and maintaining a ratio of total regulatory capital to the risk-weighted asset (RWA) at or above the agreed minimum level.

Bank's total risk weighted assets and total Tier I & Tier I + Tier II Capital are as follows:

ﷲ '000	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2025 (Unaudited) Restated
Credit Risk RWA	257,635,059	250,307,927	241,546,187
Operational Risk RWA	11,288,047	9,647,584	9,641,621
Market Risk RWA	4,802,626	4,043,730	4,297,470
Total RWA	273,725,732	263,999,241	255,485,278
Common Equity Tier I Capital	43,649,078	42,764,420	41,456,449
Additional Tier I Capital	7,937,500	7,937,500	8,000,000
Tier I Capital	51,586,578	50,701,920	49,456,449
Tier II Capital	5,974,141	5,751,527	2,305,647
Total Tier I & II Capital	57,560,719	56,453,447	51,762,096
Capital Adequacy Ratio %			
Common Equity Tier I ratio	15.95%	16.20%	16.23%
Tier I ratio	18.85%	19.21%	19.36%
Tier I + Tier II ratio	21.03%	21.38%	20.26%

23. Comparative figures

Certain prior period figures have been represented to conform to current period's presentation, which are not material in nature to the condensed interim consolidated financial statements, except for the restatements disclosed in note 24.

24. Restatement

During the year ended December 31, 2025, the Bank corrected valuation of its interest in equity investments that are classified as investments at Fair Value through Other Comprehensive Income (FVOCI) which were historically valued at cost. These adjustments were considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and were material to the consolidated financial statements and accordingly the consolidated statement of financial position and consolidated statement of changes in equity were restated.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2026 and 2025

24. Restatement (continued)

Accordingly, the Bank has restated the impacted line items to correct the prior period consolidated statements as follows:

ﷲ '000	As previously presented	Restatement	Restated balance
As at March 31, 2025			
Consolidated statement of financial position			
Investments, net	61,322,235	590,615	61,912,850
Other reserves	(553,496)	590,615	37,119
Consolidated statement of comprehensive income			
Total comprehensive income for the period	1,917,231	59,719	1,976,950

In addition during the period ended March 31, 2025, the Bank corrected the classification of some of its investments from "Investments at FVOCI – Debt instruments" to "Investments at FVOCI – Equity/other investments" amounting ﷲ 788 million. These adjustments are considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and accordingly the disclosure note (7) to the consolidated financial statements has been restated.

The impact of correcting classification of these equity investments, on the consolidated statement of income and consolidated statement of other comprehensive income, for the period ended March 31, 2025, was insignificant and accordingly, these have not been restated.

25. Impact of geopolitical 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 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 geopolitical situation may have on its business and financial performance through conducting stress-testing scenarios, as appropriate, on expected movements of oil prices and its impact on key credit, liquidity, operational, solvency and performance indicators in addition to other risk management practices. The steps taken by management also includes commencing review of credit exposures at a more granular level with particular focus on specific economic sectors, and collateral protection, where required.

The prevailing geopolitical situation, has brought about additional uncertainties in the economic environment which require the Bank to revise certain inputs and assumptions used for the determination of ECL. However, it continues to be challenging to reliably ascertain the specific effects the war will have. The Bank has therefore concluded that it is too early for any potential credit impairment to be reflected through the application of the staging criteria, or adjusting macroeconomic variables or scenario weights or recognition of overlays on the impacted portfolio, if any.

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 adjustment in the ECL is required in subsequent reporting periods.

26. Board of Directors Approval

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on April 21, 2026 corresponding to Dhul Qa'da 04, 1447H.