

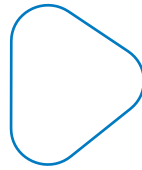


arab national bank

A Saudi joint stock company

Interim Condensed Consolidated Financial Statements

As at and for the period ended June 30, 2025





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

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO: THE SHAREHOLDERS OF ARAB NATIONAL BANK
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arab National Bank and its subsidiaries (collectively referred to as “the Bank”) as at June 30, 2025, and the related statements of income and comprehensive income for the three and six months period then ended, and the related statements of changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The consolidated financial statements for the year ended December 31, 2024 and the interim financial information for the three and six-months period ended June 30, 2024 were jointly audited and reviewed, respectively, by another joint auditor who expressed an unmodified audit opinion on those statements and unmodified review conclusion on that information on February 13, 2025 (corresponding to Sha’ban 14, 1446H) and August 8, 2024 (corresponding to Safar 4, 1446H), respectively.

Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354



Deloitte and Touche & Co. **Chartered Accountants**

Tariq Mohammad Alfattani
Certified Public Accountant
License No. 446

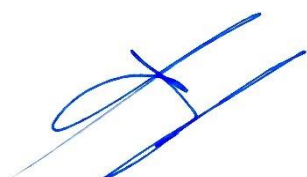
(Safar 4, 1447H)
(July 29, 2025)

Interim consolidated statement of financial position as at

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024-restated (Unaudited)
Assets				
Cash and balances with Saudi Central Bank	4	13,933,106	12,342,361	11,301,612
Due from banks and other financial institutions, net	5	4,196,485	3,853,380	3,608,007
Positive fair value of derivatives	11	1,806,556	2,290,596	2,460,166
Investments, net	6 – 22.2	54,313,176	52,345,094	48,867,303
Loans and advances, net	7	186,475,597	169,494,661	161,612,143
Investments in associates		897,095	889,646	951,507
Other real estate owned, net		842,064	909,064	1,028,220
Property, equipment and right of use assets, net		3,263,550	2,978,359	2,638,132
Other assets		3,255,426	3,204,153	3,023,474
Total assets		268,983,055	248,307,314	235,490,564
Liabilities and equity				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions	9	11,563,455	14,404,334	10,950,406
Negative fair value of derivatives	11	1,333,992	1,598,910	1,866,763
Customers' deposits	10	201,738,593	182,229,847	175,593,910
Issued Sukuk	16	2,828,870	2,828,870	2,828,870
Other liabilities	22.2	8,459,611	9,096,305	7,340,508
Total liabilities		225,924,521	210,158,266	198,580,457
Equity				
Share capital	17.1	20,000,000	20,000,000	20,000,000
Treasury shares	17.4	(175,364)	(98,329)	-
Statutory reserve		11,890,000	11,890,000	10,648,000
Other reserves		333,911	110,945	49,865
Retained earnings	22.2	7,629,093	6,216,685	6,183,274
Equity attributable to equity holders of the Bank		39,677,640	38,119,301	36,881,139
Tier I Sukuk	16	3,350,000	-	-
Total equity attributable to equity holders of the Bank		43,027,640	38,119,301	36,881,139
Non-controlling interest		30,894	29,747	28,968
Total equity		43,058,534	38,149,048	36,910,107
Total liabilities and equity		268,983,055	248,307,314	235,490,564

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

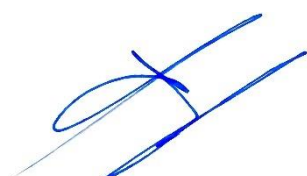
Interim consolidated statement of income

For the periods ended June 30, 2025, and 2024 (Unaudited)

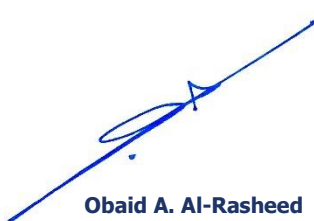
All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2025	2024	2025	2024
Special commission income		3,901,121	3,553,788	7,469,870	7,041,070
Special commission expense		1,727,679	1,612,024	3,328,234	3,171,580
Special commission income, net		2,173,442	1,941,764	4,141,636	3,869,490
Fee and commission income		572,184	481,512	1,184,978	948,485
Fee and commission expense		322,943	265,865	654,845	528,797
Fee and commission income, net		249,241	215,647	530,133	419,688
Exchange income, net		86,944	71,745	179,363	140,421
Gains on FVSI financial instruments, net		6,588	4,584	119,529	23,604
Trading income, net		26,635	38,358	45,393	52,267
Dividend income		100,890	41,907	136,073	81,969
(Losses)/ gains on non-trading instruments, net		(56,209)	347	(55,777)	3,754
Other operating income		6,578	20,825	28,292	53,424
Total operating income		2,594,109	2,335,177	5,124,642	4,644,617
Salaries and employee related expenses		476,855	413,538	938,338	831,375
Premises related expenses		12,983	13,509	25,621	26,336
Depreciation and amortisation		70,150	58,647	136,845	121,594
Other general and administrative expenses		270,737	250,833	530,868	487,293
Total operating expenses before impairment charges		830,725	736,527	1,631,672	1,466,598
Expected credit losses (ECL) and other impairment charges, net	8	216,146	166,544	421,509	328,217
Total operating expenses		1,046,871	903,071	2,053,181	1,794,815
Net operating income		1,547,238	1,432,106	3,071,461	2,849,802
Share in earnings of associates, net		7,768	6,746	13,823	5,924
Net income before zakat and income tax		1,555,006	1,438,852	3,085,284	2,855,726
Zakat	14	92,191	87,997	193,927	176,397
Income tax	14	125,755	119,872	250,053	212,381
Net income		1,337,060	1,230,983	2,641,304	2,466,948
Attributable to:					
Equity holders of the Bank		1,336,471	1,230,846	2,640,157	2,466,402
Non-controlling interest		589	137	1,147	546
Net income		1,337,060	1,230,983	2,641,304	2,466,948
Basic and diluted earnings per share (expressed in SAR)	17.3	0.67	0.62	1.32	1.23

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Interim consolidated statement of comprehensive income

For the periods ended June 30, 2025, and 2024 (Unaudited)

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2025	2024	2025	2024
Net income		1,337,060	1,230,983	2,641,304	2,466,948
Other comprehensive (loss)/ income:					
Items that will not be reclassified to interim consolidated statement of income in subsequent periods					
Equity instruments at fair value through other comprehensive income (FVOCI):					
- Net changes in fair value		(102,316)	(183,747)	10,247	(268,401)
Items that may be reclassified to interim consolidated statement of income in subsequent periods					
Debt instruments at FVOCI:					
- Net changes in fair value		88,083	(49,335)	180,114	(130,456)
- Net amounts transferred to interim consolidated statement of income		(745)	(347)	(1,177)	(3,754)
Cash flow hedges:					
- Effective portion of change in the fair value		8,687	5,190	21,683	(4,299)
Employee share plan reserve	17.4	5,863	-	12,099	-
Total other comprehensive (loss)/ income		(428)	(228,239)	222,966	(406,910)
Total comprehensive income		1,336,632	1,002,744	2,864,270	2,060,038
Attributable to:					
Equity holders of the Bank		1,336,043	1,002,607	2,863,123	2,059,492
Non-controlling interest		589	137	1,147	546
Total comprehensive income		1,336,632	1,002,744	2,864,270	2,060,038

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

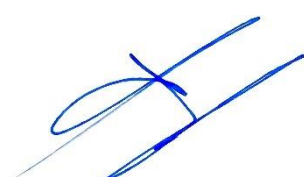
Interim consolidated statement of changes in equity

For the period ended June 30, 2025

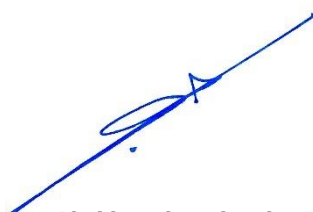
All amounts in thousands of Saudi Riyals unless stated otherwise

2025	Note	Attributable to equity holders of the Bank							Non-controlling interests	Total equity
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Tier I Sukuk	Total		
Balance as at December 31, 2024		20,000,000	(98,329)	11,890,000	110,945	6,216,685	-	38,119,301	29,747	38,149,048
Net income		-	-	-	-	2,640,157	-	2,640,157	1,147	2,641,304
Changes in equity for the period:										
Net changes in fair values of FVOCI equity investments		-	-	-	10,247	-	-	10,247	-	10,247
Net changes in fair values of FVOCI debt instruments		-	-	-	180,114	-	-	180,114	-	180,114
Net changes in fair value of cash flow hedges		-	-	-	21,683	-	-	21,683	-	21,683
Net transfers to interim consolidated statement of income		-	-	-	(1,177)	-	-	(1,177)	-	(1,177)
Employee share plan reserve	17.4	-	-	-	12,099	-	-	12,099	-	12,099
Total comprehensive income		-	-	-	222,966	2,640,157	-	2,863,123	1,147	2,864,270
Issuance of Tier I Sukuk	16	-	-	-	-	-	3,350,000	3,350,000	-	3,350,000
Tier I Sukuk cost	16	-	-	-	-	(61,622)	-	(61,622)	-	(61,622)
Treasury shares		-	(77,035)	-	-	-	-	(77,035)	-	(77,035)
2024 final dividends	17.2.2	-	-	-	-	(1,166,127)	-	(1,166,127)	-	(1,166,127)
Balance as at June 30, 2025		20,000,000	(175,364)	11,890,000	333,911	7,629,093	3,350,000	43,027,640	30,894	43,058,534

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

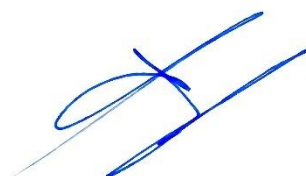
Interim consolidated statement of changes in equity

For the period ended June 30, 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

2024 restated	Note	Attributable to equity holders of the Bank					Non-Controlling interests	Total equity
		Share capital	Statutory reserve	Other reserves	Retained earnings	Total		
Balance as at December 31, 2023 as previously presented		15,000,000	10,648,000	436,656	8,984,821	35,069,477	28,422	35,097,899
Restatement	22.2	-	-	-	708,862	708,862	-	708,862
Restated balance as at January 1, 2024		15,000,000	10,648,000	436,656	9,693,683	35,778,339	28,422	35,806,761
Net income		-	-	-	2,466,402	2,466,402	546	2,466,948
Changes in equity for the period:		-	-	-	-	-	-	-
Net changes in fair values of FVOCI equity investments		-	-	(268,401)	-	(268,401)	-	(268,401)
Net changes in fair values of FVOCI debt instruments		-	-	(130,456)	-	(130,456)	-	(130,456)
Net changes in fair value of cash flow hedges		-	-	(4,299)	-	(4,299)	-	(4,299)
Net transfers to interim consolidated statement of income		-	-	(3,754)	-	(3,754)	-	(3,754)
Total comprehensive income		-	-	(406,910)	2,466,402	2,059,492	546	2,060,038
Loss on derecognition of FVOCI equity investments		-	-	20,119	(20,119)	-	-	-
2023 final dividends	17.2.1	-	-	-	(956,692)	(956,692)	-	(956,692)
Issuance of bonus shares	17.1	5,000,000	-	-	(5,000,000)	-	-	-
Balance as at June 30, 2024		20,000,000	10,648,000	49,865	6,183,274	36,881,139	28,968	36,910,107

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Interim consolidated statement of cash flow

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

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024
Operating activities			
Net income before Zakat and income tax		3,085,284	2,855,726
Adjustments to reconcile net income to net cash from operating activities:			
Accretion of premiums and amortisation of discounts on debt instruments, net		(187,602)	(74,178)
Special commission expense on issued Sukuk		46,772	46,772
Losses/ (gains) on non-trading investments, net		55,777	(3,754)
Gains on FVSI financial instruments, net		(119,529)	(23,604)
Dividend income		(136,073)	(81,969)
Depreciation and amortisation		136,845	121,594
Gains on disposal of property and equipment, net		(1,110)	(15,361)
Expected credit losses and other impairment charges, net	8	421,509	328,217
Share in earnings of associates, net		(13,823)	(5,924)
Losses on sale of other real estate owned		17,000	-
Net (increase)/ decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(902,055)	(353,667)
Investments held at FVSI		778,368	(191,471)
Positive fair value of derivatives		484,040	(658,275)
Loans and advances		(17,392,876)	(9,706,577)
Other real estate owned		50,000	-
Other assets		(51,737)	(874,698)
Net increase/ (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		(2,840,879)	2,519,630
Negative fair value of derivatives		(264,918)	463,403
Customers' deposits		19,508,746	9,725,901
Other liabilities		(361,921)	395,312
Zakat and income tax paid		(747,921)	(565,045)
Net cash from operating activities		1,563,897	3,902,032
Investing activities			
Proceeds from sale and maturities of investments not held as FVSI		875,073	881,229
Purchase of investments not held as FVSI		(3,156,975)	(2,445,684)
Dividends received from investments		136,073	81,969
Dividends received from investment in associates		6,374	3,821
Proceeds from sale of property and equipment		1,110	29,752
Purchase of property and equipment		(340,607)	(223,815)
Net cash used in investing activities		(2,478,952)	(1,672,728)
Financing activities			
Dividends paid		(1,166,127)	(956,692)
Special commission paid on Issued Sukuk		(46,772)	(46,765)
Tier 1 sukuk issuance		3,350,000	-
Purchase of treasury shares		(77,035)	-
Tier I Sukuk cost		(61,622)	-
Payment of lease liabilities		(51,801)	(39,293)
Net cash from/ (used in) financing activities		1,946,643	(1,042,750)
Net increase in cash and cash equivalents		1,031,588	1,186,554
Cash and cash equivalents at the beginning of the period		6,505,335	4,549,290
Cash and cash equivalents at the end of the period	13	7,536,923	5,735,844
Special commission received		7,612,250	6,486,685
Special commission paid		(3,430,238)	(2,930,379)

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.


Saad Al-Dughish
Chief Financial Officer


Obaid A. Al-Rasheed
Managing Director


Hesham Al-Jabr
Authorised Board Member

Notes to interim condensed consolidated financial statements

As at and for the period ended June 30, 2025

1. General

Arab National Bank (a Saudi Joint Stock Company, the "Bank") was formed pursuant to Royal Decree No. M/38 dated Rajab 18,1399H (corresponding to June 13, 1979). The Bank commenced business on February 2, 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration No. 1010027912 dated Rabi Awal 1, 1400H (corresponding to January 19, 1980) through its 121 branches (June 30, 2024: 122 branches), 57 remittance centres (June 30, 2024: 56 remittance centers) in the Kingdom of Saudi Arabia and one branch in the United Kingdom. The address of the Bank's head office is as follows:

Arab National Bank
P.O. Box 56921
Riyadh 11564
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of banking services. The Bank also provides its customers non-commission 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 the Bank and the following subsidiaries (collectively referred to as "the Group"):

1.1 ANB Capital

In accordance with the Capital Market Authority (CMA) directives, a wholly owned subsidiary and a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010239908 issued on Shawwal 26, 1428H (corresponding to November 7, 2007), to takeover and manage the Bank's investment services and asset management activities consisting of dealing, managing, arranging, advising and custody of securities regulated by the CMA. The subsidiary commenced its operations effective Muharram 3, 1429H (corresponding to January 12, 2008). On Muharram 19, 1436H (corresponding to November 12, 2014), the subsidiary changed its legal structure from a limited liability company to a closed joint stock company.

The objective of the subsidiary was amended and approved by CMA Board of Commissioners on Muharram 28, 1437H (corresponding to November 10, 2015) through a resolution number S/1/6/14832/15 to include dealing as a principal activity.

The objective of the subsidiary was further amended on Sha'ban 26, 1437H (corresponding to June 2, 2016) to provide loans to the subsidiary's customers to trade in shares as per the Saudi Central Bank (SAMA) circular No. 371000014867 dated Safar 5, 1437H, and the CMA's circular No. S/6/16287/15 dated Rabi' Al-Awal 10, 1437H.

1.2 Arabian Heavy Equipment Leasing Company (AHEL)

An 87.5% owned subsidiary incorporated in the Kingdom of Saudi Arabia, as a Saudi closed joint stock company, under Commercial Registration no 1010267489 issued in Riyadh dated Jumada I 15, 1430H (corresponding to May 10, 2009). The Company is engaged in the leasing of heavy equipment and operates in compliance with Sharia's principles.

The Bank started consolidating the subsidiary's financial statements effective May 10, 2009, the date the subsidiary started its operations. On May 6, 2014 the Bank increased its ownership percentage in this subsidiary from 62.5% to reach 87.5%.

1.3 Al-Manzil Al-Mubarak Real Estate Financing Ltd.

A wholly owned Saudi limited liability company, registered in the Kingdom of Saudi Arabia under the commercial registration no. 1010199647 issued in Riyadh dated Jumada I 18, 1425H (corresponding to July 6, 2004). The subsidiary is engaged in the purchase of lands and real estates and invest them through sale or rent in favor of the company, maintenance and management of owners and others' assets as guarantee, sale and purchase of real estates for financing purposes as per SAMA approval No. 361000109161 dated 10/8/1436H.

1.4 ANB Global Markets Limited

The Bank established on Jumada I 3, 1438H (corresponding to January 31, 2017) ANB Global Markets Limited, as a limited liability company registered in the Cayman Islands. The Bank has 100% ownership in the investee. The objective of ANB Global Markets Limited is trading in derivatives and Repo activities on behalf of the Bank.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group as at and for the three-months and six-months periods ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34), as endorsed in the Kingdom of Saudi Arabia and other standards and announcements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (ﷲ) and are rounded off to the nearest thousand, except where indicated otherwise.

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies

Notes to interim condensed consolidated financial statements

As at and for the period ended June 30, 2025

and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

3. Accounting policies and estimates

The accounting policies, estimates and assumptions 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 31 December 2024, except for certain accounting policies that became applicable to the Group during the current period as follows:

Tier I Sukuk

The Group classifies Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit, as part of equity. The related costs and distributions thereon are recognised directly in the retained earnings.

Share based payments

Under the terms of the Employee Share Program, eligible employees of the Group are offered shares at a predetermined price for a fixed period of time. At the vesting dates determined under the terms of the plan, the Group delivers the underlying allotted shares to the employees, subject to the satisfactory completion of the vesting conditions. The cost of the plans is recognised over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares ('the vesting date').

The cumulative expense recognised for these plans at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

3.1 Changes in accounting policies

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1.1 New standards, interpretations and amendments adopted by the Group

The below amendment applies for the first time in 2025, but does not have a significant impact on the interim condensed consolidated financial statements of the Group:

- Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. Effective date is January 1, 2025.

3.1.2 Accounting standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information': This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. Effective date is January 1, 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Bank.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Effective date is January 1, 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Bank.

3.1.3 Accounting standards issued but not yet effective

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Effective date is January 1, 2026.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. Effective date is January 1, 2027.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. Effective date is January 1, 2027.

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4. Cash and balances with Saudi Central Bank

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Cash in hand	1,245,607	1,204,664	1,237,617
Cash held in custody with others	852,894	881,827	839,557
Statutory deposit	10,597,002	9,694,947	9,176,817
Reverse repo with SAMA*	1,235,000	560,000	46,000
Current account	2,603	923	1,621
Total	13,933,106	12,342,361	11,301,612

* Reverse repo with SAMA represents money market placements.

5. Due from banks and other financial institutions, net

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Current accounts	2,159,369	458,195	500,204
Money market placements	2,041,450	3,399,726	3,110,845
ECL allowance	(4,334)	(4,541)	(3,042)
Total	4,196,485	3,853,380	3,608,007

Due from banks and other financial institutions' exposures, along with their related ECLs, are classified in Stage 1, with no movements in staging during the periods.

6. Investments, net

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024-restated (Unaudited)
Investments at amortised cost	39,877,226	39,223,140	37,309,084
Debt investments at FVOCI	10,219,209	8,466,450	7,226,284
Equity investments at FVOCI	3,034,586	2,811,699	2,739,291
Investments at FVSI	1,196,142	1,854,979	1,602,685
ECL allowance	(13,987)	(11,174)	(10,041)
Total	54,313,176	52,345,094	48,867,303

Dividend income recognised from equity investment at FVOCI in the interim consolidated statement of income amounted to **ﷲ** 115,872 thousand for the six months period ended June 30, 2025 (June 30, 2024: **ﷲ** 65,651 thousand).

Debt investments' exposures, along with their related ECLs, are classified in Stage 1, with no movements in staging during the periods.

7. Loans and advances, net

7.1 Loans and advances held at amortised cost comprise of the following:

June 30, 2025 (Unaudited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	4,568,777	1,274,987	46,705,290	134,843,835	187,392,889
Non-performing loans and advances	92,882	18,423	99,756	2,026,278	2,237,339
Total loans and advances	4,661,659	1,293,410	46,805,046	136,870,113	189,630,228
ECL allowance	(132,051)	(137,784)	(568,591)	(2,316,205)	(3,154,631)
Loans and advances, net	4,529,608	1,155,626	46,236,455	134,553,908	186,475,597

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December 31, 2024 (Audited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	4,674,232	1,219,849	43,471,320	121,131,240	170,496,641
Non-performing loans and advances	13,959	21,722	93,041	1,938,195	2,066,917
Total loans and advances	4,688,191	1,241,571	43,564,361	123,069,435	172,563,558
ECL allowance	(142,473)	(142,487)	(525,547)	(2,258,390)	(3,068,897)
Loans and advances, net	4,545,718	1,099,084	43,038,814	120,811,045	169,494,661

June 30, 2024 (Unaudited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	4,210,877	1,040,211	41,497,275	115,758,526	162,506,889
Non-performing loans and advances	16,612	23,417	103,611	2,274,734	2,418,374
Total loans and advances	4,227,489	1,063,628	41,600,886	118,033,260	164,925,263
ECL allowance	(93,640)	(108,392)	(479,383)	(2,631,705)	(3,313,120)
Loans and advances, net	4,133,849	955,236	41,121,503	115,401,555	161,612,143

7.2 The following table further explains changes in gross carrying amount:

	June 30, 2025 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2025	158,186,016	12,252,942	2,124,600	172,563,558
Transfers to stage 1	2,786,824	(2,776,551)	(10,273)	-
Transfers to stage 2	(4,463,979)	4,490,612	(26,633)	-
Transfers to stage 3	(85,568)	(540,967)	626,535	-
Net change for the year	17,628,533	(172,352)	(33,996)	17,422,185
Write-offs	-	-	(355,515)	(355,515)
Closing balance as at June 30, 2025	174,051,826	13,253,684	2,324,718	189,630,228

	December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	138,660,682	14,531,404	2,372,184	155,564,270
Transfers to stage 1	2,012,454	(1,958,155)	(54,299)	-
Transfers to stage 2	(6,059,969)	6,092,181	(32,212)	-
Transfers to stage 3	(201,033)	(986,572)	1,187,605	-
Net change for the year	23,773,882	(5,425,916)	(445,670)	17,902,296
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31, 2024	158,186,016	12,252,942	2,124,600	172,563,558

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	June 30, 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	138,660,682	14,531,404	2,372,184	155,564,270
Transfers to stage 1	1,517,439	(1,493,003)	(24,436)	-
Transfers to stage 2	(4,249,682)	4,271,278	(21,596)	-
Transfers to stage 3	(76,899)	(992,890)	1,069,789	-
Net change for the year	12,707,922	(2,446,103)	(577,151)	9,684,668
Write-offs	-	-	(323,675)	(323,675)
Closing balance as at June 30, 2024	148,559,462	13,870,686	2,495,115	164,925,263

7.3 The movement in the expected credit losses of loans and advances is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Balance at the beginning of the period/ year	3,068,897	3,329,161	3,329,161
Charge for the period/ year, net	441,249	642,744	307,634
Bad debts written off against impairment allowance	(355,515)	(903,008)	(323,675)
Balance at the end of the period/ year	3,154,631	3,068,897	3,313,120

The net impairment charge for expected credit losses for the period ended June 30, 2025 amounted to ﷲ 369,817 thousand (December 31, 2024: ﷲ 494,298 thousand; June 30, 2024: ﷲ 232,659 thousand), The bad debts directly written-off to interim consolidated statement of income amounting to ﷲ 3,297 thousand (December 31, 2024: ﷲ 6,982 thousand; June 30, 2024: ﷲ 3,417 thousand) and net of recoveries and others amounting to ﷲ 74,729 thousand (December 31, 2024: ﷲ 155,428 thousand; June 30, 2024: ﷲ 78,392 thousand).

7.4 An analysis of changes in the ECL allowance as follows:

	June 30, 2025 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2025	875,672	717,419	1,475,806	3,068,897
Transfers to stage 1	70,816	(64,066)	(6,750)	-
Transfers to stage 2	(50,303)	67,602	(17,299)	-
Transfers to stage 3	(14,233)	(198,176)	212,409	-
Net charge for the year	274,595	65,941	100,713	441,249
Write-offs	-	-	(355,515)	(355,515)
Closing balance as at June 30, 2025	1,156,547	588,720	1,409,364	3,154,631

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	December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	860,756	901,604	1,566,801	3,329,161
Transfers to stage 1	96,874	(57,960)	(38,914)	-
Transfers to stage 2	(50,550)	73,294	(22,744)	-
Transfers to stage 3	(2,582)	(154,154)	156,736	-
Net charge for the year	(28,826)	(45,365)	716,935	642,744
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31, 2024	875,672	717,419	1,475,806	3,068,897

	June 30, 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	860,756	901,604	1,566,801	3,329,161
Transfers to stage 1	61,930	(43,038)	(18,892)	-
Transfers to stage 2	(32,207)	46,763	(14,556)	-
Transfers to stage 3	(1,090)	(166,676)	167,766	-
Net charge for the year	(85,963)	10,817	382,780	307,634
Write-offs	-	-	(323,675)	(323,675)
Closing balance as at June 30, 2024	803,426	749,470	1,760,224	3,313,120

8. Expected credit losses (ECL) and other impairment charges, net

Expected credit losses charge for the periods ended as reflected in the interim consolidated statement of income are detailed as follows:

	For the three months ended		For the six months ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
ECL allowance charges for loans and advances, net	155,243	116,199	369,817	232,659
Other ECL allowance charges/ (reversal), net	11,217	(2,433)	9,570	(1,328)
Charge of provisions for credit-related commitments and contingencies, net	49,686	52,778	42,122	96,886
Total	216,146	166,544	421,509	328,217

9. Due to banks, Saudi Central Bank and other financial institutions

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Current accounts	83,884	162,151	83,411
Money market deposits	5,968,106	4,629,211	4,167,589
Deposits from SAMA	5,511,465	9,612,972	6,699,406
Total	11,563,455	14,404,334	10,950,406

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10. Customers' deposits

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Demand	103,886,062	92,727,933	87,080,541
Time	91,628,505	82,222,778	82,722,189
Saving	540,962	464,613	377,980
Other	5,683,064	6,814,523	5,413,200
Total	201,738,593	182,229,847	175,593,910

11. Derivative financial instruments

The table below sets out the positive and negative fair values of derivative financial instruments, together with their notional amounts, analysed by their term to maturity. The notional amounts provide an indication of the volumes of transactions outstanding at the end of the period. It does 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 derivatives, nor to market risk.

	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)			June 30, 2024 (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 and cross currency swaps	1,285,210	1,204,968	42,346,713	1,535,398	1,455,714	40,765,093	1,738,408	1,651,155	41,283,357
Commission rate futures and options	4,298	3,809	7,051,747	9,600	8,795	1,335,374	18,019	16,898	1,070,982
Forward foreign exchange and commodity contracts	107,575	87,757	11,246,320	89,533	73,321	7,023,979	60,779	42,493	3,588,772
Currency and commodity options	104	51	180,268	1,628	1,467	179,274	833	754	233,160
Held as fair value hedges:									
Commission rate swaps	409,369	4,762	13,522,982	654,437	5,285	13,695,363	642,127	65,490	11,734,771
Held as cash flow hedges:									
Commission rate swaps	-	32,645	1,800,000	-	54,328	1,800,000	-	89,973	1,800,000
Total	1,806,556	1,333,992	76,148,030	2,290,596	1,598,910	64,799,083	2,460,166	1,866,763	59,711,042

12. Commitments and contingencies

12.1 Legal proceedings

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

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12.2 Credit related commitments and contingencies

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Letters of credit	6,493,485	5,899,143	6,013,436
Letters of guarantee	34,712,441	32,268,297	29,153,163
Acceptances	2,091,086	2,061,217	1,888,797
Irrevocable commitments to extend credit	8,959,824	9,840,260	6,953,112
Other	9,750	9,750	9,750
Total	52,266,586	50,078,667	44,018,258

13. Cash and cash equivalents

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 4)	3,336,104	2,647,414	2,124,795
Due from banks and other financial institutions maturing within ninety days of acquisition	4,200,819	3,857,921	3,611,049
Total	7,536,923	6,505,335	5,735,844

14. Zakat and income tax

Zakat attributable to the Group on Saudi shareholders for the period ended June 30, 2025 amounted to ﷲ 193.9 million (June 30, 2024: ﷲ 176.4 million). Income tax attributable to the Group on the current period's share of net income for the non-Saudi strategic shareholder is ﷲ 250.1 million (June 30, 2024: ﷲ 212.4 million), including the charge of deferred tax amounting to ﷲ 463.6 thousand (June 30, 2024: net of reversal of ﷲ 23.7 million).

The provision for Zakat and income tax is estimated based on the respective interim condensed consolidated financial position as at June 30, 2025 and the results of the operations of the Group for the six-months then ended.

There are no significant changes in the Bank's Zakat and income tax assessments to those mentioned in the Group's annual consolidated financial statements for the year ended December 31, 2024.

15. Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief executive officer in order to allocate resources to the segments and to assess its performance.

For management purposes, the Group is organised into the following major operating segments:

Retail banking

Deposit, credit and investment products for individuals.

Corporate banking

Loans and advances, deposits and other credit products for corporate, institutional customers and small to medium sized businesses.

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Treasury

Manages the Bank's trading and investment portfolios and the Bank's funding, liquidity, currency and commission rate risks.

Investment and brokerage services

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

Other

Includes income on capital and unallocated costs and assets and liabilities of Head Office and other supporting departments.

Transactions between operating segments are reported as recorded in the Group's transfer pricing system. The basis for determining intersegment operating income/ (expense) for the current year are consistent with the basis used for December 31, 2024. Segment assets and liabilities comprise mainly operating assets and liabilities.

The Group's primary business is conducted in the Kingdom of Saudi Arabia with one international branch in United Kingdom. The total assets, liabilities, commitments and results of operations of this branch are, however, not material to the Group's overall interim condensed consolidated financial statements.

The Group's total consolidated assets and liabilities as at June 30, 2025 and 2024 and its total operating income, expenses and net income for the six-months then ended, by operating segments, are as follows:

June 30, 2025 (Unaudited)	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	72,743,462	119,172,193	73,000,103	1,093,809	2,973,488	268,983,055
Investments in associates	-	-	-	285,712	611,383	897,095
Total liabilities	99,252,686	111,079,939	13,705,136	129,942	1,756,818	225,924,521
Operating income/ (expense) from external customers	1,135,004	3,472,946	489,791	304,907	(278,006)	5,124,642
Intersegment operating income/ (expense)	839,403	(1,330,625)	241,682	-	249,540	-
Total operating income	1,974,407	2,142,321	731,473	304,907	(28,466)	5,124,642
Of which:						
Net special commission income	1,864,860	1,558,009	314,813	126,245	277,709	4,141,636
ECL allowance charges and other provisions, net	200,250	208,689	9,570	3,000	-	421,509
Depreciation and amortisation	117,536	5,348	1,191	2,287	10,483	136,845
Total operating expenses	1,186,651	747,079	87,407	92,957	(60,913)	2,053,181
Share in earnings of associates	-	-	-	5,245	8,578	13,823
Net income before Zakat and income tax	787,756	1,395,242	644,066	217,195	41,025	3,085,284

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June 30, 2024 (Unaudited) restated	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	65,975,574	101,127,010	64,973,374	874,932	2,539,674	235,490,564
Investments in associates	-	-	-	324,721	626,786	951,507
Total liabilities	87,259,374	92,991,283	16,361,766	84,347	1,883,687	198,580,457
Operating income/ (expense) from external customers	1,172,527	3,522,863	9,397	259,484	(319,654)	4,644,617
Intersegment operating income/ (expense)	1,074,083	(1,680,580)	340,366	-	266,131	-
Total operating income	2,246,610	1,842,283	349,763	259,484	(53,523)	4,644,617
Of which:						
Net special commission income	2,132,564	1,384,376	50,376	129,596	172,578	3,869,490
ECL allowance charges and other provisions, net	82,035	247,509	(1,327)	-	-	328,217
Depreciation and amortisation	102,044	5,413	19	2,504	11,614	121,594
Total operating expenses	1,061,098	591,642	73,666	72,009	(3,600)	1,794,815
Share in losses of associates	-	-	-	54	5,870	5,924
Net income before Zakat and income tax	1,185,512	1,250,641	276,097	187,529	(44,053)	2,855,726

16. Issued Sukuk and Tier I Sukuk

On October 21, 2020 the Group issued a US Dollar 750 million 10 years subordinated tier II capital Sukuk callable in 5 years and carrying a special commission rate of 3.326%.

On January 13, 2025, the bank announced its intention to issue a Saudi Riyal denominated additional tier I capital Sukuk by way of private placement in the Kingdom of Saudi Arabia pursuant to its ﷲ 11,250 million additional tier I capital Sukuk program. On February 4, 2025, the bank announced the completion of the offer of the Sukuk, the value of the offer is ﷲ 3,350 million.

17. Share capital, dividends, basic and diluted earnings per share and treasury shares

17.1 Share capital

As at June 30, 2025, the authorised, issued and fully paid share capital of the Bank consists of 2,000 million shares of ﷲ 10 each (December 31, 2024: 2,000 million shares and June 30, 2024: 2,000 million shares of ﷲ 10 each).

On February 7, 2024, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the share capital by ﷲ 5 billion through capitalization from the retained earnings by way of granting one share for every three shares (i.e. issue of bonus shares). The issue of bonus shares was approved by Extra Ordinary General Assembly on May 20, 2024, after obtaining the necessary regulatory approvals. The regulatory procedures to update the Bank's bylaws and Commercial Registration to reflect the increase in share capital were completed during the period.

17.2 Dividends

17.2.1 On February 6, 2024, the Board of Directors approved to pay cash dividends of ﷲ 1,050 million from net income after deducting Zakat for the second half of 2023. This final dividend resulted in a net payment of ﷲ 0.70 per share to Saudi shareholders. Upon distribution, the income tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 25, 2024.

17.2.2 On February 5, 2025, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million from net income after deducting Zakat for the second half of 2024. This final dividend resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the income tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 19, 2025.

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17.3 Basic and diluted earnings per share

Basic and diluted earnings per share for the periods ended June 30, 2025 and 2024 is calculated by dividing net income for the period attributable to equity holders by the weighted average number of outstanding shares as of June 30, 2025: 1,994 million shares (June 30, 2024: 2,000 million shares) after accounting for treasury shares.

17.4 Treasury shares

On May 20, 2024, the Extraordinary General Assembly Meeting approved the purchase of 5 million treasury shares. The purchase was completed during the year. These shares are intended for allocation to the Employee Share Program.

On December 17, 2024, the Board of Directors recommended to buy-back additional number of the Bank's shares with a maximum of 10 million shares to allocate them to Employee Share Program. This buy-back was approved by the Extraordinary General Assembly meeting held in April 8, 2025. The bank is currently undergoing the purchasing process.

18. Fair values of 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 in either:

- The accessible principal market for the asset or liability; or
- The absence of a principal market, in the most advantageous accessible market for the asset or liability.
- The fair values of on-consolidated statement of financial position for assets and liabilities are not significantly different from their carrying amounts included in the interim consolidated financial statements.

For determination of fair value and fair value hierarchy, the Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repacking);

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 inputs are not based on observable market data.

18.1 Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. It does not include the fair value hierarchy information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

18.1.1 Financial assets

June 30, 2025 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Investments at FVSI	1,196,142	24,762	-	1,171,380	1,196,142
Investments at FVOCI	13,253,795	3,033,693	10,219,209	893	13,253,795
Positive fair value of derivatives	1,806,556	-	1,806,556	-	1,806,556
Financial assets not measured at fair value					
Investments at amortised cost	39,863,239	-	37,973,779	-	37,973,779
Loans and advances	186,475,597	-	-	183,149,454	183,149,454

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December 31, 2024 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	1,854,979	925,158	-	929,821	1,854,979
Investments at FVOCI	11,278,149	2,810,806	8,466,450	893	11,278,149
Positive fair value of derivatives	2,290,596	-	2,290,596	-	2,290,596
Financial assets not measured at fair value					
Investments at amortised cost	39,211,966	-	35,620,577	-	35,620,577
Loans and advances	169,494,661	-	-	165,794,208	165,794,208

June 30, 2024 (Unaudited) restated	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	1,602,685	767,206	-	835,479	1,602,685
Investments at FVOCI	9,965,575	2,738,398	7,226,284	893	9,965,575
Positive fair value of derivatives	2,460,166	-	2,460,166	-	2,460,166
Financial assets not measured at fair value					
Investments at amortised cost	37,299,043	-	33,642,235	-	33,642,235
Loans and advances	161,612,143	-	-	157,614,189	157,614,189

18.1.2 Financial Liabilities

June 30, 2025 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,333,992	-	1,333,992	-	1,333,992
Financial liabilities not measured at fair value					
Issued Sukuk	2,828,870	-	2,791,969	-	2,791,969

December 31, 2024 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,598,910	-	1,598,910	-	1,598,910
Financial liabilities not measured at fair value					
Issued Sukuk	2,828,870	-	2,758,050	-	2,758,050

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June 30, 2024 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,866,763	-	1,866,763	-	1,866,763
Financial liabilities not measured at fair value					
Issued Sukuk	2,828,870	-	2,704,050	-	2,704,050

18.2 Measurement of fair values

18.2.1 Transfer between levels of the fair value hierarchy

There have been no transfers between levels of the fair value hierarchy during the six-months period ended June 30, 2025 and 2024.

18.2.2 Reconciliation of Level 3 fair values

The following table shows the movement of Level 3 investments measured at fair value for the period/ year:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Balance at the beginning of the period/ year	930,714	627,180	627,180
Total gains charged to the consolidated statement of income	14,853	9,887	17,034
Additions during the period/ year	226,706	293,647	192,158
Balance at the end of the period/ year	1,172,273	930,714	836,372

18.2.3 Valuation technique and significant unobservable inputs

The table in next page shows the valuation techniques used in measuring level 2 and Level 3 fair values at June 30, 2025 and 2024, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVSI investments classified as Level 3	Fair value is determined based on the investee fund's most recent reported net assets value	These inputs include risk-adjusted discount rates, marketability and liquidity discounts and control premiums	The higher the discount rate, the lower is the valuation; vice versa
Financial assets and liabilities that are disclosed at fair value and classified as Level 3 include loans and advances and debt issuances	These instruments are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads	Additional buffer is added to the credit spreads to account for any potential model discrepancy or any stressed market conditions	The higher the credit spread, the lower is the valuation; vice versa
Other real estate asset	Earning Before Tax, Depreciation and Amortization (EBITDA) margins has been forecasted based on market and similar products offerings, taking into account the expected growth rate, room occupancy rate, rate per room, discount rate, yield, construction cost and other costs	<ul style="list-style-type: none"> EBITDA forecast Discount rate and yield rate Room occupancy rate Rent per room 	<ul style="list-style-type: none"> EBITDA has been forecasted as higher or (lower) The discount rate or yield were lower or (higher) The occupancy rate was higher or (lower) The rent per room were higher or (lower)

Certain unobservable inputs were applied for the above valuation and the impact of the sensitivity is not material.

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19. Related party transactions

In the ordinary course of its activities, the Group transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA.

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Board of directors, board committee members and other major shareholders:		
Loans and advances	10,186,018	7,734,867
Investments	987,828	1,040,771
Commitments and contingencies	2,601,094	1,212,442
Associates:		
Investments in associates	897,095	951,507
Loans and advances	1,807,587	1,793,535
Key management personnel of the bank:		
Loans and advances	90,594	73,905
Compensation paid to key management personnel:		
Short-term employee benefits (Salaries and allowances)	30,576	27,641
Post-employment benefits (End of service indemnity and social security)	3,028	2,711

Key management personnel are those persons, including an executive director, having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Group.

20. Capital adequacy

The Group's objectives when managing capital is 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. During the period, the Group fully complied with regulatory capital requirements.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its interim consolidated statement of financial position assets, commitments and notional amounts of derivatives at a weighted amount to reflect their relative risk.

The Group's Pillar I consolidated Risk Weighted Assets (RWA), total capital and related ratios are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024-restated (Unaudited)
Credit Risk RWA	214,802,114	196,838,003	185,358,966
Operational Risk RWA	12,256,651	10,684,489	10,684,489
Market Risk RWA	13,628,657	14,410,729	15,287,635
Total Pillar I RWA	240,687,422	221,933,221	211,331,090
Tier I Capital	43,027,640	38,119,301	36,881,139
Tier II Capital	4,213,842	3,905,342	3,749,494
Total Tier I & II Capital	47,241,482	42,024,643	40,630,633
Capital Adequacy Ratio %			
CET I	16.49%	17.18%	17.45%
Tier I ratio %	17.88%	17.18%	17.45%
Tier I + Tier II ratio %	19.63%	18.94%	19.23%

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The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision as adopted by SAMA in supervising the Bank.

21. Subsequent event

On July 22, 2025, the Board of Directors approved to pay cash dividends of ﷲ 1.3 billion for the first half of 2025 after deducting zakat. This interim dividend will result in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the income tax liability of the non-Saudi strategic shareholder for the current and prior period (if any) will be deducted from their share of the dividend. This interim dividend will be distributed on August 6, 2025.

22. Comparative figures

- 22.1 Certain prior period figures have been reclassified to conform with current period presentation, which are not material in nature to the interim condensed consolidated financial statements.
- 22.2 During the year ended December 31, 2024, management identified certain historic holdings in equity investments by the Group which had not previously been recorded. These investments have been accounted for at the same year and been classified as Investments at FVSI. The Group management has rectified this in respect of the comparative period by restating the consolidated financial statements lines as follows:

	Previously presented	Restatement	Restated
As at June 30, 2024			
Investments, net	48,128,441	738,862	48,867,303
Other liabilities	7,328,406	12,102*	7,340,508
Retained earnings	5,474,412	708,862	6,183,274

* The restated amount as stated in the above table includes a debit balance of ﷲ 17,898 thousand pertains to reclassification as per note 22.1 above.

The impact of these unrecorded equity investments on the interim consolidated statement of income for the period ended June 30, 2024 was not considered material, and therefore amounts for the comparative period have not been restated.

23. Board of Directors' approval

The interim condensed consolidated financial statements were approved by the Board on Muharram 27, 1447 (corresponding to July 22, 2025).