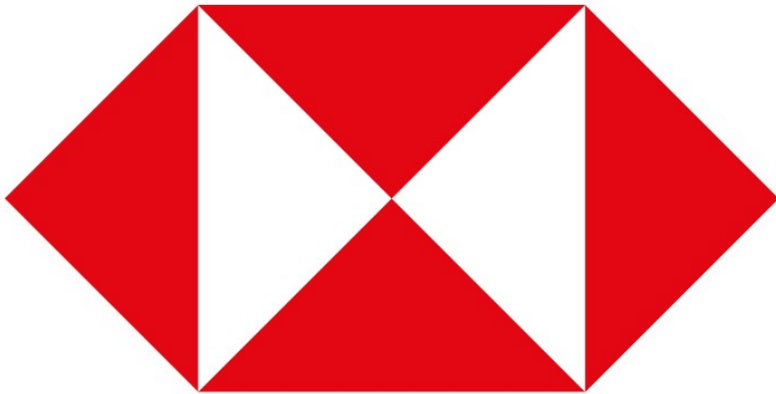


Saudi Awwal Bank

**Interim Condensed Consolidated Financial Information for the
six-month period ended
30 June 2025**

(Unaudited)



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SAB**

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Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Information

**To The shareholders of Saudi Awwal Bank
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Awwal Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2025, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes (collectively referred to as "the interim condensed consolidated financial information").

Management is responsible for the preparation and presentation of this interim condensed 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 this interim condensed consolidated 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Mufaddal A. Ali
Certified Public Accountant
License number: 447



Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License number: 356



3 Safar 1447H
(28 July 2025)

Interim condensed consolidated statement of financial position

All amounts are in thousands of Saudi Riyals unless otherwise stated

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)	As at 30 June 2024* (Unaudited)
ASSETS				
Cash and balances with Saudi Central Bank ("SAMA")	3	18,464,339	17,362,692	17,199,233
Due from banks and other financial institutions, net	4	2,912,238	3,429,772	9,599,751
Investments, net	5	107,815,757	98,412,224	91,833,503
Positive fair value derivatives, net	9	1,975,093	2,631,208	2,806,339
Loans and advances, net	6	282,603,818	259,345,516	241,552,027
Investment in an associate	7	347,808	463,350	348,844
Property, equipment and right of use assets, net		3,595,174	4,087,561	3,905,320
Goodwill and other intangibles, net	8	11,160,755	10,660,468	10,671,135
Other assets		3,481,593	3,050,018	4,379,930
Total assets		432,356,575	399,442,809	382,296,082
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions	22	39,115,332	40,996,981	16,392,632
Customers' deposits	10, 22	297,002,741	267,010,659	279,166,558
Negative fair value derivatives, net	9	1,939,828	2,546,204	2,746,623
Debt securities in issue	11, 23	5,163,958	5,178,059	5,177,154
Other liabilities		14,634,258	15,424,723	16,068,772
Total liabilities		357,856,117	331,156,626	319,551,739
Equity				
Equity attributable to equity holders of the Bank				
Share capital		20,547,945	20,547,945	20,547,945
Share premium		8,524,882	8,524,882	8,524,882
Statutory reserve		20,547,945	20,547,945	20,547,945
Other reserves		(1,239,559)	(2,818,768)	(2,630,879)
Retained earnings		15,716,745	11,464,384	11,769,450
Proposed dividend	21	-	2,054,795	-
Total equity attributable to equity holders of the Bank		64,097,958	60,321,183	58,759,343
Additional Tier 1 Sukuk	13	10,402,500	7,965,000	3,985,000
Total equity		74,500,458	68,286,183	62,744,343
Total liabilities and equity		432,356,575	399,442,809	382,296,082

The accompanying notes 1 to 24 form an integral part of this interim condensed consolidated financial information.

*Refer to note 22

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps

Tony Cripps
Managing Director & Authorised Member

Saudi Awwal Bank

Interim condensed consolidated statement of income

For the six-month period ended 30 June 2025

All amounts are in thousands of Saudi Riyals unless otherwise stated

		For three month ended		For six month ended	
	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Special commission income		5,496,761	5,081,230	10,773,497	9,947,933
Special commission expense		(2,649,233)	(2,348,097)	(5,087,574)	(4,506,048)
Net special commission income		2,847,528	2,733,133	5,685,923	5,441,885
Fee and commission income		1,085,635	963,941	2,215,401	1,958,983
Fee and commission expense		(722,595)	(579,651)	(1,428,256)	(1,217,317)
Net fee and commission income		363,040	384,290	787,145	741,666
Exchange income, net		317,057	271,834	602,377	522,438
Gain from FVSI financial instruments, net		126,337	169,028	214,438	364,866
Dividend income		5,050	2,475	8,022	3,372
Gain / (loss) on FVOCI debt instruments, net		49,610	(52,990)	49,610	(60,924)
Gain / (loss) on amortised cost investments, net		2,021	(6,598)	2,021	(46,715)
Other operating income		35,219	11,798	40,906	23,554
Other operating expense		(24,552)	(21,358)	(49,372)	(51,108)
Net other operating income / (expenses)		10,667	(9,560)	(8,466)	(27,554)
Total operating income		3,721,310	3,491,612	7,341,070	6,939,034
Provision for expected credit losses, net	18 (a)	(216,177)	(112,217)	(357,843)	(192,873)
Operating expenses					
Salaries and employee related expenses		(590,082)	(565,417)	(1,169,617)	(1,116,230)
Rent and premises related expenses		(14,783)	(18,280)	(31,963)	(36,458)
Depreciation and amortization		(215,495)	(136,155)	(361,187)	(269,591)
General and administrative expenses		(253,468)	(355,126)	(582,008)	(703,941)
Total operating expenses		(1,073,828)	(1,074,978)	(2,144,775)	(2,126,220)
Income from operating activities		2,431,305	2,304,417	4,838,452	4,619,941
Share in earnings of an associate	7	47,936	55,461	89,313	90,863
Net income for the period before Zakat and income tax		2,479,241	2,359,878	4,927,765	4,710,804
Provision for income tax	14	(167,567)	(181,799)	(295,430)	(326,790)
Provision for Zakat	14	(185,074)	(159,819)	(370,448)	(322,735)
Net income for the period after Zakat and income tax		2,126,600	2,018,260	4,261,887	4,061,279
Basic and diluted earnings per share	15	0.97	0.95	1.95	1.90

The accompanying notes 1 to 24 form an integral part of this interim condensed consolidated financial information.

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps

Tony Cripps
Managing Director & Authorised Member

Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June 2025

All amounts are in thousands of Saudi Riyals unless otherwise stated

	For three month ended		For six month ended	
	30 June 2025 (Unaudited)	30 June 2024* (Unaudited)	30 June 2025 (Unaudited)	30 June 2024* (Unaudited)
Net income for the period after Zakat and income tax	2,126,600	2,018,260	4,261,887	4,061,279
Other comprehensive income / (loss) for the period				
Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods				
Net changes in fair value of FVOCI equity instruments	37,441	40,450	23,906	179,276
Re-measurement of defined benefit liability	(1,181)	(16,250)	(1,181)	(16,250)
Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods				
Debt instrument at FVOCI:				
Net changes in fair value 22	59,192	(357,841)	1,509,439	(1,101,971)
Transfer to interim condensed consolidated statement of income, net	(14,483)	52,990	(14,483)	60,924
Cash flow hedges:				
Net changes in fair value 22	15,941	(12,038)	28,529	(269,135)
Transfer to interim condensed consolidated statement of income, net 22	-	(101)	-	(654)
Total other comprehensive income / (loss) for the period	96,910	(292,790)	1,546,210	(1,147,810)
Total comprehensive income for the period	2,223,510	1,725,470	5,808,097	2,913,469

The accompanying notes 1 to 24 form an integral part of this interim condensed consolidated financial information.

*Refer to note 22

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps

Tony Cripps
Managing Director & Authorised Member

Saudi Awwal Bank

Interim condensed consolidated statement of changes in equity

For the six-month period ended 30 June 2025

All amounts are in thousands of Saudi Riyals unless otherwise stated

30 June 2025 (Unaudited)	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity	
	Note	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividend			Total
Balance at the beginning of the period		20,547,945	8,524,882	20,547,945	(2,818,768)	11,464,384	2,054,795	60,321,183	7,965,000	68,286,183
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-	-	4,261,887	-	4,261,887	-	4,261,887
Net changes in fair value of cash flow hedges		-	-	-	28,529	-	-	28,529	-	28,529
Net changes in fair value of FVOCI equity instruments		-	-	-	23,906	-	-	23,906	-	23,906
Net changes in fair value of FVOCI debt instruments		-	-	-	1,509,439	-	-	1,509,439	-	1,509,439
Re-measurement of defined benefit liability		-	-	-	(1,181)	-	-	(1,181)	-	(1,181)
Transfer to interim condensed consolidated statement of income		-	-	-	(14,483)	-	-	(14,483)	-	(14,483)
		-	-	-	1,546,210	4,261,887	-	5,808,097	-	5,808,097
Employee share plan reserve net charge and shares vested		-	-	-	32,999	-	-	32,999	-	32,999
Additional Tier 1 Sukuk payments		-	-	-	-	(259,439)	-	(259,439)	-	(259,439)
Additional Tier 1 Sukuk issued		-	-	-	-	-	-	-	2,437,500	2,437,500
Additional Tier 1 Sukuk issuance cost	13	-	-	-	-	(12,584)	-	(12,584)	-	(12,584)
2024 final dividend, net of Zakat and income tax	21	-	-	-	-	262,497	(2,054,795)	(1,792,298)	-	(1,792,298)
Balance at the end of the period		20,547,945	8,524,882	20,547,945	(1,239,559)	15,716,745	-	64,097,958	10,402,500	74,500,458

30 June 2024* (Unaudited)	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity	
	Note	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividend			Total
Balance at the beginning of the period		20,547,945	8,524,882	20,547,945	(1,414,343)	9,708,134	-	57,914,563	3,985,000	61,899,563
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-	-	4,061,279	-	4,061,279	-	4,061,279
Net changes in fair value of cash flow hedges	22	-	-	-	(269,135)	-	-	(269,135)	-	(269,135)
Net changes in fair value of FVOCI equity instruments		-	-	-	179,276	-	-	179,276	-	179,276
Net changes in fair value of FVOCI debt instruments	22	-	-	-	(1,101,971)	-	-	(1,101,971)	-	(1,101,971)
Re-measurement of defined benefit liability		-	-	-	(16,250)	-	-	(16,250)	-	(16,250)
Transfer to interim condensed consolidated statement of income		-	-	-	60,270	-	-	60,270	-	60,270
		-	-	-	(1,147,810)	4,061,279	-	2,913,469	-	2,913,469
Purchase of treasury shares		-	-	-	(87,280)	-	-	(87,280)	-	(87,280)
Employee share plan reserve net charge and shares vested		-	-	-	18,554	-	-	18,554	-	18,554
Additional Tier 1 Sukuk payments		-	-	-	-	(152,579)	-	(152,579)	-	(152,579)
2023 final dividend, net of Zakat and income tax	21	-	-	-	-	(1,847,384)	-	(1,847,384)	-	(1,847,384)
Balance at the end of the period		20,547,945	8,524,882	20,547,945	(2,630,879)	11,769,450	-	58,759,343	3,985,000	62,744,343

The accompanying notes 1 to 24 form an integral part of this interim condensed consolidated financial information.

*Refer to note 22

Lama A. Ghazzaoui
Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Tony Cripps
Managing Director & Authorised Member

Interim condensed consolidated statement of cash flows

For the six-month period ended 30 June 2025

All amounts are in thousands of Saudi Riyals unless otherwise stated

	Notes	30 June 2025 (Unaudited)	30 June 2024* (Unaudited)
OPERATING ACTIVITIES			
Net income for the period before Zakat and income tax		4,927,765	4,710,804
Adjustments to reconcile net income before Zakat and income tax to net cash from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		(200,060)	(148,506)
Depreciation and amortization		361,187	269,591
Special commission expense on debt securities in issue		187,443	200,788
Special commission expense on lease liabilities		5,433	7,001
(Gain) / loss on amortised investments, net		(2,021)	46,715
Gain on FVOCI financial instruments		(35,127)	-
Income transferred to interim condensed consolidated statement of income		(14,483)	(184,988)
Share in earnings of an associate	7	(89,313)	(90,863)
Provision for expected credit losses, net	18 (a)	357,843	192,873
Employee share plan reserve		32,999	18,554
		5,531,666	5,021,969
Change in operating assets:			
Statutory deposit with SAMA		(1,134,113)	(1,071,048)
Due from banks and other financial institutions		39,156	32,617
Investments held as FVSI		(368,421)	(132,101)
Loans and advances		(23,586,751)	(25,836,555)
Positive fair value derivatives		684,644	(305,771)
Other assets		(299,982)	(1,511,605)
Change in operating liabilities:			
Due to banks and other financial institutions	22	(1,881,649)	(3,286,286)
Customers' deposits	22	29,992,082	25,709,068
Negative fair value derivatives		(606,376)	515,153
Other liabilities		(589,813)	2,114,448
		7,780,443	1,249,889
Special commission paid on debt securities in issue		(201,544)	(201,496)
Zakat and income tax paid		(991,655)	(935,609)
Net cash generated from operating activities		6,587,244	112,784
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		1,754,627	20,795,968
Purchase of investments not held as FVSI		(9,019,490)	(16,908,535)
Dividend received from an associate		204,855	204,065
Purchase of property, equipment and intangibles, net		(369,087)	(444,753)
Net cash (used in) / generated from investing activities		(7,429,095)	3,646,745
FINANCING ACTIVITIES			
Payment of lease liabilities		(48,676)	(67,561)
Dividends paid		(1,785,948)	(1,839,703)
Purchase of treasury shares		-	(87,280)
Additional Tier 1 Sukuk payments		(259,439)	(152,579)
Additional Tier 1 Sukuk issuance		2,437,500	-
Additional Tier 1 Sukuk issuance cost		(12,584)	-
Net cash generated from / (used in) financing activities		330,853	(2,147,123)
Net change in cash and cash equivalents		(510,998)	1,612,406
Cash and cash equivalents at beginning of the period	16	5,491,697	10,198,684
Cash and cash equivalents at end of the period	16	4,980,699	11,811,090
Special commission income received		10,584,277	9,679,497
Special commission expense paid		5,022,740	4,367,878
Supplemental non-cash information			
Net changes in fair value and transfers to interim condensed consolidated statement of income		1,546,210	(1,147,810)

The accompanying notes 1 to 24 form an integral part of this interim condensed consolidated financial information.

*Refer to note 22

Lama A. Ghazzaoui
Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Tony Cripps
Managing Director & Authorised Member

1. General and basis of preparation

Saudi Awwal Bank ('SAB') is a Saudi joint stock company incorporated in the Kingdom of Saudi Arabia and was established by a Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SAB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SAB operates under Unified No. 7000018668 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 101 branches (31 December 2024: 103 branches) in the Kingdom of Saudi Arabia. The address of SAB's head office is as follows:

Saudi Awwal Bank
7383 King Fahad Branch Rd
2338 Al Yasmeen Dist.
13325
Riyadh
Kingdom of Saudi Arabia

The shareholders of the Saudi British Bank and Alawwal Bank ("AAB") approved the merger of the two banks at Extraordinary General Meetings held on 15 May 2019 pursuant to Articles 191-193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G) (the "Companies Law"), and Article 49 (a) (1) of the Merger and Acquisitions Regulations issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (the "CMA").

Subsequent to the above merger, the Group has changed its commercial name from "The Saudi British Bank" to "Saudi Awwal Bank" effective from 11 June 2023.

The objectives of SAB are to provide a range of banking services. SAB also provides Shariah-compliant products, which are approved and supervised by an independent Shariah Committee established by SAB.

The details of the Group's subsidiaries and associate are as follows:

Name of subsidiaries / associate	Ownership %		Description
	2025	2024	
Arabian Real Estate Company Limited ("ARECO")	100%	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001750764 dated 12 Jumada I 1424H (12 July 2003). ARECO is engaged in the real estate activities.
SAB Markets Limited	100%	100%	A limited liability company incorporated in the Cayman Islands under commercial registration No. 323083 dated 21 Shaban 1438H (17 May 2017). SAB Markets is engaged in derivatives trading and repo activities.
Alawwal Invest Company ("SAB Invest")	100%	100%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001571335 dated 30 Thul-Hijjah 1428H (9 January 2008). Alawwal Invest was formed and licensed as a capital market institution in accordance with the CMA's Resolution No. 1 39 2007. SAB Invest's principal activity is to engage in security activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.
Alawwal Real Estate Company ("AREC")	100%	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001711535 dated 21 Jumada I 1429H (26 May 2008). AREC is engaged in the real estate activities.
X-Tech fund	100%	100%	A private equity fund incorporated in the Kingdom of Saudi Arabia dated 12 Shawwal 1445H (21 April 2024) which is engaged in investing activities and managed by SAB Invest.
HSBC Saudi Arabia	49%	49%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under the unified No. 7001507842 dated 27 Jumada II 1427H (23 July 2006). HSBC Saudi Arabia is an associate of the Group, formed and licensed as a capital market institution in accordance with the Resolution No. 37-05008 of the CMA dated 05 Thul-Hijjah 1426H corresponding to 05 January 2006. HSBC Saudi Arabia's principal activity is to engage in the full range of securities activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.

SAB has participated in the following structured entity for the purpose of effecting syndicated loan transactions in the Kingdom of Saudi Arabia. This entity has no other business operations. SAB does not consolidate this entity. The details of the entity are as follows:

Name of Entity	Ownership %		Description
	2025	2024	
Saudi Kayan Assets Leasing Company	50%	50%	The entity was incorporated for the purpose of effecting syndicated loan transactions and securing collateral rights over specific assets of the borrowers of those facilities under Islamic financing structure.

1.1. Basis of preparation

This interim condensed consolidated financial information of the Group as at and for the period ended 30 June 2025 has been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” 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 interim condensed consolidated information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with Group’s annual consolidated financial statements as at 31 December 2024.

SAB presents its interim condensed consolidated statement of financial position in the order of liquidity.

This interim condensed consolidated financial information is expressed in Saudi Arabian Riyals (ﷲ) and is rounded off to the nearest thousands, except where otherwise indicated.

1.2. Basis of consolidation

This interim condensed consolidated financial information comprises the financial information of SAB and its subsidiaries, as mentioned in note 1 (collectively referred to as “the Group”). The financial information of the subsidiaries is prepared for the same reporting period as that of SAB, using consistent accounting policies.

Subsidiaries are entities which are directly or indirectly controlled by SAB. SAB controls an entity (“the Investee”) over which it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to SAB and cease to be consolidated from the date on which the control is transferred from SAB. Intra-group transactions and balances have been eliminated in preparing this interim condensed consolidated financial information.

The Group acts as a Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases except as mentioned in note 1, and therefore has not consolidated these funds.

2. Material accounting policies, estimates, assumptions, and impact of changes due to adoption of new standards

The accounting policies, estimates, assumptions, and methods of computation used in the preparation of this interim condensed consolidated financial information is consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 unless otherwise stated.

New standards, interpretations and amendments adopted by the Group

The following standards, interpretations or amendments are effective from the annual periods beginning on or after 1 January 2025 and are adopted by the Group, however, these do not have any significant impact on the interim condensed consolidated financial information for the period:

Accounting Standards, interpretations, amendments	Description
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. The amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.

New standards, interpretations and amendments issued but not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2026. The Group has opted not to early adopt these pronouncements and is in the process of assessing the impact on the interim condensed consolidated financial information of the Group.

Accounting Standards, interpretations, amendments	Description	Effective periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
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 recognised in full.	Effective date deferred indefinitely

3. Cash and balances with SAMA

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Cash in hand	2,058,955	1,794,960	2,114,818
Statutory deposit	16,298,269	15,164,156	14,817,989
Placements with SAMA	-	313,000	95,000
Other balances	107,115	90,576	171,426
Total	18,464,339	17,362,692	17,199,233

4. Due from banks and other financial institutions, net

a) Due from banks and other financial institutions are classified as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Current accounts	2,814,629	3,293,161	9,055,886
Money market placements	98,284	137,440	545,194
Provision for expected credit losses	(675)	(829)	(1,329)
Total	2,912,238	3,429,772	9,599,751

b) Credit quality analysis

The following table sets out information about the credit quality of due from banks and other financial institutions, net:

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
30 June 2025 (Unaudited)	2,912,238	-	-	-	2,912,238
31 December 2024 (Audited)	3,429,772	-	-	-	3,429,772
30 June 2024 (Unaudited)	9,599,751	-	-	-	9,599,751

Balances under due from banks and other financial institutions are held with investment grade financial institutions.

c) Movement in provision for expected credit losses

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against due from banks and other financial institutions:

	30 June 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	829	-	-	829
Net charge for the period	(154)	-	-	(154)
Balance as at 30 June 2025	675	-	-	675

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	31 December 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	550	-	210	760
Transfer to lifetime ECL credit impaired	210	-	(210)	-
Net change for the year	69	-	-	69
Balance as at 31 December 2024	829	-	-	829

	30 June 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	550	-	210	760
Transfer to lifetime ECL credit impaired	779	-	(210)	569
Balance as at 30 June 2024	1,329	-	-	1,329

5. Investments, net

Investment securities are classified as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
FVOCI – Debt	61,595,393	52,170,144	46,921,611
FVOCI – Equity	633,651	609,406	602,864
FVSI	1,371,472	1,003,051	1,149,163
Held at amortised cost	44,221,961	44,638,406	43,171,688
Provision for expected credit losses for investments held at amortised cost	(6,720)	(8,783)	(11,823)
Total	107,815,757	98,412,224	91,833,503

The following table sets out information about the credit quality of debt instruments measured at amortised cost and FVOCI.

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
30 June 2025 (Unaudited)					
Debt instruments at amortised cost, net	44,215,241	-	-	-	44,215,241
Debt instruments at FVOCI	61,595,393	-	-	-	61,595,393

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 December 2024 (Audited)					
Debt instruments at amortised cost, net	44,629,623	-	-	-	44,629,623
Debt instruments at FVOCI	52,170,144	-	-	-	52,170,144

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	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
30 June 2024 (Unaudited)					
Debt instruments at amortised cost, net	43,159,865	-	-	-	43,159,865
Debt instruments at FVOCI	46,921,611	-	-	-	46,921,611

An analysis of changes in provision for ECL of debt instruments measured at amortised cost:

	30 June 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	8,783	-	-	8,783
Net re-measurement of loss allowance	(2,063)	-	-	(2,063)
Balance as at 30 June 2025	6,720	-	-	6,720

	31 December 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	11,374	-	-	11,374
Net re-measurement of loss allowance	(2,591)	-	-	(2,591)
Balance as at 31 December 2024	8,783	-	-	8,783

	30 June 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	11,374	-	-	11,374
Net re-measurement of loss allowance	449	-	-	449
Balance as at 30 June 2024	11,823	-	-	11,823

Investments by type and composition of securities is as follows:

	30 June 2025 (Unaudited)					
	Domestic	International	Total	Quoted	Unquoted	Total
Fixed rate securities	81,213,317	9,179,922	90,393,239	88,288,750	2,104,490	90,393,240
Floating rate securities	16,136,866	-	16,136,866	13,826,514	2,310,351	16,136,865
Equities and mutual funds	1,224,831	60,821	1,285,652	985,617	300,035	1,285,652
Total	98,575,014	9,240,743	107,815,757	103,100,881	4,714,876	107,815,757

	31 December 2024 (Audited)					
	Domestic	International	Total	Quoted	Unquoted	Total
Fixed rate securities	72,942,492	7,788,478	80,730,970	78,644,631	2,086,339	80,730,970
Floating rate securities	16,500,509	-	16,500,509	13,752,999	2,747,510	16,500,509
Equities and mutual funds	1,168,282	12,463	1,180,745	962,642	218,103	1,180,745
Total	90,611,283	7,800,941	98,412,224	93,360,272	5,051,952	98,412,224

	30 June 2024 (Unaudited)					
	Domestic	International	Total	Quoted	Unquoted	Total
Fixed rate securities	67,654,845	6,470,524	74,125,369	71,979,438	2,145,931	74,125,369
Floating rate securities	16,695,803	-	16,695,803	14,081,965	2,613,838	16,695,803
Equities and mutual funds	1,005,081	7,250	1,012,331	793,694	218,637	1,012,331
Total	85,355,729	6,477,774	91,833,503	86,855,097	4,978,406	91,833,503

Assets pledged

Assets pledged as collateral with other financial institutions for security are as follows:

	30 June 2025 (Unaudited)		31 December 2024 (Audited)		30 June 2024 (Unaudited)	
	Assets	Related liabilities	Assets	Related liabilities	Assets	Related liabilities
Debt securities	20,437,429	20,092,340	19,312,949	19,807,023	2,505,310	2,446,591

6. Loans and advances, net

Loans and advances comprise of the following:

	30 June 2025 (Unaudited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	3,392,207	65,150,760	190,836,212	259,379,179
Lifetime ECL not credit impaired	131,646	3,191,313	18,343,653	21,666,612
Lifetime ECL credit impaired	64,140	729,579	3,747,673	4,541,392
Purchased or originated credit impaired	210	123,805	3,585,122	3,709,137
Total loans and advances, gross	3,588,203	69,195,457	216,512,660	289,296,320
Provision for expected credit losses	(244,180)	(865,986)	(5,582,336)	(6,692,502)
Loans and advances, net	3,344,023	68,329,471	210,930,324	282,603,818
Non-performing loans and advances	38,909	412,735	3,661,922	4,113,566

	31 December 2024 (Audited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	3,429,308	60,464,399	175,649,961	239,543,668
Lifetime ECL not credit impaired	128,065	2,154,682	16,014,621	18,297,368
Lifetime ECL credit impaired	84,482	681,965	3,274,578	4,041,025
Purchased or originated credit impaired	83	121,470	3,600,503	3,722,056
Total loans and advances, gross	3,641,938	63,422,516	198,539,663	265,604,117
Provision for expected credit losses	(245,107)	(791,755)	(5,221,739)	(6,258,601)
Loans and advances, net	3,396,831	62,630,761	193,317,924	259,345,516
Non-performing loans and advances	47,481	406,395	3,159,275	3,613,151

	30 June 2024 (Unaudited)			Total
	Credit cards	Other retail Lending	Corporate and institutional lending	
12 month ECL	3,271,846	56,484,677	159,098,927	218,855,450
Lifetime ECL not credit impaired	114,341	1,998,292	19,110,721	21,223,354
Lifetime ECL credit impaired	57,080	639,063	3,454,538	4,150,681
Purchased or originated credit impaired	236	119,552	3,544,896	3,664,684
Total loans and advances, gross	3,443,503	59,241,584	185,209,082	247,894,169
Provision for expected credit losses	(236,761)	(740,572)	(5,364,809)	(6,342,142)
Loans and advances, net	3,206,742	58,501,012	179,844,273	241,552,027
Non-performing loans and advances	35,526	390,532	3,395,302	3,821,360

Lifetime ECL credit impaired includes non-performing loans and advances. It also includes exposures that are now performing but have yet to complete a period of 12 months of performance ('the curing period') to be eligible to be upgraded to a not-impaired category.

The financial assets recorded in each stage have the following characteristics:

- 12 month ECL not credit impaired (stage 1): without significant increase in credit risk on which a 12-month allowance (or lower if the tenor of the facility is less than 12 months) for ECL is recognised;
- Lifetime ECL not credit impaired (stage 2): a significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognised;
- Lifetime ECL credit impaired (stage 3): objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised; and
- Purchased or originated credit impaired ('POCI'): purchased or originated at a deep discount that reflects the expected lifetime credit losses at time of purchase or origination. A lifetime ECL is recognised if further credit losses are expected. POCI includes non-performing loans and advances acquired through the merger with Alawwal Bank (AAB) that were recorded at fair value as of acquisition date.

The following table shows reconciliations from the opening to the closing balance of the provision for credit losses against loans and advances:

30 June 2025 (Unaudited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2025	684,521	2,170,597	2,168,921	1,234,562	6,258,601
Transfer to Stage 1	40,094	(29,454)	(10,640)	-	-
Transfer to Stage 2	(19,195)	50,357	(31,162)	-	-
Transfer to Stage 3	(3,298)	(183,534)	186,832	-	-
Net re-measurement of loss allowance	101,366	279,571	363,935	84,748	829,620
Write-offs	-	-	(395,719)	-	(395,719)
Balance as at 30 June 2025	803,488	2,287,537	2,282,167	1,319,310	6,692,502

31 December 2024 (Audited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2024	814,617	2,345,382	2,274,799	693,573	6,128,371
Transfer to Stage 1	50,527	(36,466)	(14,061)	-	-
Transfer to Stage 2	(19,276)	93,345	(74,069)	-	-
Transfer to Stage 3	(6,587)	(32,846)	39,433	-	-
Net re-measurement of loss allowance	(154,760)	(198,818)	388,551	540,989	575,962
Write-offs	-	-	(445,732)	-	(445,732)
Balance as at 31 December 2024	684,521	2,170,597	2,168,921	1,234,562	6,258,601

30 June 2024 (Unaudited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2024	814,617	2,345,382	2,274,799	693,573	6,128,371
Transfer to Stage 1	41,713	(32,904)	(8,809)	-	-
Transfer to Stage 2	(19,857)	62,230	(42,373)	-	-
Transfer to Stage 3	(4,347)	(30,838)	35,185	-	-
Net re-measurement of loss allowance	(47,653)	130,345	(21,810)	238,956	299,838
Write-offs	-	-	(86,067)	-	(86,067)
Balance as at 30 June 2024	784,473	2,474,215	2,150,925	932,529	6,342,142

7. Investment in an associate

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
HSBC Saudi Arabia			
Balance at beginning of the period / year	463,350	462,046	462,046
Share in earnings	89,313	205,369	90,863
Dividend received	(204,855)	(204,065)	(204,065)
Balance at end of the period / year	347,808	463,350	348,844

The associate's financial statements:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Total assets	1,077,790	1,320,815	1,158,565
Total liabilities	398,317	416,397	427,025
Total equity	679,473	904,418	731,540
Total income	450,859	862,461	456,556
Total expenses	283,071	467,220	238,252

8. Goodwill and other intangibles, net

Intangibles are comprised of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Amounts arising from acquisitions:			
Goodwill	8,778,091	8,778,091	8,778,091
Other intangibles	1,270,831	1,352,800	1,433,559
Software	1,111,833	529,577	459,485
Total	11,160,755	10,660,468	10,671,135

Impairment testing of goodwill

The goodwill acquired through business combination is reviewed annually for impairment. However, at each reporting period, an assessment is made for indicators of impairment. If indicators exist, an impairment test is required. The impairment test compares the estimated recoverable amount of the Group's CGUs that carry goodwill, as determined through a Value-In-Use (VIU) model, with the carrying amount of net assets of each CGU. The goodwill has been allocated to the following cash-generating units:

- Wealth & personal banking
- Corporate and institutional banking
- Treasury

As at 30 June 2025, no impairment indicators were identified. Therefore, no impairment test was performed. The key assumptions, valuations and techniques used in assessing the impairment's indicators are applied consistently as those at year end test at 31 December 2024.

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9. Derivatives

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

	30 June 2025 (Unaudited)			31 December 2024 (Audited)			30 June 2024 (Unaudited)		
	Positive fair Value	Negative fair Value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
Derivatives held for trading:									
Special commission rate swaps	1,548,674	(1,404,495)	115,344,699	2,258,153	(2,135,384)	113,946,402	2,426,660	(2,301,914)	106,905,804
Special commission rate options	204,389	(215,455)	8,410,554	228,736	(240,401)	8,958,872	260,595	(262,635)	7,013,733
Forward foreign exchange contracts	145,536	(120,259)	11,153,175	48,823	(58,496)	11,624,832	33,851	(23,714)	12,932,715
Currency swaps	18,580	(16,645)	7,354,659	10,866	(9,478)	4,017,111	7,718	(2,536)	4,017,130
Commodity swaps	43,840	(44,456)	291,997	21,699	(21,059)	975,659	-	-	-
Equity forward contracts	-	(13,688)	94,643	-	-	-	-	-	-
Derivatives held as fair value hedges:									
Special commission rate swaps	5,371	(115,040)	4,378,750	62,662	(51,194)	6,422,500	77,498	(95,895)	4,968,750
Derivatives held as cash flow hedges:									
Special commission rate swaps	8,703	(9,748)	4,285,000	269	(30,192)	4,285,000	17	(59,929)	3,566,000
Currency swaps	-	(42)	562,500	-	-	-	-	-	-
Total	1,975,093	(1,939,828)	151,875,977	2,631,208	(2,546,204)	150,230,376	2,806,339	(2,746,623)	139,404,132

The following table sets out information about fair vales netting:

Fair values of netting arrangements	462,258	(230,011)	705,948	(69,104)	666,939	(11,432)
Cash collateral, net	(57,331)	648,263	(118,120)	608,012	(246,575)	154,337
Fair values after netting	404,927	418,252	587,828	538,908	420,364	142,905

10. Customers' deposits

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024* (Unaudited)
Demand	139,362,936	137,066,920	141,287,686
Time	152,891,830	125,373,090	133,514,470
Savings	2,835,580	2,987,570	2,831,779
Margin and others	1,912,395	1,583,079	1,532,623
Total	297,002,741	267,010,659	279,166,558

*Refer to note 22

11. Debt securities in issue

ﷲ 5 Billion 10 year Sukuk – 2020

SAB issued ﷲ 5 billion Tier II Sukuk on 22 July 2020 under the Group's local Sukuk Programme (the 'Local Programme'). The Sukuk are unsecured and due in 2030, with SAB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the Local Programme. The Sukuk carry effective special commission expense at six months' SAIBOR plus margin of 195 bps payable semi-annually. The Bank has opted to redeem the Tier II Sukuk and exercise the call option on 22 July 2025.

12. Commitments and contingencies

a) Legal proceedings

There are no material outstanding legal matters against the Group.

b) Credit related commitments and contingencies

Credit related commitments and contingencies are as follows:

30 June 2025 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,510,276	1,061,046	22,314	79,943	18,673,579
Letters of guarantee	129,260,776	3,791,080	2,229,047	1,115,200	136,396,103
Acceptances	4,730,902	245,030	632	-	4,976,564
Irrevocable commitments to extend credit	26,836,164	429,751	-	132,936	27,398,851
Total	178,338,118	5,526,907	2,251,993	1,328,079	187,445,097

31 December 2024 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,400,063	1,075,404	29,418	146,289	18,651,174
Letters of guarantee	120,073,318	5,603,214	1,270,719	1,170,729	128,117,980
Acceptances	2,897,037	390,256	-	3,827	3,291,120
Irrevocable commitments to extend credit	19,225,105	1,063,070	-	38,372	20,326,547
Total	159,595,523	8,131,944	1,300,137	1,359,217	170,386,821

30 June 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	15,488,459	1,201,586	11,393	89,156	16,790,594
Letters of guarantee	108,094,017	5,447,964	1,077,616	1,246,483	115,866,080
Acceptances	3,500,093	161,773	-	7,101	3,668,967
Irrevocable commitments to extend credit	13,257,311	-	-	147,130	13,404,441
Total	140,339,880	6,811,323	1,089,009	1,489,870	149,730,082

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses on loan commitments and financial guarantee contracts:

30 June 2025 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2025	74,421	308,898	685,107	69,496	1,137,922
Transfer to stage 1	4,229	(4,229)	-	-	-
Transfer to stage 2	(429)	429	-	-	-
Transfer to stage 3	(63)	(170,772)	170,835	-	-
Net re-measurement of loss allowance	28,221	2,565	(1,542)	-	29,244
Balance as at 30 June 2025	106,379	136,891	854,400	69,496	1,167,166

31 December 2024 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	121,810	249,985	606,108	48,074	1,025,977
Transfer to stage 1	66,682	(66,682)	-	-	-
Transfer to stage 2	(3,494)	3,494	-	-	-
Transfer to stage 3	(10)	(6,332)	6,342	-	-
Net charge for the year	(110,567)	128,433	72,657	21,422	111,945
Balance as at 31 December 2024	74,421	308,898	685,107	69,496	1,137,922

30 June 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	121,810	249,985	606,108	48,074	1,025,977
Transfer to stage 1	38,367	(38,367)	-	-	-
Transfer to stage 2	(1,648)	1,648	-	-	-
Transfer to stage 3	-	-	-	-	-
Net re-measurement of loss allowance	(46,242)	(31,559)	52,790	(4,092)	(29,103)
Balance as at 30 June 2024	112,287	181,707	658,898	43,982	996,874

13. Additional Tier 1 Sukuk

The Bank has issued Additional Tier 1 Capital Sukuk by way of private placement as follows:

Issuance date	Amount (in ٢ billions)	Issuance Currency	Fixed / Floating	Coupon rate	Coupon payment frequency
31 October 2023	4	٢	Floating	3 months SAIBOR + 125 bps	Quarterly
12 December 2024	3.65	٢	Fixed	6.07%	Quarterly
12 December 2024	0.35	٢	Floating	3 months SAIBOR + 134 bps	Quarterly
21 May 2025	2.44	USD	Fixed	6.50%	Semi-annually

The issuances were approved by the regulatory authorities and Board of Directors of the Bank. These Sukuk are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets. The applicable profit rate on the Sukuk is payable on each periodic distribution date, except in the event 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 elections are not considered to be events of default.

14. Zakat and income tax

The Zakat base computed in accordance with the formula specified in the Zakat Regulations is also subject to thresholds for minimum and maximum liability. In addition, SAB is subject to pay corporate income tax to reflect the portion of the shareholder base that is non-Saudi. Corporate income tax is calculated at a rate of 20%, applied to the share of taxable income of the non-Saudi shareholders.

As of 30 June 2025, SAB has filed its Zakat and income tax return up to 2024. Income tax assessments from 2015 to 2018 have not been received by the Bank. The assessment of Zakat and Income tax for 2019 up to 2022 are closed and settled. The assessments of 2023 and 2024 are still under Zakat, Tax, and Customs Authority's (ZATCA) review.

15. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net income after Zakat and income tax for the period ended 30 June 2025 (adjusted by Additional Tier 1 Sukuk payments) by the weighted average number of shares outstanding during the period.

	For three month ended		For six month ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net income after Zakat and income tax	2,126,600	2,018,260	4,261,887	4,061,279
Additional Tier 1 Sukuk payments	(128,398)	(75,445)	(259,439)	(152,579)
Net income after Zakat and income tax (adjusted by Additional Tier 1 Sukuk payments)	1,998,202	1,942,815	4,002,448	3,908,700
Weighted average number of ordinary shares*	2,054,795	2,054,795	2,054,795	2,054,795
Basic and diluted earnings per share	0.97	0.95	1.95	1.90

* The impact of treasury shares is immaterial

16. Cash and cash equivalents

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Cash and balances with SAMA excluding the statutory deposit (note 3)	2,166,070	2,198,536	2,381,244
Due from banks and other financial institutions with an original maturity of three month or less from date of the acquisition	2,814,629	3,293,161	9,429,846
Total	4,980,699	5,491,697	11,811,090

17. Operating segments

The Group's primary business is conducted in the Kingdom of Saudi Arabia. Transactions between the operating segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance. The Group's reportable segments are as follows:

- **Wealth & Personal Banking** – Wealth and Personal Banking offers a variety of wealth and consumer lending products. Having a mix of domestic and international customers, WPB aims to be the Bank of choice for wealth and internationally-minded customers.
- **Corporate and Institutional Banking** – The Corporate and Institutional Banking provides tailored solutions to a wide range of customer segments including Global Corporates and Institutional Banking, Multinational Corporates, Large and Commercial Banking Corporates, and Small and Medium Enterprises. CIB offers a wide range of products that includes core banking, liquidity management, trade-finance and treasury services.
- **Treasury** – The Treasury business provides Corporate, Institutional, Wealth and Private banking clients with access to treasury and capital markets products across multiple asset classes, including foreign exchange, interest rate, and commodities hedging solutions. In addition, Treasury manages the liquidity and market risk of the Bank, including deployment of its commercial surplus through its investment portfolio.
- **Capital Markets** – The Capital Markets segment brings together the margin lending, brokerage, and asset management business and are managed by our wholly-owned subsidiary SAB Invest.
- **Others** – Includes activities of the Group's investment in its associate, HSBC Saudi Arabia and equity investments. It also includes elimination of inter-group income and expense items.

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Transactions between the operating segments are reported as per by the Group's transfer pricing policy. The Group's total assets and liabilities as at 30 June 2025 and 30 June 2024, its total operating income and expenses, and the results for the periods then ended, by operating segment, are as follows:

30 June 2025 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	80,063,975	215,008,784	133,293,803	2,794,596	1,195,417	432,356,575
Loans and advances, net	70,008,630	210,930,324	-	1,664,864	-	282,603,818
Investments, net	-	-	106,457,057	684,168	674,532	107,815,757
Investment in an associate	-	-	-	-	347,808	347,808
Total liabilities	93,576,703	177,196,925	86,859,453	175,860	47,176	357,856,117
Operating income from external customers	1,449,944	5,005,965	628,301	204,932	51,928	7,341,070
Inter-segment operating income / (expense)	872,582	(1,069,705)	197,123	-	-	-
Total operating income, of which:	2,322,526	3,936,260	825,424	204,932	51,928	7,341,070
Net special commission income	1,992,257	3,247,397	375,678	70,591	-	5,685,923
Net fees and commission income / (expense)	123,988	539,317	(4,157)	127,997	-	787,145
Provision for expected credit losses, net	(136,673)	(220,966)	(149)	(55)	-	(357,843)
Total operating (expenses) / income	(1,013,816)	(862,981)	(139,180)	(137,145)	8,347	(2,144,775)
Share in earnings of an associate	-	-	-	-	89,313	89,313
Net income for the period before Zakat and income tax	1,172,037	2,852,313	686,095	67,732	149,588	4,927,765

30 June 2024 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	70,805,148	184,697,106	123,187,855	2,373,485	1,232,488	382,296,082
Loans and advances, net	60,250,499	179,844,273	-	1,457,255	-	241,552,027
Investments, net	-	-	90,839,425	387,782	606,296	91,833,503
Investment in an associate	-	-	-	-	348,844	348,844
Total liabilities	90,569,455	171,310,072	57,447,614	177,040	47,558	319,551,739
Operating income / (expense) from external customers	1,051,910	4,485,378	1,180,223	221,691	(168)	6,939,034
Inter-segment operating income / (expense)	1,062,213	(587,519)	(474,694)	-	-	-
Total operating income / (expense), of which:	2,114,123	3,897,859	705,529	221,691	(168)	6,939,034
Net special commission income	1,805,112	3,310,994	258,490	67,289	-	5,441,885
Net fees and commission income / (expense)	131,087	461,595	(1,182)	150,166	-	741,666
Provision for expected credit losses, net	(96,708)	(94,231)	(1,603)	(331)	-	(192,873)
Total operating expenses	(971,270)	(868,199)	(152,910)	(123,796)	(10,045)	(2,126,220)
Share in earnings of an associate	-	-	-	-	90,863	90,863
Net income for the period before Zakat and income tax	1,046,145	2,935,429	551,016	97,564	80,650	4,710,804

18. Financial risk management

Credit Risk

The Group follows SAMA Rules on Credit Risk Management whereby the Board of Directors has ultimate responsibility for the effective management of risk and approves the risk appetite. The Board has constituted a Board Risk Committee (BRC) for the ongoing monitoring, assessment and management of the risk environment and the effectiveness of the risk management framework. Day-to-day responsibility for risk management is delegated to senior managers with individual accountability for decision making.

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit risk arises principally from direct lending, trade finance and leasing activities, but also from other products such as guarantees and derivatives.

The Group continues to assess the impact of economic developments on specific customers, customer segments or portfolios. As credit conditions change, the Group takes mitigating actions, including the revision of risk appetites or limits and tenors, as appropriate. In addition, the Group continues to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Credit approval authorities are delegated by the Board to the Managing Director together with the authority to sub-delegate them. The Credit Risk function is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Group's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios.

Concentrations of credit risk arise when a number of counterparties have comparable economic characteristics, or such counterparties are engaged in similar business activities, or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political, or other conditions. The Group uses a number of controls and measures to minimize undue concentration of exposure in the portfolios. These include portfolio and counterparty limits, approval and review controls, and stress testing.

a. Provision for expected credit losses, net

The following table shows the provision for expected credit losses for due from banks and other financial institutions, investments, loans and advances and off balance sheet exposures:

	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net provision for expected credit losses:			
Due from banks and other financial institutions	4	154	(569)
Investments	5	(304)	(1,034)
Loans and advances	6	(829,620)	(299,838)
Loan commitments and financial guarantees	12	(29,244)	29,103
Recoveries net of write-offs		501,171	79,465
Net charge for the period		(357,843)	(192,873)

b. Collateral

The Group in the ordinary course of lending activities holds collaterals as security to mitigate credit risk in the loans and advances. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collateral is held mainly against commercial and consumer loans and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

19. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences can arise between the carrying values and fair value estimates.

Determination of fair value and fair value hierarchy:

The Group 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 (e.g, 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 input is not based on observable market data.

30 June 2025 (Unaudited)	Carrying value		Fair value		
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Derivative financial instruments	1,975,093	-	1,975,093	-	1,975,093
Investments held as FVSI	1,371,472	205,812	1,165,660	-	1,371,472
Investments held as FVOCI – Debt	61,595,393	-	61,595,393	-	61,595,393
Investments held as FVOCI – Equity	633,651	349,109	-	284,542	633,651
Financial assets not measured at fair value:					
Due from banks and other financial institutions	2,912,238	-	2,912,238	-	2,912,238
Investments held at amortised cost	44,215,241	-	42,391,199	-	42,391,199
Loans and advances, net	282,603,818	-	-	278,722,810	278,722,810
Financial liabilities measured at fair value:					
Derivative financial instruments	1,939,828	-	1,939,828	-	1,939,828
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	39,115,332	-	39,115,332	-	39,115,332
Customers deposits	297,002,741	-	296,870,288	-	296,870,288
Debt securities in issue	5,163,958	-	5,163,958	-	5,163,958

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31 December 2024 (Audited)	Carrying value		Fair value		
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,631,208	-	2,631,208	-	2,631,208
Investments held as FVSI	1,003,051	161,143	841,908	-	1,003,051
Investments held as FVOCI – Debt	52,170,144	-	52,170,144	-	52,170,144
Investments held as FVOCI – Equity	609,406	391,703	-	217,703	609,406
Financial assets not measured at fair value					
Due from banks and other financial institutions	3,429,772	-	3,429,772	-	3,429,772
Investments held at amortised cost	44,629,623	-	41,975,536	-	41,975,536
Loans and advances	259,345,516	-	-	255,731,817	255,731,817
Financial liabilities measured at fair value					
Derivative financial instruments	2,546,204	-	2,546,204	-	2,546,204
Financial liabilities not measured at fair value					
Due to banks and other financial institutions	40,996,981	-	40,996,981	-	40,996,981
Customers deposits	267,010,659	-	266,809,826	-	266,809,826
Debt securities in issue	5,178,059	-	5,178,059	-	5,178,059

The Group uses widely recognised 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. The difference between the transaction price and the model value is commonly referred to as 'day one profit or loss'. It is either amortised over the life of the transaction or deferred until the instrument's fair value can be determined using market observable data or realized through disposal. Subsequent changes in fair value are recognised immediately in the consolidated statement of income without reversal of deferred day one profits and losses.

Valuation techniques include net present value and discounted cash flow models, and 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 premiums used in estimating discount rates, bond and equity prices and foreign currency exchange rates.

Derivatives classified as Level 2 comprise Over the Counter (OTC) special commission rate swaps, currency swaps, special commission rate options, forward foreign exchange contracts, currency options and other derivative financial instruments. These derivatives are fair valued using the Group's proprietary valuation models that are based on discounted cash flow techniques. The data inputs to these models are based on observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.

FVOCI equity investments include investments in local listed shares carried at market price listed on the local stock exchange.

FVOCI investments classified as Level 2 include bonds for which market quotes are not available. These are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads.

FVOCI investments classified as Level 3 represents private equity investments, the fair value of which is determined based on the latest reported net assets value as at the reporting date. The movement in Level 3 financial instruments during the period relates to fair value and capital repayment movements only.

Fair values of listed investments are determined using mid marked prices. Fair values of unlisted investments are determined using valuation techniques that incorporate the prices and future earning streams of equivalent quoted securities.

Loans and advances are classified as Level 3, the fair value of which is determined by discounting future cash flows using risk adjusted expected SAIBOR rates.

The fair values of due from and due to banks and other financial institutions which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial information, since these are short dated and the current market special commission rates for similar financial instruments are not significantly different from the contracted rates.

The fair values of demand deposits are approximated by their carrying value. For deposits with longer-term maturities, fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities.

Debt securities in issue are floating rate instruments that re-price within a year (every 6 months) and accordingly, the fair value of this portfolio approximates the carrying value. The fair value of the remaining portfolio is not significantly different from its carrying value.

There were no transfers between the levels of fair value hierarchies during the period. The values obtained from valuation models may be different from the transaction price of financial instruments on transaction date.

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values for Investment held at FVOCI – equity.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	217,703	173,806
Net change in fair value (unrealized)	66,500	43,263
Addition	339	634
Closing balance	284,542	217,703

20. Capital adequacy

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

SAMA through its Circular Number 391000029731 dated 15 Rabi Al-Awwal 1439H (3 December 2017), which relates to the interim approach and transitional arrangements for the accounting allocations under IFRS 9, has directed banks that the initial impact on the capital adequacy ratio as a result of applying IFRS 9 shall be transitioned over five years, however, as part of the latest SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures, Banks are now allowed to add-back up to 100% of the transitional adjustment amount to Common Equity Tier 1 (CET1) for the full two-year period comprising 2020 and 2021 effective from 31 March 2021 financial statement reporting. Starting from 2022, the add-back amount will be then phased-out on a straight-line basis over the 3 years. The impact of these revised transitional arrangements to the Group's Tier 1 ratio have been an improvement of 29 bps for the period ended 30 June 2025.

The current period numbers are presented as per Basel III Reforms issued by SAMA (circular number 44047144) which have come into effect on 1 January 2023.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Risk Weighted Assets (RWA)			
Credit Risk RWA	339,595,319	308,505,820	284,211,556
Operational Risk RWA	14,221,244	12,233,759	12,233,759
Market Risk RWA	4,311,616	1,193,229	1,343,317
Total RWA	358,128,179	321,932,808	297,788,632
Common Equity Tier I Capital	52,937,203	49,660,716	48,435,897
Additional Tier I Capital (Note 13)	10,402,500	7,965,000	3,985,000
Tier I Capital	63,339,703	57,625,716	52,420,897
Tier II Capital	5,931,237	5,778,894	5,919,281
Total Tier I and Tier II Capital	69,270,940	63,404,610	58,340,178
Capital Adequacy Ratio %			
CET1	14.78%	15.43%	16.27%
Tier I ratio	17.69%	17.90%	17.60%
Tier I + Tier II ratio	19.34%	19.69%	19.59%

21. Dividends

During the period ended 30 June 2025, SAB paid a final dividend of ₪ 2,055 million (2024: ₪ 1,847 million) as approved by the Board of Directors, to the shareholders of the Group for the year 2024. This resulted in ₪ 1.00 per share for Saudi shareholders, net of Zakat (2024: ₪ 0.98). The income tax of the foreign shareholders was deducted from their share of the dividends.

22. Comparative figures

Following the Bank's re-evaluation of the presentation of certain balances in the annual consolidated financial statements as of 31 December 2024, the liability of ₪ 14.74 billion as of 30 June 2024 (1 January 2024: ₪ 12.5 billion) was reclassified from due to banks and other financial institutions to customers' deposits. The interim condensed consolidated statement of cash flows for the period ended 30 June 2024 was adjusted to reflect the changes in the interim condensed consolidated statement of financial position.

A net amount of ₪ 245 million and ₪ 122 million in the interim condensed consolidated statement of comprehensive income has been reclassified from "transfer to interim condensed consolidated statement of income, net" (under cash flow hedge) to net changes in fair value of cash flow hedges with an amount of ₪ 401 and ₪ 85 million and net changes in fair value of debt instruments at FVOCI with an amount of ₪ 156 million and ₪ 37 million for the six month period ended and for the three month period ended 30 June 2024, respectively. The impact of reclassification is also reflected in the interim condensed consolidated statement of changes in equity for the period ended 30 June 2024.

23. Subsequent event

On 24 July 2025, the Bank has completed the offering of Additional Tier 1 Sukuk for an amount of ₪ 2 billion carries a coupon rate of 6.30%, payable quarterly. The Sukuk have certain redemption rights as described in the base offering circular and the terms and conditions of those Additional Tier 1 Sukuk are similar to those mentioned in note 13.

As for the redemption of the Tier II Sukuk please refer to note 11.

24. Board of Directors' approval

This interim condensed consolidated financial information was approved and Authorised for issue by the Board of Directors of the Group on 26 Muharram 1447H (Corresponding to 21 July 2025).