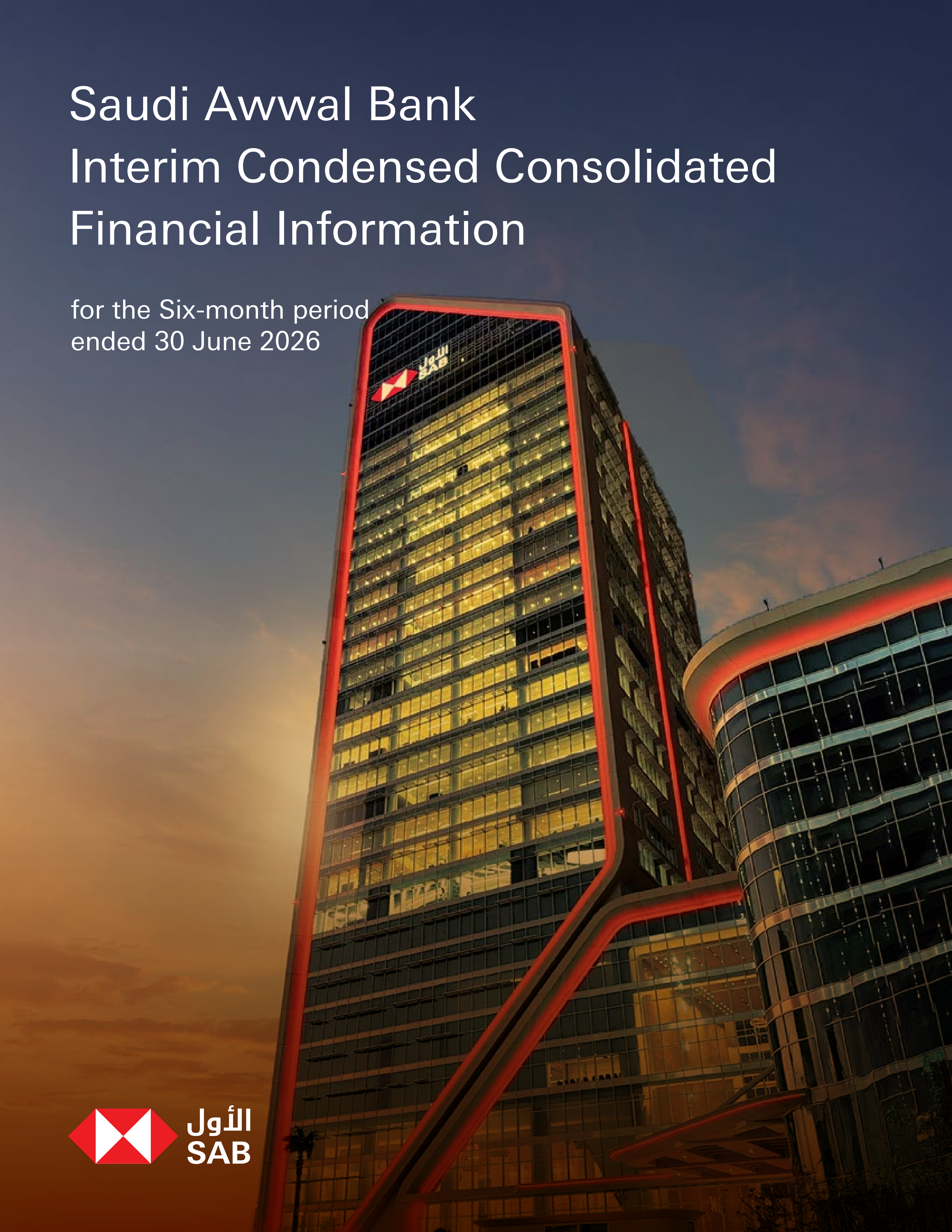
Saudi Awwal Bank
Interim Condensed Consolidated Financial Information

for the Six-month period
ended 30 June 2026



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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 2026, 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 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 International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Adel F. Alqahtani
Certified Public Accountant
License number: 614

برايس وترهاوس كوبرز
محاسبون قانونيون
س.ت : ١٠١٠٣٧١٦٢٢
PRICEWATERHOUSECOOPERS
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13 Safar 1448H
(27 July 2026)

Ernst & Young Professional Services

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(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Interim condensed consolidated statement of financial position

All amounts are in thousands of Saudi Riyals unless otherwise stated

	Notes	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)	As at 30 June 2025 (Restated)* (Unaudited)
ASSETS				
Cash and balances with Saudi Central Bank ("SAMA")	3	23,320,019	23,840,096	18,464,339
Due from banks and other financial institutions, net	4	8,873,867	2,878,181	2,912,238
Investments, net	5, 23	99,821,765	107,641,898	108,976,327
Positive fair value derivatives, net	9	2,680,250	2,405,729	1,975,093
Loans and advances, net	6	320,207,243	298,626,505	282,603,818
Investment in an associate	7	297,260	399,507	347,808
Property, equipment and right of use assets, net		3,469,198	3,586,736	3,595,174
Goodwill and other intangibles, net	8	11,225,453	11,219,326	11,160,755
Other assets		4,578,885	3,856,506	3,481,593
Total assets		**474,473,940**	**454,454,484**	**433,517,145**
LIABILITIES AND EQUITY				
Liabilities				
Due to banks		22,292,784	25,700,960	39,115,332
Customers' deposits	10	342,157,087	323,273,854	297,002,741
Negative fair value derivatives, net	9	2,349,560	2,273,572	1,939,828
Debt securities in issue and term loans	11	11,490,121	7,895,554	5,163,958
Other liabilities		15,306,508	15,972,005	14,634,258
Total liabilities		**393,596,060**	**375,115,945**	**357,856,117**
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	23	(766,271)	(354,432)	(321,075)
Retained earnings	23	19,636,879	17,685,699	15,958,831
Total equity attributable to equity holders of the Bank		**68,491,380**	**66,952,039**	**65,258,528**
Additional Tier 1 Sukuk	13	12,386,500	12,386,500	10,402,500
Total equity		**80,877,880**	**79,338,539**	**75,661,028**
Total liabilities and equity		**474,473,940**	**454,454,484**	**433,517,145**

*Refer to note 23

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

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

All amounts are in thousands of Saudi Riyals unless otherwise stated

	Notes	For the three-month ended 30 June 2026 (Unaudited)	For the three-month ended 30 June 2025 (Restated)* (Unaudited)	For the six-month ended 30 June 2026 (Unaudited)	For the six-month ended 30 June 2025 (Restated)* (Unaudited)
Special commission income	23	5,645,031	5,515,537	11,129,882	10,853,741
Special commission expense		(2,694,616)	(2,649,233)	(5,309,655)	(5,087,574)
Net special commission income		**2,950,415**	**2,866,304**	**5,820,227**	**5,766,167**
Fee and commission income	23	1,026,968	1,062,008	2,113,920	2,128,228
Fee and commission expense		(714,399)	(717,744)	(1,582,557)	(1,421,327)
Net fee and commission income		**312,569**	**344,264**	**531,363**	**706,901**
Exchange income, net		259,357	317,057	515,043	602,377
Gain from FVSI financial instruments, net		147,354	126,337	244,244	214,438
Dividend income		6,238	5,050	12,803	8,022
Gain on FVOCI debt instruments, net		7,741	49,610	220,125	49,610
Gain on amortised cost investments, net		-	2,021	-	2,021
Other operating income		23,954	35,219	32,182	40,906
Other operating expense		(44,369)	(24,552)	(100,970)	(49,372)
Net other operating (expenses) / income		**(20,415)**	**10,667**	**(68,788)**	**(8,466)**
Total operating income		**3,663,259**	**3,721,310**	**7,275,017**	**7,341,070**
Provision for expected credit losses, net	18 (a)	(5,421)	(216,177)	(171,918)	(357,843)
Operating expenses					
Salaries and employee related expenses		(591,815)	(590,082)	(1,186,491)	(1,169,617)
Rent and premises related expenses		(19,590)	(14,783)	(40,731)	(31,963)
Depreciation and amortisation		(241,479)	(215,495)	(407,378)	(361,187)
General and administrative expenses		(257,267)	(253,468)	(576,282)	(582,008)
Total operating expenses		**(1,110,151)**	**(1,073,828)**	**(2,210,882)**	**(2,144,775)**
Income from operating activities		**2,547,687**	**2,431,305**	**4,892,217**	**4,838,452**
Share in earnings of an associate	7	2,463	47,936	68,625	89,313
Net income for the period before Zakat and income tax		**2,550,150**	**2,479,241**	**4,960,842**	**4,927,765**
Provision for income tax	14	(11,263)	(167,567)	(183,959)	(295,430)
Provision for Zakat	14	(207,812)	(185,074)	(359,647)	(370,448)
Net income for the period after Zakat and income tax		**2,331,075**	**2,126,600**	**4,417,236**	**4,261,887**
Basic and diluted earnings per share	15	**1.02**	**0.97**	**1.96**	**1.95**

*Refer to note 23

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

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

All amounts are in thousands of Saudi Riyals unless otherwise stated

	For the three-month ended		For the six-month ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Net income for the period after Zakat and income tax	**2,331,075**	**2,126,600**	**4,417,236**	**4,261,887**
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	13,884	37,441	(6,103)	23,906
Re-measurement of defined benefit liability	(930)	(1,181)	(930)	(1,181)
Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods				
Debt instrument at FVOCI:				
Net changes in fair value	12,489	59,192	(69,921)	1,509,439
Transfer to interim condensed consolidated statement of income, net	3,773	(14,483)	(160,613)	(14,483)
Cash flow hedges:				
Net changes in fair value	(4,402)	15,941	(10,443)	28,529
Total other comprehensive income / (loss) for the period	**24,814**	**96,910**	**(248,010)**	**1,546,210**
Total comprehensive income for the period	**2,355,889**	**2,223,510**	**4,169,226**	**5,808,097**

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

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

Saudi Awwal Bank

Interim condensed consolidated statement of changes in equity

For the six-month period ended 30 June 2026

All amounts are in thousands of Saudi Riyals unless otherwise stated

30 June 2026 (Unaudited)	Note	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total		
Balance at the beginning of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(354,432)**	**17,685,699**	**-**	**66,952,039**	**12,386,500**	**79,338,539**
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-	-	4,417,236	-	4,417,236	-	4,417,236
Net changes in fair value of cash flow hedges		-	-	-	(10,443)	-	-	(10,443)	-	(10,443)
Net changes in fair value of FVOCI equity instruments		-	-	-	(6,103)	-	-	(6,103)	-	(6,103)
Net changes in fair value of FVOCI debt instruments		-	-	-	(69,921)	-	-	(69,921)	-	(69,921)
Re-measurement of defined benefit liability		-	-	-	(930)	-	-	(930)	-	(930)
Transfer to interim condensed consolidated statement of income, net		-	-	-	(160,613)	-	-	(160,613)	-	(160,613)
		-	**-**	**-**	**(248,010)**	**4,417,236**	**-**	**4,169,226**	**-**	**4,169,226**
Purchase of treasury shares		-	-	-	(196,431)	-	-	(196,431)	-	(196,431)
Employee share plan reserve net charge and shares vested		-	-	-	32,602	-	-	32,602	-	32,602
Additional Tier 1 Sukuk payments		-	-	-	-	(392,705)	-	(392,705)	-	(392,705)
Additional Tier 1 Sukuk issuance cost		-	-	-	-	(3,615)	-	(3,615)	-	(3,615)
2025 final dividend, net of Zakat and income tax	21	-	-	-	-	(2,069,736)	-	(2,069,736)	-	(2,069,736)
Balance at the end of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(766,271)**	**19,636,879**	**-**	**68,491,380**	**12,386,500**	**80,877,880**

30 June 2025 (Restated)* (Unaudited)	Note	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	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**
Effect of restatement	23	-	-	-	918,484	242,086	-	1,160,570	-	1,160,570
Balance at the beginning of the period (restated)		**20,547,945**	**8,524,882**	**20,547,945**	**(1,900,284)**	**11,706,470**	**2,054,795**	**61,481,753**	**7,965,000**	**69,446,753**
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, net		-	-	-	(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		-	-	-	-	(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**	**(321,075)**	**15,958,831**	**-**	**65,258,528**	**10,402,500**	**75,661,028**

*Refer to note 23

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

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

الأول
SAB

Interim condensed consolidated statement of cash flows

For the six-month period ended 30 June 2026

All amounts are in thousands of Saudi Riyals unless otherwise stated

	Notes	30 June 2026 (Unaudited)	30 June 2025 (Restated)* (Unaudited)
Net income for the period before Zakat and income tax		**4,960,842**	**4,927,765**
OPERATING ACTIVITIES			
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		(112,389)	(200,060)
Depreciation and amortisation		407,378	361,187
Special commission expense on debt securities in issue and term loans		241,340	187,443
Special commission expense on lease liabilities		6,665	5,433
Gain on amortised investments, net		-	(2,021)
Gain on FVOCI financial instruments		(59,512)	(35,127)
Income transferred to interim condensed consolidated statement of income		(160,613)	(14,483)
Share in earnings of an associate	7	(68,625)	(89,313)
Provision for expected credit losses, net	18 (a)	171,918	357,843
Employee share plan reserve		32,602	32,999
		5,419,606	**5,531,666**
Change in operating assets:			
Statutory deposit with SAMA		(633,264)	(1,134,113)
Due from banks and other financial institutions		-	39,156
Investments held as FVSI		(20,533)	(368,421)
Loans and advances		(21,754,012)	(23,586,751)
Positive fair value derivatives		(284,964)	684,644
Other assets		(612,402)	(299,982)
Change in operating liabilities:			
Due to banks		(3,408,176)	(1,881,649)
Customers' deposits		18,883,233	29,992,082
Negative fair value derivatives		75,988	(606,376)
Other liabilities		(302,272)	(589,813)
		(2,636,796)	**7,780,443**
Special commission paid on debt securities in issue and term loans		(195,551)	(201,544)
Zakat and income tax paid		(976,643)	(991,655)
Net cash (used in) / generated from operating activities		**(3,808,990)**	**6,587,244**
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		11,393,497	1,754,627
Purchase of investments not held as FVSI		(3,453,305)	(9,019,490)
Dividend received from an associate		170,872	204,855
Purchase of property, equipment and intangibles, net		(295,967)	(369,087)
Net cash generated from / (used in) investing activities		**7,815,097**	**(7,429,095)**
FINANCING ACTIVITIES			
Proceed from issuance of debt securities and term loans		4,639,073	-
Repayment of debt securities in issue		(1,090,295)	-
Payment of lease liabilities		(57,437)	(48,676)
Dividends paid		(2,062,230)	(1,785,948)
Purchase of treasury shares		(196,431)	-
Additional Tier 1 Sukuk payments		(392,705)	(259,439)
Additional Tier 1 Sukuk issuance		-	2,437,500
Additional Tier 1 Sukuk issuance cost		(3,615)	(12,584)
Net cash generated from financing activities		**836,360**	**330,853**
Net change in cash and cash equivalents		**4,842,467**	**(510,998)**
Cash and cash equivalents at beginning of the period	16	**9,527,251**	**5,491,697**
Cash and cash equivalents at end of the period	16	**14,369,718**	**4,980,699**
Special commission income received	23	10,877,411	10,644,521
Special commission expense paid		(4,930,547)	(5,022,740)
Supplemental non-cash information			
Net changes in fair value and transfers to interim condensed consolidated statement of income		(248,010)	1,546,210

*Refer to note 23

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

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Chief Executive Officer & Managing Director

الأول
SAB

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 Commercial Registration No. 1010025779 and Unified No. 7000018668 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 101 branches (31 December 2025: 100 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
	2026	2025	
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 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 (Associate)	**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 securities activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.

1.1. Basis of preparation

This interim condensed consolidated financial information of the Group as at and for the period ended 30 June 2026 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 2025.

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 (⃁) 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 interim 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.

All amounts are in thousands of Saudi Riyals unless otherwise stated

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

The accounting policies, estimates and assumptions 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 2025 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 2026 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 9 and IFRS 7 - Classification and Measurement of Financial Instruments	Under the amendments, certain financial assets including those with environmental, social governance (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.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards.

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 2027. 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 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

IFRS 18 – Presentation and Disclosure in Financial Statements

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

The Bank has established a formal IFRS 18 implementation programme overseen by senior management and the Audit Committee, supported by a cross-functional working group comprising representatives from Financial Reporting, Treasury, Credit Risk & Risk Management and Information Technology functions. The programme includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications.

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

Presentation of Statement of Income

IFRS 18 requires entities to classify income and expenses into specified categories within the statement of income, namely operating, investing, financing, income taxes and discontinued operations. It also introduces mandatory subtotal including Operating Profit and Profit for the year

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

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

- Financing income arising from customer financing assets, investment securities and treasury activities supporting the Bank's specified main business activities is expected to be presented within the operating category.
- Funding costs relating to customer deposits, debt securities issued and other financing liabilities that support the Bank's specified main business activities are expected to be presented within the operating category.
- Foreign exchange differences are expected to be classified in the same category as the underlying assets and liabilities giving rise to those differences. Based on the Bank's current assessment, the majority of foreign exchange differences arise from financing, treasury and investment activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any foreign exchange differences relate to activities that may require presentation outside the operating category under IFRS 18.
- Gains and losses arising from derivatives designated in hedging relationships are expected to be presented in the same category as the underlying hedged exposures. Based on the Bank's current assessment, the majority of derivatives are associated with customer financing, treasury and funding activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any derivatives relate to activities that may require presentation outside the operating category under IFRS 18.

The share of profit or loss from associates and joint ventures accounted for using the equity method, if any, will be presented within the investing category and outside operating profit as required by IFRS 18.

Certain expenses arising from liabilities or other obligations that are not directly linked to the Bank's specified main business activities, i.e. interest charge on lease liabilities and the interest cost of employee benefit obligations are currently being assessed and would be presented within the financing category in accordance with IFRS 18.

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

Management-defined Performance Measures

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

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

Principles of Aggregation and Disaggregation

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

All amounts are in thousands of Saudi Riyals unless otherwise stated

Consequential Amendments

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The Bank is currently assessing the impact of these amendments, including potential changes to the presentation of operating cash flows and the classification of interest, dividends and other cash flow items. The Bank is also evaluating requirements relating to comparative information and retrospective application upon adoption of IFRS 18. The Bank's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress, industry practice evolves and additional guidance from regulators and standard setters become available.

3. Cash and balances with SAMA

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Cash in hand	1,890,868	2,003,426	2,058,955
Statutory deposit	17,827,404	17,194,140	16,298,269
Placements with SAMA	3,600,000	4,511,000	-
Other balances	1,747	131,530	107,115
Total	**23,320,019**	**23,840,096**	**18,464,339**

4. Due from banks and other financial institutions, net

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Current accounts	4,251,612	2,881,295	2,814,629
Money market placements	4,625,491	-	98,284
Provision for expected credit losses	(3,236)	(3,114)	(675)
Total	**8,873,867**	**2,878,181**	**2,912,238**

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 2026 (Unaudited)	8,872,115	1,655	97	-	**8,873,867**
31 December 2025 (Audited)	2,878,181	-	-	-	2,878,181
30 June 2025 (Unaudited)	2,912,238	-	-	-	2,912,238

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 2026 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2026	**3,114**	-	-	**3,114**
Transfer to lifetime ECL not credit impaired	(100)	100	-	-
Transfer to lifetime ECL credit impaired	(23)	-	23	-
Net change for the period	(182)	226	78	122
Balance as at 30 June 2026	**2,809**	**326**	**101**	**3,236**

All amounts are in thousands of Saudi Riyals unless otherwise stated

	31 December 2025 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	**829**	**-**	**-**	**829**
Net change for the year	2,285	-	-	2,285
Balance as at 31 December 2025	**3,114**	**-**	**-**	**3,114**

	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 change for the period	(154)	-	-	(154)
Balance as at 30 June 2025	**675**	**-**	**-**	**675**

5. Investments, net

Investment securities are classified as follows:

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Restated) (Unaudited)
FVOCI – Debt		57,435,898	63,540,042	61,595,393
FVOCI – Equity	23	1,645,402	1,647,137	1,552,135
FVSI – Debt		727,603	709,664	719,471
FVSI – Equity	23	978,353	975,759	894,087
Held at amortised cost		39,042,600	40,775,951	44,221,961
Provision for expected credit losses for investments held at amortised cost		(8,091)	(6,655)	(6,720)
Total		**99,821,765**	**107,641,898**	**108,976,327**

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 2026 (Unaudited)					
Debt instruments at amortised cost, net	39,034,509	-	-	-	**39,034,509**
Debt instruments at FVOCI	57,435,898	-	-	-	**57,435,898**

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 December 2025 (Audited)					
Debt instruments at amortised cost, net	40,769,296	-	-	-	**40,769,296**
Debt instruments at FVOCI	63,540,042	-	-	-	**63,540,042**

	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**

All amounts are in thousands of Saudi Riyals unless otherwise stated

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

	30 June 2026 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2026	**6,655**	**-**	**-**	**6,655**
Net re-measurement of loss allowance	1,436	-	-	1,436
Balance as at 30 June 2026	**8,091**	-	-	**8,091**

	31 December 2025 (Audited)			
	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	(2,128)	-	-	(2,128)
Balance as at 31 December 2025	**6,655**	**-**	**-**	**6,655**

	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**

Investments by type and composition of securities is as follows:

	30 June 2026 (Unaudited)					
	Domestic	International	Total	Quoted	Unquoted	Total
Fixed rate securities	72,964,522	9,713,281	82,677,803	80,390,716	2,287,087	82,677,803
Floating rate securities	14,520,207	-	14,520,207	12,270,209	2,249,998	14,520,207
Equities and mutual funds	2,260,951	362,804	2,623,755	1,167,242	1,456,513	2,623,755
Total	**89,745,680**	**10,076,085**	**99,821,765**	**93,828,167**	**5,993,598**	**99,821,765**

	31 December 2025 (Audited)					
	Domestic	International	Total	Quoted	Unquoted	Total
Fixed rate securities	78,889,484	9,720,264	88,609,748	85,882,974	2,726,774	88,609,748
Floating rate securities	16,409,254	-	16,409,254	13,879,580	2,529,674	16,409,254
Equities and mutual funds	2,235,917	386,979	2,622,896	1,179,572	1,443,324	2,622,896
Total	**97,534,655**	**10,107,243**	**107,641,898**	**100,942,126**	**6,699,772**	**107,641,898**

	30 June 2025 (Unaudited) (Restated)					
	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	2,143,315	302,907	2,446,222	1,227,703	1,218,519	2,446,222
Total	**99,493,498**	**9,482,829**	**108,976,327**	**103,342,967**	**5,633,360**	**108,976,327**

All amounts are in thousands of Saudi Riyals unless otherwise stated

Assets pledged

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

	30 June 2026 (Unaudited)		31 December 2025 (Audited)		30 June 2025 (Unaudited)	
	Assets	Related liabilities	Assets	Related liabilities	Assets	Related liabilities
Debt securities	**7,237,275**	**6,549,456**	8,527,894	8,312,154	20,437,429	20,092,340

6. Loans and advances, net

Loans and advances comprise of the following:

	30 June 2026 (Unaudited)						
	Corporate and institutional lending		Retail lending				
	Corporate & Institutional Banking	MSME	Home loan	Personal loan	Other retail lending	Credit cards	Total
12 month ECL	215,732,700	12,416,323	42,056,412	23,312,937	7,995,158	3,426,129	304,939,659
Lifetime ECL not credit impaired	10,833,588	304,031	2,011,501	746,773	411,886	179,741	14,487,520
Lifetime ECL credit impaired	3,172,136	430,134	667,781	157,124	2,916	67,681	4,497,772
Purchased or originated credit impaired	3,216,949	290,740	144	136,149	-	167	3,644,149
Total loans and advances, gross	**232,955,373**	**13,441,228**	**44,735,838**	**24,352,983**	**8,409,960**	**3,673,718**	**327,569,100**
Provision for expected credit losses	(5,998,229)	(249,960)	(312,514)	(517,311)	(56,621)	(227,222)	(7,361,857)
Balance as at 30 June 2026	**226,957,144**	**13,191,268**	**44,423,324**	**23,835,672**	**8,353,339**	**3,446,496**	**320,207,243**
Non-performing loans and advances	3,233,724	428,102	340,170	98,480	5,280	42,431	4,148,187

	31 December 2025 (Audited)						
	Corporate and institutional lending		Retail lending				
	Corporate & Institutional Banking	MSME	Home loan	Personal loan	Other retail lending	Credit cards	Total
12 month ECL	191,679,662	12,773,495	39,793,103	21,402,414	7,912,678	3,573,679	277,135,031
Lifetime ECL not credit impaired	16,636,095	645,829	2,018,364	928,403	81,322	185,231	20,495,244
Lifetime ECL credit impaired	3,321,656	432,888	588,062	144,126	1,957	64,175	4,552,864
Purchased or originated credit impaired	3,293,359	215,689	1,254	136,130	-	63	3,646,495
Total loans and advances, gross	**214,930,772**	**14,067,901**	**42,400,783**	**22,611,073**	**7,995,957**	**3,823,148**	**305,829,634**
Provision for expected credit losses	(5,831,393)	(245,803)	(308,999)	(533,702)	(40,246)	(242,986)	(7,203,129)
Balance as at 31 December 2025	**209,099,379**	**13,822,098**	**42,091,784**	**22,077,371**	**7,955,711**	**3,580,162**	**298,626,505**
Non-performing loans and advances	3,215,295	432,394	313,334	85,750	5,012	36,925	4,088,710

All amounts are in thousands of Saudi Riyals unless otherwise stated

	30 June 2025 (Unaudited)						
	Corporate and institutional lending		Retail lending				
	Corporate & Institutional Banking	MSME	Home loan	Personal loan	Other retail lending	Credit cards	Total
12 month ECL	179,132,331	11,703,881	38,468,041	21,051,028	5,631,691	3,392,207	259,379,179
Lifetime ECL not credit impaired	17,734,737	608,916	1,580,950	630,662	979,701	131,646	21,666,612
Lifetime ECL credit impaired	3,340,331	407,342	558,831	156,879	13,869	64,140	4,541,392
Purchased or originated credit impaired	3,373,672	211,450	2,797	121,008	-	210	3,709,137
Total loans and advances, gross	**203,581,071**	**12,931,589**	**40,610,619**	**21,959,577**	**6,625,261**	**3,588,203**	**289,296,320**
Provision for expected credit losses	(5,301,503)	(280,833)	(288,652)	(533,850)	(43,484)	(244,180)	(6,692,502)
Balance as at 30 June 2025	**198,279,568**	**12,650,756**	**40,321,967**	**21,425,727**	**6,581,777**	**3,344,023**	**282,603,818**
Non-performing loans and advances	3,262,156	399,766	309,396	91,404	11,935	38,909	4,113,566

The comparative figures have been disaggregated to align with the current period's presentation. Other retail lending, previously presented as a single category, has been separated into Home Loans, Personal Loan and Other retail lending. Similarly, corporate and institutional banking previously presented as a single category, have been further disaggregated into Micro, Small and Medium Enterprises (MSME) exposures.

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 2026 (Unaudited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2026	**875,645**	**2,721,389**	**2,275,943**	**1,330,152**	**7,203,129**
Transfer to Stage 1	108,817	(97,001)	(11,816)	-	-
Transfer to Stage 2	(25,736)	68,831	(43,095)	-	-
Transfer to Stage 3	(4,212)	(287,008)	291,220	-	-
Net re-measurement of loss allowance	97,320	252,639	394,295	111,348	855,602
Write-offs	-	-	(696,874)	-	(696,874)
Balance as at 30 June 2026	**1,051,834**	**2,658,850**	**2,209,673**	**1,441,500**	**7,361,857**

All amounts are in thousands of Saudi Riyals unless otherwise stated

31 December 2025 (Audited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2025	**684,521**	**2,170,597**	**2,168,921**	**1,234,562**	**6,258,601**
Transfer to Stage 1	56,338	(39,423)	(16,915)	-	-
Transfer to Stage 2	(22,064)	88,737	(66,673)	-	-
Transfer to Stage 3	(4,736)	(86,784)	91,520	-	-
Net re-measurement of loss allowance	161,586	588,262	557,487	95,590	1,402,925
Write-offs	-	-	(458,397)	-	(458,397)
Balance as at 31 December 2025	**875,645**	**2,721,389**	**2,275,943**	**1,330,152**	**7,203,129**

30 June 2025 (Unaudited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
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**

7. Investment in an associate

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
HSBC Saudi Arabia			
Balance at beginning of the period / year	**399,507**	**463,350**	**463,350**
Share in earnings	68,625	141,012	89,313
Dividend received	(170,872)	(204,855)	(204,855)
Balance at end of the period / year	**297,260**	**399,507**	**347,808**

The associate's financial statements:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Total assets	944,250	1,213,653	1,077,790
Total liabilities	393,090	450,139	398,317
Total equity	551,160	763,514	679,473
Total income	344,925	760,985	450,859
Total expenses	192,909	465,092	283,071
Net income	**152,016**	**295,893**	**167,788**

All amounts are in thousands of Saudi Riyals unless otherwise stated

8. Goodwill and other intangibles, net

Intangibles are comprised of the following:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Amounts arising from acquisitions:			
Goodwill	8,778,091	8,778,091	8,778,091
Other intangibles	1,106,895	1,188,863	1,270,831
Goodwill and other intangibles	**9,884,986**	**9,966,954**	**10,048,922**
Software	1,340,467	1,252,372	1,111,833
Total	**11,225,453**	**11,219,326**	**11,160,755**

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 2026, 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 2025.

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 2026 (Unaudited)			31 December 2025 (Audited)			30 June 2025 (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	1,567,986	(1,427,274)	122,956,124	1,561,418	(1,321,329)	128,634,808	1,548,674	(1,404,495)	115,344,699
Special commission rate options	204,257	(211,339)	7,640,377	204,190	(213,364)	8,091,300	204,389	(215,455)	8,410,554
Forward foreign exchange contracts	161,926	(125,730)	95,811,913	33,630	(31,728)	10,170,236	145,536	(120,259)	11,153,175
Currency swaps	270,466	(266,748)	29,696,385	182,904	(180,326)	28,849,453	18,580	(16,645)	7,354,659
Commodity swaps	245,998	(235,281)	1,171,148	414,213	(413,753)	364,232	43,840	(44,456)	291,997
Equity forward	-	(31,907)	326,360	-	(5,435)	362,994	-	(13,688)	354,911
Derivatives held as fair value hedges:									
Special commission rate swaps	229,348	(33,778)	19,553,750	3,271	(97,263)	4,378,750	5,371	(115,040)	4,378,750
Derivatives held as cash flow hedges:									
Special commission rate swaps	269	(17,043)	2,615,000	6,103	(7,921)	4,285,000	8,703	(9,748)	4,285,000
Currency swaps	-	(460)	1,500,000	-	(2,453)	562,500	-	(42)	562,500
Total	**2,680,250**	**(2,349,560)**	**281,271,057**	**2,405,729**	**(2,273,572)**	**185,699,273**	**1,975,093**	**(1,939,828)**	**152,136,245**

The following table sets out information about fair values netting:

Fair values of netting arrangements	**625,548**	**(402,181)**		**497,860**	**(346,354)**		**462,258**	**(230,011)**	
Cash collateral, net	**(81,515)**	**1,219,005**		**(102,457)**	**740,395**		**(57,331)**	**648,263**	
Fair values after netting	**544,033**	**816,824**		**395,403**	**394,041**		**404,927**	**418,252**	

All amounts are in thousands of Saudi Riyals unless otherwise stated

The amounts relating to items designated as hedged items are as follows:

	Carrying amount		Accumulated amount of fair value hedge adjustments on the hedge item included in the carrying amount of the hedge item		Line item in the statement of financial position in which hedge item is included	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value adjustments remaining in the statement of financial position for any hedge items that have ceased to be adjusted for hedging gains and losses
	Assets	Liabilities	Assets	Liabilities			
30 June 2026 (Unaudited)							
Held as fair value hedges:							
Government Bonds/Sukuk	18,362,507	-	-	80,340	Investment at FVOCI and Amortised cost	(177,042)	(63,133)
Total	**18,362,507**	**-**	**-**	**80,340**		**(177,042)**	**(63,133)**
31 December 2025 (Audited)							
Held as fair value hedges:							
Government Bonds/Sukuk	4,129,637	-	96,702	-	Investment at FVOCI and Amortised cost	118,802	(127,477)
Total	**4,129,637**	**-**	**96,702**	**-**		**118,802**	**(127,477)**
30 June 2025 (Unaudited)							
Held as fair value hedges:							
Government Bonds/Sukuk	4,120,143	-	101,972	-	Investment at FVOCI and Amortised cost	124,072	(151,786)
Total	**4,120,143**	**-**	**101,972**	**-**		**124,072**	**(151,786)**

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Positive fair value	Negative fair value	Notional amount Total	Change in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in statement of income	Amount reclassified from the hedge reserve to statement of income
30 June 2026 (Unaudited)							
Held as cash flow hedges:							
Special Commission rate swaps	269	(17,043)	2,615,000	(14,373)	(14,373)	-	-
Currency swaps	-	(460)	1,500,000	3,930	3,930	-	-
Total	**269**	**(17,503)**	**4,115,000**	**(10,443)**	**(10,443)**	**-**	**-**
31 December 2025 (Audited)							
Held as cash flow hedges:							
Special Commission rate swaps	6,103	(7,921)	4,285,000	27,810	27,810	-	-
Currency swaps	-	(2,453)	562,500	(2,453)	(2,453)	-	-
Total	**6,103**	**(10,374)**	**4,847,500**	**25,357**	**25,357**	**-**	**-**
30 June 2025 (Unaudited)							
Held as cash flow hedges:							
Special Commission rate swaps	8,704	(9,749)	4,285,000	56,651	56,651	-	-
Currency swaps	-	-	-	-	-	-	-
Total	**8,704**	**(9,749)**	**4,285,000**	**56,651**	**56,651**	**-**	**-**

All amounts are in thousands of Saudi Riyals unless otherwise stated

The amounts relating to items designated as hedged items are as follows:

	Line item in the statement of financial position in which hedge item is included	Changes in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Balance remaining in cash flow hedge reserve for hedge relationships for which hedge accounting is no longer applied
30 June 2026 (Unaudited)				
Held as cash flow hedges:				
Government Bonds/Sukuk	Investment at FVOCI / Amortised cost	10,443	(15,888)	-
Total		**10,443**	**(15,888)**	-
31 December 2025 (Audited)				
Held as cash flow hedges:				
Government Bonds/Sukuk	Investment at FVOCI / Amortised cost	(25,357)	(5,445)	-
Total		**(25,357)**	**(5,445)**	**-**
30 June 2025 (Unaudited)				
Held as cash flow hedges:				
Government Bonds/Sukuk	Investment at FVOCI / Amortised cost	(53,374)	(57,281)	-
Total		**(53,374)**	**(57,281)**	**-**

In the table below, the Group sets out the accumulated fair value adjustments arising from the corresponding continuing hedge relationships, irrespective of whether or not there has been a change in hedge designation during the year.

	Carrying Amount of Hedged Items		Accumulated amount of fair value adjustments on the hedged items	
	Assets	**Liabilities**	**Assets**	**Liabilities**
30 June 2026 (Unaudited)				
Micro fair value hedges				
Fixed rate FVOCI debt instruments	14,836,505	-	-	49,800
Fixed rate Held at amortised cost debt instruments	3,526,002	-	-	30,540
Total	**18,362,507**	**-**	-	**80,340**
31 December 2025 (Audited)				
Micro fair value hedges				
Fixed rate FVOCI debt instruments	4,128,746	-	96,652	-
Fixed rate Held at amortised cost debt instruments	892	-	49	-
Total	**4,129,638**	**-**	**96,701**	**-**
30 June 2025 (Unaudited)				
Micro fair value hedges				
Fixed rate FVOCI debt instruments	4,119,250	-	101,926	-
Fixed rate Held at amortised cost debt instruments	893	-	46	-
Total	**4,120,143**	**-**	**101,972**	**-**

All amounts are in thousands of Saudi Riyals unless otherwise stated

The below table sets out the outcome of the Group's hedging strategy, in particular, to changes in the fair value of the hedged items and hedging instruments in the current period and the comparative period, used as the basis for recognising ineffectiveness:

		30 June 2026 (Unaudited)			31 December 2025 (Audited)			30 June 2025 (Unaudited)		
		Gains / (losses) attributable to hedged risk		Hedge Ineffectiveness	Gains / (losses) attributable to hedged risk		Hedge Ineffectiveness	Gains / (losses) attributable to hedged risk		Hedge Ineffectiveness
Hedged Items	Hedging Instruments	Hedged Items	Hedging Instruments		Hedged Items	Hedging Instruments		Hedged Items	Hedging Instruments	
Micro fair value hedge relationship										
hedging assets										
Fixed rate FVOCI debt instruments	Special commission rate swaps	(146,452)	168,164	21,712	69,599	(55,983)	13,616	16,175	(12,976)	3,199
Fixed rate Held at amortised cost debt instruments	Special commission rate swaps	(30,590)	44,547	13,957	49,203	(49,477)	(274)	14	-	14
Total		**(177,042)**	**212,711**	**35,669**	**118,802**	**(105,460)**	**13,342**	**16,189**	**(12,976)**	**3,213**

The following table shows the maturity and interest rate risk profiles of the Group's hedging instruments used in its cash flow hedges. As the Group applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
30 June 2026 (Unaudited)						
Micro cash flow hedges						
Commission rate swaps						
Notional principal	-	790,000	140,000	1,685,000	-	**2,615,000**
Average fixed rate	-	5.00%	5.22%	4.62%	-	**-**
Micro cash flow hedges						
Currency swaps	-	-	-	-	-	**-**
Notional principal	-	-	-	1,500,000	-	**1,500,000**
Average fixed rate	-	-	-	3.70%	-	**-**
Average USD/SAR rate	-	-	-	3.75	-	**-**
31 December 2025 (Audited)						
Micro cash flow hedges						
Commission rate swaps						
Notional principal	-	-	-	4,285,000	-	**4,285,000**
Average fixed rate	-	-	-	4.85%	-	**-**
Micro cash flow hedges						
Currency swaps						
Notional principal	-	-	-	562,500	-	**562,500**
Average fixed rate	-	-	-	2.33%	-	**-**
Average USD/SAR rate	-	-	-	3.75	-	**-**
30 June 2025 (Unaudited)						
Micro cash flow hedges						
Commission rate swaps						
Notional principal	-	-	-	4,285,000	-	**4,285,000**
Average fixed rate	-	-	-	4.49%	-	**-**
Micro cash flow hedges						
Currency swaps						
Notional principal	-	-	-	-	-	**-**
Average fixed rate	-	-	-	-	-	**-**
Average USD/SAR rate	-	-	-	-	-	**-**

All amounts are in thousands of Saudi Riyals unless otherwise stated

10. Customers' deposits

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Demand	142,377,702	138,258,973	139,362,936
Time	194,944,294	179,981,969	152,891,830
Savings	2,988,478	3,288,144	2,835,580
Margin and others	1,846,613	1,744,768	1,912,395
Total	**342,157,087**	**323,273,854**	**297,002,741**

11. Debt securities in issue and term loans

During the period ended 30 June 2026, SAB entered an arrangement of the syndicated borrowings (term loans) of USD 1 billion (equivalent to ⃁ 3.75 billion) having maturity of three years and carry special commission expense rate of SOFR +0.75 bps payable quarterly.

During the year ended 2025, SAB obtained the necessary approvals from SAMA for exercising its call option on its ⃁ 5 billion Tier 2. The Sukuk was redeemed at face value (100% of issue price) at the end of 5 years from issuance.

During 2025, SAB issued USD 1.25 billion (equivalent to ⃁ 4.688 billion) Tier 2 Notes, under the Group's Medium-Term Note Programme (the 'International Programme'). The Notes are unsecured and due in 2035, with SAB having an option to repay the Tier 2 Notes after 5 years, subject to prior approval of SAMA and terms and conditions of the International Programme. The Notes carry special commission expense rate of 5.95% (fixed rate) payable semi-annually.

In addition, SAB issued certificate of deposits (CDs) under its CDs programme and entered into an arrangement of bilateral borrowings.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Debt securities in issue (Tier 2 Notes)	4,752,649	4,751,472	5,163,958
Certificate of deposits	2,038,223	2,201,495	-
Term loans	4,699,249	942,587	-
Total	**11,490,121**	**7,895,554**	**5,163,958**

Below is the movement of debt securities in issue (Tier 2 Notes):

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Balance at beginning of the period / year	**4,751,472**	**5,178,059**	**5,178,059**
Debt securities issued	-	4,687,500	-
Repayment of debt securities in issue	-	(5,000,000)	-
Other movements	1,177	(114,087)	(14,101)
Balance at the end of the period / year	**4,752,649**	**4,751,472**	**5,163,958**

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 2026 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,552,431	423,404	51,915	30,185	18,057,935
Letters of guarantee	145,255,604	1,028,688	2,019,698	761,655	149,065,645
Acceptances	3,160,408	76,767	-	2,254	3,239,429
Total	**165,968,443**	**1,528,859**	**2,071,613**	**794,094**	**170,363,009**

The Group's total commitments to extend credit (non-firm commitments and irrevocable commitments) were ⃁ 187,949 million for the period ended 30 June 2026.

31 December 2025 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,069,977	831,764	30,401	54,123	17,986,265
Letters of guarantee	138,404,047	3,083,219	2,155,258	963,737	144,606,261
Acceptances	3,367,466	123,081	292	1,157	3,491,996
Total	**158,841,490**	**4,038,064**	**2,185,951**	**1,019,017**	**166,084,522**

The Group's total commitments to extend credit were ⃁ 192,218 million for the year ended 31 December 2025.

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
Total	**151,501,954**	**5,097,156**	**2,251,993**	**1,195,143**	**160,046,246**

The Group's total commitments to extend credit were ⃁ 175,521 million for the period ended 30 June 2025.

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 2026 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2026	**106,272**	**107,940**	**814,930**	**65,521**	**1,094,663**
Transfer to stage 1	19,011	(19,011)	-	-	-
Transfer to stage 2	(167)	167	-	-	-
Transfer to stage 3	(2)	(1,166)	1,168	-	-
Net re-measurement of loss allowance	40,191	(4,269)	(34,398)	654	2,178
Balance as at 30 June 2026	**165,305**	**83,661**	**781,700**	**66,175**	**1,096,841**

31 December 2025 (Audited)	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	13,605	(13,603)	(2)	-	-
Transfer to stage 2	(1,083)	1,083	-	-	-
Transfer to stage 3	(137)	(170,332)	170,469	-	-
Net re-measurement of loss allowance	19,466	(18,106)	(40,644)	(3,975)	(43,259)
Balance as at 31 December 2025	**106,272**	**107,940**	**814,930**	**65,521**	**1,094,663**

All amounts are in thousands of Saudi Riyals unless otherwise stated

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**

13. Additional Tier 1 Sukuk

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

Issuance date	Amount (in ⃁ billions)	Issuance Currency	Fixed / Floating	Coupon rate	Coupon payment frequency
31 October 2023	4	⃁	Floating	3 months SAIBOR + 125 bps	Quarterly
12 December 2024	3.65	⃁	Fixed	6.07%	Quarterly
12 December 2024	0.35	⃁	Floating	3 months SAIBOR + 134 bps	Quarterly
21 May 2025	2.44	USD	Fixed	6.50%	Semi-annually
24 July 2025	2.00	⃁	Fixed	6.30%	Quarterly

The issuances were approved by the regulatory authorities and Board of Directors of the Group. These Sukuk are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukukholders 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 or non-payment election by the Group, whereby the Group 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 2026, SAB has filed its Zakat and income tax return up to 2025. Income tax assessments from 2016 to 2018 have not been received by the Group. The assessment of Zakat and Income tax for 2019 up to 2023 are closed and settled. The assessment of 2024 are still under Zakat, Tax, and Customs Authority's (ZATCA) review.

All amounts are in thousands of Saudi Riyals unless otherwise stated

15. Basic and diluted earnings per share

Basic and diluted earnings per share for the periods ended 30 June 2026 and 30 June 2025 are calculated by dividing the net income after Zakat and income tax (adjusted by profit paid on additional Tier 1 Sukuk), by the weighted average number of shares 2,054,794,522 (June 2025: 2,054,794,522) outstanding during the periods.

	For three month ended		For six month ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Net income after Zakat and income tax	2,331,075	2,126,600	4,417,236	4,261,887
Additional Tier 1 Sukuk payments	(235,257)	(128,398)	(392,705)	(259,439)
Net income after Zakat and income tax (adjusted by Additional Tier 1 Sukuk payments)	**2,095,818**	**1,998,202**	**4,024,531**	**4,002,448**
Weighted average number of ordinary shares*	2,054,795	2,054,795	2,054,795	2,054,795
Basic and diluted earnings per share	**1.02**	**0.97**	**1.96**	**1.95**

* 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 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Cash and balances with SAMA excluding the statutory deposit (note 3)	5,492,615	6,645,956	2,166,070
Due from banks and other financial institutions with an original maturity of three month or less from date of the acquisition	8,877,103	2,881,295	2,814,629
Total	**14,369,718**	**9,527,251**	**4,980,699**

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 (WPB)** – 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 (CIB)** – 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.

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 2026 and 30 June 2025, its total operating income and expenses, and the results for the periods then ended, by operating segment, are as follows:

30 June 2026 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	**88,424,756**	**244,451,785**	**136,270,794**	**2,875,571**	**2,451,034**	**474,473,940**
Loans and advances, net	78,380,927	240,148,412	-	1,677,904	-	320,207,243
Investments, net	-	-	97,011,629	810,975	1,999,161	99,821,765
Investment in an associate	-	-	-	-	297,260	297,260
Total liabilities	**94,971,289**	**199,482,556**	**98,931,644**	**212,907**	**(2,336)**	**393,596,060**
External operating income / (expense)	1,461,274	4,884,157	758,927	185,237	(14,578)	7,275,017
Inter-segment operating income / (expense)	582,294	(884,717)	302,423	-	-	-
Total operating income, of which:	**2,043,568**	**3,999,440**	**1,061,350**	**185,237**	**(14,578)**	**7,275,017**
Net special commission income	1,961,477	3,381,039	414,713	62,998	-	5,820,227
Net fees and commission income / (expense)	(47,872)	475,693	(5,798)	109,340	-	531,363
(Provision) / reversal for expected credit losses, net	**(53,799)**	**(121,603)**	**3,421**	**63**	**-**	**(171,918)**
Total operating (expenses) / income	**(1,020,017)**	**(886,428)**	**(162,128)**	**(141,356)**	**(953)**	**(2,210,882)**
Share in earnings of an associate	-	-	-	-	68,625	68,625
Net income for the period before Zakat and income tax	**969,752**	**2,991,409**	**902,643**	**43,944**	**53,094**	**4,960,842**

30 June 2025 (Restated) (Unaudited)	Notes	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**	**2,355,987**	**433,517,145**
Loans and advances, net		70,008,630	210,930,324	-	1,664,864	-	282,603,818
Investments, net	23	-	-	106,457,057	684,168	1,835,102	108,976,327
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**
External operating income		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	23	1,992,257	3,327,641	375,678	70,591	-	5,766,167
Net fees and commission income / (expense)	23	123,988	459,073	(4,157)	127,997	-	706,901
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**

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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 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.

Given the prevailing geopolitical situation, the Board, through its credit risk function, continued monitoring of the credit exposures through targeted customer and portfolio reviews to assess any potential implications. The assessment focused on closer tracking of limit utilization and drawdown behaviors of GCC exposures. These actions are supported by an ongoing review of downside scenarios and IFRS 9 sensitivities, with the objective of ensuring continued readiness and preserving portfolio resilience. Due to the volatile geopolitical uncertainties, the Bank has applied a judgment to maintain the previously established macroeconomic scenarios, to provide a more accurate representation of the current economic environment and associated credit risks.

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 2026 (Unaudited)	30 June 2025 (Unaudited)
Net provision for expected credit losses:			
Due from banks and other financial institutions	4	(122)	154
Investments		3,648	(304)
Loans and advances	6	(855,602)	(829,620)
Loan commitments and financial guarantees	12	(2,178)	(29,244)
Recoveries net of write-offs		682,336	501,171
Net charge for the period		**(171,918)**	**(357,843)**

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 2026 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Derivative financial instruments	2,680,250	-	2,680,250	-	**2,680,250**
Investments held as FVSI – Debt	727,603	-	727,603	-	**727,603**
Investments held as FVSI – Equity	978,353	523,813	454,540	-	**978,353**
Investments held as FVOCI – Debt	57,435,898	-	57,435,898	-	**57,435,898**
Investments held as FVOCI – Equity	1,645,402	202,420	-	1,442,982	**1,645,402**
Financial assets not measured at fair value:					
Due from banks and other financial institutions	8,873,867	-	8,873,867	-	**8,873,867**
Investments held at amortised cost	39,034,509	-	37,116,840	-	**37,116,840**
Loans and advances, net	320,207,243	-	-	316,151,444	**316,151,444**
Financial liabilities measured at fair value:					
Derivative financial instruments	2,349,560	-	2,349,560	-	**2,349,560**
Financial liabilities not measured at fair value:					
Due to banks	22,292,784	-	22,292,784	-	**22,292,784**
Customers' deposits	342,157,087	-	342,038,721	-	**342,038,721**
Debt securities in issue and term loans	11,490,121	-	11,490,121	-	**11,490,121**

All amounts are in thousands of Saudi Riyals unless otherwise stated

31 December 2025 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,405,729	-	2,405,729	-	**2,405,729**
Investments held as FVSI – Debt	709,664	-	709,664	-	**709,664**
Investments held as FVSI – Equity	975,759	534,966	440,793	-	**975,759**
Investments held as FVOCI – Debt	63,540,042	-	63,540,042	-	**63,540,042**
Investments held as FVOCI – Equity	1,647,137	203,813	-	1,443,324	**1,647,137**
Financial assets not measured at fair value					
Due from banks and other financial institutions	2,878,181	-	2,878,181	-	**2,878,181**
Investments held at amortised cost	40,769,296	-	38,354,981	-	**38,354,981**
Loans and advances	298,626,505	-	-	294,233,231	**294,233,231**
Financial liabilities measured at fair value					
Derivative financial instruments	2,273,572	-	2,273,572	-	**2,273,572**
Financial liabilities not measured at fair value					
Due to banks	25,700,960	-	25,700,960	-	**25,700,960**
Customers' deposits	323,273,854	-	323,151,525	-	**323,151,525**
Debt securities in issue and term loans	7,895,554	-	7,895,554	-	**7,895,554**

The Group uses widely recognized valuation models for determining the fair value of common and simpler financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. 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 recognized immediately in the interim condensed 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 and sukuks 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 and valued at their respective fair value. The movement in Level 3 financial instruments during the period relates to fair value and capital repayment movements only.

All amounts are in thousands of Saudi Riyals unless otherwise stated

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 which are carried at amortised cost, are not significantly different from the carrying values included in the interim condensed 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 and term loans contain fixed instruments and floating rate instruments that re-price within a year (every 3 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 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**1,443,324**	**1,136,187**
Net change in fair value (unrealized)	(342)	307,137
Closing balance	**1,442,982**	**1,443,324**

All amounts are in thousands of Saudi Riyals unless otherwise stated

20. Capital adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by SAMA to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base.

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

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.

The following table summarises the Group's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Restated) (Unaudited)
Risk Weighted Assets (RWA)			
Credit Risk RWA	385,531,215	359,687,719	341,615,984
Operational Risk RWA	16,390,131	14,221,244	14,221,244
Market Risk RWA	1,605,244	1,734,293	4,311,616
Total Pillar 1 RWA	**403,526,590**	**375,643,256**	**360,148,844**
Common Equity Tier 1 (CET1) Capital	57,265,927	55,732,713	54,097,773
Additional Tier I Capital (Note 13)	12,386,500	12,386,500	10,402,500
Core capital (Tier 1)	**69,652,427**	**68,119,213**	**64,500,273**
Supplementary capital (Tier 2)	**5,926,321**	**5,695,047**	**5,931,237**
Core and supplementary capital (Tier 1 and Tier 2)	**75,578,748**	**73,814,260**	**70,431,510**
Capital Adequacy Ratio %			
Common Equity Tier 1 Capital (CET1)	14.19%	14.84%	15.02%
Core capital (Tier 1)	17.26%	18.13%	17.91%
Core and supplementary capital (Tier 1 and Tier 2 ratios)	18.73%	19.65%	19.56%

21. Dividends

During the period ended 30 June 2026, SAB paid a final dividend of ⃁ 2,055 million (2025: ⃁ 2,055 million) as approved by the Board of Directors, to the shareholders of the Group for the year 2025. This resulted in ⃁ 1.00 per share for Saudi shareholders, net of Zakat (2025: ⃁ 1.00). The income tax of the foreign shareholders was deducted from their share of the dividends.

22. Geopolitical impact on expected credit losses

The Bank continues to operate under a volatile macroeconomic environment driven by sustained regional geopolitical uncertainties since March 2026. While a temporary ceasefire was reached in early April 2026 and formalized in June 2026, the situation continues to evolve and has had secondary impacts in several countries in the Middle East including the Kingdom of Saudi Arabia, causing disruption to some business and economic activities. This has brought about uncertainties in the economic environment and outlook.

The Bank is closely monitoring the situation and potential implications for the financing portfolio. In considering Expected Credit Loss (ECL) estimates as at 30 June 2026, the Bank performed targeted assessments for its financing portfolio potentially exposed to supply chain disruption and higher logistics and insurance costs, incorporating both qualitative and quantitative indicators when evaluating for Significant Increase in Credit Risk (SICR). This has resulted in an overall increase in ECL in isolation of other factors.

The Bank continues to closely monitor the macroeconomics variable and any possible impact on expected credit losses.

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The situation remains fluid, and management will continue to adopt a proactive approach towards monitoring and stress testing of its financing portfolio.

23. Comparative figures

During the year ended 31 December 2025, the Bank corrected the valuation of its interest in an equity investment that is classified as investments at fair value through other comprehensive income (FVOCI) which was historically valued at net asset value instead of fair value. The impact of the change in valuation method from net asset value to fair value has resulted in an increase in carrying value of ⃁ 918 million as of 1 January 2025.

During the year ended 31 December 2025, Management has identified an equity investment held by the Bank that was not recorded in prior years. This has resulted in an understatement of investments at “fair value through statement of income (FVSI)” and the corresponding net gains. Upon identification, management classified this investment at FVSI in accordance with IFRS 9, at the amount of ⃁ 242 million as of 1 January 2025.

These adjustments are considered as a correction of errors as per IAS 8 (Accounting policies, Changes in Accounting Estimates and Errors) and are material to the interim condensed consolidated financial information and accordingly the interim condensed consolidated statement of financial position and interim condensed consolidated statement of changes in equity have been restated. The impact of these equity investments on the interim condensed consolidated statement of income and interim condensed consolidated statement of other comprehensive income for the period ended 30 June 2025 was insignificant and accordingly, comparatives have not been restated.

Accordingly, the Bank has restated the impacted line items to correct the financial statement for prior period as follows:

	As previously presented	Restatement	Restated
As at 30 June 2025			
Interim condensed consolidated statement of financial position			
Investments, net	107,815,757	1,160,570	108,976,327
Interim condensed consolidated statement of financial position and interim condensed consolidated statement of changes in equity			
Retained earnings	15,716,745	242,086	15,958,831
Other reserves	(1,239,559)	918,484	(321,075)

Further, the Bank has reclassified corporate management fee previously recorded in fee and commission income to special commission income amounting to ⃁ 80.2 million, net and ⃁ 18.7 million, net for the six-months and three-months period ended 30 June 2025 respectively, in accordance with the requirement of IFRS 9 (Financial Instruments) in the interim condensed consolidated statement of income. Accordingly, the reclassification has been reflected in interim condensed consolidated statement of cashflows and note 17 to the Interim condensed consolidated financial information.

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 6 Safar 1448H (Corresponding to 20 July 2026).