Alinma Bank
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED June 30, 2025

CONTENTS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Kingdom of Saudi Arabia
Commercial Registration No. 1010425494

Headquarters in Riyadh

PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company)
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Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Statements

To the shareholders of Alinma Bank
(a Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Alinma Bank and its subsidiaries (collectively referred to as the "Bank") as of 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 explanatory notes (the "interim condensed consolidated financial statements").

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The consolidated financial statements for the year ended 31 December 2024 and the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2024 were jointly audited and reviewed by another joint auditor, who expressed an unmodified audit opinion and an unmodified review conclusion on 7 Sha'ban 1446 H (corresponding to 6 February 2025) and 7 Safar 1446 H (corresponding to 11 August 2024) respectively.

KPMG Professional Services Company	**PricewaterhouseCoopers**
Khalil Ibrahim Al Sedais	**Mufaddal A. Ali**
Certified Public Accountant	Certified Public Accountant
License number 371	License number 447

(05 Safar 1447H)
(30 July 2025)

كي بي إم جي للاستشارات المهنية
ترخيص رقم ٤٦
Lic No. 46
C.R. 1010425494
R : 2
KPMG Professional Services

برايس وترهاوس كوبرز
محاسبون قانونيون
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTANTS
Lic No. 323/11/25/1
C.R. 4030289002

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	June 30, 2025 (Unaudited) SAR '000	December 31, 2024 (Audited) SAR '000	June 30, 2024 (Unaudited) SAR '000
ASSETS				
Cash and balances with Saudi Central Bank (SAMA)		**14,547,008**	13,849,670	13,875,424
Due from banks and other financial institutions, net		**4,799,647**	4,510,142	3,323,900
Investments held at fair value through statement of income (FVSI)	4	**3,504,561**	3,142,665	3,000,291
Investments held at fair value through other comprehensive income (FVOCI)	4	**14,579,971**	13,750,818	13,405,079
Investments held at amortized cost, net	4	**33,506,373**	31,681,460	29,994,876
Investments in associate and joint ventures	4	**48,591**	50,267	230,339
Positive fair value of derivatives	5	**412,179**	505,417	301,171
Financing, net	6	**218,596,197**	202,308,094	189,911,986
Property, equipment and right of use assets, net		**3,786,817**	3,400,866	3,019,412
Other assets		**3,435,098**	3,628,082	3,075,963
TOTAL ASSETS		**297,216,442**	276,827,481	260,138,441
LIABILITIES AND EQUITY				
LIABILITIES				
Due to SAMA, banks and other financial institutions	7	**11,253,297**	13,936,256	7,650,515
Customers' deposits	8	**229,944,244**	210,544,650	205,356,595
Negative fair value of derivatives	5	**260,963**	436,626	259,403
Amount due to Mutual Funds' unitholders		**121,887**	114,557	132,529
Other liabilities		**10,861,499**	10,353,617	6,702,087
TOTAL LIABILITIES		**252,441,890**	235,385,706	220,101,129
EQUITY				
Share capital		**25,000,000**	25,000,000	25,000,000
Treasury shares		**(180,957)**	(203,958)	(205,216)
Statutory reserve		**4,836,346**	4,836,346	3,378,431
Other reserves	15	**(72,189)**	(129,404)	(94,450)
Retained earnings		**4,565,402**	3,188,291	3,207,047
Equity attributable to the shareholders of the Bank		**34,148,602**	32,691,275	31,285,812
Tier 1 Sukuk	11	**10,625,950**	8,750,500	8,751,500
TOTAL EQUITY		**44,774,552**	41,441,775	40,037,312
TOTAL LIABILITIES AND EQUITY		**297,216,442**	276,827,481	260,138,441

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer	Managing Director and CEO	Authorized Board Member

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Notes	For the three months period ended June 30, 2025 SAR '000	June 30, 2024 SAR '000	For the six months period ended June 30, 2025 SAR '000	June 30, 2024 SAR '000
Income from investments and financing		4,254,356	3,961,712	8,371,938	7,760,554
Return on time investments		(1,982,512)	(1,810,955)	(3,817,139)	(3,597,841)
Income from investments and financing, net		2,271,844	2,150,757	4,554,799	4,162,713
Fee from banking services – income		834,077	726,799	1,578,421	1,428,926
Fee from banking services – expense		(368,005)	(322,594)	(732,665)	(630,364)
Fees from banking services, net		466,072	404,205	845,756	798,562
Exchange income, net		97,520	102,605	189,364	179,518
Income from FVSI financial instruments, net		92,033	78,096	141,358	141,811
Gain from FVOCI sukuk investments, net		25	-	25	911
Dividend income on FVOCI equity investments		10,729	8,181	18,056	16,600
Other operating income		8,405	1,888	10,922	10,118
Total operating income		2,946,628	2,745,732	5,760,280	5,310,233
Salaries and employee related expenses		450,929	408,197	895,968	821,080
Rent and premises related expenses		18,627	18,584	37,234	37,068
Depreciation and amortization		103,974	87,400	204,364	174,381
Other general and administrative expenses		343,721	319,892	684,587	635,074
Operating expenses before impairment charges		917,251	834,073	1,822,153	1,667,603
Impairment charge on financing, net of recoveries	16	274,199	319,813	500,145	585,988
Impairment charge on other financial assets	16	7,064	6,787	7,436	5,046
Total operating expenses		1,198,514	1,160,673	2,329,734	2,258,637
Net operating income		1,748,114	1,585,059	3,430,546	3,051,596
Share of loss from associate and joint ventures		(615)	(5,643)	(1,676)	(6,303)
Net income for the period before zakat		1,747,499	1,579,416	3,428,870	3,045,293
Zakat for the period		(174,244)	(162,849)	(347,606)	(313,992)
Net income for the period after zakat		1,573,255	1,416,567	3,081,264	2,731,301
Basic and diluted earnings per share (SAR)	13	0.61	0.55	1.15	1.06

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

		For the three months period ended		For the six months period ended	
		June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
	Notes	**SAR '000**	SAR '000	**SAR '000**	SAR '000
Net income for the period after zakat		**1,573,255**	1,416,567	**3,081,264**	2,731,301
Other comprehensive income / (loss):					
Items that cannot be recycled back to interim condensed consolidated statement of income in subsequent periods					
Net change in fair value of FVOCI equity investments	15	**(49,343)**	(41,638)	**(71,823)**	57,965
Share of joint venture's other comprehensive income	15	**-**	2,425	**-**	2,425
Items that can be recycled back to interim condensed consolidated statement of income in subsequent periods					
Net change in fair value of FVOCI sukuk investments	15	**(55,116)**	(19,830)	**81,801**	(114,571)
Gain on sale of FVOCI sukuk investments	15	**(25)**	-	**(25)**	(911)
Cash flow hedge:					
Effective portion of change in the fair value of cash flow hedge	15	**7,760**	(10,430)	**75,153**	(21,386)
Net amounts transferred to interim condensed consolidated statement of income	15	**6,994**	8,776	**14,739**	8,776
Total other comprehensive (loss) / income		**(89,730)**	(60,697)	**99,845**	(67,702)
Total comprehensive income for the period		**1,483,525**	1,355,870	**3,181,109**	2,663,599

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30,

2025 SAR '000	Notes	Share capital	Treasury shares	Statutory reserve	Other reserves (note 15)	Retained earnings	Total equity attributable to the shareholders	Tier 1 Sukuk (Note 11)	Total equity
Balance at the beginning of the period		25,000,000	(203,958)	4,836,346	(129,404)	3,188,291	32,691,275	8,750,500	41,441,775
Net income for the period after zakat		-	-	-	-	3,081,264	3,081,264	-	3,081,264
Net change in fair value of FVOCI equity investments	15	-	-	-	(71,823)	-	(71,823)	-	(71,823)
Net change in fair values of FVOCI sukuk investments	15	-	-	-	81,801	-	81,801	-	81,801
Gain on sale of FVOCI sukuk investments	15	-	-	-	(25)	-	(25)	-	(25)
Cash flow hedge	15	-	-	-	89,892	-	89,892	-	89,892
Total comprehensive income		-	-	-	99,845	3,081,264	3,181,109	-	3,181,109
Transfers to retained earnings on disposal of FVOCI equity investments	15	-	-	-	1,435	(1,435)	-	-	-
Tier 1 Sukuk costs	11	-	-	-	-	(221,921)	(221,921)	-	(221,921)
Issuance of Tier 1 sukuk	11	-	-	-	-	(6,435)	(6,435)	1,875,450	1,869,015
Final dividends paid for 2024	18.1	-	-	-	-	(746,145)	(746,145)	-	(746,145)
Interim dividends paid for 2025	18.1	-	-	-	-	(746,160)	(746,160)	-	(746,160)
Employee share based plans and other reserve movements	15	-	23,001	-	(44,065)	17,943	(3,121)	-	(3,121)
Balance at the end of the period		25,000,000	(180,957)	4,836,346	(72,189)	4,565,402	34,148,602	10,625,950	44,774,552

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | Managing Director and CEO | Authorized Board Member

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, (Continued)

2024 SAR '000	Notes	Share capital	Treasury shares	Statutory reserve	Other reserves (note 15)	Retained earnings	Proposed issue of bonus shares	Total equity attributable to the shareholders	Tier 1 Sukuk	Total equity
Balance at the beginning of the period		20,000,000	(225,611)	3,378,431	62,359	1,118,422	5,000,000	29,333,601	5,000,000	34,333,601
Net income for the period after zakat		-	-	-	-	2,731,301	-	2,731,301	-	2,731,301
Net change in fair value of FVOCI equity investments	15	-	-	-	57,965	-	-	57,965	-	57,965
Net change in fair values of FVOCI sukuk investments	15	-	-	-	(114,571)	-	-	(114,571)	-	(114,571)
Gain on sale of FVOCI sukuk investments	15	-	-	-	(911)	-	-	(911)	-	(911)
Cash flow hedge	15	-	-	-	(12,610)	-	-	(12,610)	-	(12,610)
Share of a joint venture's other comprehensive income	15	-	-	-	2,425	-	-	2,425	-	2,425
Total comprehensive income		-	-	-	(67,702)	2,731,301	-	2,663,599	-	2,663,599
Issuance of bonus shares	18.2	5,000,000	-	-	-	-	(5,000,000)	-	-	-
Transfers to retained earnings on disposal of FVOCI equity investments	15	-	-	-	(85,979)	85,979	-	-	-	-
Tier 1 Sukuk costs	11	-	-	-	-	(100,000)	-	(100,000)	-	(100,000)
Issuance of Tier 1 sukuk	11	-	-	-	-	(10,847)	-	(10,847)	3,751,500	3,740,653
Interim dividends paid for 2024	18.1	-	-	-	-	(621,371)	-	(621,371)	-	(621,371)
Employee share based plans and other reserve movements	15	-	20,395	-	(3,128)	3,563	-	20,830	-	20,830
Balance at the end of the period		25,000,000	(205,216)	3,378,431	(94,450)	3,207,047	-	31,285,812	8,751,500	40,037,312

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | Managing Director and CEO | Authorized Board Member

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30,

	Notes	2025 SAR '000	2024 SAR '000
OPERATING ACTIVITIES			
Net income for the period before zakat		**3,428,870**	3,045,293
Adjustments to reconcile income for the period before zakat to net cash from operating activities:			
Depreciation and amortization		**204,364**	174,381
(Gain) / loss on disposal of property and equipment, net		**(898)**	4,427
Unrealized gain from FVSI financial instruments, net		**(75,897)**	(50,901)
Gain from sukuk investments held at amortized cost		**(1,090)**	-
Gain from FVOCI sukuk investments, net		**(25)**	(911)
Fair value adjustment to derivatives		**(82,425)**	(7,760)
Dividend income on FVOCI equity investments		**(18,056)**	(16,600)
Impairment charge on financing, net of recoveries	16	**500,145**	585,988
Impairment charge on other financial assets	16	**7,436**	5,046
Recoveries of previously written-off accounts	16	**113,268**	41,459
Unwinding of deferred payment program modification loss		**(4,375)**	(7,614)
Unwinding of fair value impact of SAMA deposits		**-**	5,016
Employees share based plans reserve	15	**34,539**	32,279
Share of loss from associate and joint ventures		**1,676**	6,303
		4,107,532	3,816,406
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		**(595,789)**	(1,430,053)
Due from banks and other financial institutions with original maturity of more than three months		**(7,568)**	22,415
Investments held at FVSI		**(285,999)**	(261,544)
Financing		**(17,540,928)**	(16,924,916)
Other assets		**182,056**	(565,978)
Net increase / (decrease) in operating liabilities:			
Due to SAMA, banks and other financial institutions		**(2,682,959)**	214,269
Customers' deposits		**19,399,594**	17,456,014
Other liabilities		**1,439,891**	153,623
Financing cost on lease liability		**(9,688)**	(7,300)
Net cash from operating activities before Zakat paid		**4,006,142**	2,472,936
Zakat Paid, net of refund		**(666,208)**	(556,318)
Net cash from operating activities		**3,339,934**	1,916,618
INVESTING ACTIVITIES			
Purchases of investments held at FVOCI		**(945,465)**	(784,940)
Purchases of investments held at amortized cost		**(1,996,083)**	(5,986,494)
Purchases of investment in joint venture		**-**	(218,579)
Proceeds from sales and maturities of investments held at FVOCI		**126,290**	750,965
Proceeds from sales and maturities of investments held at amortized cost		**173,670**	3,096,887
Purchase of property and equipment		**(424,665)**	(268,531)
Proceeds from disposal of property and equipment		**1,122**	1,208
Dividends received from FVOCI equity investments		**24,263**	16,600
Net cash used in investing activities		**(3,040,868)**	(3,392,884)

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, (Continued)

	Notes	2025 SAR '000	2024 SAR '000
FINANCING ACTIVITIES			
Proceeds for the issuance of Tier 1 Sukuk, net of related costs	11	**1,869,015**	3,740,653
Payment for Tier 1 Sukuk costs		**(221,921)**	(100,000)
Cash payment for principal portion of lease liability		**(70,347)**	(51,602)
Dividend paid		**(1,492,305)**	(621,371)
Net cash from financing activities		**84,442**	2,967,680
Net change in cash and cash equivalents		**383,508**	1,491,414
Cash and cash equivalents at beginning of the period		**6,408,581**	5,172,847
Cash and cash equivalents at end of the period	10	**6,792,089**	6,664,261
Income received from investments and financing		**7,718,865**	7,371,661
Return paid on time investments		**3,867,019**	3,407,565
Supplemental non-cash information:			
Right-of-use assets		**(165,816)**	(40,153)
Lease liabilities		**95,527**	(8,914)
Net change in fair value of FVOCI investments		**(9,978)**	56,606

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

1. General

a) Introduction

Alinma Bank, a Saudi Joint Stock Company, was formed and licensed pursuant to Royal Decree No. M/15 dated 28 Safar 1427H (corresponding to March 28, 2006), in accordance with the Council of Ministers' Resolution No. 42 dated 27 Safar 1427H (corresponding to March 27, 2006). It operates under Ministerial Resolution No. 173 and Commercial Registration No. 1010250808 both dated 21 Jumada-I 1429H (corresponding to May 26, 2008) and provides banking services through 121 branches (June 30, 2024: 112 branches) in the Kingdom of Saudi Arabia. Its head office address is as follows:

Alinma Bank
Head Office
King Fahad Road
P.O. Box 66674
Riyadh 11586
Kingdom of Saudi Arabia (KSA)

The interim condensed consolidated financial statements comprise the financial statements of Alinma Bank and its following subsidiaries (collectively referred as the "Bank") which are registered in KSA except for Alinma SPV Ltd which is registered in t he Cayman Islands:

Subsidiaries	Bank's Ownership	Commercial Registration Date	Main Activities
Alinma Capital Company	100%	07 Jumada - II 1430H (corresponding to May 31, 2009)	Asset management, custodianship, advisory, underwriting and brokerage services.
Al-Tanweer Real Estate Company	100%	24 Sha'aban 1430H (corresponding to August 15, 2009)	Formed principally to hold legal title of properties financed by the Bank.
Saudi Fintech Company	100%	28 Dhul Hijiah 1440H (corresponding to August 29, 2019)	Provide financial technology products and services to the Bank and others.
Esnad Company	100%	24 Ramadan 1440H (corresponding to May 29, 2019)	To provide outsourced staff to the Bank.
Alinma SPV Ltd	100%	22 Jumada - II 1443H (corresponding to January 25, 2022)	Engage and execute financial derivatives transactions and repurchase agreements with international banks.
TechStrike Company	100%	19 Sha'aban 1446H (corresponding to Feb 18, 2025)	Provide technology products and services to the Bank.

In addition to above subsidiaries, the management has concluded that the Bank has effective control of the below funds and started consolidating the Funds' financial statements from the respective dates of effective control:

Funds	Bank's Ownership	Establishment date	Date of effective control	Purpose
Alinma Sukuk ETF	As at June 30, 2025: 92.8% (December 31, 2024: 92.9%; June 30, 2024: 92.3%)	January 22, 2020	January 22, 2020	To invest in a basket of local sovereign Sukuks issued by the Kingdom of Saudi Arabia.
Alinma IPO Fund	As at June 30, 2025: 54.3% (December 31, 2024: 54.9%, June 30, 2024: 63.6%)	April 26, 2015	January 1, 2020	To achieve capital appreciation over the long term by investing mainly in Saudi joint stock companies.

Dhahban Real Estate Fund, a previously fully-owned Fund, established on 30 Safar 1445H (corresponding to September 15, 2023). The Bank lost control of the Fund during the period ended June 30, 2025.

The objective of the Bank is to provide a full range of banking and investment services through products and instruments that are in accordance with Sharia'a, its By-Laws and within the provisions of laws and regulations applicable to banks in the Kingdom of Saudi Arabia.

b) Shariah Committee

The Bank has established a Shariah Committee in accordance with its commitment to comply with Islamic Shariah laws. Shariah Committee ascertains that all the Bank's activities are subject to its review and approval.

2. Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard-34 Interim Financial Reporting (IAS-34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

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

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

a) Basis of measurement

The interim condensed consolidated financial statements are prepared on a going concern basis. The interim condensed consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held at fair value through statement of income ("FVSI"), investments carried at fair value through other comprehensive income ("FVOCI") and end of service benefits which are measured using projected unit credit method under IAS-19.

The interim condensed consolidated statement of financial position is stated broadly in order of liquidity.

b) **Functional and presentation currency**

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("SAR") which is the Bank's functional currency. Except as indicated, financial information presented in SAR has been rounded off to the nearest thousand.

c) **Basis of consolidation**

These interim condensed consolidated financial statements comprise the financial statements of Alinma Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank.

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

When the Bank has less than a majority of the voting or similar rights of an entity, it considers relevant facts and circumstances in assessing whether it has power over the entity, including:

- The contractual arrangement with the other voters of the entity;
- Rights arising from other contractual arrangements; and
- Bank's current and potential voting rights granted by instruments such as shares.

The Bank re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more elements of control.

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

The accounting policies adopted by the subsidiaries are consistent with that of the Bank's accounting policies. Adjustments, if any, are made to the financial statements of the subsidiaries to align with the Bank's interim condensed consolidated financial statements.

Amounts due to Mutual Funds' unitholders represent the portion of net assets of the mutual funds which are attributable to interests which are not owned, directly or indirectly, by the Bank or its subsidiaries and are presented separately within liability in the interim condensed consolidated statement of financial position.

Intra-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial statements.

3. Summary of material accounting policies and estimates

a) **Significant accounting estimates and assumptions**

In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2024.

b) Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025, which is explained below. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

c) Adoption of new standards

Below amendment to accounting standards and interpretations became applicable for annual reporting periods commencing on or after January 1, 2025 and does not have an impact on the interim condensed consolidated financial statements of the Bank:

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

d) Prospective changes in the International Financial Reporting Standards

In addition, below are the amendments to accounting standards and interpretations which will become applicable for annual reporting periods commencing on or after January 1, 2026:

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026

Standard, interpretation, amendments	Description	Effective date
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.	January 1, 2027
IFRS 19, Reducing subsidiaries` disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

Except for IFRS 18, the management has assessed that the above amendments have no significant impact on the Bank's interim condensed consolidated financial statements.

The Bank has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance with effect from future dates.

4. Investments, net

	Notes	June 30, 2025 (Unaudited) SAR '000	December 31, 2024 (Audited) SAR '000	June 30, 2024 (Unaudited) SAR '000
Held at FVSI	4.1	**3,504,561**	3,142,665	3,000,291
Held at FVOCI	4.2	**14,579,971**	13,750,818	13,405,079
Held at Amortized Cost		**33,522,124**	31,698,621	30,014,620
Less: Allowance for impairment	4.3	**(15,751)**	(17,161)	(19,744)
Held at Amortized Cost, net		**33,506,373**	31,681,460	29,994,876
Investment in an associate	4.4	**46,550**	46,550	-
Investment in joint ventures	4.5	**2,041**	3,717	230,339
Investment in associate and joint ventures		**48,591**	50,267	230,339
Total		**51,639,496**	48,625,210	46,630,585

4.1 Held at FVSI

June 30, 2025 (Unaudited)	**SAR '000**		
	Domestic	**International**	**Total**
Equities	**119,590**	**131,671**	**251,261**
Sukuk	**62,000**	**15,734**	**77,734**
Funds	**1,399,451**	**1,776,115**	**3,175,566**
Total	**1,581,041**	**1,923,520**	**3,504,561**

December 31, 2024 (Audited)	SAR '000		
	Domestic	International	Total
Equities	117,844	108,243	226,087
Sukuk	61,318	15,642	76,960
Funds	1,280,723	1,558,895	2,839,618
Total	1,459,885	1,682,780	3,142,665

June 30, 2024 (Unaudited)	SAR '000		
	Domestic	International	Total
Equities	108,612	122,156	230,768
Sukuk	61,937	15,635	77,572
Funds	1,407,103	1,284,848	2,691,951
Total	1,577,652	1,422,639	3,000,291

4.2 Held at FVOCI

June 30, 2025 (Unaudited)	**SAR '000**		
	Domestic	**International**	**Total**
Sukuks	**12,315,642**	**1,509,705**	**13,825,347**
Equities	**748,327**	**6,297**	**754,624**
Total	**13,063,969**	**1,516,002**	**14,579,971**

December 31, 2024 (Audited)	SAR '000		
	Domestic	International	Total
Sukuks	11,497,815	1,425,607	12,923,422
Equities	821,224	6,172	827,396
Total	12,319,039	1,431,779	13,750,818

June 30, 2024 (Unaudited)	SAR '000		
	Domestic	International	Total
Sukuks	11,260,497	1,342,222	12,602,719
Equities	796,164	6,196	802,360
Total	12,056,661	1,348,418	13,405,079

The Bank holds SAR 4,372 million (December 31, 2024: SAR 3,578 million, June 30, 2024: SAR 3,475 million) in investment in Tier 1 sukuk out of the total FVOCI sukuk investments.

4.3 As at June 30, 2025, December 31, 2024 and June 30, 2024, all investments held at amortized cost are classified as Stage 1 credit exposures.

4.4 Investment in an associate represents the Bank's share of investment of 20.25% (December 31, 2024: 20.25%, June 30, 2024: 99.9%) in Alinma Fund for Private Equity Investments. This Fund was established on February 27, 2020 and was acquired by the Bank on December 18, 2023 by owning 99.9% of its units. The main purpose of the Fund was to hold the ordinary shares representing 50% ownership of International Water Distribution Company ("Tawzea") received by the Bank as part of a financing settlement agreement from one of its customers. At initial recognition, the Fund was treated as a subsidiary of the Bank and its ownership in Tawzea was accounted in the Bank's consolidated financial statements as an investment in joint venture. On December 31, 2024, the Bank reduced its ownership in the Fund to 20.25% which resulted to the Bank losing control and its reclassification as an investment in an associate.

4.5 Investment in joint ventures represent the Banks's share of ownership in the following entity:

Company name	**Bank's Ownership**	**Paid-up share capital**
ERSAL Financial Remittance Company (a joint venture between the Bank and Saudi Post)	As at June 30, 2025: 50% (December 31, 2024: 50%, June 30, 2024: 50%)	SAR 50 million

5. Derivative financial instruments

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

June 30, 2025 (Unaudited)	**SAR '000**		
	Positive fair value	**Negative fair value**	**Total notional amount**
Held for trading:			
Profit rate swaps	**340,965**	**256,030**	**38,016,765**
Foreign exchange forward contracts	**3,595**	**2,467**	**2,930,748**
Foreign exchange swaps	**673**	**89**	**3,189,416**
Held as cash flow hedges:			
Profit rate swaps	**66,946**	**2,377**	**5,201,000**
Total	**412,179**	**260,963**	**49,337,929**

December 31, 2024 (Audited)	SAR '000		
	Positive fair value	Negative fair value	Total notional amount
Held for trading:			
Profit rate swaps	483,599	390,663	31,938,466
Foreign exchange forward contracts	9,343	8,477	2,919,587
Foreign exchange swaps	-	2,051	937,601
Held as cash flow hedges:			
Profit rate swaps	12,475	35,435	4,551,000
Total	505,417	436,626	40,346,654

June 30, 2024 (Unaudited)	SAR '000		
	Positive fair value	Negative fair value	Total notional amount
Held for trading:			
Profit rate swaps	294,356	238,154	21,141,316
Foreign exchange forward contracts	1,991	887	540,994
Held as cash flow hedges:			
Profit rate swaps	4,824	20,362	2,501,000
Total	301,171	259,403	24,183,310

6. Financing, net

June 30, 2025 (Unaudited)	**SAR '000**				
	Performing	**Non-performing**	**Gross**	**Allowance for impairment (note 6.1)**	**Financing, net**
Retail	**53,805,776**	**483,623**	**54,289,399**	**(628,471)**	**53,660,928**
Corporate	**166,848,836**	**2,300,229**	**169,149,065**	**(4,213,796)**	**164,935,269**
Total	**220,654,612**	**2,783,852**	**223,438,464**	**(4,842,267)**	**218,596,197**

December 31, 2024 (Audited)	SAR '000				
	Performing	Non-performing	Gross	Allowance for impairment (note 6.1)	Financing, net
Retail	49,977,831	502,404	50,480,235	(648,220)	49,832,015
Corporate	153,907,091	1,679,832	155,586,923	(3,110,844)	152,476,079
Total	203,884,922	2,182,236	206,067,158	(3,759,064)	202,308,094

June 30, 2024 (Unaudited)	SAR '000				
	Performing	Non-performing	Gross	Allowance for impairment (note 6.1)	Financing, net
Retail	44,698,564	427,226	45,125,790	(573,394)	44,552,396
Corporate	147,341,276	1,091,254	148,432,530	(3,072,940)	145,359,590
Total	192,039,840	1,518,480	193,558,320	(3,646,334)	189,911,986

Below tables show the stage-wise breakdown of gross exposure and allowance for impairment of financing:

	June 30, 2025 (Unaudited)							
	Gross exposure				**Allowance for impairment**			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Allowance for impairment**
	SAR '000							
Retail	**52,467,659**	**1,338,117**	**483,623**	**54,289,399**	**221,965**	**67,126**	**339,380**	**628,471**
Corporate	**155,870,331**	**10,978,505**	**2,300,229**	**169,149,065**	**625,775**	**1,968,022**	**1,619,999**	**4,213,796**
Total	**208,337,990**	**12,316,622**	**2,783,852**	**223,438,464**	**847,740**	**2,035,148**	**1,959,379**	**4,842,267**

	December 31, 2024 (Audited)							
	Gross exposure				Allowance for impairment			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Allowance for impairment
	SAR '000							
Retail	48,522,099	1,455,732	502,404	50,480,235	216,715	81,692	349,813	648,220
Corporate	144,064,196	9,842,895	1,679,832	155,586,923	583,623	1,675,928	851,293	3,110,844
Total	192,586,295	11,298,627	2,182,236	206,067,158	800,338	1,757,620	1,201,106	3,759,064

	June 30, 2024 (Unaudited)							
	Gross exposure				Allowance for impairment			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Allowance for impairment
	SAR '000							
Retail	43,880,504	818,060	427,226	45,125,790	241,153	77,449	254,792	573,394
Corporate	137,672,436	9,668,840	1,091,254	148,432,530	570,837	2,016,356	485,747	3,072,940
Total	181,552,940	10,486,900	1,518,480	193,558,320	811,990	2,093,805	740,539	3,646,334

6.1 Movement in allowance for impairment of financing

	June 30, 2025 (Unaudited)			
	SAR '000			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at January 1, 2025	**800,338**	**1,757,620**	**1,201,106**	**3,759,064**
Transfer to 12-month ECL	**62,515**	**(49,278)**	**(13,237)**	**-**
Transfer to life time ECL, not credit impaired	**(28,640)**	**30,399**	**(1,759)**	**-**
Transfer to life time ECL, credit impaired	**(1,213)**	**(21,802)**	**23,015**	**-**
Net charge for the period	**14,740**	**318,209**	**924,251**	**1,257,200**
Write-off	**-**	**-**	**(173,997)**	**(173,997)**
Balance as at June 30, 2025	**847,740**	**2,035,148**	**1,959,379**	**4,842,267**

	December 31, 2024 (Audited)			
	SAR '000			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at January 1, 2024	685,932	1,716,359	2,030,410	4,432,701
Transfer to 12-month ECL	85,110	(55,287)	(29,823)	-
Transfer to life time ECL, not credit impaired	(25,241)	34,178	(8,937)	-
Transfer to life time ECL, credit impaired	(3,042)	(85,533)	88,575	-
Net charge for the period	57,579	147,903	585,778	791,260
Write-off	-	-	(1,464,897)	(1,464,897)
Balance as at December 31, 2024	800,338	1,757,620	1,201,106	3,759,064

	June 30, 2024 (Unaudited)			
	SAR '000			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at January 1, 2024	685,932	1,716,359	2,030,410	4,432,701
Transfer to 12-month ECL	50,582	(25,783)	(24,799)	-
Transfer to life time ECL, not credit impaired	(11,639)	13,671	(2,032)	-
Transfer to life time ECL, credit impaired	(1,201)	(64,656)	65,857	-
Net charge for the period	88,316	454,214	102,058	644,588
Write-off	-	-	(1,430,955)	(1,430,955)
Balance as at June 30, 2024	811,990	2,093,805	740,539	3,646,334

7. Due to SAMA, banks and other financial institutions

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
		SAR '000	SAR '000	SAR '000
Placements by SAMA	7.1	**2,659,044**	7,395,877	2,751,192
Time investments from banks and other financial institutions		**8,129,079**	5,810,299	4,462,448
Current accounts		**465,174**	730,080	436,875
Total		**11,253,297**	13,936,256	7,650,515

7.1 This balance included profit free deposits received from SAMA with gross amount of SAR 509.3 million as of June 30, 2024, with varying maturities in order to support the Bank in its implementation of various regulatory relief packages given by the government in response to COVID-19. These deposits have all matured during the year ended December 31, 2024.

8. Customers' deposits

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
	Note	**SAR '000**	SAR '000	SAR '000
Demand		**102,788,153**	95,253,337	91,940,335
Savings		**11,813,249**	11,643,387	10,144,030
Customers' time investments	8.1	**113,424,363**	101,805,095	101,503,276
Others		**1,918,479**	1,842,831	1,768,954
Total		**229,944,244**	210,544,650	205,356,595

8.1 This represents Murabaha and Mudaraba deposits from customers.

9. Commitments and contingencies

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000	SAR '000
Letters of credit	**6,010,639**	3,392,930	4,302,805
Letters of guarantee	**20,219,043**	21,548,974	20,938,360
Acceptances	**1,075,895**	1,203,262	1,182,316
Irrevocable commitments to extend credit	**13,468,607**	15,181,257	10,122,660
Total	**40,774,184**	41,326,423	36,546,141

ii) Other liabilities include provision for credit-related commitments and contingencies of SAR 467.8 million as at June 30, 2025 (December 31, 2024: SAR 1,111.5 million; June 30, 2024: SAR 638.7 million).

	June 30, 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
	SAR '000			
Opening allowance at January 1, 2025	**45,955**	**537,245**	**528,349**	**1,111,549**
Transfer to 12-month ECL	**33**	**(33)**	**-**	**-**
Transfer to life time ECL, not credit impaired	**(1,579)**	**1,579**	**-**	**-**
Transfer to life time ECL, credit impaired	**-**	**(5)**	**5**	**-**
Net reversal for the period	**(2,631)**	**(208,406)**	**(432,750)**	**(643,787)**
Balance as at June 30, 2025	**41,778**	**330,380**	**95,604**	**467,762**

	December 31, 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR '000			
Opening allowance at January 1, 2024	40,469	402,016	213,378	655,863
Transfer to life time ECL, not credit impaired	(26)	26	-	-
Transfer to life time ECL, credit impaired	(22)	(50,101)	50,123	-
Net charge for the period	5,534	185,304	264,848	455,686
Balance as at December 31, 2024	45,955	537,245	528,349	1,111,549

	June 30, 2024 (Unaudited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR ’000			
Opening allowance at January 1, 2024	40,469	402,016	213,378	655,863
Transfer to 12-month ECL	20	(20)	-	-
Transfer to life time ECL, not credit impaired	(50)	50	-	-
Transfer to life time ECL, credit impaired	-	(3,850)	3,850	-
Net (reversal) / charge for the period	(5,188)	14,910	(26,863)	(17,141)
Balance as at June 30, 2024	35,251	413,106	190,365	638,722

10. Cash and cash equivalents

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
	SAR ’000	SAR ’000	SAR ’000
Cash in hand	**2,175,340**	1,947,985	2,213,139
Balances with SAMA excluding statutory deposits	**338,379**	464,185	1,242,937
Due from banks and other financial institutions maturing within ninety days from the date of acquisition	**4,278,370**	3,996,411	3,208,185
Total	**6,792,089**	6,408,581	6,664,261

11. Tier 1 Sukuk

On July 1, 2021, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk of SAR 5 billion with a profit rate of 4% payable on quarterly basis.

On March 6, 2024, the Bank issued additional Tier 1 sukuk of USD 1 billion with a profit rate of 6.5% payable on semi-annual basis.

On May 28, 2025, the Bank has issued its first international sustainable Tier 1 Sukuk of USD 500 million with a profit rate of 6.5% payable on semi-annual basis.

These issuances were approved by the regulatory authorities and the Board of Directors of the Bank. These Sukuks 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, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement. These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of SAMA.

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

12. Operating segments

Operating segments are identified on the basis of internal reports about activities of the Bank that are regularly reviewed by the key decision makers including Chief Executive Officer (“CEO”) and the Assets and Liabilities Committee (“ALCO”), in order to allocate resources to the segments and to assess their performance.

The Bank’s primary business is conducted in Saudi Arabia. Transactions between the operating segments are on terms as approved by the management. The majority of the segment assets and liabilities comprise operating assets and liabilities. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2024.

The Bank’s reportable segments are as follows:

a) Retail banking
Financing, deposit and other products/services for individuals.

b) Corporate banking
Financing, deposit and other products and services for corporate, SME and institutional customers.

c) Treasury
Investments, interbank and other treasury services.

d) Investment and brokerage
Investment, asset management and brokerage services through dealing, managing, arranging, advising and custodial services.

Profit is charged or credited to operating segments using internally developed Fund Transfer Pricing (FTP) rates, which approximate the marginal cost of funds.

Following is an analysis of the Bank's assets, liabilities, income and results by operating segments:

	June 30, 2025 (Unaudited)				
SAR '000	**Retail**	**Corporate**	**Treasury**	**Investment and brokerage**	**Total**
Total assets	**52,466,228**	**164,935,269**	**75,802,838**	**4,012,107**	**297,216,442**
Total liabilities	**147,970,214**	**41,219,633**	**62,921,186**	**330,857**	**252,441,890**
Income from investments and financing	**4,007,735**	**2,208,307**	**2,092,343**	**63,553**	**8,371,938**
Return on time investments	**(1,597,166)**	**(831,606)**	**(1,387,769)**	**(598)**	**(3,817,139)**
Income from investments and financing, net	**2,410,569**	**1,376,701**	**704,574**	**62,955**	**4,554,799**
Fees from banking services and other operating income	**249,684**	**177,102**	**278,244**	**500,451**	**1,205,481**
Total operating income	**2,660,253**	**1,553,803**	**982,818**	**563,406**	**5,760,280**
Depreciation and amortization	**163,918**	**26,180**	**9,954**	**4,312**	**204,364**
Other operating expenses	**967,658**	**338,721**	**91,619**	**219,791**	**1,617,789**
Charge for credit impairment	**14,001**	**486,760**	**2,715**	**4,105**	**507,581**
Total operating expenses	**1,145,577**	**851,661**	**104,288**	**228,208**	**2,329,734**
Net operating income	**1,514,676**	**702,142**	**878,530**	**335,198**	**3,430,546**
Share of loss from associate and joint ventures	**-**	**-**	**(1,676)**	**-**	**(1,676)**
Net income for the period before zakat	**1,514,676**	**702,142**	**876,854**	**335,198**	**3,428,870**

	June 30, 2024 (Unaudited)				
SAR '000	Retail	Corporate	Treasury	Investment and brokerage	Total
Total assets	43,430,343	145,359,590	67,890,726	3,457,782	260,138,441
Total liabilities	129,436,216	36,791,360	53,727,622	145,931	220,101,129
Income from investments and financing	3,722,999	2,237,347	1,742,870	57,338	7,760,554
Return on time investments	(1,416,487)	(808,789)	(1,372,565)	-	(3,597,841)
Income from investments and financing, net	2,306,512	1,428,558	370,305	57,338	4,162,713
Fees from banking services and other operating income	217,907	180,197	273,511	475,905	1,147,520
Total operating income	2,524,419	1,608,755	643,816	533,243	5,310,233
Depreciation and amortization	140,674	17,889	12,741	3,077	174,381
Other operating expenses	791,830	331,792	183,491	186,109	1,493,222
Charge for credit impairment	77,442	509,343	3,929	320	591,034
Total operating expenses	1,009,946	859,024	200,161	189,506	2,258,637
Net operating income	1,514,473	749,731	443,655	343,737	3,051,596
Share of loss from an associate and joint venture	-	-	(6,303)	-	(6,303)
Net income for the period before zakat	1,514,473	749,731	437,352	343,737	3,045,293

SAR ’000 Other information:	June 30, 2025 (Unaudited) Retail	Corporate	Treasury	Investment and brokerage	Total
Revenue from:					
- External	**184,968**	**4,999,716**	**12,190**	**563,406**	**5,760,280**
- Inter-segment	**2,475,285**	**(3,445,913)**	**970,628**	**-**	**-**
Total operating income	**2,660,253**	**1,553,803**	**982,818**	**563,406**	**5,760,280**

SAR ’000 Other information:	June 30, 2024 (Unaudited) Retail	Corporate	Treasury	Investment and brokerage	Total
Revenue from:					
- External	112,621	4,850,210	(185,841)	533,243	5,310,233
- Inter-segment	2,411,798	(3,241,455)	829,657	-	-
Total operating income	2,524,419	1,608,755	643,816	533,243	5,310,233

13. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net income adjusted for Tier 1 Sukuk costs by the weighted average number of outstanding shares which were 2,487 million shares at June 30, 2025 (June 30, 2024: 2,485 million shares). The diluted earnings per share is the same as the basic earnings per share.

14. Fair values of financial assets and liabilities

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank

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

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

Level 2: Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data**.**

Level 3: Inputs that are unobservable. This category include all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments**.**

Valuation technique and significant unobservable inputs for financial instruments at fair value

The Bank uses various valuation techniques used in measuring level 2 and level 3 fair values at June 30, 2025, December 31, 2024 and June 30, 2024, as well as the significant unobservable inputs used.

For the valuation of investments in mutual funds, the Bank utilizes fund manager reports. The fund manager deploys various techniques (such as discounted cash flow models and multiples method) for the valuation of underlying assets classified under level 2 and 3 of the respective fund's fair value hierarchy. Significant unobservable inputs embedded in the models used by the fund manager include risk-adjusted discount rates, marketability and liquidity discounts and control premiums.

14 (a) Fair values of financial assets and liabilities carried at fair value

Following table shows an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

	SAR '000			
June 30, 2025 (Unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	**187,352**	**-**	**63,909**	**251,261**
- Sukuk	**62,000**	**15,734**	**-**	**77,734**
- Mutual funds	**647,643**	**1,808,236**	**719,687**	**3,175,566**
Financial assets held as FVOCI				
- Equities	**727,297**	**-**	**27,327**	**754,624**
- Sukuk	**5,530,144**	**8,295,203**	**-**	**13,825,347**
Positive fair value of derivatives				
- Held for trading	**-**	**345,233**	**-**	**345,233**
- Held for cash flow hedges	**-**	**66,946**	**-**	**66,946**
Total	**7,154,436**	**10,531,352**	**810,923**	**18,496,711**
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	**-**	**258,586**	**-**	**258,586**
- Held for cash flow hedges	**-**	**2,377**	**-**	**2,377**
Total	**-**	**260,963**	**-**	**260,963**

December 31, 2024 (Audited)	SAR '000 Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	168,270	-	57,817	226,087
- Sukuk	61,318	15,642	-	76,960
- Mutual funds	563,311	1,591,304	685,003	2,839,618
Financial assets held as FVOCI				
- Equities	800,194	-	27,202	827,396
- Sukuk	4,715,304	8,208,118	-	12,923,422
Positive fair value of derivatives				
- Held for trading	-	492,942	-	492,942
- Held for cash flow hedges	-	12,475	-	12,475
Total	6,308,397	10,320,481	770,022	17,398,900
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	401,191	-	401,191
- Held for cash flow hedges	-	35,435	-	35,435
Total	-	436,626	-	436,626

June 30, 2024 (Unaudited)	SAR '000 Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	187,951	-	42,817	230,768
- Sukuk	61,937	15,635	-	77,572
- Mutual funds	431,959	1,619,223	640,769	2,691,951
Financial assets held as FVOCI				
- Equities	775,134	-	27,226	802,360
- Sukuk	4,193,504	8,409,215	-	12,602,719
Positive fair value of derivatives				
- Held for trading	-	296,347	-	296,347
- Held for cash flow hedges	-	4,824	-	4,824
Total	5,650,485	10,345,244	710,812	16,706,541
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	239,041	-	239,041
- Held for cash flow hedges	-	20,362	-	20,362
	-	259,403	-	259,403

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values:

	SAR '000	
June 30, 2025 (Unaudited)	**Financial assets held as FVSI**	**Financial assets held as FVOCI**
Balance at January 1, 2025	**742,820**	**27,202**
Additional / new investments	**80,732**	**135**
Capital return and disposals during the period	**(78,913)**	**(10)**
Net change in fair value (unrealized)	**38,957**	**-**
Balance at June 30, 2025	**783,596**	**27,327**

	SAR '000	
December 31, 2024 (Audited)	Financial assets held as FVSI	Financial assets held as FVOCI
Balance at January 1, 2024	663,892	24,839
Additional / new investments	149,817	2,455
Capital return and disposals during the period	(25,437)	(92)
Net change in fair value (unrealized)	(45,452)	-
Balance at December 31, 2024	742,820	27,202

	SAR '000	
June 30, 2024 (Unaudited)	Financial assets held as FVSI	Financial assets held as FVOCI
Balance at January 1, 2024	663,892	24,839
Additional / new investments	7,677	2,407
Capital return and disposals during the period	(3,305)	(20)
Net change in fair value (unrealized)	15,322	-
Balance at June 30, 2024	683,586	27,226

There were no transfers between Level 1, 2 and 3 during the period.

14 (b) Fair values of financial assets and liabilities not carried at fair value

Management adopts discounted cash flow method using the current yield curve to arrive at the fair value of financial instruments which is categorized within Level 3 of the fair value hierarchy except for investments in Sukuks and Murabaha with SAMA which are categorized within Level 2. The fair values of cash and balances with SAMA are not materially different from its carrying values included in the interim condensed consolidated financial statements. Following table shows the fair value of financial instruments carried at amortized cost.

	SAR '000	
June 30, 2025 (Unaudited)	**Carrying value**	**Fair value**
ASSETS		
Due from banks and other financial institutions	**4,799,647**	**4,798,639**
Investments – Murabaha with SAMA, gross	**1,793,494**	**1,797,587**
Sukuks – Amortized Cost, gross	**31,728,630**	**31,124,377**
Financing, net	**218,596,197**	**218,678,395**
LIABILITIES		
Due to SAMA, banks and other financial institutions	**11,253,297**	**11,255,180**
Customers' deposits	**229,944,244**	**230,070,415**

	SAR '000	
December 31, 2024 (Audited)	Carrying value	Fair value
ASSETS		
Due from banks and other financial institutions	4,510,142	4,518,324
Investments – Murabaha with SAMA, gross	1,771,552	1,775,870
Sukuks – Amortized Cost, gross	29,927,069	29,090,466
Financing, net	202,308,094	202,392,193
LIABILITIES		
Due to SAMA, banks and other financial institutions	13,936,256	13,960,074
Customers' deposits	210,544,650	210,665,693

	SAR '000	
June 30, 2024 (Unaudited)	Carrying value	Fair value
ASSETS		
Due from banks and other financial institutions	3,323,900	3,325,696
Investments – Murabaha with SAMA, gross	2,146,353	2,154,935
Sukuks – Amortized Cost, gross	27,868,267	27,623,085
Financing, net	189,911,986	190,045,611
LIABILITIES		
Due to SAMA, banks and other financial institutions	7,650,515	7,661,842
Customers' deposits	205,356,595	205,382,424

15. Other reserves

June 30, 2025 (Unaudited)	Fair value reserve for FVOCI investments	Employees share-based plan reserve	Social contribution reserve	Remeasurement of End of Service Benefits	Cash flow hedge reserve	Total
	SAR ’000					
Balance at January 1, 2025	**(421,404)**	**119,794**	**190,582**	**4,584**	**(22,960)**	**(129,404)**
Net change in fair value of FVOCI equity investments	**(71,823)**	**-**	**-**	**-**	**-**	**(71,823)**
Net change in fair value of FVOCI sukuk investments	**81,801**	**-**	**-**	**-**	**-**	**81,801**
Gain on sale of FVOCI sukuk investments	**(25)**	**-**	**-**	**-**	**-**	**(25)**
Transfers to retained earnings on disposal of FVOCI equity investments	**1,435**	**-**	**-**	**-**	**-**	**1,435**
Net fair value change in cash flow hedge	**-**	**-**	**-**	**-**	**89,892**	**89,892**
Employee share based plan reserve	**-**	**34,539**	**-**	**-**	**-**	**34,539**
Vesting of shares	**-**	**(33,369)**	**-**	**-**	**-**	**(33,369)**
Utilization during the period	**-**	**-**	**(45,235)**	**-**	**-**	**(45,235)**
Balance as at June 30, 2025	**(410,016)**	**120,964**	**145,347**	**4,584**	**66,932**	**(72,189)**

June 30, 2024 (Unaudited)	Fair value reserve for FVOCI investments	Employees share-based plan reserve	Social contribution reserve	Remeasurement of End of Service Benefits	Cash flow hedge reserve	Total
	SAR ’000					
Balance at January 1, 2024	(184,028)	93,886	153,403	(902)	-	62,359
Net change in fair value of FVOCI equity investments	57,965	-	-	-	-	57,965
Net change in fair value of FVOCI sukuk investments	(114,571)	-	-	-	-	(114,571)
Share of joint venture's other comprehensive income	2,425	-	-	-	-	2,425
Gain on sale of FVOCI sukuk investments	(911)	-	-	-	-	(911)
Transfers to retained earnings on disposal of FVOCI equity investments	(85,979)	-	-	-	-	(85,979)
Net fair value change in cash flow hedge	-	-	-	-	(12,610)	(12,610)
Employee share based plan reserve	-	32,279	-	-	-	32,279
Vesting of shares	-	(33,740)	-	-	-	(33,740)
Utilization during the period	-	-	(1,667)	-	-	(1,667)
Balance as at June 30, 2024	(325,099)	92,425	151,736	(902)	(12,610)	(94,450)

16. Financial Risk Management

16.1 Credit Risk

Credit risk arises when a counterparty fails to fulfil its contractual obligations to the Bank. To effectively manage this risk of a counterparty failing to meet its obligation, the Bank implements a comprehensive and proactive credit process designed to ensure that all credits originated are consistent with the institution's risk appetite and adhere to defined criteria under which credits are extended. Each credit proposal is subjected to an exhaustive due diligence process intended to assess all potential risks associated with granting the credit.

a) Internal Credit-Rating Model

To evaluate the creditworthiness of corporate obligors, the Bank employs an internal credit-rating model that determines the Obligor Risk Rating (ORR). This rating serves as a key indicator of the obligor's probability of default and is crucial in the decision-making process and serves as first filter for prospective and existing obligors to avoid initiating or maintaining relationships that do not fit the Bank’s strategy and desired risk profile. In addition to internal assessments, the Bank considers external ratings from major credit rating agencies whenever available and disclosed by clients. This dual approach enhances the accuracy of risk assessments and ensures a well-rounded view of each obligor’s credit profile. The credit assessment for individual obligors of Retail Asset products is performed through automated product specific scorecard framework. Credits are extended based on the Corporate, Financial Institutions and Retail Banking Credit Policies and Guidelines.

b) Target Market and Risk Acceptance Criteria

A critical component of the credit assessment process is the identification of the Target Market. This initial filter helps the Bank to avoid initiating or continuing relationships with obligors that do not align with its strategic objectives and risk appetite. Risk Acceptance Criteria (RAC) is a set of variables indicating the terms under which the Bank is willing to initiate and/or maintain a credit relationship with an obligor that meets the target market. This structured approach ensures that all credit activities are consistent with the Bank's overarching risk management framework.

c) Credit Approval Process

The Bank's credit approval process involves a front-end marketing team responsible for originating, evaluating, and recommending credit proposals. Approval is granted in accordance with the Board-approved “Credit Approval Authority Delegation Matrix” by the Credit Committee, which comprises key executives, including the CEO, Group Head, Senior Credit Officer, and Chief Credit Officer. This multi-tiered approval structure promotes accountability and thorough scrutiny of credit decisions.

d) Role of Risk Management

Risk Management as a key stakeholder, actively participates in the formulation and periodic update of the credit policies in order to ensure that policies framework is aligned and adjusted in accordance with prevalent economic, market, regulatory and legal landscape. The Unit also performs pro-active monitoring of the credit portfolio to ensure that credit risk is effectively measured and managed within the defined threshold of the Risk Appetite metrics.

e) Portfolio Diversification

The Bank actively manages various credit portfolios to achieve diversification and reduce concentration risks. This involves careful consideration of economic activity, geography, collateral types, and underlying products. The Bank seeks to diversify its credit exposure by acquiring customers from a broad spectrum of industries and economic activities. By targeting large, medium, and small corporate clients as well as individual clients, the Bank enhances its risk profile. Continuous monitoring of obligor and sector concentrations allows the Bank to assess financing risks proactively. The Bank also conducts regular stress tests on its credit portfolios to evaluate the potential impact of adverse economic factors on asset quality, risk ratings, profitability, and capital allocations.

16.2 Credit Risk Evaluation - Expected Credit Loss (ECL)

To systematically evaluate credit risk, the Bank employs a robust credit evaluation process anchored in a well-defined Target Market and Risk Acceptance Criteria. The framework includes extensive due diligence procedures, stringent credit administration controls, and ongoing limit monitoring functions. This comprehensive approach ensures that credit risk is managed effectively throughout the credit lifecycle.

a) Internal Risk Rating Grades

The Bank utilizes Moody's CreditLens, a sophisticated credit rating system recognized globally, to generate internal risk ratings for corporate obligors. This system enables the Bank to assign a risk rating reflecting a 12-month probability of default (PD). The risk ratings are conveyed through a 10-point scale, with 1 representing the highest credit quality and 10 indicating the lowest. For a more granular assessment, the ratings include sub-grades (e.g., 5+, 5, 5-) to capture slight variations in creditworthiness. According to the Bank's policy, only obligors rated 6- or better are considered for new financing facilities. The Moody's CreditLens rating system is regularly reviewed and validated by independent internal or external consultants to ensure its predictive power, and reliability.

Credit risks in the retail portfolio are estimated based on individual credit-worthiness scores, derived from an automated credit scoring platform and is not subject to the Moody's rating system. This tailored approach ensures that the unique characteristics of retail borrowers are adequately assessed.

b) Ongoing Monitoring and Review

All credit exposures under corporate business segment are subject to continuous monitoring and annual reviews, which may lead to adjustments in risk ratings based on qualitative and quantitative factors. These factors can include changes in the obligor's audited financial statements, compliance with covenants, management changes, and shifts in the broader economic environment. This ongoing vigilance helps the Bank to respond swiftly to emerging risks.

c) Point-in-Time PD and Economic Scenarios

The Bank has developed a structured approach to estimate the Term Structure of PD, which describes the relationship between PD and time-to-maturity. By formulating three forward-looking economic scenarios, the Bank generates estimates of PD that account for expected migrations based on various stages of the economic cycle. For example, in a down-swing economic environment, obligors already classified under Stage 2 may experience further deterioration. Conversely, in an up-swing, the likelihood of default may decrease for similar obligors. The Long-Term Survival Probability Adjusted PD model indicates that the longer a stressed obligor survives, the lower its probability of default becomes.

d) Significant Increase in Credit Risk (SICR) Criteria

The Significant Increase in Credit Risk (SICR) criteria play a crucial role in the Bank's credit risk management framework and are integral to the calculation of Expected Credit Losses (ECL) under IFRS9. The SICR threshold determines when a financial asset transitions from Stage 1 (performing) to Stage 2 (underperforming) of the ECL model, triggering the recognition of lifetime expected credit losses. A significant increase in credit risk signifies a deterioration in the credit quality of an obligor, even if the obligor is not yet in default category.

As outlined in the regulations, the Significant Increase in Credit Risk (SICR) backstop and rebuttal criteria are applied consistently across all types of exposures without modifications. Any exceptions to these criteria are thoroughly documented, including detailed justifications and the rationale for SICR overrides.

The Bank employs a forward-looking approach to assess whether there has been a significant increase in credit risk since the initial recognition of a financial asset. The determination of SICR is based on both quantitative and qualitative factors.

e) **Stage Categorization under IFRS9**

The Bank's impairment framework is designed to ensure the accurate recognition of credit losses and the appropriate provision of allowances in accordance with International Financial Reporting Standards (IFRS9). The framework is integral to maintaining the financial health of the Bank, ensuring that all credit exposures are assessed for impairment and that sufficient provisions are made to absorb potential losses.

The Bank recognizes impairments on financial assets through an Expected Credit Loss (ECL) model, which applies a forward-looking approach to estimate potential credit losses. This model incorporates both historical data and forward-looking information to assess the credit quality of assets and to determine an appropriate impairment allowance. The ECL model is based on three stages of credit deterioration:

- **Stage 1 - Performing Assets:** Financial assets that have not experienced significant credit deterioration since initial recognition. A 12-month ECL is recognized in this stage.
- **Stage 2 - Underperforming Assets**: Financial assets that have shown significant credit deterioration since initial recognition but are not yet considered impaired. A lifetime ECL is recognized in this stage.
- **Stage 3 - Credit-Impaired Assets (Non-performing Assets):** Financial assets that are considered credit-impaired. A lifetime ECL is recognized, and profit income is calculated on the net carrying amount (i.e., after adjusting for the impairment allowance).

The Bank’s Credit Risk Management function is responsible for monitoring credit exposures, identifying deteriorating assets based on pre-set Significant Increase in Credit Risk (SICR) criteria, and ensuring the accuracy of impairment provisions. Regular periodic reviews of the credit portfolio are conducted to assess changes in credit risk and to update impairment provisions as necessary. The Bank also employs a range of models, including internal credit ratings, macroeconomic variables, and industry-specific factors, to estimate the expected credit loss and assess the adequacy of provisions.

16.3 Definition of ‘Default’

As defined in the Basel regulation, a default is considered to have occurred when any of the following conditions are met for an obligor with the Bank:

- The obligor is over 90 days past due on any of their material obligations with the Bank.
- Any of the obligor’s obligations with the Bank have been charged-off in part or in full.
- Profit has stopped accruing profit on any of the obligor’s obligations with the Bank within a specified segment.
- The obligor has filed for bankruptcy protection.
- The obligor’s debt has been restructured in a manner that results in an economic loss to the Bank.
- The obligor has been classified as non-performing by the Bank, in accordance with internal policies and regulatory guidelines

a) Loss allowance

The following table shows reconciliations from the opening to the closing balance of the allowance for impairment for due from banks and other financial institutions, investments, financing and credit related contingencies and commitments:

	June 30, 2025 (Unaudited)			
	12 month ECL	**Life time ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
	SAR '000			
Balance at January 1, 2025	**868,237**	**2,294,864**	**1,729,455**	**4,892,556**
Transfer to 12 month ECL	**62,548**	**(49,311)**	**(13,237)**	**-**
Transfer to life time ECL, not credit impaired	**(30,219)**	**31,978**	**(1,759)**	**-**
Transfer to life time ECL, credit impaired	**(1,213)**	**(21,807)**	**23,020**	**-**
Net charge for the period	**9,895**	**114,732**	**491,501**	**616,128**
Write off	**-**	**-**	**(173,997)**	**(173,997)**
Balance as at June 30, 2025	**909,248**	**2,370,456**	**2,054,983**	**5,334,687**

	June 30, 2024 (Unaudited)			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR '000			
Balance at January 1, 2024	761,502	2,118,631	2,243,788	5,123,921
Transfer to 12 month ECL	50,602	(25,803)	(24,799)	-
Transfer to life time ECL, not credit impaired	(11,689)	13,721	(2,032)	-
Transfer to life time ECL, credit impaired	(1,201)	(68,506)	69,707	-
Net charge for the period	75,571	468,899	75,195	619,665
Write off	-	-	(1,430,955)	(1,430,955)
Balance as at June 30, 2024	874,785	2,506,942	930,904	4,312,631

b) Reconciliation of 'Impairment charge of financing and other financial assets'

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000
Impairment charge on financing (note 6.1)	**1,257,200**	644,588
Reversal of non-funded financing and credit related commitments (note 9)	**(643,787)**	(17,141)
Impairment charge / (reversal) on other financial exposures	**2,715**	(7,782)
Total charge for the period before recoveries from written off bad debts	**616,128**	619,665
Impairment charge of other financial assets	**4,721**	12,828
Recoveries from written off bad debts	**(113,268)**	(41,459)
Total impairment charge for period, net of recoveries	**507,581**	591,034

17. Related party balances and transactions

In the ordinary course of its activities, the Bank transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA. Major shareholder represents shareholding of more than 5% of the Bank's issued share capital. Related parties are the persons or close members of those persons' families and their entities where the Bank have control, joint control or significant influence over these entities.

The balances as at June 30, 2025, December 31, 2024 and June 30, 2024, resulting from such transactions included in the interim condensed consolidated financial statements are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000	SAR '000
Balances with related parties except Bank's mutual funds			
Financing to directors and key management personnel	**169,916**	196,020	138,920
Allowance for impairment on financing to directors, key management personnel	**410**	443	400
Customers' deposits from major shareholder	**9,052,844**	4,202,955	2,543,930
Customers' deposits from directors and key management personnel	**120,148**	86,437	28,487
Customer's deposits from associate and joint venture	**68,253**	30,573	158,590
Investments in associate and joint venture	**48,591**	50,267	230,339
Investments in major shareholder held at FVOCI	**161,148**	159,052	159,396
Bank's mutual funds			
Investments in mutual funds	**1,027,022**	922,514	1,048,647
Deposits from mutual funds	**409,924**	705,846	408,567

Financing and customer deposits with related parties are transacted at market rate and in the normal course of business.

(i) Income and expenses pertaining to transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000
Income from investment and financing	**8,750**	7,051
Return on time investments	**99,012**	39,837
Fee from banking services, net	**281,521**	241,280
Board of directors and shariah committee remunerations	**5,616**	6,430

The advances and expenses related to executives are in line with the normal employment terms.

(ii) The total amount of compensation paid to key management personnel during the period is as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000
Short-term employees' benefits	**81,732**	68,865
End of service benefit	**5,492**	4,325

18. Capital and capital adequacy

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

Capital adequacy and the use of regulatory capital are monitored by the Bank's management. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to risk ("RWA") at or above 10.5% including a capital conservation buffer of 2.5%.

The Bank actively manages its capital base to cover the risks inherent in its business. The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its statement of financial position assets, commitments and notional amounts of derivatives at a weighted amount to reflect their relative risk.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
	SAR '000	SAR '000	SAR '000
Credit risk weighted assets	**244,408,396**	235,523,264	220,902,201
Operational risk weighted assets	**8,724,584**	7,321,465	7,321,465
Market risk weighted assets	**4,877,896**	5,383,760	3,345,795
Total Pillar-I Risk Weighted Assets	**258,010,876**	248,228,489	231,569,461
Tier I capital	**44,707,620**	41,464,734	40,170,400
Tier II capital	**2,899,696**	2,576,153	2,745,143
Total Tier I & II Capital	**47,607,316**	44,040,887	42,915,543
Capital Adequacy Ratio %			
Common Equity Tier I	**13%**	13%	14%
Tier I ratio	**17%**	17%	17%
Tier I + Tier II ratio	**18%**	18%	19%

Tier 1 capital is comprised of share capital, statutory reserve, other reserves, retained earnings, proposed issue of bonus shares and Tier 1 Sukuk less treasury shares and other prescribed deductions. Tier 2 capital comprises of prescribed amounts of eligible portfolio collective provisions.

18.1 Dividends

The Board of Directors in their meeting held on January 29, 2025 proposed a final 2024 dividend of SAR 746.1 million which was approved in the ordinary general assembly meeting held on April 24, 2025. This resulted to a net payment of SAR 0.30 per share to the shareholders of the Bank.

The Board of Directors approved on April 28, 2025 an interim dividend of SAR 746.2 million for the first quarter of 2025 (2024: SAR 621.4 million). This resulted to a net payment of SAR 0.30 per share to the shareholders of the Bank (2024: SAR 0.25 per share).

18.2 Issuance of bonus shares

On December 31, 2023, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the capital by SAR 5,000 million through capitalization from the retained earnings by way of granting one share for every four shares. On April 23, 2024, the shareholders, in their Extraordinary General Assembly meeting approved the increase of share capital by issuance of bonus shares. Accordingly, the total shares increased by 500 million shares to be 2,500 million shares and share capital increased by SAR 5,000 million to be SAR 25,000 million.

19. Comparative figures

Certain comparative figures have been rearranged or reclassified, wherever necessary, for the purpose of better presentation.

20. Events after the reporting period

On July 7, 2025, the Bank announced its intention to issue US dollar denominated certificates under the trust certificate issuance programme by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally. On July 9, 2025, the Bank announced the completion of the offer of the certificates, the value of the offer is USD 500 million.

There have been no events other than disclosed subsequent to the reporting date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the six months period ended June 30, 2025.

21. Approval of the financial statements

These interim condensed consolidated financial statements were approved by the Board of Directors of the Bank on 28 Muharram 1447H (corresponding to July 23, 2025).