



# **BANQUE SAUDI FRANSI**

(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED  
JUNE 30, 2025**





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

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Company)  
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## **INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION**

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

### **Introduction**

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

### **Scope of review**

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

### **Conclusion**

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

**Ernst & Young Professional Services**

**Waleed G. Tawfiq**  
Certified Public Accountant  
License No. 437



**Deloitte and Touche & Co.**



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

3 Safar 1447  
28 July 2025

**BANQUE SAUDI FRANSI (A Saudi Joint Stock Company)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at

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ﷲ '000	Notes	Jun 30, 2025 (Unaudited)	Dec 31, 2024 (Audited)	Jun 30, 2024 (Unaudited) Restated – note 24
<b>ASSETS</b>				
Cash and balances with Saudi Central Bank	5	10,999,307	10,920,606	11,577,948
Due from banks and other financial institutions, net	6	6,857,987	5,015,810	11,742,226
Investments, net	7	62,792,275	60,288,858	55,788,640
Positive fair value of derivatives	11	4,766,921	5,691,581	6,207,275
Loans and advances, net	8	209,880,797	204,168,275	197,160,066
Investment in associate, net		9,695	9,695	9,695
Property, equipment and right of use assets, net		2,266,250	2,318,805	2,075,122
Other real estate, net		294,367	343,500	343,500
Other assets, net		3,622,198	4,018,532	4,204,781
<b>Total assets</b>		<b>301,489,797</b>	<b>292,775,662</b>	<b>289,109,253</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to Saudi Central Bank	9	17,495,756	12,492,716	11,583,187
Due to banks and other financial institutions	10	14,159,010	19,814,143	13,273,581
Customers' deposits	12	182,690,061	185,118,179	196,247,577
Negative fair value of derivatives	11	4,822,024	6,218,422	7,102,424
Debt securities and term loans	13	23,964,475	15,518,054	12,490,055
Other liabilities		7,044,745	7,007,146	6,320,323
<b>Total liabilities</b>		<b>250,176,071</b>	<b>246,168,660</b>	<b>247,017,147</b>
<b>Equity</b>				
Share capital		25,000,000	25,000,000	12,053,572
Statutory reserve		8,189,590	8,189,590	12,053,572
General reserve		982,857	982,857	982,857
Other reserves		(160,102)	(1,132,836)	(1,672,242)
Retained earnings		7,048,293	4,509,836	13,877,718
Proposed dividend		-	1,245,666	-
Treasury shares		(184,412)	(188,111)	(203,371)
<b>Equity attributable to the shareholders of the Bank</b>		<b>40,876,226</b>	<b>38,607,002</b>	<b>37,092,106</b>
Tier 1 capital	16	10,437,500	8,000,000	5,000,000
<b>Total equity</b>		<b>51,313,726</b>	<b>46,607,002</b>	<b>42,092,106</b>
<b>Total liabilities and equity</b>		<b>301,489,797</b>	<b>292,775,662</b>	<b>289,109,253</b>

The accompanying notes 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish

Bader AlSalloom

Mazin AlRomaih





Chief Financial Officer

Chief Executive Officer

Chairman of the Board

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ﷲ '000	For the three month period ended		For the six month period ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
Special commission income	4,323,872	4,169,761	8,520,260	7,991,335
Special commission expense	2,127,866	2,229,853	4,205,919	4,132,896
<b>Net special commission income</b>	<b>2,196,006</b>	<b>1,939,908</b>	<b>4,314,341</b>	<b>3,858,439</b>
Fee and commission income	432,702	457,832	858,631	822,587
Fee and commission expense	152,033	193,564	315,831	311,052
<b>Net fee and commission income</b>	<b>280,669</b>	<b>264,268</b>	<b>542,800</b>	<b>511,535</b>
Exchange income, net	128,442	93,297	249,405	193,304
Trading income, net	23,371	28,401	93,018	88,020
Dividend income	5,958	4,035	14,852	7,667
Gains on FVOCI / non-trading investments, net	15,046	12,394	68,131	14,418
Other operating income	28,951	50	34,020	255
<b>Total operating income</b>	<b>2,678,443</b>	<b>2,342,353</b>	<b>5,316,567</b>	<b>4,673,638</b>
Salaries and employee related expenses	475,150	460,426	946,409	927,826
Rent and premises related expenses	16,618	15,121	36,503	30,673
Depreciation and amortization	91,249	67,196	159,195	133,998
Other operating and general and administrative expenses	290,382	266,463	597,886	489,680
<b>Total operating expenses before impairment charge</b>	<b>873,399</b>	<b>809,206</b>	<b>1,739,993</b>	<b>1,582,177</b>
Impairment charge for expected credit losses on loans and advances, net	257,431	290,515	526,415	569,150
Impairment reversal for investments, financial assets and others, net	(21,817)	(16,691)	(10,955)	(19,462)
<b>Total operating expenses, net</b>	<b>1,109,013</b>	<b>1,083,030</b>	<b>2,255,453</b>	<b>2,131,865</b>
<b>Net income for the period before Zakat</b>	<b>1,569,430</b>	<b>1,259,323</b>	<b>3,061,114</b>	<b>2,541,773</b>
Zakat for the period	166,364	130,143	320,157	262,628
<b>Net income for the period</b>	<b>1,403,066</b>	<b>1,129,180</b>	<b>2,740,957</b>	<b>2,279,145</b>
Basic and diluted earnings per share (ﷲ)	0.52	0.43	1.02	0.87

The accompanying notes 1 to 25 form an integral part of these condensed interim consolidated financial statements.

**Ramzy Darwish**



**Chief Financial Officer**

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**Bader AlSalloom**



**Chief Executive Officer**

**Mazin AlRomaih**



**Chairman of the Board**

ﷲ '000	For the three month period ended		For the six month period ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
<b>Net income for the period</b>	<b>1,403,066</b>	<b>1,129,180</b>	<b>2,740,957</b>	<b>2,279,145</b>
<b>Other comprehensive income / (loss):</b>				
<b>Items that cannot be recycled back to condensed interim consolidated statement of income in subsequent periods</b>				
<u>Movement in equity instruments at fair value through other comprehensive income</u>				
Net change in the fair value	132,165	898	131,515	14,338
<b>Items that can be recycled back to condensed interim consolidated statement of income in subsequent periods</b>				
<u>Debt instruments at fair value through other comprehensive income</u>				
Net change in the fair value	87,208	(32,448)	552,116	(6,834)
Net change in ECL	3,876	3,898	(626)	2,339
Income transferred to condensed interim consolidated statement of income	(15,046)	(13,651)	(68,131)	(15,457)
<u>Cash flow hedge</u>				
Net change in the fair value	53,915	(147,030)	82,653	(715,087)
Loss transferred to condensed interim consolidated statement of income	131,276	220,877	275,207	471,542
<b>Total other comprehensive income / (loss) for the period</b>	<b>393,394</b>	<b>32,544</b>	<b>972,734</b>	<b>(249,159)</b>
<b>Total comprehensive income for the period</b>	<b>1,796,460</b>	<b>1,161,724</b>	<b>3,713,691</b>	<b>2,029,986</b>

The accompanying notes 1 to 25 form an integral part of these condensed interim consolidated financial statements.

**Ramzy Darwish**

**Bader AlSalloom**

**Mazin AlRomaih**



**Chief Financial Officer**

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**Chief Executive Officer**



**Chairman of the Board**

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

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S'000	Share capital	Statutory reserve	General reserve	Retained earnings	Other reserves			Proposed dividend	Treasury shares	Total equity attributable to the shareholders	Tier 1 capital	Total Equity
					FVOCI	Actuarial gain / (loss) on defined benefit plans	Cash flow hedge					
For the six months period ended June 30, 2025												
Balance at the beginning of the period	25,000,000	8,189,590	982,857	4,509,836	(550,817)	26,537	(608,556)	1,245,666	(188,111)	38,607,002	8,000,000	46,607,002
Net income for the period	-	-	-	2,740,957	-	-	-	-	-	2,740,957	-	2,740,957
Net change in the fair value	-	-	-	-	683,005	-	82,653	-	-	765,658	-	765,658
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(68,131)	-	275,207	-	-	207,076	-	207,076
Total comprehensive income for the period	-	-	-	2,740,957	614,874	-	357,860	-	-	3,713,691	-	3,713,691
Issuance of Tier 1 capital	-	-	-	-	-	-	-	-	-	-	2,437,500	2,437,500
Tier 1 capital related cost	-	-	-	(202,500)	-	-	-	-	-	(202,500)	-	(202,500)
Final dividend paid for 2024	-	-	-	-	-	-	-	(1,245,666)	-	(1,245,666)	-	(1,245,666)
Net change in treasury shares	-	-	-	-	-	-	-	-	3,699	3,699	-	3,699
Balance at the end of the period	25,000,000	8,189,590	982,857	7,048,293	64,057	26,537	(250,696)	-	(184,412)	40,876,226	10,437,500	51,313,726
For the six months period ended June 30, 2024												
Balance at the beginning of the period	12,053,572	12,053,572	982,857	11,428,181	(633,619)	6,418	(795,882)	1,197,738	(171,616)	36,121,221	5,000,000	41,121,221
Impact on prior years adjustment	-	-	-	282,777	-	-	-	-	-	282,777	-	282,777
Restated balance as at January 01, 2024	12,053,572	12,053,572	982,857	11,710,958	(633,619)	6,418	(795,882)	1,197,738	(171,616)	36,403,998	5,000,000	41,403,998
Net income for the period	-	-	-	2,279,145	-	-	-	-	-	2,279,145	-	2,279,145
Net change in the fair value	-	-	-	-	9,843	-	(715,087)	-	-	(705,244)	-	(705,244)
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(15,457)	-	471,542	-	-	456,085	-	456,085
Total comprehensive income for the period	-	-	-	2,279,145	(5,614)	-	(243,545)	-	-	2,029,986	-	2,029,986
Tier 1 capital related cost	-	-	-	(112,385)	-	-	-	-	-	(112,385)	-	(112,385)
Final dividend paid for 2023	-	-	-	-	-	-	-	(1,197,738)	-	(1,197,738)	-	(1,197,738)
Net change in treasury shares	-	-	-	-	-	-	-	-	(31,755)	(31,755)	-	(31,755)
Balance at the end of the period	12,053,572	12,053,572	982,857	13,877,718	(639,233)	6,418	(1,039,427)	-	(203,371)	37,092,106	5,000,000	42,092,106

The accompanying notes 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

**BANQUE SAUDI FRANSI (A Saudi Joint Stock Company)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Unaudited**

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S'000	Notes	For the six month period ended	
		Jun 30, 2025	Jun 30, 2024
<b>OPERATING ACTIVITIES</b>			
Net income for the period before zakat		3,061,114	2,541,773
Adjustments to reconcile net income before zakat to net cash from / (used in) operating activities:			
Accretion of discounts on investments not held as FVSI, net		40,914	38,568
Gains on FVOCI		(68,131)	(15,456)
Depreciation and amortization		159,195	133,998
Gains on disposal of property, equipment, net		(33,756)	(139)
Impairment charge for expected credit losses, net	8	583,101	646,081
Impairment reversal for investments, financial assets and others, net		(10,955)	(19,462)
Long term incentive scheme provision		62,014	28,872
Operating income before changes in operating assets and liabilities		3,793,496	3,354,235
Net increase in operating assets:			
Statutory deposit with Saudi Central Bank		(42,295)	(46,452)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		(441,904)	(187,889)
Investments held as FVSI, trading		185,799	(366,210)
Loans and advances		(6,295,623)	(18,414,924)
Other assets		1,670,300	(2,194,180)
Net (decrease) / increase in operating liabilities:			
Due to Saudi Central Bank, banks and other financial institutions, net		(652,094)	5,911,498
Customers' deposits		(2,428,118)	24,038,594
Other liabilities		(808,028)	1,006,478
Zakat paid		(5,018,467)	13,101,150
Net cash (used in) / generated from operating activities		(5,542,584)	12,615,738
<b>INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investment not held as FVSI		7,136,348	3,346,649
Purchase of investments not held as FVSI		(9,125,734)	(10,049,956)
Purchases of property and equipment		(146,006)	(168,770)
Proceeds from sale of property and equipment		73,122	192
Net cash used in investing activities		(2,062,270)	(6,871,885)
<b>FINANCING ACTIVITIES</b>			
Issuance of debt securities and term loans		8,163,890	4,087,500
Dividend paid		(1,245,666)	(1,197,738)
Issuance of Tier 1 capital		2,437,500	-
Tier 1 capital related cost		(202,500)	(112,385)
Payment of lease liability		(53,222)	(45,142)
Purchase of Treasury Shares		(58,315)	(60,627)
Net cash from financing activities		9,041,687	2,671,608
Increase in cash and cash equivalents		1,436,833	8,415,461
Cash and cash equivalents at the beginning of the period		3,029,528	3,118,898
Cash and cash equivalents at the end of the period	15	4,466,361	11,534,359
Special commission received during the period		8,498,867	7,688,096
Special commission paid during the period		4,035,449	4,138,168
<b>Supplemental non-cash information</b>			
RoU assets		44,704	42,793
Lease liability		14,670	13,505
Movement in other reserve and transfers to the condensed interim consolidated statement of income		972,734	(249,159)

The accompanying notes 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish

Bader AlSalloom

Mazin AlRomaih





Chief Financial Officer

Chief Executive Officer

Chairman of the Board

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

**1. General**

Banque Saudi Fransi (the Bank) is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 04, 1977). The Bank formally commenced its activities on Muharram 01, 1398H (corresponding to December 11, 1977), by taking over the branches of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration Number 1010073368 dated Safar 04, 1410H (corresponding to September 05, 1989), through its 80 branches (June 30, 2024: 82 branches) in the Kingdom of Saudi Arabia, employing 3,087 people (June 30, 2024: 3,180 people).

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

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

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

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

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

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

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



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the six month period ended June 30, 2025 and 2024****2. Basis of preparation**

The condensed interim consolidated financial statements of the Group as at and for the period ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2024.

The consolidated financial statements of the Group as at and for the year ended December 31, 2024, were prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA. The condensed interim consolidated financial statements are expressed in Saudi Arabian Riyals (ﷲ) and amounts are rounded to the nearest thousand.

**3. Basis of consolidation**

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19, 2023). The management has assessed the impact of the New Companies Law and amended its Articles of Association / By-Laws for changes to align the Articles to the provisions of the Law. General Assembly on December 23, 2024 approved on amending the Bank's Bylaws to comply with the new Companies Law, and rearranging the articles and numbering them to be compatible with the proposed amendments

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

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

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

Balances between the Bank and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the condensed interim consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

**4. Material Accounting Policies and Estimates**

The accounting policies, estimates and assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024.

**New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 01, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on the condensed interim consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	01 January 2025

**New standards issued but not yet effective**

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 4. Material Accounting Policies and Estimates (continued)

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	<p>Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.</p> <p>The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.</p>	January 01, 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 01, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 01, 2027
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Not yet endorsed by SOCPA

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 5. Cash and balances with Saudi Central Bank

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Cash on hand	939,625	874,134	1,345,767
Current account	80,124	109,209	140,741
Statutory deposit	9,979,558	9,937,263	9,517,440
Money market placements	-	-	574,000
<b>Total</b>	<b>10,999,307</b>	<b>10,920,606</b>	<b>11,577,948</b>

## 6. Due from banks and other financial institutions, net

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Current accounts	2,065,128	2,026,792	6,114,077
Money market placements	4,793,634	2,989,639	5,630,606
	6,858,762	5,016,431	11,744,683
Less: impairment	(775)	(621)	(2,457)
<b>Total</b>	<b>6,857,987</b>	<b>5,015,810</b>	<b>11,742,226</b>

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	462	159	-	621
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net (reversal) / charge for the period	(35)	189	-	154
<b>Balance at the end of the period</b>	<b>427</b>	<b>348</b>	<b>-</b>	<b>775</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01, 2024	590	315	-	905
Net reversal for the year	(128)	(156)	-	(284)
Balance as at December 31, 2024	462	159	-	621

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

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

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	590	315	-	905
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net charge for the period	1,375	177	-	1,552
Balance at the end of the period	1,965	492	-	2,457

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	5,012,801	3,630	-	5,016,431
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	1,833,636	8,695	-	1,842,331
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>6,846,437</b>	<b>12,325</b>	<b>-</b>	<b>6,858,762</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	4,106,233	7,837	-	4,114,070
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the year	906,568	(4,207)	-	902,361
Write-offs	-	-	-	-
Balance at the end of the year	5,012,801	3,630	-	5,016,431

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	4,106,233	7,837	-	4,114,070
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	7,623,598	7,015	-	7,630,613
Write-offs	-	-	-	-
Balance at the end of the period	11,729,831	14,852	-	11,744,683

**7. Investments, net**

**a) Investment securities are classified as follows:**

<b>ﷲ '000</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>	<b>June 30, 2024 (Unaudited)</b>
Investment at amortized cost - gross	<b>28,003,345</b>	27,695,178	27,728,879
Less: impairment	<b>(15,072)</b>	(17,013)	(16,189)
Investment at amortized cost, net	<b>27,988,273</b>	27,678,165	27,712,690
Investments at FVOCI – Debt instruments	<b>34,027,813</b>	31,824,414	26,811,723
Investments at FVOCI – Equity/other investments	<b>604,076</b>	428,367	393,303
Total FVOCI	<b>34,631,889</b>	32,252,781	27,205,026
Investment at FVSI – Debt/equity instruments	<b>172,113</b>	357,912	870,924
<b>Total</b>	<b>62,792,275</b>	60,288,858	55,788,640

Gross Investments include Shariah based investments amounting to ﷲ 44,497 million (December 31, 2024: ﷲ 40,413 million; June 30, 2024: ﷲ 37,653 million).

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

**Investments by type of securities**

<b>ﷲ '000</b>	<b>June 30, 2025 (Unaudited)</b>			<b>December 31, 2024 (Audited)</b>			<b>June 30, 2024 (Unaudited)</b>		
	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>
Fixed-rate securities	170,880	-	170,880	357,912	-	357,912	588,147	-	588,147
Floating-rate securities	-	-	-	-	-	-	-	-	-
Equities	1,233	-	1,233	-	-	-	-	282,777	282,777
<b>Total</b>	<b>172,113</b>	<b>-</b>	<b>172,113</b>	<b>357,912</b>	<b>-</b>	<b>357,912</b>	<b>588,147</b>	<b>282,777</b>	<b>870,924</b>

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

**Investments by type of securities**

<b>ﷲ '000</b>	<b>June 30, 2025 (Unaudited)</b>			<b>December 31, 2024 (Audited)</b>			<b>June 30, 2024 (Unaudited)</b>		
	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>
Fixed-rate securities	21,950,001	8,620,376	30,570,377	17,313,251	10,630,748	27,943,999	15,978,932	6,812,684	22,791,616
Floating-rate securities	2,912,635	544,801	3,457,436	3,072,313	808,102	3,880,415	2,986,474	1,033,633	4,020,107
Equities and others	593,415	10,661	604,076	417,774	10,593	428,367	383,068	10,235	393,303
<b>Total</b>	<b>25,456,051</b>	<b>9,175,838</b>	<b>34,631,889</b>	<b>20,803,338</b>	<b>11,449,443</b>	<b>32,252,781</b>	<b>19,348,474</b>	<b>7,856,552</b>	<b>27,205,026</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 7. Investments, net (continued)

## d) Investments held at amortised cost

## Investments by type of securities

S'000	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)			June 30, 2024 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	27,150,265	-	27,150,265	26,839,229	-	26,839,229	26,877,156	-	26,877,156
Floating-rate securities	838,008	-	838,008	838,936	-	838,936	835,534	-	835,534
<b>Total</b>	<b>27,988,273</b>	<b>-</b>	<b>27,988,273</b>	<b>27,678,165</b>	<b>-</b>	<b>27,678,165</b>	<b>27,712,690</b>	<b>-</b>	<b>27,712,690</b>

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

S'000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	44,582	-	-	44,582
Net reversal for the period	(2,568)	-	-	(2,568)
<b>Balance at the end of the period</b>	<b>42,014</b>	<b>-</b>	<b>-</b>	<b>42,014</b>

S'000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	33,739	-	-	33,739
Net charge for the year	10,843	-	-	10,843
<b>Balance at the end of the year</b>	<b>44,582</b>	<b>-</b>	<b>-</b>	<b>44,582</b>

S'000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	33,739	-	-	33,739
Net charge for the period	2,217	-	-	2,217
<b>Balance at the end of the period</b>	<b>35,956</b>	<b>-</b>	<b>-</b>	<b>35,956</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 7. Investments, net (continued)

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	59,519,592	-	-	59,519,592
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	2,511,566	-	-	2,511,566
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>62,031,158</b>	<b>-</b>	<b>-</b>	<b>62,031,158</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	47,905,926	-	-	47,905,926
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	11,613,666	-	-	11,613,666
Write-offs	-	-	-	-
<b>Balance at the end of the year</b>	<b>59,519,592</b>	<b>-</b>	<b>-</b>	<b>59,519,592</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	47,905,926	-	-	47,905,926
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	6,634,676	-	-	6,634,676
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>54,540,602</b>	<b>-</b>	<b>-</b>	<b>54,540,602</b>



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 8. Loans and advances, net

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

ﷲ '000	June 30, 2025 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	170,257,325	818,581	40,519,855	211,595,761
Non-performing loans and advances, net	1,744,057	23,724	295,494	2,063,275
<b>Total loans and advances</b>	<b>172,001,382</b>	<b>842,305</b>	<b>40,815,349</b>	<b>213,659,036</b>
Allowance for impairment	(3,336,333)	(47,432)	(394,474)	(3,778,239)
<b>Loans and advances held at amortised cost, net</b>	<b>168,665,049</b>	<b>794,873</b>	<b>40,420,875</b>	<b>209,880,797</b>

ﷲ '000	December 31, 2024 (Audited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	167,950,716	724,210	37,073,642	205,748,568
Non-performing loans and advances, net	1,637,925	24,568	272,006	1,934,499
<b>Total loans and advances</b>	<b>169,588,641</b>	<b>748,778</b>	<b>37,345,648</b>	<b>207,683,067</b>
Allowance for impairment	(3,118,432)	(44,235)	(352,125)	(3,514,792)
<b>Loans and advances held at amortised cost, net</b>	<b>166,470,209</b>	<b>704,543</b>	<b>36,993,523</b>	<b>204,168,275</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	163,153,095	679,052	34,490,309	198,322,456
Non-performing loans and advances, net	1,560,544	42,811	275,897	1,879,252
<b>Total loans and advances</b>	<b>164,713,639</b>	<b>721,863</b>	<b>34,766,206</b>	<b>200,201,708</b>
Allowance for impairment	(2,648,903)	(51,727)	(341,012)	(3,041,642)
<b>Loans and advances held at amortised cost, net</b>	<b>162,064,736</b>	<b>670,136</b>	<b>34,425,194</b>	<b>197,160,066</b>

Gross Loans and advances include Shariah based loans and advances amounting to ﷲ 157,562 million (December 31, 2024: ﷲ 154,194 million; June 30, 2024: ﷲ 142,866 million).

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

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Opening loss allowance as at January 01	3,514,792	2,643,990	2,643,990
Charge for the period / year, net	583,101	1,287,934	646,081
Bad debts written off against provision	(319,654)	(417,132)	(248,429)
<b>Balance at the end of the period / year</b>	<b>3,778,239</b>	<b>3,514,792</b>	<b>3,041,642</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 8. Loans and advances, net (continued)

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	945,871	1,247,200	1,321,721	3,514,792
Transfer from 12-month ECL	(10,555)	8,066	2,489	-
Transfer from lifetime ECL not credit impaired	42,669	(133,410)	90,741	-
Transfer from Lifetime ECL credit impaired	15,382	4,091	(19,473)	-
Net (reversal) / charge for the period	(14,169)	144,076	453,194	583,101
Write-offs	-	-	(319,654)	(319,654)
<b>Balance at the end of the period</b>	<b>979,198</b>	<b>1,270,023</b>	<b>1,529,018</b>	<b>3,778,239</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	509,846	849,666	1,284,478	2,643,990
Transfer from 12-month ECL	(8,925)	7,473	1,452	-
Transfer from lifetime ECL not credit impaired	20,890	(64,289)	43,399	-
Transfer from Lifetime ECL credit impaired	12,673	160,671	(173,344)	-
Net charge for the year	411,387	293,679	582,868	1,287,934
Write-offs	-	-	(417,132)	(417,132)
<b>Balance at the end of the year</b>	<b>945,871</b>	<b>1,247,200</b>	<b>1,321,721</b>	<b>3,514,792</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	509,846	849,666	1,284,478	2,643,990
Transfer from 12-month ECL	(8,158)	6,843	1,315	-
Transfer from lifetime ECL not credit impaired	20,322	(39,520)	19,198	-
Transfer from Lifetime ECL credit impaired	7,759	6,110	(13,869)	-
Net charge for the period	276,220	81,361	288,500	646,081
Write-offs	-	-	(248,429)	(248,429)
<b>Balance at the end of the period</b>	<b>805,989</b>	<b>904,460</b>	<b>1,331,193</b>	<b>3,041,642</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 8. Loans and advances, net (continued)

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	158,456,199	11,613,270	1,931,913	172,001,382
Credit Card	782,686	29,016	30,603	842,305
Consumer	39,950,324	470,062	394,963	40,815,349
<b>Balance at the end of the period</b>	<b>199,189,209</b>	<b>12,112,348</b>	<b>2,357,479</b>	<b>213,659,036</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	156,545,338	11,327,349	1,715,954	169,588,641
Credit Card	696,839	16,488	35,451	748,778
Consumer	36,620,994	387,293	337,361	37,345,648
<b>Balance at the end of the year</b>	<b>193,863,171</b>	<b>11,731,130</b>	<b>2,088,766</b>	<b>207,683,067</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	150,068,333	13,065,003	1,580,303	164,713,639
Credit Card	623,829	47,245	50,789	721,863
Consumer	33,958,356	487,137	320,713	34,766,206
<b>Balance at the end of the period</b>	<b>184,650,518</b>	<b>13,599,385</b>	<b>1,951,805</b>	<b>200,201,708</b>

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	193,863,171	11,731,130	2,088,766	207,683,067
Transfer from 12-month ECL	(1,937,402)	1,682,270	255,132	-
Transfer from lifetime ECL not credit impaired	1,663,299	(2,056,318)	393,019	-
Transfer from Lifetime ECL credit impaired	36,992	9,924	(46,916)	-
Net change for the period	5,563,149	745,342	(12,868)	6,295,623
Write-offs	-	-	(319,654)	(319,654)
<b>Balance at the end of the period</b>	<b>199,189,209</b>	<b>12,112,348</b>	<b>2,357,479</b>	<b>213,659,036</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 8. Loans and advances, net (continued)

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	167,788,441	12,277,226	1,969,546	182,035,213
Transfer from 12-month ECL	(3,481,080)	3,269,612	211,468	-
Transfer from lifetime ECL not credit impaired	1,212,596	(1,979,200)	766,604	-
Transfer from Lifetime ECL credit impaired	24,495	171,293	(195,788)	-
Net change for the year	28,318,719	(2,007,801)	(245,932)	26,064,986
Write-offs	-	-	(417,132)	(417,132)
Balance at the end of the year	193,863,171	11,731,130	2,088,766	207,683,067

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	167,788,441	12,277,226	1,969,546	182,035,213
Transfer from 12-month ECL	(2,649,219)	2,519,314	129,905	-
Transfer from lifetime ECL not credit impaired	979,126	(1,158,603)	179,477	-
Transfer from Lifetime ECL credit impaired	16,378	11,198	(27,576)	-
Net change for the period	18,515,792	(49,750)	(51,118)	18,414,924
Write-offs	-	-	(248,429)	(248,429)
Balance at the end of the period	184,650,518	13,599,385	1,951,805	200,201,708

## 9. Due to Saudi Central Bank

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Repo	12,928,914	7,984,110	7,475,300
Deposits	4,566,842	2,367,279	1,526,393
Government grant	-	2,143,403	2,618,276
Modification impact, net	-	(2,076)	(36,782)
<b>Total</b>	<b>17,495,756</b>	<b>12,492,716</b>	<b>11,583,187</b>

**10. Due to banks and other financial institutions**

<b>ﷲ '000</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>	<b>June 30, 2024 (Unaudited)</b>
Current accounts	<b>493,962</b>	417,407	1,480,182
Money market placements	<b>7,456,693</b>	8,791,786	2,356,308
Repos	<b>6,208,355</b>	10,604,950	9,437,091
<b>Total</b>	<b>14,159,010</b>	19,814,143	13,273,581

**11. Derivatives**

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

**a) Swaps**

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

**b) Forwards and futures**

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

**c) Forward rate agreements**

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

**d) Options**

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

**Held for trading purposes**

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

## 11. Derivatives (continued)

### Held for hedging purposes

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

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

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

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

### Cash flow hedges

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

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

SAR '000	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)			June 30, 2024 (Unaudited)		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount
<b>Held for trading:</b>									
Commission rate swaps	4,192,742	4,278,828	269,096,837	5,199,731	5,372,363	266,091,409	5,834,509	5,623,022	240,811,818
Commission rate futures and options	65,886	65,886	9,125,682	92,940	92,940	8,815,881	139,041	139,041	11,427,278
Forward foreign exchange contracts & currency swaps	34,746	43,230	22,175,643	105,016	112,685	20,681,986	71,303	75,196	28,685,146
Currency options	300	300	130,544	21,930	21,930	1,680,017	1,477	1,477	1,943,367
Others	27,759	27,759	5,228,821	26,161	26,161	1,486,432	20,950	20,950	729,673
<b>Held as fair value hedges:</b>									
Commission rate swaps	154,300	128,466	14,793,750	-	137,469	13,575,000	-	309,195	11,000,000
<b>Held as cash flow hedges:</b>									
Commission rate swaps	291,188	277,555	28,401,500	245,803	454,874	31,238,250	139,995	933,543	32,359,500
<b>Total</b>	<b>4,766,921</b>	<b>4,822,024</b>	<b>348,952,777</b>	<b>5,691,581</b>	<b>6,218,422</b>	<b>343,568,975</b>	<b>6,207,275</b>	<b>7,102,424</b>	<b>326,956,782</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 12. Customers' deposits

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Demand	80,515,857	80,365,630	78,938,225
Saving	931,562	976,105	894,849
Time	95,860,210	98,059,257	111,336,753
Other	5,382,432	5,717,187	5,077,750
<b>Total</b>	<b>182,690,061</b>	<b>185,118,179</b>	<b>196,247,577</b>

Time deposits include Shariah based deposits amounting to ﷲ 43,293 million (December 31, 2024: ﷲ 48,536 million; June 30, 2024: ﷲ 59,999 million).

## 13. Debt securities and term loans

During 2022 the Bank has established a USD 4 Billion Euro Medium term Note (MTN) Programme. The issuer under the programme is BSF Finance Limited, operating as a special purpose entity for the guarantor Banque Saudi Fransi. In 2023 the Bank established a USD 4 Billion Trust Certificate Issuance Programme. The issuer under the programme is BSF Sukuk Company, which operates as a special purpose entity for the guarantor Banque Saudi Fransi.

During 2Q 2025 the Bank has established a USD 4 Billion Certificate of Deposit Programme. The issuer under the programme is Banque Saudi Fransi.

Debt Securities and term loans issued by the Bank under its various programs during 2025 include:

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
Jan 21 2025	Sukuk	London stock exchange	5 years	USD	750 Million	5.375% Semi Annual	Jan 21 2030
Feb 13 2025	Bond	Private placement	5 years	USD	55 Million	5.218% Semi Annual	Dec 13 2029
Feb 13 2025	Bond	Private placement	5 years	USD	20 Million	5.218% Semi Annual	Dec 13 2029
Mar 10 2025	Bond	Private placement	7 Years	USD	20 Million	SOFR + 150 bps Quarterly	Mar 10 2032
Mar 19 2025	Term Loan facility	Bilateral Loan	3 Years	ﷲ	1,500 million	SIBOR 3M + 45 bps Quarterly	Mar 19 2028

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 13. Debt securities and term loans (continued)

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
May 23 2025	Certificate of Deposit	Private placement	3 month	USD	25 Million	Fixed 4.65999%	Aug 22 2025
May 28 2025	Certificate of Deposit	Private placement	6 month	USD	100 Million	Fixed 4.73%	Nov 26 2025
May 29 2025	Certificate of Deposit	Private placement	3 month	USD	50 Million	Fixed 4.64%	Sep 02 2025
Jun 04 2025	Bond	Private placement	7 Years	USD	20 Million	SOFR + 150 bps Quarterly	Jun 04 2032
Jun 05 2025	Certificate of Deposit	Private placement	6 month	USD	50 Million	Fixed 4.76%	Dec 02 2025
Jun 11 2025	Certificate of Deposit	Private placement	3 month	USD	249 Million	Fixed 4.65%	Sep 09 2025
Jun 11 2025	Certificate of Deposit	Private placement	1 Year	USD	82.5 Million	Fixed 4.71%	Jun 10 2026
Jun 18 2025	Certificate of Deposit	Private placement	3 month	USD	20 Million	Fixed 4.63%	Sep 18 2025
Jun 23 2025	Certificate of Deposit	Private placement	2 month	USD	200 Million	Fixed 4.55001%	Aug 22 2025
Jun 27 2025	Certificate of Deposit	Private placement	3 month	USD	150 Million	Fixed 4.67002%	Sep 24 2025



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 14. Commitments and contingencies

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

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Letters of credit	10,022,198	10,914,044	9,878,377
Letters of guarantee	52,857,781	51,075,695	48,733,873
Acceptances	2,376,418	3,016,542	2,522,189
Irrevocable commitments to extend credit	15,115,807	16,878,266	14,780,144
<b>Total</b>	<b>80,372,204</b>	<b>81,884,547</b>	<b>75,914,583</b>

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

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	50,011	23,836	147,863	221,710
Transfer from 12-month ECL	(213)	209	4	-
Transfer from lifetime ECL not credit impaired	4,721	(4,723)	2	-
Net (reversal) / charge for the period	(6,903)	(1,889)	301	(8,491)
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>47,616</b>	<b>17,433</b>	<b>148,170</b>	<b>213,219</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	14,639	6,637	174,825	196,101
Transfer from 12-month ECL	(404)	404	-	-
Transfer from lifetime ECL not credit impaired	135	(222)	87	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net charge / (reversal) for the year	35,641	17,017	(27,049)	25,609
Write-offs	-	-	-	-
<b>Balance as at December 31, 2024</b>	<b>50,011</b>	<b>23,836</b>	<b>147,863</b>	<b>221,710</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	14,639	6,637	174,825	196,101
Transfer from 12-month ECL	(466)	466	-	-
Transfer from lifetime ECL not credit impaired	218	(218)	-	-
Net charge / (reversal) for the period	1,285	2,884	(26,966)	(22,797)
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>15,676</b>	<b>9,769</b>	<b>147,859</b>	<b>173,304</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 14. Commitments and contingencies (continued)

ii) The following table shows the ECL stages movement in off statement of financial position:

ﷲ '000	June 30, 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	76,702,102	4,202,611	979,834	81,884,547
Transfer from 12-month ECL	(350,167)	257,282	92,885	-
Transfer from lifetime ECL not credit impaired	1,044,457	(1,050,031)	5,574	-
Transfer from Lifetime ECL credit impaired	1,500	1,240	(2,740)	-
Net change for the period	(2,112,156)	686,643	(86,830)	(1,512,343)
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>75,285,736</b>	<b>4,097,745</b>	<b>988,723</b>	<b>80,372,204</b>

ﷲ '000	December 31, 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	66,547,335	3,057,887	1,126,015	70,731,237
Transfer from 12-month ECL	(1,587,517)	1,575,253	12,264	-
Transfer from lifetime ECL not credit impaired	472,622	(545,267)	72,645	-
Transfer from Lifetime ECL credit impaired	750	108	(858)	-
Net change for the year	11,268,912	114,630	(230,232)	11,153,310
Write-offs	-	-	-	-
<b>Balance at the end of the year</b>	<b>76,702,102</b>	<b>4,202,611</b>	<b>979,834</b>	<b>81,884,547</b>

ﷲ '000	June 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	66,547,335	3,057,887	1,126,015	70,731,237
Transfer from 12-month ECL	(1,380,351)	1,367,148	13,203	-
Transfer from lifetime ECL not credit impaired	324,334	(329,838)	5,504	-
Transfer from Lifetime ECL credit impaired	-	-	-	-
Net change for the period	5,375,524	(40,218)	(151,960)	5,183,346
Write-offs	-	-	-	-
<b>Balance at the end of the period</b>	<b>70,866,842</b>	<b>4,054,979</b>	<b>992,762</b>	<b>75,914,583</b>

The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings filed against the Bank as disclosed at December 31, 2024.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

**15. Cash and cash equivalents**

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

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5)	1,019,749	983,343	2,060,508
Due from banks and other financial institutions maturing within three months from the date of acquisition	3,446,612	2,046,185	9,473,851
<b>Total</b>	<b>4,466,361</b>	<b>3,029,528</b>	<b>11,534,359</b>

**16. Tier 1 Capital**

During 2020, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to ﷲ 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 4.5% per annum from date of issue up to 2025 and is subjected to reset every 5 years.

During Q3 2024, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to ﷲ 3 billion under its ﷲ 8 billion Tier 1 Sukuk Programme established in Q1 2024. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.0% per annum from date of issue up to 2029 and is subjected to reset every 5 years.

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

During Q2 2025, the Bank issued USD 650 million Additional Tier 1 Capital as part of its USD 3 Billion Additional Tier 1 Capital Note Programme established in Q3 2024, the issuer under the programme is Banque Saudi Fransi. The applicable profit rate is 6.375% per annum from date of issue up to 2030.

**17. Zakat**

Zakat, Tax and Customs Authority ("ZATCA") issued new zakat regulations through Ministerial Decree No. 2215 dated Rajab 07, 1440H corresponding to March 14, 2019, which provides the new basis for the calculation of Zakat for companies engaged in financing activities and licensed by SAMA. The Bank has calculated zakat in accordance with the above regulation.

The Bank submitted its zakat return for the year ended December 31 2024, and obtained the unrestricted zakat certificate. The assessments in respect to the Bank's zakat returns for the financial year up to 2020 have been finalized. The assessments for the financial years 2021 to 2024 have not been finalized with ZATCA.

Zakat for the period ended June 30, 2025 amounted to approximately ﷲ 320 million (June 30, 2024: ﷲ 263 million). The provision of Zakat is estimated based on the results of operations of the Bank for the six months period ended and the consolidated financial position at June 30, 2025.

## **18. Fair values of financial assets and liabilities**

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

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

### **Valuation models**

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

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

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

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

### **Valuation Framework**

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

### **Determination of fair value and fair value hierarchy**

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

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

Level 2: Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data: and

Level 3: Valuation techniques for which any significant input is not based on observable market data.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

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

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

ﷲ'000	Carrying Value	Level 1	Level 2	Level 3	Total
<b>June 30, 2025 (Unaudited)</b>					
<b>Financial assets</b>					
Derivative financial instruments positive fair value	4,766,921	-	4,766,921	-	4,766,921
Financial investments designated at FVSI	172,113	98,133	73,980	-	172,113
Financial investments at FVOCI	34,631,889	19,359,996	14,805,157	466,736	34,631,889
<b>Total</b>	<b>39,570,923</b>	<b>19,458,129</b>	<b>19,646,058</b>	<b>466,736</b>	<b>39,570,923</b>
<b>Financial Liabilities</b>					
Derivative financial instruments negative fair value	4,822,024	-	4,822,024	-	4,822,024
<b>Total</b>	<b>4,822,024</b>	<b>-</b>	<b>4,822,024</b>	<b>-</b>	<b>4,822,024</b>

ﷲ'000	Carrying Value	Level 1	Level 2	Level 3	Total
<b>December 31, 2024 (Audited)</b>					
<b>Financial assets</b>					
Derivative financial instruments positive fair value	5,691,581	-	5,691,581	-	5,691,581
Financial investments designated at FVSI	357,912	-	357,912	-	357,912
Financial investments at FVOCI	32,252,781	20,125,409	11,827,693	299,679	32,252,781
<b>Total</b>	<b>38,302,274</b>	<b>20,125,409</b>	<b>17,877,186</b>	<b>299,679</b>	<b>38,302,274</b>
<b>Financial Liabilities</b>					
Derivative financial instruments negative fair value	6,218,422	-	6,218,422	-	6,218,422
<b>Total</b>	<b>6,218,422</b>	<b>-</b>	<b>6,218,422</b>	<b>-</b>	<b>6,218,422</b>

ﷲ'000	Carrying Value	Level 1	Level 2	Level 3	Total
<b>June 30, 2024 (Unaudited)</b>					
<b>Financial assets</b>					
Derivative financial instruments positive fair value	6,207,275	-	6,207,275	-	6,207,275
Financial investments designated at FVSI	870,924	319,717	551,207	-	870,924
Financial investments at FVOCI	27,205,026	16,653,315	10,311,624	240,087	27,205,026
<b>Total</b>	<b>34,283,225</b>	<b>16,973,032</b>	<b>17,070,106</b>	<b>240,087</b>	<b>34,283,225</b>
<b>Financial Liabilities</b>					
Derivative financial instruments negative fair value	7,102,424	-	7,102,424	-	7,102,424
<b>Total</b>	<b>7,102,424</b>	<b>-</b>	<b>7,102,424</b>	<b>-</b>	<b>7,102,424</b>

During the period there have been no transfers in between level 1, level 2 and level 3.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

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

The fair values of investments held at amortized cost are ~~ﷲ~~ 27,411 million (December 31, 2024: ~~ﷲ~~ 26,098 million and June 30, 2024: ~~ﷲ~~ 26,664 million) against carrying value of ~~ﷲ~~ 27,988 million (December 31, 2024: ~~ﷲ~~ 27,678 million and June 30, 2024: ~~ﷲ~~ 27,713 million). The fair values of commission bearing customers' deposits, debt securities, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the condensed interim consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of due from and due to banks and other financial institutions. An active market for these instruments is not available and the Bank intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

The estimated fair values of investments held at amortized cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds. Consequently, differences can arise between carrying values and fair value estimates. The fair values of derivatives are based on the quoted market prices when available or by using the appropriate valuation technique. The Bank uses the discounted cash flow method using current yield curve to arrive at the fair value of loans and advances after adjusting internal credit spread which is ~~ﷲ~~ 211,509 million (December 31, 2024: ~~ﷲ~~ 205,276 million and June 30, 2024: ~~ﷲ~~ 197,265 million). The carrying values of those loans and advances are ~~ﷲ~~ 209,881 million (December 31, 2024: ~~ﷲ~~ 204,168 million and June 30, 2024: ~~ﷲ~~ 197,160 million).

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

<del>ﷲ</del> '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
<b>Balance at the beginning of the period / year</b>	<b>299,679</b>	210,417	210,417
Additions during the period / year	<b>44,095</b>	107,503	23,249
Disposal during the period / year	-	(9,000)	-
Change in value	<b>122,962</b>	(9,241)	6,421
<b>Balance at the end of period / year</b>	<b>466,736</b>	299,679	240,087

**19. Segment information**

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

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

Bank has adopted new FTP methodology from the beginning of 2025 to derive inter-segment revenues which is reflected in the segment profit or loss as of June 30, 2025.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 19. Segment information (continued)

The Bank is organised into the following main operating segments:

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

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

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

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

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

ﷲ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<b>June 30, 2025 (Unaudited)</b>					
Total assets	57,784,122	152,945,828	87,875,821	2,884,026	301,489,797
Loans and advances, net	56,052,637	152,049,966	-	1,778,194	209,880,797
Total liabilities	71,351,859	115,855,421	61,964,627	1,004,164	250,176,071
Customers' deposits	68,392,274	114,297,787	-	-	182,690,061
Total operating income	1,525,959	2,765,007	694,693	330,908	5,316,567
Total operating expenses before impairment charge	929,935	449,249	212,201	148,608	1,739,993
Impairment charges for financial assets & others, net	147,455	368,323	(349)	31	515,460
Net income for the period before zakat	448,569	1,947,435	482,841	182,269	3,061,114
Net special commission income	1,463,810	2,437,067	293,042	120,422	4,314,341
Fee and commission income, net	24,233	328,351	(4,212)	194,428	542,800
Exchange income, net	27,220	(411)	222,596	-	249,405
Trading income, net	10,644	-	79,138	3,236	93,018
Inter-segment revenue	308,779	(787,919)	479,140	-	-
Depreciation and amortization	104,176	37,720	15,706	1,593	159,195

ﷲ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<b>December 31, 2024 (Audited)</b>					
Total assets	53,007,714	153,956,271	83,097,215	2,714,462	292,775,662
Total liabilities	66,658,784	120,746,974	57,868,729	894,173	246,168,660



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 19. Segment information (continued)

ﷲ'000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>June 30, 2024 (Unaudited)</u>					
Total assets	49,258,953	151,369,671	85,986,314	2,494,315	289,109,253
Loans and advances, net	46,877,099	148,546,971	-	1,735,996	197,160,066
Total liabilities	62,178,414	136,168,455	47,519,606	1,150,672	247,017,147
Customers' deposits	61,261,952	134,985,625	-	-	196,247,577
Total operating income	2,056,067	2,458,675	(106,891)	265,787	4,673,638
Total operating expenses before impairment charge	858,343	410,423	176,946	136,465	1,582,177
Impairment charges for financial assets & others, net	143,333	403,945	2,410	-	549,688
Net income for the period before zakat	1,054,391	1,644,307	(286,247)	129,322	2,541,773
Net special commission income	1,978,093	2,160,999	(364,693)	84,040	3,858,439
Fee and commission income, net	49,242	295,553	-	166,740	511,535
Exchange income, net	28,732	2,124	162,448	-	193,304
Trading income, net	-	-	84,103	3,917	88,020
Inter-segment revenue	1,634,350	1,053,035	(2,687,385)	-	-
Depreciation and amortization	87,468	29,254	13,829	3,447	133,998

## 20. Share capital and Earnings per share

The authorised, issued and fully paid share capital of the Bank consists of 2,500 million shares of ﷲ 10 each (December 31, 2024: 2,500 million shares of ﷲ 10 each and June 30, 2024: 1,205 million shares of ﷲ 10 each).

On May 30, 2024 the Board of Directors of the Bank recommended to increase the Capital of the Bank by Granting Bonus Shares to the Shareholders by issuing 1.0740740325 share for every 1 share owned. Subsequently, the Extraordinary General Assembly resolved on December 23, 2024 to increase the share capital from ﷲ 12,053 million to ﷲ 25,000 million by transferring an amount of ﷲ 7,946 million from Retained earnings and ﷲ 5,000 million from Statutory reserve to Share capital account.

The Bank has obtained approvals from the Saudi Central Bank (SAMA), Capital Market Authority (CMA) and Tadawul to increase share capital and updated its commercial registration (CR) to reflect the increase in share capital by SAR 12,946 million.

Basic and diluted earnings per share for the periods ended June 30, 2025 and 2024 are calculated on a weighted average basis by dividing the net income adjusted for Tier 1 capital costs for the period by 2,500 million shares after excluding treasury shares consisting of 20.4 million shares as of June 30, 2025 (December 31, 2024: 19.7 million shares and June 30, 2024: 8.1 million shares).

The Board of Directors of the Bank approved to distribute interim cash dividend of ﷲ 0.55 million being ﷲ 1,372 per share for the six month period ended June 30, 2025 (2024: ﷲ 1,200 at ﷲ 1.00 per share).

## 21. Related party balances

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



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 21. Related party balances (continued)

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

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
<b>Associates</b>			
Investments	9,965	9,695	9,695
Due to banks and other financial institutions	8,938	8,781	8,621
<b>Directors, senior management, shariah members and their affiliates (key management personal)</b>			
Loans and advances	8,056,929	6,558,236	7,595,272
Investments	779,851	683,674	833,454
Due from banks and other financial institutions	395,625	395,625	895,625
Other assets	26,733	49,182	53,093
Customers' deposits	2,587,669	8,201,695	10,100,433
Due to banks and other financial institutions	290,000	40,000	-
Other liabilities	2,937	247	1,208
Derivatives at fair value, net	(48,272)	(48,141)	(109,053)
Commitments and contingencies	2,503,155	2,666,822	3,109,336
<b>Major shareholders' and their affiliates</b>			
Loans and advances	898,390	1,532,037	1,750,223
Customers' deposits	248,148	128,146	3,272,453
Derivatives at fair value, net	(49)	37	195
Commitments and contingencies	24,203	12,500	-

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

ﷲ '000	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2024 (Unaudited)
<b>Special commission income</b>			
-Directors, senior management, shariah members and their affiliates (key management personal)	258,292	604,622	415,455
-Major shareholders' and their affiliates	43,355	95,011	38,073
Total Special commission income	301,647	699,633	453,528
<b>Special commission expense</b>			
-Directors, senior management, shariah members and their affiliates (key management personal)	132,020	233,423	132,483
Major shareholders' and their affiliates	1,421	12,102	142,750
-Associates	448	315	165
Total Special commission expense	133,889	245,840	275,398
Fees, commission income and others, net	104,740	76,897	42,014
Directors' fees	10,819	18,980	4,737
Other general and administrative expenses	17,279	75,840	51,982

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

**22. Capital Adequacy**

The Bank's objectives when managing capital are, to comply with the capital requirements set by SAMA; to safeguard the Bank's ability to continue as a going concern; and to maintain a strong capital base. Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management.

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

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

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

<b>ﷲ '000</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>	<b>June 30, 2024 (Unaudited)</b>
Credit Risk RWA	<b>243,792,995</b>	238,385,884	235,462,732
Operational Risk RWA	<b>9,647,097</b>	8,627,534	9,175,141
Market Risk RWA	<b>3,256,632</b>	3,958,794	2,756,746
<b>Total RWA</b>	<b>256,696,724</b>	250,972,212	247,394,619
Common Equity Tier I Capital	<b>41,126,922</b>	39,215,558	38,131,533
Additional Tier I Capital	<b>10,437,500</b>	8,000,000	5,000,000
Tier I Capital	<b>51,564,422</b>	47,215,558	43,131,533
Tier II Capital	<b>2,090,048</b>	2,193,948	1,752,941
<b>Total Tier I &amp; II Capital</b>	<b>53,654,470</b>	49,409,506	44,884,474
Capital Adequacy Ratio %			
Common Equity Tier I ratio	<b>16.02%</b>	15.63%	15.41%
Tier I ratio	<b>20.09%</b>	18.81%	17.43%
Tier I + Tier II ratio	<b>20.90%</b>	19.69%	18.14%

**23. Comparative figures**

Certain prior period figures have been reclassified to conform to current period's presentation, which are not material in nature to the condensed interim consolidated financial statements.

**24. Restatement**

During the year ended December 31, 2024, management identified equity investments in which the Bank held interest, in prior years. These were not recorded in the prior year's consolidated financial statements. Upon identifying these equity investments, management decided to classify this as fair value through statement of income and sold these investments during Q4 2024. Consequently, the Bank's investments and retained earning balances were understated as of June 30, 2024. The Bank's management has rectified this by restating the affected consolidated financial statement line items as below:

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2025 and 2024

## 24. Restatement (continued)

ﷲ '000	As previously presented	Restatement	Restated balance
<b>As at June 30, 2024</b>			
<b>Consolidated statement of financial position</b>			
<b>Investments, net</b>	<b>55,505,863</b>	<b>282,777</b>	<b>55,788,640</b>
<b>Retained earnings</b>	<b>13,594,941</b>	<b>282,777</b>	<b>13,877,718</b>

The impact of these unrecorded equity investments on the consolidated statement of income for the period ended June 30, 2024 was insignificant and accordingly, these have not been restated.

## 25. Board of Directors Approval

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on July 21, 2025 corresponding to Muharram 26, 1447H.