

Saudi Awwal Bank
Interim Condensed Consolidated Financial Information
For the nine month period ended

30 September 2024

(Unaudited)



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PricewaterhouseCoopers, License No. 25
Kingdom Tower, P.O. Box 8282, Riyadh 11482
Kingdom of Saudi Arabia
T: +966 (11) 211-0400
F: +966 (11) 211-0401
www.pwc.com/middle-east



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000) (Five million and five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

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

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Awwal Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes (collectively referred to as "the interim condensed consolidated financial information").

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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 this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Other Matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the three month and nine month periods ended 30 September 2023 were jointly audited and reviewed by another joint auditor who expressed an unmodified audit opinion and an unmodified review conclusion on 15 February 2024 (corresponding to 5 Sha'ban 1445H) and 31 October 2023 (corresponding to 16 Rabi Al-Thani 1445H), respectively.

PricewaterhouseCoopers

Mufaddal A. Ali
Certified Public Accountant
License number: 447



3 Jumada Al-Ula 1446H
(5 November 2024)

Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License number: 356



Interim condensed consolidated statement of financial position

	Notes	As at 30 September 2024 Unaudited SAR' 000	As at 31 December 2023 Audited SAR' 000	As at 30 September 2023 Unaudited SAR' 000
ASSETS				
Cash and balances with Saudi Central Bank ("SAMA")	4	16,613,646	16,741,235	16,162,634
Due from banks and other financial institutions, net	5	7,160,187	7,407,481	3,144,734
Investments, net	6	97,704,143	96,566,836	88,796,497
Positive fair value derivatives, net	10	2,236,085	2,368,382	3,821,349
Loans and advances, net	7	252,398,679	215,935,845	211,403,997
Investment in an associate	8	421,154	462,046	482,996
Other assets		4,141,496	2,758,518	2,320,382
Property, equipment and right of use assets, net		4,052,269	3,844,926	3,667,944
Goodwill and other intangibles, net	9	10,617,591	10,556,367	10,677,584
Total assets		395,345,250	356,641,636	340,478,117
LIABILITIES AND EQUITY				
Liabilities				
Due to SAMA, banks and other financial institutions		47,011,936	32,196,102	32,477,883
Customers' deposits	11	260,631,676	240,940,306	228,052,849
Negative fair value derivatives, net	10	2,204,340	2,231,470	3,293,823
Debt securities in issue	12	5,076,731	5,177,862	5,073,832
Other liabilities		16,257,297	14,196,333	16,040,500
Total liabilities		331,181,980	294,742,073	284,938,887
Equity				
Equity attributable to equity holders of the Bank				
Share capital		20,547,945	20,547,945	20,547,945
Share premium		8,524,882	8,524,882	8,524,882
Statutory reserve		20,547,945	20,547,945	20,547,945
Other reserves		(927,897)	(1,414,343)	(1,949,005)
Retained earnings		11,485,395	9,708,134	7,867,463
Total equity attributable to equity holders of the Bank		60,178,270	57,914,563	55,539,230
Additional Tier 1 Sukuk	14	3,985,000	3,985,000	-
Total equity		64,163,270	61,899,563	55,539,230
Total liabilities and equity		395,345,250	356,641,636	340,478,117

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

Lama A Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps

Tony Cripps
Managing Director & Authorized Board Member

Saudi Awwal Bank

Interim condensed consolidated statement of income - Unaudited

For the nine month period ended

	Notes	For three month ended		For nine month ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		SAR'000	SAR'000	SAR'000	SAR'000
Special commission income		5,304,445	4,458,330	15,252,378	12,348,371
Special commission expense		(2,543,213)	(1,879,772)	(7,049,261)	(4,708,438)
Net special commission income		2,761,232	2,578,558	8,203,117	7,639,933
Fee and commission income		1,008,998	865,749	2,967,981	2,424,349
Fee and commission expense		(626,739)	(514,764)	(1,844,056)	(1,520,401)
Net fee and commission income		382,259	350,985	1,123,925	903,948
Exchange income, net		300,934	257,229	823,372	671,203
Gain from FVSI financial instruments, net		90,144	74,337	455,010	349,472
Dividends income		1,596	1,704	4,968	2,409
Losses on FVOCI debt instruments, net		-	-	(60,924)	(4,892)
(Losses) / gain on amortised cost investments, net		-	114	(46,715)	(14,929)
Other operating expenses, net		(8,396)	(15,652)	(35,950)	(15,554)
Total operating income		3,527,769	3,247,275	10,466,803	9,531,590
Provision for expected credit losses, net	19 (a)	(308,903)	(144,379)	(501,776)	(511,867)
Operating expenses					
Salaries and employee related expenses		(557,655)	(502,172)	(1,673,885)	(1,540,486)
Rent and premises related expenses		(25,399)	(19,540)	(61,857)	(51,018)
Depreciation and amortization		(138,080)	(192,122)	(407,671)	(419,295)
General and administrative expenses		(352,994)	(330,731)	(1,056,935)	(1,035,861)
Total operating expenses		(1,074,128)	(1,044,565)	(3,200,348)	(3,046,660)
Income from operating activities		2,144,738	2,058,331	6,764,679	5,973,063
Share in earnings of an associate	8	72,310	59,203	163,173	135,665
Net income for the period before Zakat and income tax		2,217,048	2,117,534	6,927,852	6,108,728
Provision for Zakat and income tax	15	(333,882)	(287,206)	(983,407)	(963,982)
Net income for the period after Zakat and income tax		1,883,166	1,830,328	5,944,445	5,144,746
Basic and diluted earnings per share (in SAR)	16	0.88	0.89	2.78	2.50

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

Lama A Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps

Tony Cripps
Managing Director & Authorized Board Member

Saudi Awwal Bank

Interim condensed consolidated statement of comprehensive income – Unaudited

For the nine month period ended

	For three month ended		For nine month ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	SAR'000	SAR'000	SAR'000	SAR'000
Net income for the period after Zakat and income tax	1,883,166	1,830,328	5,944,445	5,144,746
Other comprehensive income / (loss) for the period				
Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods				
Net changes in fair value of FVOCI equity instruments	(91,710)	(8,171)	87,566	37,750
Re-measurement of defined benefit liability	6,636	-	(9,614)	(26,726)
Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods				
Debt instrument at FVOCI:				
Net changes in fair value	1,799,133	(880,927)	541,099	(709,572)
Transfer to interim condensed consolidated statement of income, net	-	-	60,924	4,892
Cash flow hedges:				
Net changes in fair value	74,354	(48,904)	206,540	58,554
Transfer to interim condensed consolidated statement of income, net	(7,147)	(15,737)	(253,059)	(121,968)
Total other comprehensive income / (loss) for the period	1,781,266	(953,739)	633,456	(757,070)
Total comprehensive income for the period	3,664,432	876,589	6,577,901	4,387,676

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

Lama A Ghazzaoui
Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Tony Cripps
Managing Director & Authorized Board Member

Saudi Awwal Bank
Interim condensed consolidated statement of changes in equity - Unaudited

For the nine month period ended

		Attributable to equity holders of the Bank					Additional Tier 1 Sukuk SAR'000	Total equity SAR'000		
	Note	Share capital SAR'000	Share premium SAR'000	Statutory reserve SAR'000	Other reserves SAR'000	Retained earnings SAR'000			Total SAR'000	
30 September 2024										
Balance at the beginning of the period		20,547,945	8,524,882	20,547,945	(1,414,343)	9,708,134	57,914,563	3,985,000	61,899,563	
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-	-	5,944,445	5,944,445	-	5,944,445	
Net changes in fair value of cash flow hedges		-	-	-	206,540	-	206,540	-	206,540	
Net changes in fair value of FVOCI equity instruments		-	-	-	87,566	-	87,566	-	87,566	
Net changes in fair value of FVOCI debt instruments		-	-	-	541,099	-	541,099	-	541,099	
Re-measurement of defined benefit liability		-	-	-	(9,614)	-	(9,614)	-	(9,614)	
Transfer to interim condensed consolidated statement of income		-	-	-	(192,135)	-	(192,135)	-	(192,135)	
		-	-	-	633,456	5,944,445	6,577,901	-	6,577,901	
Purchase of treasury shares		-	-	-	(176,804)	-	(176,804)	-	(176,804)	
Employee share plan reserve net charge and shares vested		-	-	-	29,794	-	29,794	-	29,794	
Profit paid on additional Tier 1 Sukuk		-	-	-	-	(228,972)	(228,972)	-	(228,972)	
2024 interim dividend, net of Zakat and income tax		22	-	-	-	(2,090,828)	(2,090,828)	-	(2,090,828)	
2023 final dividend, net of Zakat and income tax		22	-	-	-	(1,847,384)	(1,847,384)	-	(1,847,384)	
Balance at the end of the period			20,547,945	8,524,882	20,547,945	(927,897)	11,485,395	60,178,270	3,985,000	64,163,270

	Attributable to equity holders of the Bank						Additional Tier 1 Sukuk SAR'000	Total equity SAR'000	
	Note	Share capital SAR'000	Share premium SAR'000	Statutory reserve SAR'000	Other reserves SAR'000	Retained earnings SAR'000			Total SAR'000
30 September 2023									
Balance at the beginning of the period		20,547,945	8,524,882	20,547,945	(1,182,348)	6,198,227	54,636,651	-	54,636,651
Total comprehensive income / (loss) for the period									
Net income for the period after Zakat and income tax		-	-	-	-	5,144,746	5,144,746	-	5,144,746
Net changes in fair value of cash flow hedges		-	-	-	58,554	-	58,554	-	58,554
Net changes in fair value of FVOCI equity instruments		-	-	-	37,750	-	37,750	-	37,750
Net changes in fair value of FVOCI debt instruments		-	-	-	(709,572)	-	(709,572)	-	(709,572)
Re-measurement of defined benefit liability		-	-	-	(26,726)	-	(26,726)	-	(26,726)
Transfer to interim condensed consolidated statement of income		-	-	-	(117,076)	-	(117,076)	-	(117,076)
		-	-	-	(757,070)	5,144,746	4,387,676	-	4,387,676
Purchase of treasury shares		-	-	-	(37,414)	-	(37,414)	-	(37,414)
Employee share plan reserve net charge and shares vested		-	-	-	27,827	-	27,827	-	27,827
2023 interim dividend, net of Zakat and income tax	22	-	-	-	-	(1,992,689)	(1,992,689)	-	(1,992,689)
2022 final dividend, net of Zakat and income tax	22	-	-	-	-	(1,482,821)	(1,482,821)	-	(1,482,821)
Balance at the end of the period		20,547,945	8,524,882	20,547,945	(1,949,005)	7,867,463	55,539,230	-	55,539,230

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

Lama Ghazzaoui
Chief Financial Officer

Lama A Ghazzaoui

Tony Cripps
Managing Director & Authorized Board Member

Tony Cripps

Interim condensed consolidated statement of cash flows – Unaudited
For the nine month period ended

	Notes	30 September 2024 SAR'000	30 September 2023 SAR'000
OPERATING ACTIVITIES			
Net income for the period before Zakat and income tax		6,927,852	6,108,728
Adjustments to reconcile net income before Zakat and income tax to net cash from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		(242,646)	(282,977)
Depreciation and amortization		407,671	419,295
Special commission expense on debt securities in issue		301,209	282,999
Special commission expense on lease liabilities		10,111	12,091
Losses on amortised cost financial instruments		46,715	14,929
Income transferred to interim condensed consolidated statement of income		(192,135)	(117,076)
Share in earnings of an associate	8	(163,173)	(135,665)
Provision for expected credit losses, net	19 (a)	501,776	511,867
Employee share plan reserve		29,794	27,827
		7,627,174	6,842,018
Change in operating assets:			
Statutory deposit with SAMA		(922,443)	(50,314)
Due from banks and other financial institutions		162,869	(118,662)
Investments held as FVSI		(59,641)	201,811
Loans and advances		(37,005,010)	(28,724,969)
Positive fair value derivatives		338,837	(1,224,721)
Other assets		(1,245,483)	(151,462)
Change in operating liabilities:			
Due to SAMA, banks and other financial institutions		14,815,834	6,960,580
Customers' deposits		19,691,370	13,773,998
Negative fair value derivatives		(27,130)	1,386,387
Other liabilities		2,096,706	3,013,088
		5,473,083	1,907,754
Special commission paid on debt securities in issue	12	(402,340)	(324,003)
Zakat and income tax paid		(1,045,416)	(844,189)
Net cash generated from operating activities		4,025,327	739,562
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		20,965,261	33,033,822
Purchase of investments not held as FVSI		(21,221,786)	(36,075,218)
Dividend received from an associate		204,065	251,958
Purchase of property, equipment and intangibles, net		(676,238)	(352,696)
Net cash used in investing activities		(728,698)	(3,142,134)
FINANCING ACTIVITIES			
Payment of lease liabilities		(102,692)	(91,104)
Profit paid on additional Tier 1 Sukuk		(228,972)	-
Dividends paid		(3,922,840)	(3,460,437)
Purchase of treasury shares		(176,804)	(37,414)
Net cash used in financing activities		(4,431,308)	(3,588,955)
Net change in cash and cash equivalents		(1,134,679)	(5,991,527)
Cash and cash equivalents at beginning of the period	17	10,198,684	11,808,078
Cash and cash equivalents at end of the period	17	9,064,005	5,816,551
Supplemental non cash information			
Special commission income received		15,047,863	11,973,092
Special commission income paid		7,263,956	4,350,484
Net changes in fair value and transfers to interim condensed consolidated statement of income		633,456	(757,070)

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

Lama Ghazzaoui
Chief Financial Officer

Lama A Ghazzaoui

Tony Cripps
Managing Director & Authorized Board Member

Tony Cripps

Notes to the interim condensed consolidated financial information

For the nine month period ended 30 September 2024

All amounts in thousands of Saudi Riyals unless otherwise stated

1. General

Saudi Awwal Bank ("SAB") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia and was established by a Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SAB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SAB operates under Commercial Registration No. 1010025779 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 102 branches (31 December 2023: 104 branches) in the Kingdom of Saudi Arabia. The address of SAB's head office is as follows:

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

The shareholders of the Saudi British Bank and Alawwal Bank ("AAB") approved the merger of the two banks at Extraordinary General Meetings held on 15 May 2019 pursuant to Articles 191-193 of the Companies Law issued under Royal Decree No. M/3 dated 28 Muharram 1437 (corresponding to 10 November 2015) (the "Companies Law"), and Article 49 (a) (1) of the Merger and Acquisitions Regulations issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (the "CMA").

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

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

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

Name of subsidiaries / associate	Ownership %		Description
	2024	2023	
Arabian Real Estate Company Limited ("ARECO")	100%	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010188350 dated 12 Jumada I 1424H (12 July 2003). ARECO is engaged in real estate activities.
SAB Markets Limited	100%	100%	A limited liability company incorporated in the Cayman Islands under commercial registration No 323083 dated 21 Shaban 1438H (17 May 2017). SAB Markets is engaged in derivatives trading and repo activities.
Alawwal Invest Company ("SAB Invest")	100%	100%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No.1010242378 dated 30 Thul-Hijjah 1428H (9 January 2008). Alawwal Invest was formed and licensed as a capital market institution in accordance with the CMA's Resolution No. 1 39 2007. SAB Invest's principal activity is to engage in security activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.
Alawwal Real Estate Company ("AREC")	100%	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010250772 dated 21 Jumada I 1429H (26 May 2008). AREC is engaged in real estate activities.
HSBC Saudi Arabia	49%	49%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010221555 dated 27 Jumada II 1427H (23 July 2006). HSBC Saudi Arabia is an associate of the Group, formed and licensed as a capital market institution in accordance with the Resolution No. 37-05008 of the CMA dated 05 Thul-Hijjah 1426H corresponding to 05 January 2006. HSBC Saudi Arabia's principal activity is to engage in securities activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.

SAB has participated in the following two structured entities for the purpose of effecting syndicated loan transactions in the Kingdom of Saudi Arabia. These entities have no other business operations. SAB does not consolidate these entities. The details of the entities are as follows:

Name of Entity	Ownership %		Description
	2024	2023	
Saudi Kayan Assets Leasing Company	50%	50%	The entity was incorporated for the purpose of effecting syndicated loan transactions and securing collateral rights over specific assets of the borrowers of those facilities under Islamic financing structure.
Rabigh Asset Leasing Company	50%	50%	(the company is currently under liquidation).

2. Basis of preparation

This interim condensed consolidated financial information of the Group as at and for the period ended 30 September 2024 has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with Group's annual consolidated financial statements as at the year ended 31 December 2023.

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

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

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

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

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

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

The material accounting policies, estimates and assumptions used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 unless otherwise stated.

The following standards, interpretations or amendments are effective from the annual periods beginning on or after 1 January 2024 and are adopted by the Group, however, these do not have any significant impact on the interim condensed consolidated financial information of the period:

Accounting Standards, interpretations, amendments	Description
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in International Financial Reporting Standards (“IFRS”) 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IAS 7 and IFRS 7 - Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

Accounting standards issued but not yet effective

The International Accounting Standard Board (“IASB”) has issued following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2025. The Group has opted not to early adopt these pronouncements and is in the process of assessing the impact on the interim condensed consolidated financial information of the Group.

Accounting Standards, interpretations, amendments	Description	Effective periods beginning on or after
Amendments to IAS 21 - Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance ("ESG") targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income ("FVOCI").	Annual periods beginning on or after 1 January 2026
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.	Annual periods beginning on or after 1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss; - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.	Annual periods beginning on or after 1 January 2027

IFRS 19 Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: - it does not have public accountability; and - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA.	Annual periods beginning on or after 1 January 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

4. Cash and balances with Saudi Central Bank ("SAMA")

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Cash in hand	1,831,158	1,775,854	1,864,871
Statutory deposit	14,669,384	13,746,941	13,374,374
Placements with SAMA	-	56,000	602,816
Other balances	113,104	1,162,440	320,573
Total	16,613,646	16,741,235	16,162,634

5. Due from banks and other financial institutions, net

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current accounts	6,650,294	6,381,300	3,028,291
Money market placements	510,431	1,026,941	118,662
Provision for expected credit losses	(538)	(760)	(2,219)
Total	7,160,187	7,407,481	3,144,734

b) Credit quality analysis

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

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit Impaired	Total
30 September 2024 (Unaudited)	7,160,187	-	-	-	7,160,187
31 December 2023 (Audited)	7,406,882	-	599	-	7,407,481
30 September 2023 (Unaudited)	3,144,667	-	67	-	3,144,734

c) Movement in provision for expected credit losses

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

	30 September 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	550	-	210	760
Net charge for the period	(12)	-	(210)	(222)
Balance as at 30 September 2024	538	-	-	538

	31 December 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	1,888	-	-	1,888
Transfer to lifetime ECL credit impaired	(12)	-	12	-
Net change for the year	(1,326)	-	198	(1,128)
Balance as at 31 December 2023	550	-	210	760

	30 September 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	1,888	-	-	1,888
Net charge for the period	121	-	210	331
Balance as at 30 September 2023	2,009	-	210	2,219

6. Investments, net

Investment securities are classified as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
FVOCI – Debt	49,712,273	47,759,449	39,786,758
FVOCI – Equity	511,274	423,852	254,521
FVSI	1,076,703	1,017,062	761,463
Held at amortised cost	46,416,783	47,377,847	48,003,752
Provision for expected credit losses for investments held at amortised cost	(12,890)	(11,374)	(9,997)
Total	97,704,143	96,566,836	88,796,497

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

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
30 September 2024 (Unaudited)					
Debt instruments at amortised cost, net	46,403,893	-	-	-	46,403,893
Debt instruments at FVOCI	49,712,273	-	-	-	49,712,273

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 December 2023 (Audited)					
Debt instruments at amortised cost, net	47,366,473	-	-	-	47,366,473
Debt instruments at FVOCI	47,759,449	-	-	-	47,759,449

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
30 September 2023 (Unaudited)					
Debt instruments at amortised cost, net	47,993,755	-	-	-	47,993,755
Debt instruments at FVOCI	39,786,758	-	-	-	39,786,758

An analysis of changes in provision for ECL of debt instruments not measured at fair value through profit or loss, is as follows:

	30 September 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	21,526	-	-	21,526
Net re-measurement of loss allowance	3,455	-	-	3,455
Balance as at 30 September 2024	24,981	-	-	24,981

	31 December 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	16,814	-	-	16,814
Net re-measurement of loss allowance	4,712	-	-	4,712
Balance as at 31 December 2023	21,526	-	-	21,526

	30 September 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2023	16,814	-	-	16,814
Net re-measurement of loss allowance	2,473	-	-	2,473
Balance as at 30 September 2023	19,287	-	-	19,287

7. Loans and advances, net

Loans and advances comprise of the following:

	30 September 2024 (Unaudited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	3,396,975	58,893,715	168,458,304	230,748,994
Lifetime ECL not credit impaired	140,840	2,074,317	18,279,833	20,494,990
Lifetime ECL credit impaired	61,634	649,909	3,363,550	4,075,093
Purchased or originated credit impaired	198	117,979	3,471,337	3,589,514
Total loans and advances, gross	3,599,647	61,735,920	193,573,024	258,908,591
Provision for expected credit losses	(271,025)	(776,320)	(5,462,567)	(6,509,912)
Loans and advances, net	3,328,622	60,959,600	188,110,457	252,398,679

	31 December 2023 (Audited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	2,967,942	49,078,628	138,385,203	190,431,773
Lifetime ECL not credit impaired	111,496	2,147,838	21,300,335	23,559,669
Lifetime ECL credit impaired	54,937	679,699	3,525,019	4,259,655
Purchased or originated credit impaired	184	127,141	3,685,794	3,813,119
Total loans and advances, gross	3,134,559	52,033,306	166,896,351	222,064,216
Provision for expected credit losses	(213,565)	(741,663)	(5,173,143)	(6,128,371)
Loans and advances, net	2,920,994	51,291,643	161,723,208	215,935,845

	30 September 2023 (Unaudited)			Total
	Credit cards	Other retail Lending	Corporate and institutional lending	
12 month ECL	2,926,407	46,731,179	136,318,701	185,976,287
Lifetime ECL not credit impaired	107,400	2,305,778	20,875,763	23,288,941
Lifetime ECL credit impaired	52,867	641,781	3,701,850	4,396,498
Purchased or originated credit impaired	246	131,707	3,703,680	3,835,633
Total loans and advances, gross	3,086,920	49,810,445	164,599,994	217,497,359
Provision for expected credit losses	(203,940)	(693,227)	(5,196,195)	(6,093,362)
Loans and advances, net	2,882,980	49,117,218	159,403,799	211,403,997

Lifetime ECL credit impaired includes non-performing loans and advances of SAR 3,671 million (31 December 2023: SAR 3,875 million). It also includes exposures that are now performing but have yet to complete a period of 12 months of performance (the curing period) to be eligible to be upgraded to a not-impaired category.

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

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

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

30 September 2024 (Unaudited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2024	814,617	2,345,382	2,274,799	693,573	6,128,371
Transfer to Stage 1	44,423	(32,803)	(11,620)	-	-
Transfer to Stage 2	(18,670)	81,658	(62,988)	-	-
Transfer to Stage 3	(5,368)	(33,618)	38,986	-	-
Net re-measurement of loss allowance	(60,388)	202,707	16,701	447,203	606,223
Write-offs	-	-	(224,682)	-	(224,682)
Balance as at 30 September 2024	774,614	2,563,326	2,031,196	1,140,776	6,509,912

31 December 2023 (Audited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2023	573,972	2,177,072	2,806,054	453,382	6,010,480
Transfer to Stage 1	94,271	(30,377)	(63,894)	-	-
Transfer to Stage 2	(12,241)	89,006	(76,765)	-	-
Transfer to Stage 3	(3,225)	(31,520)	34,745	-	-
Net re-measurement of loss allowance	161,840	141,201	388,386	240,191	931,618
Write-offs	-	-	(813,727)	-	(813,727)
Balance as at 31 December 2023	814,617	2,345,382	2,274,799	693,573	6,128,371

30 September 2023 (Unaudited)	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
Balance at 1 January 2023	573,972	2,177,072	2,806,054	453,382	6,010,480
Transfer to Stage 1	75,921	(28,693)	(47,228)	-	-
Transfer to Stage 2	(14,828)	95,624	(80,796)	-	-
Transfer to Stage 3	(2,812)	(28,036)	30,848	-	-
Net re-measurement of loss allowance	85,310	65,795	302,099	253,407	706,611
Write-offs	-	-	(623,729)	-	(623,729)
Balance as at 30 September 2023	717,563	2,281,762	2,387,248	706,789	6,093,362

8. Investment in an associate

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
HSBC Saudi Arabia			
Balance at beginning of the period / year	462,046	599,289	599,289
Share in earnings	163,173	188,214	135,665
Dividend received	(204,065)	(325,457)	(251,958)
Balance at end of the period / year	421,154	462,046	482,996

9. Goodwill and other intangibles, net

Intangibles are comprised of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Software	448,800	258,997	335,205
Amounts arising from acquisitions:			
Goodwill	8,778,091	8,778,091	8,778,091
Other intangibles	1,390,700	1,519,279	1,564,288
Total	10,617,591	10,556,367	10,677,584

Impairment testing of goodwill

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

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

As at 30 September 2024, no impairment indicators were identified and as such, no impairment test was performed.

10. Derivatives

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

	30 September 2024 (Unaudited)			31 December 2023 (Audited)			30 September 2023 (Unaudited)		
	Positive fair Value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
Derivatives held for trading:									
Special commission rate swaps	1,849,075	(1,718,690)	119,044,694	1,809,112	(1,692,732)	88,912,539	2,995,359	(2,802,934)	83,507,325
Special commission rate options	182,286	(194,190)	7,177,508	221,240	(227,245)	6,545,126	296,560	(297,515)	7,094,847
Forward foreign exchange contracts	35,897	(20,200)	9,002,343	94,477	(64,097)	16,189,169	109,788	(88,470)	13,167,549
Currency options	-	-	-	-	-	-	10,083	(10,086)	762,088
Currency swaps	12,843	(11,437)	4,017,130	785	(465)	1,687,500	1,047	(666)	1,687,500
Commodity options	-	-	-	-	-	-	13,243	(13,247)	190,592
Commodity swaps	77,211	(76,708)	467,510	-	-	-	-	-	-
Derivatives held as fair value hedges:									
Special commission rate swaps	46,601	(173,252)	4,978,750	214,550	(222,705)	9,075,000	393,209	(6,962)	7,635,250
Derivatives held as cash flow hedges:									
Special commission rate swaps	32,172	(9,863)	4,566,000	24,624	(22,574)	3,566,000	(17)	(73,727)	3,566,000
Currency swaps	-	-	-	3,594	(1,652)	75,000	2,077	(216)	75,000
Total	2,236,085	(2,204,340)	149,253,935	2,368,382	(2,231,470)	126,050,334	3,821,349	(3,293,823)	117,686,151

The following table sets out information about fair vales netting:

Fair values of netting arrangements	149,340	(241,757)	526,248	(177,869)	1,384,466	(721)
Cash collateral, net	(116,148)	516,745	(355,372)	300,450	(203,000)	31,090
Fair values after netting	33,192	274,988	170,876	122,581	1,181,466	30,369

11. Customers' deposits

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Demand	130,868,268	138,953,931	135,639,601
Time	125,651,522	98,578,400	88,985,955
Savings	2,479,155	2,092,397	2,064,112
Margin and others	1,632,731	1,315,578	1,363,181
Total	260,631,676	240,940,306	228,052,849

12. Debt securities in issue

SAR 5 Billion 10 year Sukuk – 2020

SAB issued SAR 5 billion Tier II Sukuk on 22 July 2020 under the Group's local Sukuk Programme (the "Local Programme"). The Sukuk are unsecured and due in 2030, with SAB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the Local Programme. The Sukuk carry effective special commission expense at six months' SAIBOR plus margin of 195 bps payable semi-annually. Comparative figures relating to special commission paid on debt securities in issue have been reclassified from financing activities to operating activities in the interim condensed statement of cash flows.

13. Commitments and contingencies

a) Legal proceedings

There are no material outstanding legal matters against the Group.

b) Credit related commitments and contingencies

Credit related commitments and contingencies are as follows:

30 September 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	16,756,934	974,777	9,541	107,767	17,849,019
Letters of guarantee	114,700,892	5,179,663	1,120,520	1,163,163	122,164,238
Acceptances	3,227,720	177,050	-	7,335	3,412,105
Irrevocable commitments to extend credit	26,425,721	-	-	197,148	26,622,869
Total	161,111,267	6,331,490	1,130,061	1,475,413	170,048,231

31 December 2023 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	14,746,763	874,480	2,893	38,833	15,662,969
Letters of guarantee	88,243,609	7,844,758	1,241,777	1,232,269	98,562,413
Acceptances	3,672,874	194,943	520	830	3,869,167
Irrevocable commitments to extend credit	11,953,358	537,713	-	217,829	12,708,900
Total	118,616,604	9,451,894	1,245,190	1,489,761	130,803,449

30 September 2023 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	15,775,469	907,407	13,334	59,588	16,755,798
Letters of guarantee	84,455,896	8,027,251	1,264,753	1,270,512	95,018,412
Acceptances	3,676,121	223,102	643	964	3,900,830
Irrevocable commitments to extend credit	11,520,424	-	-	-	11,520,424
Total	115,427,910	9,157,760	1,278,730	1,331,064	127,195,464

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

30 September 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	121,810	249,985	606,108	48,074	1,025,977
Transfer to stage 1	37,946	(37,946)	-	-	-
Transfer to stage 2	(1,396)	1,396	-	-	-
Transfer to stage 3	-	-	-	-	-
Net re-measurement of loss allowance	(48,054)	(45,981)	53,471	(3,069)	(43,633)
Balance as at 30 September 2024	110,306	167,454	659,579	45,005	982,344

31 December 2023 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	52,215	288,017	606,250	7,255	953,737
Transfer to stage 1	3,353	(3,353)	-	-	-
Transfer to stage 2	(1,050)	1,050	-	-	-
Transfer to stage 3	-	(2,232)	2,232	-	-
Net charge for the year	67,292	(33,497)	(2,374)	40,819	72,240
Balance as at 31 December 2023	121,810	249,985	606,108	48,074	1,025,977

30 September 2023 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2023	52,215	288,017	606,250	7,255	953,737
Transfer to stage 1	2,060	(2,060)	-	-	-
Transfer to stage 2	(1,179)	1,179	-	-	-
Transfer to stage 3	-	(2,346)	2,346	-	-
Net re-measurement of loss allowance	45,182	(21,666)	21,155	11,171	55,842
Balance as at 30 September 2023	98,278	263,124	629,751	18,426	1,009,579

14. Additional Tier 1 Sukuk

On 31 October 2023, the Bank has issued SAR 4 billion Additional Tier 1 Capital Sukuk (SAR-denominated) by way of private placement, which were approved by the regulatory authorities and Board of Directors of the Bank. These Sukuk are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets. The applicable profit rate on the Sukuk is payable on each periodic distribution date, except in the event of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment elections are not considered to be events of default.

15. Zakat and income tax

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

As of 30 September 2024, SAB has filed its Zakat and income tax return for the years 2021 to 2023 which are under Zakat, Tax, and Customs Authority ("ZATCA") reviews. Income tax assessments from 2015 to 2018 have not been received by the Bank. The remaining assessments are closed and settled.

16. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net income after Zakat and income tax for the period ended 30 September 2024 (adjusted by profit paid on additional Tier 1 Sukuk) by the weighted average number of shares outstanding during the period.

	For three month ended		For nine month ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income after Zakat and income tax	1,883,166	1,830,328	5,944,445	5,144,746
Profit paid on additional Tier 1 Sukuk	(76,393)	-	(228,972)	-
Net income after Zakat and income tax (adjusted by profit paid on additional Tier 1 Sukuk)	1,806,773	1,830,328	5,715,473	5,144,746
Weighted average number of ordinary shares*	2,054,794,522	2,054,794,522	2,054,794,522	2,054,794,522
Basic and diluted earnings per share	0.88	0.89	2.78	2.50

* The impact of treasury shares is immaterial

17. Cash and cash equivalents

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Cash and balances with SAMA excluding the statutory deposit (note 4)	1,944,262	2,994,294	2,788,260
Due from banks and other financial institutions with an original maturity of three month or less from date of the acquisition	7,119,743	7,204,390	3,028,291
Total	9,064,005	10,198,684	5,816,551

18. Operating segments

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

Wealth and Personal Banking ("WPB"): Wealth and Personal Banking offers a variety of wealth and consumer lending products. Having mix of domestic and international customers, WPB aims to be the Bank of choice for wealth and internationally-minded customers.

Corporate and Institutional Banking ("CIB"): The Corporate and Institutional Banking provides tailored solutions to a wide range of customer segments including Global Corporates and Institutional Banking, Multinational Corporates, Large and Commercial Banking Corporates, and Small and Medium Enterprises. CIB offers a wide range of products that includes core banking, liquidity management, trade-finance and treasury services.

Treasury ("TSY"): The Treasury business provides Corporate, Institutional, Wealth and Private banking clients with access to treasury and capital markets products across multiple asset classes, including foreign exchange, interest rate, and commodities hedging solutions. In addition, Treasury manages the liquidity and market risk of the Bank, including deployment of its commercial surplus through its investment portfolio.

Capital Markets: The Capital Markets segment brings together the margin lending, brokerage, and asset management business and are managed by our wholly-owned subsidiary SAB Invest.

Others: Includes activities of the Group's investment in its associate, HSBC Saudi Arabia and equity investments. It also includes elimination of inter-group income and expense items.

For the nine month period ended 30 September 2024

All amounts in thousands of Saudi Riyals unless otherwise stated

Transactions between the operating segments are reported as per by the Group's transfer pricing policy. The Group's total assets and liabilities as at 30 September 2024 and 30 September 2023, its total operating income and expenses, and the results for the periods then ended, by operating segment, are as follows:

30 September 2024 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	72,732,506	192,306,990	126,664,122	2,459,900	1,181,732	395,345,250
Loans and advances, net	62,731,995	188,110,457	-	1,556,227	-	252,398,679
Investments, net	-	-	96,763,716	429,153	511,274	97,704,143
Investment in an associate	-	-	-	-	421,154	421,154
Total liabilities	90,822,332	167,731,637	72,409,813	170,975	47,223	331,181,980
Operating income / (expense) from external customers	1,629,978	6,918,935	1,584,856	334,815	(1,781)	10,466,803
Inter-segment operating income / (expense)	1,435,704	(1,343,173)	(92,531)	-	-	-
Total operating income / (expense), of which:	3,065,682	5,575,762	1,492,325	334,815	(1,781)	10,466,803
Net special commission income	2,582,906	4,658,880	857,676	103,655	-	8,203,117
Net fees and commission income / (expenses)	193,338	709,988	(2,680)	223,279	-	1,123,925
Provision for expected credit losses, net	(194,411)	(303,890)	(3,145)	(330)	-	(501,776)
Total operating expenses	(1,412,042)	(1,267,334)	(319,563)	(188,876)	(12,533)	(3,200,348)
Share in earnings of an associate	-	-	-	-	163,173	163,173
Net income for the period before Zakat and income tax	1,459,229	4,004,538	1,169,617	145,609	148,859	6,927,852

30 September 2023 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	59,642,068	162,921,367	113,560,336	2,085,948	2,268,398	340,478,117
Loans and advances, net	50,678,066	159,403,799	-	1,322,132	-	211,403,997
Investments, net	-	-	88,228,173	313,803	254,521	88,796,497
Investment in an associate	-	-	-	-	482,996	482,996
Total liabilities	80,904,927	145,536,495	58,278,287	166,786	52,392	284,938,887
Operating income / (expense) from external customers	1,431,006	6,138,563	1,765,500	226,334	(29,813)	9,531,590
Inter-segment operating income / (expense)	1,140,827	(1,013,692)	(127,135)	-	-	-
Total operating income / (expense), of which:	2,571,833	5,124,871	1,638,365	226,334	(29,813)	9,531,590
Net special commission income	2,248,472	4,273,483	1,037,235	80,743	-	7,639,933
Net fees and commission income / (expense)	129,090	645,722	1,157	136,980	(9,001)	903,948
Provision for expected credit losses, net	(20,529)	(488,547)	(2,594)	(197)	-	(511,867)
Total operating expenses	(1,416,769)	(1,133,945)	(281,652)	(166,803)	(47,491)	(3,046,660)
Share in earnings of an associate	-	-	-	-	135,665	135,665
Net income for the period before Zakat and income tax	1,134,535	3,502,379	1,354,119	59,334	58,361	6,108,728

19. Financial risk management

Credit Risk

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

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

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

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

a. Provision for expected credit losses, net

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

	Notes	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net provision for expected credit losses:			
Due from banks and other financial institutions	5	222	(331)
Investments	6	(3,455)	(2,473)
Loans and advances	7	(606,223)	(706,611)
Loan commitments and financial guarantees	13	43,633	(55,842)
Write-offs net of recoveries		64,047	253,390
Net charge for the period		(501,776)	(511,867)

b. Collateral

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

20. Fair values of financial instruments

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

Determination of fair value and fair value hierarchy:

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

- **Level 1:** quoted prices in active markets for the same instrument (e.g, without modification or repacking);
- **Level 2:** quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- **Level 3:** valuation techniques for which any significant input is not based on observable market data.

30 September 2024 (Unaudited)	Carrying Value		Fair value		
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Derivative financial instruments	2,236,085	-	2,236,085	-	2,236,085
Investments held as FVSI	1,076,703	522,113	554,590	-	1,076,703
Investments held as FVOCI – Debt	49,712,273	-	49,712,273	-	49,712,273
Investments held as FVOCI – Equity	511,274	292,517	-	218,757	511,274
Financial assets not measured at fair value:					
Due from banks and other financial institutions	7,160,187	-	7,160,187	-	7,160,187
Investments held at amortised cost	46,403,893	-	44,481,182	-	44,481,182
Loans and advances	252,398,679	-	-	250,878,074	250,878,074
Financial liabilities measured at fair value:					
Derivative financial instruments	2,204,340	-	2,204,340	-	2,204,340
Financial liabilities not measured at fair value:					
Due to SAMA, banks and other financial institutions	47,011,936	-	47,011,936	-	47,011,936
Customers deposits	260,631,676	-	260,450,015	-	260,450,015
Debt securities in issue	5,076,731	-	5,076,731	-	5,076,731

31 December 2023 (Audited)	Carrying Value		Fair value		
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,368,382	-	2,368,382	-	2,368,382
Investments held as FVSI	1,017,062	502,444	514,618	-	1,017,062
Investments held as FVOCI – Debt	47,759,449	-	47,759,449	-	47,759,449
Investments held as FVOCI – Equity	423,852	250,046	-	173,806	423,852
Financial assets not measured at fair value					
Due from banks and other financial institutions	7,407,481	-	7,407,481	-	7,407,481
Investments held at amortised cost	47,366,473	-	44,893,595	-	44,893,595
Loans and advances	215,935,845	-	-	215,808,170	215,808,170
Financial liabilities measured at fair value					
Derivative financial instruments	2,231,470	-	2,231,470	-	2,231,470
Financial liabilities not measured at fair value					
Due to SAMA, banks and other financial institutions	32,196,102	-	32,196,102	-	32,196,102
Customers deposits	240,940,306	-	240,768,784	-	240,768,784
Debt securities in issue	5,177,862	-	5,177,862	-	5,177,862

The Group uses widely recognized valuation models for determining the fair value of common and simpler financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple Over the Counter (“OTC”) derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. The difference between the transaction price and the model value is commonly referred to as ‘day one profit or loss’. It is either amortised over the life of the transaction or deferred until the instrument's fair value can be determined using market observable data or realized through disposal. Subsequent changes in fair value are recognized immediately in the consolidated statement of income without reversal of deferred day one profits and losses.

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

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

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

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

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

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

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

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

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

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

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

21. Capital adequacy

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

SAMA, through Circular Number 391000029731 dated 15 Rabi Al-Awwal 1439H (3 December 2017), provided guidance on the interim approach and transitional arrangements for accounting allocations under IFRS 9. The directive required banks to transition the initial impact on the capital adequacy ratio over five years. However, the latest SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures allows banks to add back up to 100% of the transitional adjustment amount to Common Equity Tier 1 ("CET1") for the full two-year period of 2020 and 2021, effective from the 31 March 2021 financial statement reporting. Starting in 2022, the add-back amount will be phased out on a straight-line basis over three years. As a result of these revised transitional arrangements, the Group's Tier 1 ratio improved by 17 basis points for the period ended 30 September 2024.

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Risk Weighted Assets (RWA)			
Credit Risk RWA	304,385,735	279,968,368	268,911,941
Operational Risk RWA	12,233,759	10,458,162	10,458,162
Market Risk RWA	896,922	3,724,396	1,314,984
Total RWA	317,516,416	294,150,926	280,685,087
Common Equity Tier I Capital	49,734,524	48,053,574	45,815,367
Additional Tier I Capital (Note 14)	3,985,000	3,985,000	-
Tier I Capital	53,719,524	52,038,574	45,815,367
Tier II Capital	5,908,876	5,958,473	5,953,740
Total Tier I and Tier II Capital	59,628,400	57,997,047	51,769,107
Capital Adequacy Ratio %			
CET1	15.66%	16.34%	16.32%
Tier I ratio	16.92%	17.69%	16.32%
Tier I + Tier II ratio	18.78%	19.72%	18.44%

22. Dividends

During the period ended 30 September 2024, SAB paid an interim dividend for the first half of year 2024 of SAR 2,091 million (2023: SAR 1,993 million). This equates to SAR 1.00 per share for Saudi shareholders' net of Zakat (2023: SAR 0.88). SAB paid a final dividend of SAR 1,847 million for the second half of 2023 as approved by the Board of Directors, to the shareholders of the Group for the year 2023. This resulted in SAR 0.98 per share for Saudi shareholders, net of Zakat. The income tax of the foreign shareholders was deducted from their share of the dividends.

23. Government grant

During the year of 2023, the Real Estate Development Fund ("REDF") launched a new programme ("the programme") to support residential mortgage finance to certain eligible customers at a subsidized profit rate and within a specified period. The Bank signed an agreement with REDF to become a party to this programme on 11 November 2023.

In accordance with the requirements of IFRS 9, the programme has resulted in a fair value loss on origination of the subsidized mortgage facilities due to the below market profit rate which is offset by the compensation amount received from REDF. The Bank's management has determined that the amount received qualifies as a government grant under IAS 20 and is recorded as deferred income being amortized over the average life of the loans.

24. Board of Directors' approval

This interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Group on 26 Rabi' al-Thani 1446H (Corresponding to 29 October 2024).