



arab national bank

A Saudi joint stock company

Interim Condensed Consolidated Financial Statements

As at and for the period ended March 31, 2025





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

Head Office
Al Falsaliyah 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



Deloitte and Touche & Co.
Chartered Accountants

(Professional Simplified Joint Stock Company)

Paid-up capital SR 5,000,000
Metro Boulevard – Al-Aqiq
King Abdullah Financial District
P.O. Box 213 - Riyadh 11411
Saudi Arabia
C.R. No. 1010600030

Tel: +966 11 5089001
www.deloitte.com

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**TO: THE SHAREHOLDERS OF ARAB NATIONAL BANK
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arab National Bank and its subsidiaries (collectively referred to as “the Bank”) as of March 31, 2025, and the statements of income, comprehensive income, changes in equity and cash flows for the three-months period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this interim 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 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim 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 2024 and the interim financial information for the three-months period ended 31 March 2024 were jointly audited and reviewed, respectively, by another joint auditor who expressed an unmodified audit opinion and an unmodified review conclusion on those statements and that information, respectively, on 13 February 2025 (corresponding to 14 Sha'ban 1446H) and 5 May 2024 (corresponding to 26 Shawwal 1445H), respectively.

**Ernst & Young Professional Services
(Professional LLC)**

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354



Deloitte and Touche & Co.
Chartered Accountants

Tariq Mohammad Alfattani
Certified Public Accountant
License No. 446



(06 Thul-Qi'dah 1446H)
(04 May 2025)

Interim consolidated statement of financial position as at

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited) restated
Assets				
Cash and balances with Saudi Central Bank	4	14,900,956	12,342,361	12,836,703
Due from banks and other financial institutions, net	5	7,062,347	3,853,380	4,769,713
Positive fair value of derivatives	11	1,755,608	2,290,596	2,035,050
Investments, net	6 – 21.2	52,311,477	52,345,094	48,362,763
Loans and advances, net	7	179,056,714	169,494,661	157,875,105
Investments in associates		891,876	889,646	948,581
Other real estate owned, net		909,064	909,064	1,028,220
Property, equipment and right of use assets, net		3,140,957	2,978,359	2,538,292
Other assets		4,621,739	3,204,153	2,490,864
Total assets		264,650,738	248,307,314	232,885,291
Liabilities and equity				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions	9	12,682,163	14,404,334	10,292,370
Negative fair value of derivatives	11	1,402,209	1,598,910	1,475,979
Customers' deposits	10	195,618,976	182,229,847	174,546,564
Issued Sukuk	16	2,852,256	2,828,870	2,852,256
Other liabilities	21.2	10,234,575	9,096,305	7,810,758
Total liabilities		222,790,179	210,158,266	196,977,927
Equity				
Share capital	17.1	20,000,000	20,000,000	15,000,000
Treasury shares	17.4	(98,329)	(98,329)	-
Statutory reserve		11,890,000	11,890,000	10,648,000
Other reserves		334,339	110,945	257,985
Retained earnings	21.2	6,354,244	6,216,685	9,972,549
Equity attributable to equity holders of the Bank		38,480,254	38,119,301	35,878,534
Tier I Sukuk	16	3,350,000	-	-
Total equity attributable to equity holders of the Bank		41,830,254	38,119,301	35,878,534
Non-controlling interest		30,305	29,747	28,830
Total equity		41,860,559	38,149,048	35,907,364
Total liabilities and equity		264,650,738	248,307,314	232,885,291

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Interim consolidated statement of income

For the three-month periods ended March 31, 2025, and 2024 (Unaudited)

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024
Special commission income		3,568,749	3,487,282
Special commission expense		1,600,555	1,559,556
Special commission income, net		1,968,194	1,927,726
Fee and commission income		612,794	466,973
Fee and commission expense		331,902	262,932
Fee and commission income, net		280,892	204,041
Exchange income, net		92,419	68,676
Gain on FVSI financial instruments, net		112,941	19,020
Trading income, net		18,758	13,909
Dividend income		35,183	40,062
Gain on of non-trading instruments, net		432	3,407
Other operating income		21,714	32,600
Total operating income		2,530,533	2,309,441
Salaries and employee related expenses		461,483	417,837
Premises related expenses		12,638	12,827
Depreciation and amortisation		66,695	62,947
Other general and administrative expenses		260,131	236,460
Total operating expenses before impairment charges		800,947	730,071
Expected credit losses (ECL) and other impairment charges, net	8	205,363	161,673
Total operating expenses		1,006,310	891,744
Net operating income		1,524,223	1,417,697
Share in earnings/ (losses) of associates, net		6,055	(822)
Net income before Zakat and income tax		1,530,278	1,416,875
Zakat	14	101,736	88,400
Income tax	14	124,298	92,509
Net income		1,304,244	1,235,966
Attributable to:			
Equity holders of the Bank		1,303,686	1,235,558
Non-controlling interest		558	408
Net income		1,304,244	1,235,966
Basic and diluted earnings per share (expressed in Saudi Riyals)	17.3	0.65	0.62

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Interim consolidated statement of comprehensive income

For the three-month periods ended March 31, 2025, and 2024 (Unaudited)

All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024
Net income		1,304,244	1,235,966
Other comprehensive income/ (loss):			
Items that will not be reclassified to interim consolidated statement of income in subsequent periods			
Equity instruments at FVOCI:			
- Net changes in fair value		112,563	(84,654)
Items that may be reclassified to interim consolidated statement of income in subsequent periods			
Debt instruments at FVOCI:			
- Net changes in fair value		92,031	(81,121)
- Net amounts transferred to interim consolidated statement of income		(432)	(3,407)
Cash flow hedges:			
- Effective portion of change in the fair value		12,996	(9,489)
Employee share plan reserve	17.4	6,236	-
Total other comprehensive income/ (loss)		223,394	(178,671)
Total comprehensive income		1,527,638	1,057,295
Attributable to:			
Equity holders of the Bank		1,527,080	1,056,887
Non-controlling interest		558	408
Total comprehensive income		1,527,638	1,057,295

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



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Managing Director



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Authorised Board Member

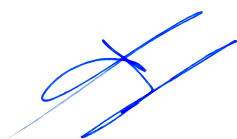
Interim consolidated statement of changes in equity

For the period ended March 31, 2025

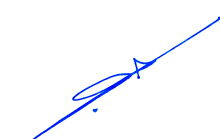
All amounts in thousands of Saudi Riyals unless stated otherwise

2025	Note	Attributable to equity holders of the Bank							Non-controlling interests	Total equity
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Tier I Sukuk	Total		
Balance as at December 31, 2024		20,000,000	(98,329)	11,890,000	110,945	6,216,685	-	38,119,301	29,747	38,149,048
Net income		-	-	-	-	1,303,686	-	1,303,686	558	1,304,244
Changes in equity for the period:										
Net changes in fair values of FVOCI equity investments		-	-	-	112,563	-	-	112,563	-	112,563
Net changes in fair values of FVOCI debt instruments		-	-	-	92,031	-	-	92,031	-	92,031
Net changes in fair value of cash flow hedges		-	-	-	12,996	-	-	12,996	-	12,996
Net transfers to interim consolidated statement of income		-	-	-	(432)	-	-	(432)	-	(432)
Employee share plan reserve	17.4	-	-	-	6,236	-	-	6,236	-	6,236
Total comprehensive income		-	-	-	223,394	1,303,686	-	1,527,080	558	1,527,638
Issuance of Tier I Sukuk	16	-	-	-	-	-	3,350,000	3,350,000	-	3,350,000
2024 final dividends	17.2.2	-	-	-	-	(1,166,127)	-	(1,166,127)	-	(1,166,127)
Balance as at March 31, 2025		20,000,000	(98,329)	11,890,000	334,339	6,354,244	3,350,000	41,830,254	30,305	41,860,559

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Interim consolidated statement of changes in equity

For the period ended March 31, 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

2024 restated	Note	Attributable to equity holders of the Bank					Non-Controlling interests	Total equity
		Share capital	Statutory reserve	Other reserves	Retained earnings	Total		
Balance as at December 31, 2023 as previously presented		15,000,000	10,648,000	436,656	8,984,821	35,069,477	28,422	35,097,899
Restatement	21.2	-	-	-	708,862	708,862	-	708,862
Restated balance as at January 1, 2024		15,000,000	10,648,000	436,656	9,693,683	35,778,339	28,422	35,806,761
Net income		-	-	-	1,235,558	1,235,558	408	1,235,966
Changes in equity for the period:								
Net changes in fair values of FVOCI equity investments		-	-	(84,654)	-	(84,654)	-	(84,654)
Net changes in fair values of FVOCI debt instruments		-	-	(81,121)	-	(81,121)	-	(81,121)
Net changes in fair value of cash flow hedges		-	-	(9,489)	-	(9,489)	-	(9,489)
Net transfers to interim consolidated statement of income		-	-	(3,407)	-	(3,407)	-	(3,407)
Total comprehensive income		-	-	(178,671)	1,235,558	1,056,887	408	1,057,295
2023 final dividends	17.2.1	-	-	-	(956,692)	(956,692)	-	(956,692)
Balance as at March 31, 2024		15,000,000	10,648,000	257,985	9,972,549	35,878,534	28,830	35,907,364

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



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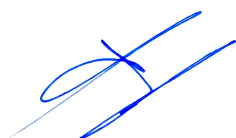
Interim consolidated statement of cash flow

For the three-month periods ended March 31, 2025, and 2024 (Unaudited)

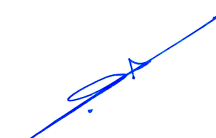
All amounts in thousands of Saudi Riyals unless stated otherwise

	Note	2025	2024
Operating activities			
Net income before Zakat and income tax		1,530,278	1,416,875
Adjustments to reconcile net income to net cash from operating activities:			
Amortisation relating to debt instruments		(34,897)	(34,858)
Special commission expense on issued Sukuk		23,386	23,386
Gain on non-trading investments, net		(432)	(3,407)
Gain on FVSI financial instruments, net		(112,941)	(19,020)
Dividend income		(35,183)	(40,062)
Depreciation and amortisation		66,695	62,947
Gain on disposal of property and equipment, net		(477)	(14,050)
Expected credit losses (ECL) and other impairment charges, net	8	205,363	161,673
Share in (earnings)/ loss of associates, net		(6,055)	822
Net (increase)/ decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(277,343)	(50,616)
Investments held at FVSI		939,311	(120,127)
Positive fair value of derivatives		534,988	(233,159)
Loans and advances		(9,769,064)	(5,800,563)
Other assets		(1,428,368)	(345,924)
Net increase/ (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		(1,722,171)	1,861,594
Negative fair value of derivatives		(196,701)	72,619
Customers' deposits		13,389,129	8,678,555
Other liabilities		989,580	508,966
Zakat and income tax paid		(98,916)	-
Net cash from operating activities		3,996,182	6,125,651
Investing activities			
Proceeds from sale and maturities of investments not held as FVSI		366,425	810,858
Purchase of investments not held as FVSI		(897,527)	(1,760,722)
Dividends received from investments		35,183	40,062
Dividends received from investment in associates		3,825	-
Proceeds from sale of property and equipment		477	31,647
Purchase of property and equipment		(168,449)	(85,332)
Net cash used in investing activities		(660,066)	(963,487)
Financing activities			
Dividends paid		(1,166,127)	(956,692)
Tier I Sukuk issuance		3,350,000	-
Payment of lease liabilities		(28,492)	(19,231)
Net cash from/ (used in) financing activities		2,155,381	(975,923)
Net increase in cash and cash equivalents		5,491,497	4,186,241
Cash and cash equivalents at the beginning of the period		6,505,335	4,549,290
Cash and cash equivalents at the end of the period	13	11,996,832	8,735,531
Special commission received		3,795,125	3,356,199
Special commission paid		(1,803,161)	(1,675,982)

The notes to the Interim Condensed Consolidated Financial Statements are an integral part of these statements.



Saad Al-Dughish
Chief Financial Officer



Obaid A. Al-Rasheed
Managing Director



Hesham Al-Jabr
Authorised Board Member

Notes to interim condensed consolidated financial statements

As at and for the periods ended March 31, 2025, and 2024

1. General

Arab National Bank (a Saudi Joint Stock Company, the "Bank") was formed pursuant to Royal Decree No. M/38 dated Rajab 18,1399H (corresponding to June 13, 1979). The Bank commenced business on February 2, 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration No. 1010027912 dated Rabi Awal 1, 1400H (corresponding to January 19, 1980) through its 122 branches (March 31, 2024: 125 branches), 58 remittance centres (March 31, 2024: 57 remittance centres) in the Kingdom of Saudi Arabia and one branch in the United Kingdom. The address of the Bank's head office is as follows:

Arab National Bank
P.O. Box 56921
Riyadh 11564
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of banking services. The Bank also provides its customers non-commission based banking products which are approved and supervised by an independent Shariah Board established by the Bank.

The interim condensed consolidated financial statements comprise the financial statements of the Bank and the following subsidiaries (collectively referred to as "the Group"):

1.1 ANB Capital

In accordance with the Capital Market Authority (CMA) directives, a wholly owned subsidiary and a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010239908 issued on Shawwal 26, 1428H (corresponding to November 7, 2007), to takeover and manage the Bank's investment services and asset management activities consisting of dealing, managing, arranging, advising and custody of securities regulated by the CMA. The subsidiary commenced its operations effective Muharram 3, 1429H (corresponding to January 12, 2008). On Muharram 19, 1436H (corresponding to November 12, 2014), the subsidiary changed its legal structure from a limited liability company to a closed joint stock company.

The objective of the subsidiary was amended and approved by CMA Board of Commissioners on Muharram 28, 1437H (corresponding to November 10, 2015) through a resolution number S/1/6/14832/15 to include dealing as a principal activity.

The objective of the subsidiary was further amended on Sha'ban 26, 1437H (corresponding to June 2, 2016) to provide loans to the subsidiary's customers to trade in shares as per the Saudi Central Bank (SAMA) circular No. 371000014867 dated Safar 5, 1437H, and the CMA's circular No. S/6/16287/15 dated Rabi' Al-Awal 10, 1437H.

1.2 Arabian Heavy Equipment Leasing Company (AHEL)

An 87.5% owned subsidiary incorporated in the Kingdom of Saudi Arabia, as a Saudi closed joint stock company, under Commercial Registration no 1010267489 issued in Riyadh dated Jumada I 15, 1430H (corresponding to May 10, 2009). The Company is engaged in the leasing of heavy equipment and operates in compliance with Sharia's principles.

The Bank started consolidating the subsidiary's financial statements effective May 10, 2009, the date the subsidiary started its operations. On May 6, 2014 the Bank increased its ownership percentage in this subsidiary from 62.5% to reach 87.5%.

1.3 Al-Manzil Al-Mubarak Real Estate Financing Ltd.

A wholly owned Saudi limited liability company, registered in the Kingdom of Saudi Arabia under the commercial registration no. 1010199647 issued in Riyadh dated Jumada I 18, 1425H (corresponding to July 6, 2004). The subsidiary is engaged in the purchase of lands and real estates and invest them through sale or rent in favor of the company, maintenance and management of owners and others' assets as guarantee, sale and purchase of real estates for financing purposes as per SAMA approval No. 361000109161 dated 10/8/1436H.

1.4 ANB Global Markets Limited

The Bank established on Jumada I 3, 1438H (corresponding to January 31, 2017) ANB Global Markets Limited, as a limited liability company registered in the Cayman Islands. The Bank has 100% ownership in the investee. The objective of ANB Global Markets Limited is trading in derivatives and Repo activities on behalf of the Bank.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group as at and for the three months period ended March 31, 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 announcements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

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

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (ﷲ) and are rounded off to the nearest thousand, except where indicated otherwise.

Notes to interim condensed consolidated financial statements

As at and for the periods ended March 31, 2025, and 2024

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

3. Accounting policies and estimates

The accounting policies, estimates and assumptions adopted in the preparation of the condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 and the following:

Tier I Sukuk

The Group classifies Sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk) and not obliging the Group for payment of profit, as part of equity. The related costs and distributions thereon are recognised directly in the retained earnings.

Share based payments

Under the terms of the Employee Share Program, eligible employees of the Group are offered shares at a predetermined price for a fixed period of time. At the vesting dates determined under the terms of the plan, the Group delivers the underlying allotted shares to the employees, subject to the satisfactory completion of the vesting conditions. The cost of the plans is recognised over the period in which the service condition is fulfilled, ending on the date on which the relevant employees become fully entitled to the shares ('the vesting date').

The cumulative expense recognised for these plans at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

3.1 Changes in accounting policies

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1.1 New standards, interpretations and amendments adopted by the Group

The below amendment applies for the first time in 2025, but do not have a significant impact on the interim condensed consolidated financial information of the Group:

- 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. Effective date is January 1, 2025.

3.1.2 Accounting standards issued but still subject to the endorsement by SOCPA

- 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. Effective date is January 1, 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Bank.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Effective date is January 1, 2024 subject to the endorsement by SOCPA, thus not yet adopted by the Bank.

3.1.3 Accounting standards issued but not yet effective

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. Effective date deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Effective date is January 1, 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. Effective date is January 1, 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. Effective date is January 1, 2027.

Note to consolidated financial statements

As at and for the years ended March 31, 2025 and 2024

4. Cash and balances with Saudi Central Bank

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Cash in hand	1,299,497	1,204,664	1,243,749
Cash held in custody with others	517,109	881,827	655,557
Statutory deposit	9,972,290	9,694,947	8,873,766
Reverse repo with SAMA*	3,109,611	560,000	2,062,000
Current account	2,449	923	1,631
Total	14,900,956	12,342,361	12,836,703

* Reverse repo with SAMA represents money market placements.

5. Due from banks and other financial institutions, net

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Current accounts	538,012	458,195	1,437,581
Money market placements	6,530,154	3,399,726	3,335,013
ECL allowance	(5,819)	(4,541)	(2,881)
Total	7,062,347	3,853,380	4,769,713

6. Investments, net

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 Restated (Unaudited)
Investments at amortised cost	39,227,394	39,223,140	37,503,609
Debt investments at FVOCI	8,934,497	8,466,450	6,817,565
Equity investments at FVOCI	3,131,062	2,811,699	2,526,916
Investments at FVSI	1,028,611	1,854,979	1,526,756
ECL allowance	(10,087)	(11,174)	(12,083)
Total	52,311,477	52,345,094	48,362,763

Dividend income recognised from equity investment at FVOCI in the interim consolidated statement of income amounted to ٢٦,٢٢٩ thousand for the three months period ended March 31, 2025 (March 31, 2024: ٣١,٩٧٥ thousand).

7. Loans and advances, net

7.1 Loans and advances held at amortised cost comprise of the following:

March 31, 2025 (Unaudited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	5,775,506	1,183,660	44,934,168	127,938,361	179,831,695
Non-performing loans and advances	75,904	20,401	74,665	2,275,236	2,446,206
Total loans and advances	5,851,410	1,204,061	45,008,833	130,213,597	182,277,901
ECL allowance	(142,389)	(135,831)	(528,403)	(2,414,564)	(3,221,187)
Loans and advances, net	5,709,021	1,068,230	44,480,430	127,799,033	179,056,714

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December 31, 2024 (Audited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	4,674,232	1,219,849	43,471,320	121,131,240	170,496,641
Non-performing loans and advances	13,959	21,722	93,041	1,938,195	2,066,917
Total loans and advances	4,688,191	1,241,571	43,564,361	123,069,435	172,563,558
ECL allowance	(142,473)	(142,487)	(525,547)	(2,258,390)	(3,068,897)
Loans and advances, net	4,545,718	1,099,084	43,038,814	120,811,045	169,494,661

March 31, 2024 (Unaudited)	Overdrafts	Credit cards	Consumer loans	Commercial loans and others	Total
Performing loans and advances	4,236,129	1,001,792	41,109,569	112,736,184	159,083,674
Non-performing loans and advances	17,250	20,601	98,877	2,008,310	2,145,038
Total loans and advances	4,253,379	1,022,393	41,208,446	114,744,494	161,228,712
ECL allowance	(89,305)	(97,913)	(487,541)	(2,678,848)	(3,353,607)
Loans and advances, net	4,164,074	924,480	40,720,905	112,065,646	157,875,105

7.2 The following table further explains changes in gross carrying amount:

	March 31, 2025 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2025	158,186,016	12,252,942	2,124,600	172,563,558
Transfers to stage 1	1,501,347	(1,499,764)	(1,583)	-
Transfers to stage 2	(3,269,067)	3,276,007	(6,940)	-
Transfers to stage 3	(51,589)	(484,549)	536,138	-
Net change for the year	10,527,284	(684,685)	(28,243)	9,814,356
Write-offs	-	-	(100,013)	(100,013)
Closing balance as at March 31, 2025	166,893,991	12,859,951	2,523,959	182,277,901

	December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	138,660,682	14,531,404	2,372,184	155,564,270
Transfers to stage 1	2,012,454	(1,958,155)	(54,299)	-
Transfers to stage 2	(6,059,969)	6,092,181	(32,212)	-
Transfers to stage 3	(201,033)	(986,572)	1,187,605	-
Net change for the year	23,773,882	(5,425,916)	(445,670)	17,902,296
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31, 2024	158,186,016	12,252,942	2,124,600	172,563,558

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	March 31, 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	138,660,682	14,531,404	2,372,184	155,564,270
Transfers to stage 1	860,133	(850,083)	(10,050)	-
Transfers to stage 2	(2,386,510)	2,403,956	(17,446)	-
Transfers to stage 3	(23,960)	(139,085)	163,045	-
Net change for the year	8,785,930	(2,842,500)	(140,935)	5,802,495
Write-offs	-	-	(138,053)	(138,053)
Closing balance as at March 31, 2024	145,896,275	13,103,692	2,228,745	161,228,712

7.3 The movement in the expected credit losses of loans and advances is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Balance at the beginning of the period/ year	3,068,897	3,329,161	3,329,161
Charge for the period/ year, net	252,303	642,744	162,499
Bad debts written off against impairment allowance	(100,013)	(903,008)	(138,053)
Balance at the end of the period/ year	3,221,187	3,068,897	3,353,607

The net impairment charge for expected credit losses for the period ended March 31, 2025 amounted to ﷲ 214,574 thousand (December 31, 2024: ﷲ 494,298 thousand; March 31, 2024: ﷲ 116,460 thousand), The bad debts directly written-off to interim consolidated statement of income amounting to ﷲ 1,732 thousand (December 31, 2024: ﷲ 6,982 thousand; March 31, 2024: ﷲ 2,533 thousand) and net of recoveries and others amounting to ﷲ 39,461 thousand (December 31, 2024: ﷲ 155,428 thousand; March 31, 2024: ﷲ 48,572 thousand).

7.4 An analysis of changes in the ECL allowance as follows:

	March 31, 2025 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2025	875,672	717,419	1,475,806	3,068,897
Transfers to stage 1	47,870	(46,742)	(1,128)	-
Transfers to stage 2	(33,881)	39,003	(5,122)	-
Transfers to stage 3	(13,486)	(194,128)	207,614	-
Net charge for the year	77,808	117,756	56,739	252,303
Write-offs	-	-	(100,013)	(100,013)
Closing balance as at March 31, 2025	953,983	633,308	1,633,896	3,221,187

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	December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	860,756	901,604	1,566,801	3,329,161
Transfers to stage 1	96,874	(57,960)	(38,914)	-
Transfers to stage 2	(50,550)	73,294	(22,744)	-
Transfers to stage 3	(2,582)	(154,154)	156,736	-
Net charge for the year	(28,826)	(45,365)	716,935	642,744
Write-offs	-	-	(903,008)	(903,008)
Closing balance as at December 31, 2024	875,672	717,419	1,475,806	3,068,897

	March 31, 2024 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance as at January 1, 2024	860,756	901,604	1,566,801	3,329,161
Transfers to stage 1	23,459	(17,703)	(5,756)	-
Transfers to stage 2	(15,362)	23,574	(8,212)	-
Transfers to stage 3	(88)	(8,989)	9,077	-
Net charge for the year	12,649	(31,233)	181,083	162,499
Write-offs	-	-	(138,053)	(138,053)
Closing balance as at March 31, 2024	881,414	867,253	1,604,940	3,353,607

8. Expected credit losses (ECL) and other impairment charges, net

Expected credit losses charge for the three months periods ended as reflected in the interim consolidated statement of income are detailed as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
ECL allowance charges for loans and advances, net	214,574	116,460
Other ECL allowance (reversal)/ charges, net	(1,647)	1,105
(Reversal)/ charge of provisions for credit-related commitments and contingencies, net	(7,564)	44,108
Total	205,363	161,673

9. Due to banks, Saudi Central Bank and other financial institutions

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Current accounts	86,070	162,151	68,917
Money market deposits	3,315,561	4,629,211	2,119,107
Repo with SAMA	-	-	1,528,750
Deposits from SAMA	9,280,532	9,612,972	6,575,596
Total	12,682,163	14,404,334	10,292,370

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10. Customers' deposits

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Demand	100,206,564	92,727,933	85,036,823
Time	88,635,414	82,222,778	83,353,791
Saving	540,521	464,613	392,522
Other	6,236,477	6,814,523	5,763,428
Total	195,618,976	182,229,847	174,546,564

11. Derivative financial instruments

The table below sets out the positive and negative fair values of derivative financial instruments, together with their notional amounts, analysed by their term to maturity. The notional amounts provide an indication of the volumes of transactions outstanding at the end of the period. It does 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 derivatives, nor to market risk.

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)			March 31, 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
Held for trading:									
Commission rate and cross currency swaps	1,306,658	1,254,522	41,076,962	1,535,398	1,455,714	40,765,093	1,398,341	1,359,196	35,508,318
Commission rate futures and options	10,369	9,709	13,864,252	9,600	8,795	1,335,374	19,579	18,303	2,634,900
Forward foreign exchange and commodity contracts	54,929	35,979	6,585,123	89,533	73,321	7,023,979	29,374	2,971	4,351,941
Currency and commodity options	491	166	300,634	1,628	1,467	179,274	134	346	221,181
Held as fair value hedges:									
Commission rate swaps	383,161	60,501	12,223,228	654,437	5,285	13,695,363	587,622	-	8,166,452
Held as cash flow hedges:									
Commission rate swaps	-	41,332	1,800,000	-	54,328	1,800,000	-	95,163	1,800,000
Total	1,755,608	1,402,209	75,850,199	2,290,596	1,598,910	64,799,083	2,035,050	1,475,979	52,682,792

12. Commitments and contingencies

12.1 Legal proceedings

The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as disclosed in December 31, 2024 annual consolidated financial statements.

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12.2 Credit related commitments and contingencies

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Letters of credit	6,186,576	5,899,143	6,248,850
Letters of guarantee	33,556,492	32,268,297	26,881,334
Acceptances	1,793,099	2,061,217	1,483,073
Irrevocable commitments to extend credit	9,323,545	9,840,260	5,316,040
Other	9,750	9,750	9,750
Total	50,869,462	50,078,667	39,939,047

13. Cash and cash equivalents

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 4)	4,928,666	2,647,414	3,962,937
Due from banks and other financial institutions maturing within ninety days of acquisition	7,068,166	3,857,921	4,772,594
Total	11,996,832	6,505,335	8,735,531

14. Zakat and income tax

Zakat attributable to the Group on Saudi shareholders for the period ended March 31, 2025 amounted to ﷲ 101.7 million (March 31, 2024: ﷲ 88.4 million). Income tax attributable to the Group on the current period's share of net income for the non-Saudi strategic shareholder is ﷲ 124.3 million (March 31, 2024: ﷲ 92.5 million), including the charge of deferred tax amounting to ﷲ 10.8 million (March 31, 2024: reversal of ﷲ 19.8 million).

The provision for Zakat and income tax is estimated based on the respective interim condensed consolidated financial position as at March 31, 2025 and the results of the operations of the Group for the three months then ended.

There are no significant changes in the Bank's Zakat and income tax assessments to those mentioned in the Group's annual consolidated financial statements for the year ended December 31, 2024.

15. Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief executive officer in order to allocate resources to the segments and to assess its performance.

For management purposes, the Group is organised into the following major operating segments:

Retail banking

Deposit, credit and investment products for individuals.

Corporate banking

Loans and advances, deposits and other credit products for corporate, institutional customers and small to medium sized businesses.

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Treasury

Manages the Bank's trading and investment portfolios and the Bank's funding, liquidity, currency and commission rate risks.

Investment and brokerage services

Investment management services, asset management activities related to dealing, managing, arranging, advising and custody of securities.

Other

Includes income on capital and unallocated costs and assets and liabilities of Head Office and other supporting departments.

Transactions between operating segments are reported as recorded in the Group's transfer pricing system. The basis for determining intersegment operating income/ (expense) for the current year are consistent with the basis used for December 31, 2024. Segment assets and liabilities comprise mainly operating assets and liabilities.

The Group's primary business is conducted in the Kingdom of Saudi Arabia with one international branch in London. The total assets, liabilities, commitments and results of operations of this branch are, however, not material to the Group's overall interim condensed consolidated financial statements.

The Group's total consolidated assets and liabilities as at March 31, 2025 and 2024 and its total operating income, expenses and net income for the three months then ended, by operating segments, are as follows:

March 31, 2025 (Unaudited)	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	73,397,632	113,315,712	74,369,181	825,193	2,743,020	264,650,738
Investments in associates	-	-	-	284,561	607,315	891,876
Total liabilities	99,209,251	105,115,021	15,889,852	135,382	2,440,673	222,790,179
Operating income/ (expense) from external customers	577,775	1,690,856	237,165	161,247	(136,510)	2,530,533
Intersegment operating income/ (expense)	402,668	(636,807)	110,027	-	124,112	-
Total operating income	980,443	1,054,049	347,192	161,247	(12,398)	2,530,533
Of which:						
Net special commission income	918,677	727,247	91,307	64,755	166,208	1,968,194
ECL allowance charges and other provisions, net	125,763	79,747	(1,647)	1,500	-	205,363
Depreciation and amortisation	57,498	2,613	308	1,130	5,146	66,695
Total operating expenses	620,254	318,906	38,785	46,990	(18,625)	1,006,310
Share in earnings of associates	-	-	-	2,193	3,862	6,055
Net income before Zakat and income tax	360,189	735,143	308,407	116,450	10,089	1,530,278

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March 31, 2024 (Unaudited) restated	Retail banking	Corporate banking	Treasury	Investment and brokerage services	Other	Total
Total assets	66,621,895	97,266,980	65,885,006	625,493	2,485,917	232,885,291
Investments in associates	-	-	-	324,032	624,549	948,581
Total liabilities	88,418,623	90,483,022	15,669,282	130,979	2,276,021	196,977,927
Operating income/ (expense) from external customers	585,404	1,734,329	9,958	116,507	(136,757)	2,309,441
Intersegment operating income/ (expense)	528,461	(794,867)	129,779	-	136,627	-
Total operating income	1,113,865	939,462	139,737	116,507	(130)	2,309,441
Of which:						
Net special commission income	1,060,167	719,206	(8,357)	60,246	96,464	1,927,726
ECL allowance charges and other provisions, net	49,987	110,580	1,106	-	-	161,673
Depreciation and amortisation	53,093	2,726	10	1,226	5,892	62,947
Total operating expenses	549,625	288,066	36,884	35,982	(18,813)	891,744
Share in losses of associates	-	-	-	(4,457)	3,635	(822)
Net income before Zakat and income tax	564,240	651,396	102,853	76,068	22,318	1,416,875

16. Issued Sukuk and Tier I Sukuk

On October 21, 2020 the Group issued a US Dollar 750 million 10 years subordinated tier II capital Sukuk callable in 5 years and carrying a special commission rate of 3.326%.

On January 13, 2025, the bank announced its intention to issue a Saudi Riyal denominated additional tier I capital Sukuk by way of private placement in the Kingdom of Saudi Arabia pursuant to its ﷲ 11,250 million additional tier I capital Sukuk program. On February 4, 2025, the bank announced the completion of the offer of the Sukuk, the value of the offer is ﷲ 3,350 million.

17. Share capital, dividends, basic and diluted earnings per share and treasury shares

17.1 Share capital

As at March 31, 2025, the authorised, issued and fully paid share capital of the Bank consists of 2,000 million shares of ﷲ 10 each (December 31, 2024: 2,000 million shares and March 31, 2024: 1,500 million shares of ﷲ 10 each).

On February 7, 2024, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the share capital by ﷲ 5 billion through capitalization from the retained earnings by way of granting one share for every three shares (i.e. issue of bonus shares). The issue of bonus shares was approved by Extra Ordinary General Assembly on May 20, 2024, after obtaining the necessary regulatory approvals. The regulatory procedures to update the Bank's bylaws and Commercial Registration to reflect the increase in share capital were completed during the period.

17.2 Dividends

17.2.1 On February 6, 2024, the Board of Directors approved to pay cash dividends of ﷲ 1,050 million from net income after deducting Zakat for the second half of 2023. This final dividend resulted in a net payment of ﷲ 0.70 per share to Saudi shareholders. Upon distribution, the income tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 25, 2024.

17.2.2 On February 5, 2025, the Board of Directors approved to pay cash dividends of ﷲ 1,300 million from net income after deducting Zakat for the second half of 2024. This final dividend resulted in a net payment of ﷲ 0.65 per share to Saudi shareholders. Upon distribution, the income tax liability of the non-Saudi strategic shareholder for the current and prior period was deducted from their share of the dividend. This cash dividend was distributed on February 19, 2025.

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17.3 Basic and diluted earnings per share

Basic and diluted earnings per share for the periods ended March 31, 2025 and 2024 is calculated by dividing net income for the period attributable to equity holders by the weighted average number of outstanding shares as of March 31, 2025: 2,000 million shares (March 31, 2024: 2,000 million shares - restated) after accounting for treasury shares.

17.4 Treasury shares

On May 20, 2024, the Extraordinary General Assembly Meeting approved the purchase of 5 million treasury shares. The purchase was completed during the year. These shares are intended for allocation to the Employee Share Program.

On December 17, 2024, the Board of Directors recommended to buy-back additional number of the Bank's shares with a maximum of 10 million shares to allocate them to Employee Share Program. This buy-back was approved by the Extraordinary General Assembly meeting held in April 8, 2025.

18. Fair values of 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 in either:

- The accessible principal market for the asset or liability; or
- The absence of a principal market, in the most advantageous accessible market for the asset or liability.
- The fair values of on-consolidated statement of financial position for assets and liabilities are not significantly different from their carrying amounts included in the interim consolidated financial statements.

For determination of fair value and fair value hierarchy, the Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

Level 1: quoted prices in active markets for the same instrument (i.e., 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 inputs are not based on observable market data.

18.1 Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. It does not include the fair value hierarchy information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

18.1.1 Financial assets

March 31, 2025 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Investments at FVSI	1,028,611	26,855	-	1,001,756	1,028,611
Investments at FVOCI	12,065,559	3,130,169	8,934,497	893	12,065,559
Positive fair value of derivatives	1,755,608	-	1,755,608	-	1,755,608
Financial assets not measured at fair value					
Investments at amortised cost	39,217,307	-	36,860,015	-	36,860,015
Loans and advances	179,056,714	-	-	176,281,051	176,281,051

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December 31, 2024 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	1,854,979	925,158	-	929,821	1,854,979
Investments at FVOCI	11,278,149	2,810,806	8,466,450	893	11,278,149
Positive fair value of derivatives	2,290,596	-	2,290,596	-	2,290,596
Financial assets not measured at fair value					
Investments at amortised cost	39,211,966	-	35,620,577	-	35,620,577
Loans and advances	169,494,661	-	-	165,794,208	165,794,208

March 31, 2024 (Unaudited) restated	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments at FVSI	1,526,756	761,024	-	765,732	1,526,756
Investments at FVOCI	9,344,481	2,526,023	6,817,565	893	9,344,481
Positive fair value of derivatives	2,035,050	-	2,035,050	-	2,035,050
Financial assets not measured at fair value					
Investments at amortised cost	37,491,526	-	33,835,624	-	33,835,624
Loans and advances	157,875,105	-	-	154,817,642	154,817,642

18.1.2 Financial Liabilities

March 31, 2025 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,402,209	-	1,402,209	-	1,402,209
Financial liabilities not measured at fair value					
Issued Sukuk	2,852,256	-	2,746,378	-	2,746,378

December 31, 2024 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,598,910	-	1,598,910	-	1,598,910
Financial liabilities not measured at fair value					
Issued Sukuk	2,828,870	-	2,758,050	-	2,758,050

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March 31, 2024 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	1,475,979	-	1,475,979	-	1,475,979
Financial liabilities not measured at fair value					
Issued Sukuk	2,852,256	-	2,697,159	-	2,697,159

18.2 Measurement of fair values

18.2.1 Transfer between levels of the fair value hierarchy

There have been no transfers between levels of the fair value hierarchy during the three months period ended March 31, 2025 and 2024.

18.2.2 Reconciliation of Level 3 fair values

The following table shows the movement of Level 3 fair values for the period/ year:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited)
Balance at the beginning of the period/ year	930,714	627,180	627,180
Total gains charged to the consolidated statement of income	6,172	9,887	18,632
Additions/ (settlements) during the period/ year	65,763	293,647	120,812
Balance at the end of the period/ year	1,002,649	930,714	766,624

18.2.3 Valuation technique and significant unobservable inputs

The table in next page shows the valuation techniques used in measuring level 2 and Level 3 fair values at March 31, 2025 and 2024, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVSI investments classified as Level 3	Fair value is determined based on the investee fund's most recent reported net assets value	These inputs include risk-adjusted discount rates, marketability and liquidity discounts and control premiums	The higher the discount rate, the lower is the valuation; vice versa
Financial assets and liabilities that are disclosed at fair value and classified as Level 3 include loans and advances and debt issuances	These instruments are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads	Additional buffer is added to the credit spreads to account for any potential model discrepancy or any stressed market conditions	The higher the credit spread, the lower is the valuation; vice versa
Other real estate asset	Earning Before Tax, Depreciation and Amortization (EBITDA) margins has been forecasted based on market and similar products offerings, taking into account the expected growth rate, room occupancy rate, rate per room, discount rate, yield, construction cost and other costs	<ul style="list-style-type: none"> EBITDA forecast Discount rate and yield rate Room occupancy rate Rent per room 	<ul style="list-style-type: none"> EBITDA has been forecasted as higher or (lower) The discount rate or yield were lower or (higher) The occupancy rate was higher or (lower) The rent per room were higher or (lower)

Certain unobservable inputs were applied for the above valuation and the impact of the sensitivity is not material.

Notes to interim condensed consolidated financial statements

As at and for the periods ended March 31, 2025, and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

19. Related party transactions

In the ordinary course of its activities, the Group transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA.

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Board of directors, board committee members and other major shareholders:		
Loans and advances	9,680,339	8,075,224
Investments	575,471	-
Commitments and contingencies	2,609,692	2,143,879
Subsidiaries and associates:		
Investments in associates	891,876	948,581
Loans and advances	5,313,003	6,481,515
Commitments and contingencies	272,022	101,664
Key management personnel of the bank:		
Loans and advances	86,511	72,116
Compensation paid to key management personnel:		
Short-term employee benefits (Salaries and allowances)	16,817	15,061
Post-employment benefits (End of service indemnity and social security)	1,510	1,325

Key management personnel are those persons, including an executive director, having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Group.

20. Capital adequacy

The Group's objectives when managing capital is to comply with the capital requirements set by SAMA; to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base. During the period, the Group fully complied with regulatory capital requirements.

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

The Group's Pillar I consolidated Risk Weighted Assets (RWA), total capital and related ratios are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2024 (Unaudited) restated
Credit Risk RWA	206,146,733	196,838,003	174,839,792
Operational Risk RWA	12,256,651	10,684,489	10,684,489
Market Risk RWA	13,067,859	14,410,729	13,263,115
Total Pillar I RWA	231,471,243	221,933,221	198,787,396
Tier I Capital	41,830,254	38,119,301	35,908,534
Tier II Capital	3,940,918	3,905,342	3,843,615
Total Tier I & II Capital	45,771,172	42,024,643	39,752,149
Capital Adequacy Ratio %			
CET1	16.62%	17.18%	18.06%
Tier I ratio %	18.07%	17.18%	18.06%
Tier I + Tier II ratio %	19.77%	18.94%	20.00%

Notes to interim condensed consolidated financial statements

As at and for the periods ended March 31, 2025, and 2024

All amounts in thousands of Saudi Riyals unless stated otherwise

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision as adopted by SAMA in supervising the Bank.

21. Comparative figures

- 21.1 Certain prior period figures have been reclassified to conform with current period presentation, which are not material in nature to the interim condensed consolidated financial statements.
- 21.2 During the year ended December 31, 2024, management identified certain historic holdings in equity investments by the Group which had not previously been recorded. These investments have been accounted for at the same year and been classified as Investments at FVSI. The Group management has rectified this in respect of the comparative period by restating the consolidated financial statements lines as follows:

	Previously presented	Restatement	Restated
As at March 31, 2024			
Investments, net	47,623,901	738,862	48,362,763
Other liabilities	7,794,103	16,655*	7,810,758
Retained earnings	9,263,687	708,862	9,972,549

* The restated amount as stated in the above table includes a debit balance of ~~ﷲ~~ 13,345 thousand pertains to reclassification as per note 21.1 above.

The impact of these unrecorded equity investments on the interim consolidated statement of income for the period ended March 31, 2024 was not considered material, and therefore amounts for the comparative period have not been restated.

22. Board of Directors' approval

The interim condensed consolidated financial statements were approved by the Board on Shawwal 26, 1446 (corresponding to April 24, 2025).