



BANQUE SAUDI FRANSI

(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2025**



INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Banque Saudi Fransi (the "Bank") and its subsidiaries (collectively referred to as "the Group") as of 31 March 2025, and the related statements of income and comprehensive income for the three-month period ended 31 March 2025, and the related statements of changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 interim financial information for the period ended 31 March 2024 was reviewed by other joint auditors who expressed an unmodified conclusion on that information on 2 May 2024 (corresponding to 23 Shawwal 1445H).

Ernst & Young Professional Services



Rashid S. Roshod
Certified Public Accountant
License Number: 366



Deloitte and Touche & Co.



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



29 Shawwal 1446
27 April 2025

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

Page 1

As at

| ﷲ '000 | Notes | Mar 31, 2025 (Unaudited) | Dec 31, 2024 (Audited) | Mar 31, 2024 (Unaudited) Restated – note 24 |
|--|-------|-----------------------------|---------------------------|--|
| ASSETS | | | | |
| Cash and balances with Saudi Central Bank | 5 | 13,898,882 | 10,920,606 | 10,700,366 |
| Due from banks and other financial institutions, net | 6 | 6,517,789 | 5,015,810 | 6,509,326 |
| Investments, net | 7 | 61,322,235 | 60,288,858 | 53,205,390 |
| Positive fair value of derivatives | 11 | 4,959,528 | 5,691,581 | 6,057,482 |
| Loans and advances, net | 8 | 208,978,353 | 204,168,275 | 185,408,282 |
| Investment in associate, net | | 9,695 | 9,695 | 9,695 |
| Property, equipment and right of use assets, net | | 2,302,118 | 2,318,805 | 2,054,882 |
| Other real estate, net | | 294,367 | 343,500 | 342,050 |
| Other assets, net | | 4,704,957 | 4,018,532 | 4,370,856 |
| Total assets | | 302,987,924 | 292,775,662 | 268,658,329 |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Due to Saudi Central Bank | 9 | 14,501,394 | 12,492,716 | 11,591,507 |
| Due to banks and other financial institutions | 10 | 15,641,454 | 19,814,143 | 13,298,544 |
| Customers' deposits | 12 | 190,727,568 | 185,118,179 | 174,828,157 |
| Negative fair value of derivatives | 11 | 5,188,354 | 6,218,422 | 6,728,011 |
| Debt securities and term loans | 13 | 20,395,566 | 15,518,054 | 12,208,494 |
| Other liabilities | | 8,103,641 | 7,007,146 | 7,793,078 |
| Total liabilities | | 254,557,977 | 246,168,660 | 226,447,791 |
| Equity | | | | |
| Share capital | | 25,000,000 | 25,000,000 | 12,053,572 |
| Statutory reserve | | 8,189,590 | 8,189,590 | 12,053,572 |
| General reserve | | 982,857 | 982,857 | 982,857 |
| Other reserves | | (553,496) | (1,132,836) | (1,704,786) |
| Retained earnings | | 5,746,471 | 4,509,836 | 12,804,791 |
| Proposed dividend | | 1,245,666 | 1,245,666 | 1,197,738 |
| Treasury shares | | (181,141) | (188,111) | (177,206) |
| Equity attributable to the shareholders of the Bank | | 40,429,947 | 38,607,002 | 37,210,538 |
| Tier 1 Sukuk | 16 | 8,000,000 | 8,000,000 | 5,000,000 |
| Total equity | | 48,429,947 | 46,607,002 | 42,210,538 |
| Total liabilities and equity | | 302,987,924 | 292,775,662 | 268,658,329 |

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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| ﷲ '000 | For the three month period ended | |
|--|----------------------------------|------------------|
| | Mar 31, 2025 | Mar 31, 2024 |
| Special commission income | 4,196,388 | 3,821,574 |
| Special commission expense | 2,078,053 | 1,903,043 |
| Net special commission income | 2,118,335 | 1,918,531 |
| Fee and commission income | 425,929 | 364,755 |
| Fee and commission expense | 163,798 | 117,488 |
| Net fee and commission income | 262,131 | 247,267 |
| Exchange income, net | 120,963 | 100,007 |
| Trading income, net | 69,647 | 59,619 |
| Dividend income | 8,894 | 3,632 |
| Gains on FVOCI / non-trading investments, net | 53,085 | 2,024 |
| Other operating income | 5,069 | 205 |
| Total operating income | 2,638,124 | 2,331,285 |
| Salaries and employee related expenses | 471,259 | 467,400 |
| Rent and premises related expenses | 19,885 | 15,552 |
| Depreciation and amortization | 67,946 | 66,802 |
| Other operating and general and administrative expenses | 307,504 | 223,217 |
| Total operating expenses before impairment charge | 866,594 | 772,971 |
| Impairment charge for expected credit losses on loans and advances, net | 268,984 | 278,635 |
| Impairment charge / (reversal) for investments, financial assets and others, net | 10,862 | (2,771) |
| Total operating expenses, net | 1,146,440 | 1,048,835 |
| Net income for the period before Zakat | 1,491,684 | 1,282,450 |
| Zakat for the period | 153,793 | 132,485 |
| Net income for the period | 1,337,891 | 1,149,965 |
| Basic and diluted earnings per share (ﷲ) | 0.50 | 0.44 |

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

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

| ﷼ '000 | For the three month period ended | |
|---|----------------------------------|------------------|
| | Mar 31, 2025 | Mar 31, 2024 |
| Net income for the period | 1,337,891 | 1,149,965 |
| Other comprehensive income / (loss): | | |
| Items that cannot be recycled back to condensed interim consolidated statement of income in subsequent periods | | |
| <u>Movement in equity instruments at fair value through other comprehensive income</u> | | |
| Net change in the fair value | (650) | 13,440 |
| Items that can be recycled back to condensed interim consolidated statement of income in subsequent periods | | |
| <u>Debt instruments at fair value through other comprehensive income</u> | | |
| Net change in the fair value | 464,908 | 25,614 |
| Net change in ECL | (4,502) | (1,559) |
| Income transferred to condensed interim consolidated statement of income | (53,085) | (1,806) |
| <u>Cash flow hedge</u> | | |
| Net change in the fair value | 28,738 | (568,057) |
| Loss transferred to condensed interim consolidated statement of income | 143,931 | 250,665 |
| Total other comprehensive income / (loss) for the period | 579,340 | (281,703) |
| Total comprehensive income for the period | 1,917,231 | 868,262 |

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

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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

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| RM '000 | Share capital | Statutory reserve | General reserve | Retained earnings | Other reserves | | | Proposed dividend | Treasury shares | Total equity attributable to the shareholders | Tier 1 Sukuk | Total Equity |
|--|---------------|-------------------|-----------------|-------------------|----------------|--|-----------------|-------------------|-----------------|---|--------------|--------------|
| | | | | | FVOCI | Actuarial gain / (loss) on defined benefit plans | Cash flow hedge | | | | | |
| For the three month period ended March 31, 2025 | | | | | | | | | | | | |
| Balance at the beginning of the period | 25,000,000 | 8,189,590 | 982,857 | 4,509,836 | (550,817) | 26,537 | (608,556) | 1,245,666 | (188,111) | 38,607,002 | 8,000,000 | 46,607,002 |
| Net income for the period | - | - | - | 1,337,891 | - | - | - | - | - | 1,337,891 | - | 1,337,891 |
| Net change in the fair value | - | - | - | - | 459,756 | - | 28,738 | - | - | 488,494 | - | 488,494 |
| Net amount transferred to condensed interim consolidated statement of income | - | - | - | - | (53,085) | - | 143,931 | - | - | 90,846 | - | 90,846 |
| Total comprehensive income for the period | - | - | - | 1,337,891 | 406,671 | - | 172,669 | - | - | 1,917,231 | - | 1,917,231 |
| Tier 1 Sukuk related cost | - | - | - | (101,256) | - | - | - | - | - | (101,256) | - | (101,256) |
| Net change in treasury shares | - | - | - | - | - | - | - | - | 6,970 | 6,970 | - | 6,970 |
| Balance at the end of the period | 25,000,000 | 8,189,590 | 982,857 | 5,746,471 | (144,146) | 26,537 | (435,887) | 1,245,666 | (181,141) | 40,429,947 | 8,000,000 | 48,429,947 |
| For the three month period ended March 31, 2024 | | | | | | | | | | | | |
| Balance at the beginning of the period | 12,053,572 | 12,053,572 | 982,857 | 11,428,181 | (633,619) | 6,418 | (795,882) | 1,197,738 | (171,616) | 36,121,221 | 5,000,000 | 41,121,221 |
| Impact on prior years adjustment | - | - | - | 282,777 | - | - | - | - | - | 282,777 | - | 282,777 |
| Restated balance as at January 01, 2024 | 12,053,572 | 12,053,572 | 982,857 | 11,710,958 | (633,619) | 6,418 | (795,882) | 1,197,738 | (171,616) | 36,403,998 | 5,000,000 | 41,403,998 |
| Net income for the period | - | - | - | 1,149,965 | - | - | - | - | - | 1,149,965 | - | 1,149,965 |
| Net change in the fair value | - | - | - | - | 37,495 | - | (568,057) | - | - | (530,562) | - | (530,562) |
| Net amount transferred to condensed interim consolidated statement of income | - | - | - | - | (1,806) | - | 250,665 | - | - | 248,859 | - | 248,859 |
| Total comprehensive income for the period | - | - | - | 1,149,965 | 35,689 | - | (317,392) | - | - | 868,262 | - | 868,262 |
| Tier 1 Sukuk related cost | - | - | - | (56,132) | - | - | - | - | - | (56,132) | - | (56,132) |
| Net change in treasury shares | - | - | - | - | - | - | - | - | (5,590) | (5,590) | - | (5,590) |
| Balance at the end of the period | 12,053,572 | 12,053,572 | 982,857 | 12,804,791 | (597,930) | 6,418 | (1,113,274) | 1,197,738 | (177,206) | 37,210,538 | 5,000,000 | 42,210,538 |

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

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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

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| SAR '000 | Notes | For the three month period ended | |
|---|-------|----------------------------------|--------------|
| | | Mar 31, 2025 | Mar 31, 2024 |
| OPERATING ACTIVITIES | | | |
| Net income for the period before zakat | | 1,491,684 | 1,282,450 |
| Adjustments to reconcile net income before zakat to net cash from / (used in) operating activities: | | | |
| Accretion of discounts on investments not held as FVSI, net | | 14,275 | 14,911 |
| Gains on FVOCI | | (53,085) | (2,024) |
| Depreciation and amortization | | 67,946 | 66,802 |
| Gains on disposal of property, equipment, net | | (4,838) | (189) |
| Impairment charge for expected credit losses, net | 8 | 300,742 | 313,276 |
| Impairment reversal for investments, financial assets and others, net | | 10,862 | (2,771) |
| Long term incentive scheme provision | | 13,643 | 17,782 |
| Operating income before changes in operating assets and liabilities | | 1,841,229 | 1,690,237 |
| Net increase in operating assets: | | | |
| Statutory deposit with Saudi Central Bank | | (118,491) | (63,878) |
| Due from banks and other financial institutions maturing after ninety days from the date of acquisition | | (806) | (136,632) |
| Investments held as FVSI, trading | | (115,341) | (102,809) |
| Loans and advances | | (5,110,820) | (6,330,335) |
| Other assets | | 209,750 | (2,282,902) |
| Net increase / (decrease) in operating liabilities: | | | |
| Due to Saudi Central Bank, banks and other financial institutions, net | | (2,164,011) | 5,944,781 |
| Customers' deposits | | 5,609,389 | 2,619,174 |
| Other liabilities | | 145,715 | 1,839,250 |
| Net cash generated from operating activities | | 296,614 | 3,176,886 |
| INVESTING ACTIVITIES | | | |
| Proceeds from sales and maturities of investment not held as FVSI | | 4,355,199 | 1,656,467 |
| Purchase of investments not held as FVSI | | (4,770,015) | (5,982,015) |
| Purchases of property and equipment | | (79,530) | (83,454) |
| Proceeds from sale of property and equipment | | 33,109 | 190 |
| Net cash used in investing activities | | (461,237) | (4,408,812) |
| FINANCING ACTIVITIES | | | |
| Issuance of debt securities and term loans | | 4,668,750 | 3,675,000 |
| Tier I Sukuk related cost | | (101,256) | (56,132) |
| Payment of lease liability | | (34,434) | (26,017) |
| Purchase of Treasury Shares | | (6,673) | (23,372) |
| Net cash from financing activities | | 4,526,387 | 3,569,479 |
| Increase in cash and cash equivalents | | 4,361,764 | 2,337,553 |
| Cash and cash equivalents at the beginning of the period | | 3,029,528 | 3,118,898 |
| Cash and cash equivalents at the end of the period | 15 | 7,391,292 | 5,456,451 |
| Special commission received during the period | | 4,224,071 | 3,478,487 |
| Special commission paid during the period | | 1,897,202 | 1,978,686 |
| Supplemental non-cash information | | | |
| RoU assets | | 22,181 | 21,129 |
| Lease liability | | 7,290 | 6,474 |
| Movement in other reserve and transfers to the condensed interim consolidated statement of income | | 579,340 | (281,703) |

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

Ramzy Darwish



Chief Financial Officer

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Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

1. General

Banque Saudi Fransi (the Bank) is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 04, 1977). The Bank formally commenced its activities on Muharram 01, 1398H (corresponding to December 11, 1977), by taking over the branches of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration Number 1010073368 dated Safar 04, 1410H (corresponding to September 05, 1989), through its 81 branches (March 31, 2024: 82 branches) in the Kingdom of Saudi Arabia, employing 3,064 people (March 31, 2024: 3,189 people).

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

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

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

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

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**For the three month period ended March 31, 2025 and 2024****2. Basis of preparation**

The condensed interim consolidated financial statements of the Group as at and for the 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 pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2024.

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

3. Basis of consolidation

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

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

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

4. Material Accounting Policies and Estimates

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

New standards, interpretations and amendments adopted by the Group

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

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

New standards issued but not yet effective

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

4. Material Accounting Policies and Estimates (continued)

| Standard, interpretation, amendments | Description | Effective date |
|--|--|---------------------------|
| Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures | <p>Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.</p> <p>The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.</p> | 01 January 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. | 01 January 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. | 01 January 2027 |
| IFRS S1, 'General requirements for disclosure of sustainability-related financial information' | This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. | Not yet endorsed by SOCPA |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

5. Cash and balances with Saudi Central Bank

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|-------------------------|-------------------------------|--------------------------------|-------------------------------|
| Cash on hand | 922,765 | 874,134 | 1,085,501 |
| Current account | 45,723 | 109,209 | - |
| Statutory deposit | 10,055,754 | 9,937,263 | 9,534,866 |
| Money market placements | 2,874,640 | - | 79,999 |
| Total | 13,898,882 | 10,920,606 | 10,700,366 |

6. Due from banks and other financial institutions, net

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|-------------------------|-------------------------------|--------------------------------|-------------------------------|
| Current accounts | 2,775,155 | 2,026,792 | 3,875,167 |
| Money market placements | 3,744,061 | 2,989,639 | 2,635,359 |
| | 6,519,216 | 5,016,431 | 6,510,526 |
| Less: impairment | (1,427) | (621) | (1,200) |
| Total | 6,517,789 | 5,015,810 | 6,509,326 |

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|--------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 462 | 159 | - | 621 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Net charge for the period | 790 | 16 | - | 806 |
| Balance at the end of the period | 1,252 | 175 | - | 1,427 |

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|-------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 590 | 315 | - | 905 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Net charge / (reversal) for the period | 525 | (230) | - | 295 |
| Balance at the end of the period | 1,115 | 85 | - | 1,200 |

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance as at January 01 | 5,012,801 | 3,630 | - | 5,016,431 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Net change for the period | 1,496,398 | 6,387 | - | 1,502,785 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 6,509,199 | 10,017 | - | 6,519,216 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|-----------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance as at January 01 | 4,106,233 | 7,837 | - | 4,114,070 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Net change for the period | 2,399,819 | (3,363) | - | 2,396,456 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 6,506,052 | 4,474 | - | 6,510,526 |

7. Investments, net

a) Investment securities are classified as follows:

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|---|-------------------------------|--------------------------------|-------------------------------|
| Investment at amortized cost - gross | 28,070,303 | 27,695,178 | 27,020,271 |
| Less: impairment | (14,402) | (17,013) | (13,705) |
| Investment at amortized cost, net | 28,055,901 | 27,678,165 | 27,006,566 |
| Investments at FVOCI – Debt instruments | 32,323,972 | 31,824,414 | 25,203,893 |
| Investments at FVOCI – Equity/other investments | 469,109 | 428,367 | 387,407 |
| Total FVOCI | 32,793,081 | 32,252,781 | 25,591,300 |
| Investment at FVSI – Debt/equity instruments | 473,253 | 357,912 | 607,524 |
| Total | 61,322,235 | 60,288,858 | 53,205,390 |

Gross Investments include Shariah based investments amounting to ﷲ 42,647 million (December 31, 2024: ﷲ 40,413 million; March 31, 2024: ﷲ 34,787 million).

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

Investments by type of securities

| ﷲ '000 | March 31, 2025 (Unaudited) | | | December 31, 2024 (Audited) | | | March 31, 2024 (Unaudited) | | |
|--------------------------|-------------------------------|---------------|----------------|--------------------------------|---------------|----------------|-------------------------------|----------------|----------------|
| | Domestic | International | Total | Domestic | International | Total | Domestic | International | Total |
| Fixed-rate securities | 473,253 | - | 473,253 | 357,912 | - | 357,912 | 271,076 | 53,671 | 324,747 |
| Floating-rate securities | - | - | - | - | - | - | - | - | - |
| Equities | - | - | - | - | - | - | - | 282,777 | 282,777 |
| Total | 473,253 | - | 473,253 | 357,912 | - | 357,912 | 271,076 | 336,448 | 607,524 |

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

Investments by type of securities

| ﷲ '000 | March 31, 2025 (Unaudited) | | | December 31, 2024 (Audited) | | | March 31, 2024 (Unaudited) | | |
|--------------------------|-------------------------------|------------------|-------------------|--------------------------------|-------------------|-------------------|-------------------------------|------------------|-------------------|
| | Domestic | International | Total | Domestic | International | Total | Domestic | International | Total |
| Fixed-rate securities | 20,295,954 | 8,478,684 | 28,774,638 | 17,313,251 | 10,630,748 | 27,943,999 | 14,923,435 | 6,287,550 | 21,210,985 |
| Floating-rate securities | 3,003,898 | 545,436 | 3,549,334 | 3,072,313 | 808,102 | 3,880,415 | 3,036,324 | 956,583 | 3,992,907 |
| Equities and others | 458,496 | 10,613 | 469,109 | 417,774 | 10,593 | 428,367 | 377,170 | 10,238 | 387,408 |
| Total | 23,758,348 | 9,034,733 | 32,793,081 | 20,803,338 | 11,449,443 | 32,252,781 | 18,336,929 | 7,254,371 | 25,591,300 |

7. Investments, net (continued)

d) Investments held at amortised cost

Investments by type of securities

| S'000 | March 31, 2025 (Unaudited) | | | December 31, 2024 (Audited) | | | March 31, 2024 (Unaudited) | | |
|--------------------------|-------------------------------|---------------|-------------------|--------------------------------|---------------|-------------------|-------------------------------|---------------|-------------------|
| | Domestic | International | Total | Domestic | International | Total | Domestic | International | Total |
| Fixed-rate securities | 27,221,632 | - | 27,221,632 | 26,839,229 | - | 26,839,229 | 26,171,032 | - | 26,171,032 |
| Floating-rate securities | 834,269 | - | 834,269 | 838,936 | - | 838,936 | 835,534 | - | 835,534 |
| Total | 28,055,901 | - | 28,055,901 | 27,678,165 | - | 27,678,165 | 27,006,566 | - | 27,006,566 |

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

| S'000 | March 31, 2025 (Unaudited) | | | |
|---|----------------------------|----------------------------------|------------------------------|---------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 44,582 | - | - | 44,582 |
| Net reversal for the period | (7,113) | - | - | (7,113) |
| Balance at the end of the period | 37,469 | - | - | 37,469 |

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

| S'000 | March 31, 2024 (Unaudited) | | | |
|---|----------------------------|----------------------------------|------------------------------|---------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 33,739 | - | - | 33,739 |
| Net reversal for the period | (4,165) | - | - | (4,165) |
| Balance at the end of the period | 29,574 | - | - | 29,574 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

7. Investments, net (continued)

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|-------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 59,519,592 | - | - | 59,519,592 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Transfer from lifetime ECL credit impaired | - | - | - | - |
| Net change for the period | 874,683 | - | - | 874,683 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 60,394,275 | - | - | 60,394,275 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|-------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 47,905,926 | - | - | 47,905,926 |
| Transfer from 12-month ECL | - | - | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Transfer from lifetime ECL credit impaired | - | - | - | - |
| Net change for the period | 4,318,238 | - | - | 4,318,238 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 52,224,164 | - | - | 52,224,164 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

8. Loans and advances, net

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|---|------------------------------|----------------|-------------------|--------------------|
| | Overdraft & Commercial Loans | Credit Cards | Consumer Loans | Total |
| Performing loans and advances – gross | 171,119,191 | 699,695 | 38,927,797 | 210,746,683 |
| Non-performing loans and advances, net | 1,531,097 | 21,875 | 242,249 | 1,795,221 |
| Total loans and advances | 172,650,288 | 721,570 | 39,170,046 | 212,541,904 |
| Allowance for impairment | (3,148,894) | (41,710) | (372,947) | (3,563,551) |
| Loans and advances held at amortised cost, net | 169,501,394 | 679,860 | 38,797,099 | 208,978,353 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|---|------------------------------|----------------|-------------------|--------------------|
| | Overdraft & Commercial Loans | Credit Cards | Consumer Loans | Total |
| Performing loans and advances – gross | 152,128,446 | 647,375 | 33,606,920 | 186,382,741 |
| Non-performing loans and advances, net | 1,518,936 | 24,831 | 217,343 | 1,761,110 |
| Total loans and advances | 153,647,382 | 672,206 | 33,824,263 | 188,143,851 |
| Allowance for impairment | (2,392,296) | (44,383) | (298,890) | (2,735,569) |
| Loans and advances held at amortised cost, net | 151,255,086 | 627,823 | 33,525,373 | 185,408,282 |

Gross Loans and advances include Shariah based loans and advances amounting to ﷲ 155,124 million (December 31, 2024: ﷲ 154,194 million; March 31, 2024: ﷲ 134,359 million).

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--|----------------------------|-----------------------------|----------------------------|
| Opening loss allowance as at January 01 | 3,514,792 | 2,643,990 | 2,643,990 |
| Charge for the period / year, net | 300,742 | 1,287,934 | 313,276 |
| Bad debts written off against provision | (251,983) | (417,132) | (221,697) |
| Balance at the end of the period / year | 3,563,551 | 3,514,792 | 2,735,569 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

8. Loans and advances, net (continued)

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 945,871 | 1,247,200 | 1,321,721 | 3,514,792 |
| Transfer from 12-month ECL | (7,447) | 6,900 | 547 | - |
| Transfer from lifetime ECL not credit impaired | 9,169 | (95,909) | 86,740 | - |
| Transfer from Lifetime ECL credit impaired | 8,950 | 2,423 | (11,373) | - |
| Net charge for the period | 104,050 | 73,993 | 122,699 | 300,742 |
| Write-offs | - | - | (251,983) | (251,983) |
| Balance at the end of the period | 1,060,593 | 1,234,607 | 1,268,351 | 3,563,551 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 509,846 | 849,666 | 1,284,478 | 2,643,990 |
| Transfer from 12-month ECL | (7,764) | 7,260 | 504 | - |
| Transfer from lifetime ECL not credit impaired | 13,479 | (27,216) | 13,737 | - |
| Transfer from Lifetime ECL credit impaired | 7,503 | 4,421 | (11,924) | - |
| Net charge for the period | 58,093 | 74,262 | 180,921 | 313,276 |
| Write-offs | - | - | (221,697) | (221,697) |
| Balance at the end of the period | 581,157 | 908,393 | 1,246,019 | 2,735,569 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

8. Loans and advances, net (continued)

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|---|----------------------------|----------------------------------|------------------------------|--------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Overdraft & commercial loans | 159,413,694 | 11,598,991 | 1,637,603 | 172,650,288 |
| Credit Card | 671,805 | 20,320 | 29,445 | 721,570 |
| Consumer | 38,400,482 | 429,332 | 340,232 | 39,170,046 |
| Balance at the end of the period | 198,485,981 | 12,048,643 | 2,007,280 | 212,541,904 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|---|----------------------------|----------------------------------|------------------------------|--------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Overdraft & commercial loans | 138,658,430 | 13,454,778 | 1,534,174 | 153,647,382 |
| Credit Card | 603,816 | 37,834 | 30,556 | 672,206 |
| Consumer | 33,182,193 | 399,170 | 242,900 | 33,824,263 |
| Balance at the end of the period | 172,444,439 | 13,891,782 | 1,807,630 | 188,143,851 |

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|--------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 193,863,171 | 11,731,130 | 2,088,766 | 207,683,067 |
| Transfer from 12-month ECL | (966,994) | 939,654 | 27,340 | - |
| Transfer from lifetime ECL not credit impaired | 162,320 | (497,654) | 335,334 | - |
| Transfer from Lifetime ECL credit impaired | 22,012 | 5,717 | (27,729) | - |
| Net change for the period | 5,405,472 | (130,204) | (164,448) | 5,110,820 |
| Write-offs | - | - | (251,983) | (251,983) |
| Balance at the end of the period | 198,485,981 | 12,048,643 | 2,007,280 | 212,541,904 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

8. Loans and advances, net (continued)

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|-------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 167,788,441 | 12,277,226 | 1,969,546 | 182,035,213 |
| Transfer from 12-month ECL | (1,933,843) | 1,896,456 | 37,387 | - |
| Transfer from lifetime ECL not credit impaired | 140,455 | (223,428) | 82,973 | - |
| Transfer from Lifetime ECL credit impaired | 14,474 | 7,171 | (21,645) | - |
| Net change for the period | 6,434,912 | (65,643) | (38,934) | 6,330,335 |
| Write-offs | - | - | (221,697) | (221,697) |
| Balance at the end of the period | 172,444,439 | 13,891,782 | 1,807,630 | 188,143,851 |

9. Due to Saudi Central Bank

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--------------------------|----------------------------|-----------------------------|----------------------------|
| Current accounts | - | - | 119,570 |
| Repo | 9,964,923 | 7,984,110 | 7,484,006 |
| Deposits | 4,048,625 | 2,367,279 | 1,423,788 |
| Government grant | 489,403 | 2,143,403 | 2,618,276 |
| Modification impact, net | (1,557) | (2,076) | (54,133) |
| Total | 14,501,394 | 12,492,716 | 11,591,507 |

10. Due to banks and other financial institutions

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|-------------------------|---------------------------------------|--|---------------------------------------|
| Current accounts | 2,139,524 | 417,407 | 1,903,164 |
| Money market placements | 6,718,547 | 8,791,786 | 3,094,682 |
| Repos | 6,783,383 | 10,604,950 | 8,300,698 |
| Total | 15,641,454 | 19,814,143 | 13,298,544 |

11. Derivatives

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

a) Swaps

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

b) Forwards and futures

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

c) Forward rate agreements

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

d) Options

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

Held for trading purposes

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

11. Derivatives (continued)

Held for hedging purposes

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

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

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

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

Cash flow hedges

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

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

| SAR '000 | 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 swaps | 4,386,025 | 4,538,992 | 268,766,857 | 5,199,731 | 5,372,363 | 266,091,409 | 5,588,257 | 5,410,790 | 235,290,583 |
| Commission rate futures and options | 72,382 | 72,382 | 7,855,682 | 92,940 | 92,940 | 8,815,881 | 143,376 | 143,376 | 11,572,041 |
| Forward foreign exchange contracts & currency swaps | 73,313 | 79,490 | 14,489,837 | 105,016 | 112,685 | 20,681,986 | 86,428 | 66,603 | 17,806,349 |
| Currency options | 1,308 | 1,308 | 428,775 | 21,930 | 21,930 | 1,680,017 | 13,820 | 13,820 | 2,049,740 |
| Others | 35,010 | 35,010 | 2,749,598 | 26,161 | 26,161 | 1,486,432 | 11,701 | 11,701 | 622,811 |
| Held as fair value hedges: | | | | | | | | | |
| Commission rate swaps | 69,895 | 65,820 | 15,168,750 | - | 137,469 | 13,575,000 | 3,057 | 192,206 | 11,000,000 |
| Held as cash flow hedges: | | | | | | | | | |
| Commission rate swaps | 321,595 | 395,352 | 30,363,250 | 245,803 | 454,874 | 31,238,250 | 210,843 | 889,515 | 36,244,500 |
| Total | 4,959,528 | 5,188,354 | 339,822,749 | 5,691,581 | 6,218,422 | 343,568,975 | 6,057,482 | 6,728,011 | 314,586,024 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

12. Customers' deposits

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--------------|-------------------------------|--------------------------------|-------------------------------|
| Demand | 79,375,826 | 80,365,630 | 77,459,853 |
| Saving | 1,027,241 | 976,105 | 918,529 |
| Time | 104,763,728 | 98,059,257 | 90,703,078 |
| Other | 5,560,773 | 5,717,187 | 5,746,697 |
| Total | 190,727,568 | 185,118,179 | 174,828,157 |

Time deposits include Shariah based deposits amounting to ﷲ 51,903 million (December 31, 2024: ﷲ 48,536 million; March 31, 2024: ﷲ 43,822 million).

13. Debt securities and term loans

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

14. Commitments and contingencies

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--|-------------------------------|--------------------------------|-------------------------------|
| Letters of credit | 10,032,810 | 10,914,044 | 8,996,924 |
| Letters of guarantee | 51,305,139 | 51,075,695 | 47,892,720 |
| Acceptances | 2,971,380 | 3,016,542 | 4,069,263 |
| Irrevocable commitments to extend credit | 16,727,296 | 16,878,266 | 13,342,518 |
| Total | 81,036,625 | 81,884,547 | 74,301,425 |

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

| ﷲ '000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|----------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 50,011 | 23,836 | 147,863 | 221,710 |
| Transfer from 12-month ECL | (64) | 64 | - | - |
| Transfer from lifetime ECL not credit impaired | 208 | (209) | 1 | - |
| Net charge for the period | 666 | 15,741 | 820 | 17,227 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 50,821 | 39,432 | 148,684 | 238,937 |

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

| ﷲ '000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|--|------------------------------------|----------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 14,639 | 6,637 | 174,825 | 196,101 |
| Transfer from 12-month ECL | (361) | 361 | - | - |
| Transfer from lifetime ECL not credit impaired | - | - | - | - |
| Net charge for the period | 1,146 | 343 | - | 1,489 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 15,424 | 7,341 | 174,825 | 197,590 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

14. Commitments and contingencies (continued)

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

| ﷲ'000 | March 31, 2025 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|-------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 76,702,102 | 4,202,611 | 979,834 | 81,884,547 |
| Transfer from 12-month ECL | (290,129) | 290,129 | - | - |
| Transfer from lifetime ECL not credit impaired | 65,665 | (65,821) | 166 | 10 |
| Transfer from Lifetime ECL credit impaired | - | - | - | - |
| Net change for the period | (1,124,547) | 288,881 | (12,266) | (847,932) |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 75,353,091 | 4,715,800 | 967,734 | 81,036,625 |

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

| ﷲ'000 | March 31, 2024 (Unaudited) | | | |
|--|----------------------------|----------------------------------|------------------------------|-------------------|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Balance at January 01 | 66,547,335 | 3,057,887 | 1,126,015 | 70,731,237 |
| Transfer from 12-month ECL | (1,267,739) | 1,267,465 | 274 | - |
| Transfer from lifetime ECL not credit impaired | 106,642 | (115,618) | 8,976 | - |
| Transfer from Lifetime ECL credit impaired | - | - | - | - |
| Net change for the period | 3,548,672 | 150,334 | (128,818) | 3,570,188 |
| Write-offs | - | - | - | - |
| Balance at the end of the period | 68,934,910 | 4,360,068 | 1,006,447 | 74,301,425 |

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

15. Cash and cash equivalents

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|---|-------------------------------|--------------------------------|-------------------------------|
| Cash and balances with Saudi Central Bank excluding statutory deposit (note 5) | 3,843,128 | 983,343 | 1,165,500 |
| Due from banks and other financial institutions maturing within three months from the date of acquisition | 3,548,164 | 2,046,185 | 4,290,951 |
| Total | 7,391,292 | 3,029,528 | 5,456,451 |

16. Tier 1 Sukuk

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

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

During Q3 2024 the Bank has established a USD 3 Billion Additional Tier 1 Capital Note Programme, the issuer under the programme is Banque Saudi Fransi.

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

17. Zakat

In March 2019, Zakat, Tax and Customs Authority ("ZATCA") issued new zakat regulations through Ministerial Decree No. 2215 dated Rajab 07, 1440H corresponding to March 14, 2019, which provides the new basis for the calculation of Zakat for companies engaged in financing activities and licensed by SAMA. The new Zakat regulations are issued pursuant to the Zakat Implementing Regulations and are applicable for the periods from January 01, 2019.

The Bank submitted its zakat return for the year ended 31 December 2023, and obtained the unrestricted zakat certificate. The assessments in respect to the Bank's zakat returns for the financial years up to 2018 have been finalized. The assessments for the financial years 2019 to 2023 have not been finalized with ZATCA.

Zakat for the period ended March 31, 2025 amounted to approximately ﷲ 154 million (March 31, 2024: ﷲ 132 million). The provision of Zakat is estimated based on the results of operations of the Bank for the three months period ended and the consolidated financial position at March 31, 2025.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**For the three month period ended March 31, 2025 and 2024****18. Fair values of financial assets and liabilities**

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

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

Valuation models

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

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

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

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

Valuation Framework

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

Determination of fair value and fair value hierarchy

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

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

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

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

| ﷲ'000 | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|----------------|-------------------|
| <u>March 31, 2025 (Unaudited)</u> | | | | | |
| Financial assets | | | | | |
| Derivative financial instruments positive fair value | 4,959,528 | - | 4,959,528 | - | 4,959,528 |
| Financial investments designated at FVSI | 473,253 | 96,889 | 376,364 | - | 473,253 |
| Financial investments at FVOCI | 32,793,081 | 19,660,229 | 12,793,439 | 339,413 | 32,793,081 |
| Total | 38,225,862 | 19,757,118 | 18,129,331 | 339,413 | 38,225,862 |
| Financial Liabilities | | | | | |
| Derivative financial instruments negative fair value | 5,188,354 | - | 5,188,354 | - | 5,188,354 |
| Total | 5,188,354 | - | 5,188,354 | - | 5,188,354 |

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

| ﷲ'000 | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|-------------------|----------------|-------------------|
| <u>March 31, 2024 (Unaudited)</u> | | | | | |
| Financial assets | | | | | |
| Derivative financial instruments positive fair value | 6,057,482 | - | 6,057,482 | - | 6,057,482 |
| Financial investments designated at FVSI | 607,524 | 430,614 | 176,910 | - | 607,524 |
| Financial investments at FVOCI | 25,591,300 | 16,893,000 | 8,469,653 | 228,647 | 25,591,300 |
| Total | 32,256,306 | 17,323,614 | 14,704,045 | 228,647 | 32,256,306 |
| Financial Liabilities | | | | | |
| Derivative financial instruments negative fair value | 6,728,011 | - | 6,728,011 | - | 6,728,011 |
| Total | 6,728,011 | - | 6,728,011 | - | 6,728,011 |

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

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

The fair values of investments held at amortized cost are ~~ﷲ~~ 27,303 million (December 31, 2024: ~~ﷲ~~ 26,098 million and March 31, 2024: ~~ﷲ~~ 25,933 million) against carrying value of ~~ﷲ~~ 28,070 million (December 31, 2024: ~~ﷲ~~ 27,678 million and March 31, 2024: ~~ﷲ~~ 27,007 million). The fair values of commission bearing customers' deposits, debt securities, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the condensed interim consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of due from and due to banks and other financial institutions. An active market for these instruments is not available and the Bank intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

The estimated fair values of investments held at amortized cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds. Consequently, differences can arise between carrying values and fair value estimates. The fair values of derivatives are based on the quoted market prices when available or by using the appropriate valuation technique. The Bank uses the discounted cash flow method using current yield curve to arrive at the fair value of loans and advances after adjusting internal credit spread which is ~~ﷲ~~ 210,465 (December 31, 2024: ~~ﷲ~~ 205,276 million and March 31, 2024: ~~ﷲ~~ 184,420 million). The carrying values of those loans and advances are ~~ﷲ~~ 208,978 million (December 31, 2024: ~~ﷲ~~ 204,168 million and March 31, 2024: ~~ﷲ~~ 185,408 million).

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--|-------------------------------|--------------------------------|-------------------------------|
| Balance at the beginning of the period / year | 299,679 | 210,417 | 210,417 |
| Additions during the period / year | 41,372 | 107,503 | 18,000 |
| Disposal during the year | - | (9,000) | - |
| Change in value | (1,638) | (9,241) | 230 |
| Balance at the end of period / year | 339,413 | 299,679 | 228,647 |

19. Segment information

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

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

Bank has adopted new FTP methodology from the beginning of 2025 to derive inter-segment revenues which is reflected in the segment profit or loss as of March 31, 2025.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

19. Segment information (continued)

The Bank is organised into the following main operating segments:

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

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

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

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

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

| ﷲ '000 | Retail banking | Corporate banking | Treasury | Investment banking & brokerage | Total |
|---|-------------------|----------------------|------------|--------------------------------------|-------------|
| <u>March 31, 2025 (Unaudited)</u> | | | | | |
| Total assets | 54,851,838 | 157,425,116 | 87,888,092 | 2,822,878 | 302,987,924 |
| Loans and advances, net | 52,586,290 | 154,664,415 | - | 1,727,648 | 208,978,353 |
| Total liabilities | 70,955,933 | 124,998,413 | 57,644,802 | 958,829 | 254,557,977 |
| Customers' deposits | 68,536,513 | 122,191,055 | - | - | 190,727,568 |
| Total operating income | 740,629 | 1,370,815 | 362,453 | 164,227 | 2,638,124 |
| Total operating expenses before impairment charge | 472,509 | 218,089 | 102,905 | 73,091 | 866,594 |
| Impairment charges for financial assets & others, net | 55,023 | 228,716 | (3,924) | 31 | 279,846 |
| Net income for the period before zakat | 213,097 | 924,010 | 263,472 | 91,105 | 1,491,684 |
| Net special commission income | 719,263 | 1,207,527 | 134,492 | 57,053 | 2,118,335 |
| Fee and commission income, net | 3,673 | 161,503 | (1,950) | 98,905 | 262,131 |
| Exchange income, net | 11,838 | 1,783 | 107,342 | - | 120,963 |
| Trading income, net | 5,811 | - | 62,198 | 1,638 | 69,647 |
| Inter-segment revenue | 164,983 | (392,266) | 227,283 | - | - |
| Depreciation and amortization | 46,310 | 14,999 | 5,763 | 874 | 67,946 |

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

19. Segment information (continued)

| ﷲ'000 | Retail banking | Corporate banking | Treasury | Investment banking & brokerage | Total |
|---|-------------------|----------------------|-------------|--------------------------------------|-------------|
| <u>March 31, 2024 (Unaudited)</u> | | | | | |
| Total assets | 47,533,447 | 141,659,086 | 77,393,339 | 2,072,457 | 268,658,329 |
| Loans and advances, net | 45,322,333 | 138,723,934 | - | 1,362,015 | 185,408,282 |
| Total liabilities | 64,290,836 | 113,176,083 | 48,058,588 | 922,284 | 226,447,791 |
| Customers' deposits | 63,084,949 | 111,743,208 | - | - | 174,828,157 |
| Total operating income | 1,040,496 | 1,163,669 | 7,645 | 119,475 | 2,331,285 |
| Total operating expenses before impairment charge | 386,583 | 224,954 | 93,080 | 68,354 | 772,971 |
| Impairment charges for financial assets & others, net | 77,910 | 201,878 | (3,924) | - | 275,864 |
| Net income for the period before zakat | 576,003 | 736,837 | (81,511) | 51,121 | 1,282,450 |
| Net special commission income | 978,059 | 1,034,431 | (136,935) | 42,976 | 1,918,531 |
| Fee and commission income, net | 49,986 | 128,588 | - | 68,693 | 247,267 |
| Exchange income, net | 12,262 | 651 | 87,094 | - | 100,007 |
| Trading income, net | - | - | 57,377 | 2,242 | 59,619 |
| Inter-segment revenue | 758,742 | 501,698 | (1,260,440) | - | - |
| Depreciation and amortization | 43,039 | 14,491 | 7,556 | 1,716 | 66,802 |

20. Share capital and Earnings per share

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

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

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

Basic and diluted earnings per share for the periods ended March 31, 2025 and 2024 are calculated on a weighted average basis by dividing the net income adjusted for Tier I Sukuk costs for the period by 2,500 million shares after excluding treasury shares consisting of 19.5 million shares as of March 31, 2025 (December 31, 2024: 19.7 million shares and March 31, 2024: 8.2 million shares).

The Board of Directors have proposed final net dividend of ﷲ 0.50 net per share for the year 2024 which is subject to the approval of the shareholders at the Annual General Assembly Meeting and the regulatory agencies.

21. Related party balances

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

21. Related party balances (continued)

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|---|-------------------------------|--------------------------------|-------------------------------|
| Associates | | | |
| Investments | 9,695 | 9,695 | 9,695 |
| Due to banks and other financial institutions | 8,893 | 8,781 | 8,544 |
| Directors, senior management, shariah members and their affiliates (key management personal) | | | |
| Loans and advances | 6,750,104 | 6,558,236 | 8,148,783 |
| Investments | 784,207 | 683,674 | 838,998 |
| Due from banks and other financial institutions | 397,289 | 395,625 | 395,625 |
| Other assets | 33,102 | 49,182 | 46,650 |
| Customers' deposits | 7,800,826 | 8,201,695 | 7,115,732 |
| Due to banks and other financial institutions | - | 40,000 | 900,000 |
| Other liabilities | 6,544 | 247 | 3,558 |
| Derivatives at fair value, net | (55,231) | (48,141) | (95,490) |
| Commitments and contingencies | 2,913,840 | 2,666,822 | 2,901,111 |
| Major shareholders' and their affiliates | | | |
| Loans and advances | 907,217 | 1,532,037 | 968,249 |
| Customers' deposits | 183,771 | 128,146 | 5,689,119 |
| Derivatives at fair value, net | (50) | 37 | 165 |
| Commitments and contingencies | 17,953 | 12,500 | - |

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|---|-------------------------------|--------------------------------|-------------------------------|
| Special commission income | | | |
| -Directors, senior management, shariah members and their affiliates (key management personal) | 40,225 | 604,622 | 107,945 |
| -Major shareholders' and their affiliates | 8,816 | 95,011 | 10,945 |
| Total Special commission income | 49,041 | 699,633 | 118,890 |
| Special commission expense | | | |
| -Directors, senior management, shariah members and their affiliates (key management personal) | 11,449 | 233,423 | 34,315 |
| Major shareholders' and their affiliates | 159 | 12,102 | 64,667 |
| -Associates | 63 | 315 | 79 |
| Total Special commission expense | 11,671 | 245,840 | 99,061 |
| Fees, commission income and others, net | 22,355 | 76,897 | 20,137 |
| Directors' fees | 5,410 | 18,980 | 2,368 |
| Other general and administrative expenses | 7,805 | 75,840 | 30,972 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

22. Capital Adequacy

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

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

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

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

| ﷲ '000 | March 31, 2025 (Unaudited) | December 31, 2024 (Audited) | March 31, 2024 (Unaudited) |
|--------------------------------------|---------------------------------------|--|---------------------------------------|
| Credit Risk RWA | 240,069,651 | 238,385,884 | 222,833,209 |
| Operational Risk RWA | 9,641,621 | 8,627,534 | 8,902,202 |
| Market Risk RWA | 4,297,470 | 3,958,794 | 3,226,993 |
| Total RWA | 254,008,742 | 250,972,212 | 234,962,404 |
| Common Equity Tier I Capital | 40,865,834 | 39,215,558 | 38,323,812 |
| Additional Tier I Capital | 8,000,000 | 8,000,000 | 5,000,000 |
| Tier I Capital | 48,865,834 | 47,215,558 | 43,323,812 |
| Tier II Capital | 2,305,647 | 2,193,948 | 1,507,725 |
| Total Tier I & II Capital | 51,171,481 | 49,409,506 | 44,831,537 |
| Capital Adequacy Ratio % | | | |
| Common Equity Tier I ratio | 16.09% | 15.63% | 16.31% |
| Tier I ratio | 19.24% | 18.81% | 18.44% |
| Tier I + Tier II ratio | 20.15% | 19.69% | 19.08% |

23. Comparative figures

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

24. Restatement

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2025 and 2024

24. Restatement (continued)

| ﷲ '000 | As previously presented | Restatement | Restated balance |
|---|-------------------------|-------------|------------------|
| As at March 31, 2024 | | | |
| Consolidated statement of financial position | | | |
| Investments, net | 52,922,613 | 282,777 | 53,205,390 |
| Retained earnings | 12,522,014 | 282,777 | 12,804,791 |

The impact of these unrecorded equity investments on the consolidated statement of income for the period ended March 31, 2024 was insignificant and accordingly, these have not been restated.

25. Board of Directors Approval

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on April 20, 2025 corresponding to Shawwal 22, 1446H.