BANQUE SAUDI FRANSI

(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2026

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

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Unified No. 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stook Company)
Paid-up capital ⃁ 5,000,000
Metro Boulevard – Al-Aqiq
King Abdullah Financial District
P.O. Box 213 - Riyadh 11411
Saudi Arabia
C.R No. 1010600030

Tel: +966 11 5089001
www.deloitte.com

INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Banque Saudi Fransi (the "Bank) and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related condensed interim consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related condensed interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Ernst & Young Professional Services

Fahad M. Altoaimi
Certified Public Accountant
License No. 354

Deloitte and Touche & Co.

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

12 Safar 1448
26 July 2026

R7
EY
سجل تجاري ١٠١٠٣٨٣٨٢١
CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

ديلويت آند توش وشركاه
محاسبون ومراجعون قانونيون
س.ت ١٠١٠٦٠٠٠٣٠
CR.: 1010600030
HO-Riyadh
Chartered Accountants
Deloitte and Touche & Co.
5 ٥

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at

⃁ '000	Notes	Jun 30, 2026 (Unaudited)	Dec 31, 2025 (Audited)	Jun 30, 2025 (Unaudited) Restated – note 24
ASSETS				
Cash and balances with Saudi Central Bank	5	**11,298,801**	10,931,246	10,999,307
Due from banks and other financial institutions, net	6	**8,196,466**	3,816,772	6,857,987
Investments, net	7	**74,208,353**	68,681,703	63,241,452
Positive fair value of derivatives	11	**4,207,355**	4,464,099	4,766,921
Loans and advances, net	8	**224,241,367**	214,891,263	209,880,797
Investment in associate, net		**9,695**	9,695	9,695
Property, equipment and right of use assets, net		**2,746,017**	2,544,406	2,266,250
Other real estate, net		**215,341**	219,041	294,367
Other assets, net		**2,859,936**	3,447,561	3,622,198
Total assets		**327,983,331**	309,005,786	301,938,974
LIABILITIES AND EQUITY				
Liabilities				
Due to Saudi Central Bank	9	**11,397,468**	4,980,012	17,495,756
Due to banks and other financial institutions	10	**13,921,948**	7,904,600	14,159,010
Customers' deposits	12	**204,587,870**	195,219,089	182,690,061
Negative fair value of derivatives	11	**4,184,883**	4,251,687	4,822,024
Debt securities and term loans	13	**35,757,951**	38,876,945	23,964,475
Other liabilities		**6,738,926**	7,114,015	7,044,745
Total liabilities		**276,589,046**	258,346,348	250,176,071
Equity				
Share capital		**25,000,000**	25,000,000	25,000,000
Statutory reserve		**9,527,945**	9,527,945	8,189,590
General reserve		**982,857**	982,857	982,857
Other reserves		**186,738**	748,911	289,075
Retained earnings		**8,008,252**	5,388,140	7,048,293
Proposed dividend		**-**	1,294,696	-
Treasury shares		**(249,007)**	(220,611)	(184,412)
Equity attributable to the shareholders of the Bank		**43,456,785**	42,721,938	41,325,403
Tier I capital	16	**7,937,500**	7,937,500	10,437,500
Total equity		**51,394,285**	50,659,438	51,762,903
Total liabilities and equity		**327,983,331**	309,005,786	301,938,974

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish	Bader AlSalloom	Mazin AlRomaih
Chief Financial Officer	Chief Executive Officer	Chairman of the Board

h

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

⃁ '000	For the three month period ended		For the six month period ended	
	Jun 30, 2026	Jun 30, 2025	Jun 30, 2026	Jun 30, 2025
Special commission income	**4,576,539**	4,323,872	**9,009,461**	8,520,260
Special commission expense	**2,233,497**	2,127,866	**4,449,722**	4,205,919
Net special commission income	**2,343,042**	2,196,006	**4,559,739**	4,314,341
Fee and commission income	**432,326**	432,702	**839,311**	858,631
Fee and commission expense	**184,863**	152,033	**374,077**	315,831
Net fee and commission income	**247,463**	280,669	**465,234**	542,800
Exchange income, net	**123,811**	128,442	**231,488**	249,405
Trading income, net	**83,746**	23,371	**155,640**	93,018
Dividend income	**26,531**	5,958	**55,426**	14,852
Gains on FVOCI / non-trading investments, net	**24,445**	15,046	**89,378**	68,131
Other operating income	**16**	28,951	**215**	34,020
Total operating income	**2,849,054**	2,678,443	**5,557,120**	5,316,567
Salaries and employee related expenses	**498,909**	475,150	**995,044**	946,409
Rent and premises related expenses	**16,260**	16,618	**42,522**	36,503
Depreciation and amortization	**99,746**	91,249	**184,223**	159,195
Other operating and general and administrative expenses	**310,443**	290,382	**625,830**	597,886
Total operating expenses before impairment charge	**925,358**	873,399	**1,847,619**	1,739,993
Impairment charge for expected credit losses on loans and advances, net	**228,038**	257,431	**492,559**	526,415
Impairment charge / (reversal) for investments, financial assets and others, net	**39,166**	(21,817)	**20,529**	(10,955)
Total operating expenses, net	**1,192,562**	1,109,013	**2,360,707**	2,255,453
Net income for the period before Zakat	**1,656,492**	1,569,430	**3,196,413**	3,061,114
Zakat for the period	**169,840**	166,364	**328,606**	320,157
Net income for the period	**1,486,652**	1,403,066	**2,867,807**	2,740,957
Basic and diluted earnings per share (⃁)	**0.53**	0.52	**1.05**	1.02

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish	**Bader AlSalloom**	**Mazin AlRomaih**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board**

h

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited

⃁ '000	For the three month period ended		For the six month period ended	
	Jun 30, 2026	Jun 30, 2025 Restated – note 24	Jun 30, 2026	Jun 30, 2025 Restated – note 24
Net income for the period	**1,486,652**	1,403,066	**2,867,807**	2,740,957
Other comprehensive income / (loss):				
Items that cannot be recycled back to condensed interim consolidated statement of income in subsequent periods				
Movement in equity instruments at fair value through other comprehensive income				
Net change in the fair value	**76,303**	(9,273)	**76,024**	49,796
Items that can be recycled back to condensed interim consolidated statement of income in subsequent periods				
Debt instruments at fair value through other comprehensive income				
Net change in the fair value	**(161,718)**	87,208	**(490,957)**	552,116
Net change in ECL	**2,443**	3,876	**(656)**	(626)
Income transferred to condensed interim consolidated statement of income	**(24,445)**	(15,046)	**(78,848)**	(68,131)
Cash flow hedge				
Net change in the fair value	**(117,274)**	53,915	**(266,521)**	82,653
Loss transferred to condensed interim consolidated statement of income	**76,823**	131,276	**198,785**	275,207
Total other comprehensive (loss) / income for the period	**(147,868)**	251,956	**(562,173)**	891,015
Total comprehensive income for the period	**1,338,784**	1,655,022	**2,305,634**	3,631,972

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish	Bader AlSalloom	Mazin AlRomaih
Chief Financial Officer	Chief Executive Officer	Chairman of the Board

h

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

⃁ '000	Share capital	Statutory reserve	General reserve	Retained earnings	Other reserves			Proposed dividend	Treasury shares	Total equity attributable to the shareholders	Tier I capital	Total Equity
					FVOCI	Actuarial gain on defined benefit plans	Cash flow hedge					
For the six month period ended June 30, 2026												
Balance at the beginning of the period	**25,000,000**	**9,527,945**	**982,857**	**5,388,140**	**720,764**	**70,629**	**(42,482)**	**1,294,696**	**(220,611)**	**42,721,938**	**7,937,500**	**50,659,438**
Net income for the period	-	-	-	2,867,807	-	-	-	-	-	2,867,807	-	2,867,807
Net change in the fair value	-	-	-	-	(415,589)	-	(266,521)	-	-	(682,110)	-	(682,110)
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(78,848)	-	198,785	-	-	119,937	-	119,937
Total comprehensive income for the period	-	-	-	2,867,807	(494,437)	-	(67,736)	-	-	2,305,634	-	2,305,634
Tier I capital related cost	-	-	-	(247,695)	-	-	-	-	-	(247,695)	-	(247,695)
Final dividend paid for 2025	-	-	-	-	-	-	-	(1,294,696)	-	(1,294,696)	-	(1,294,696)
Net change in treasury shares	-	-	-	-	-	-	-	-	(28,396)	(28,396)	-	(28,396)
Balance at the end of the period	**25,000,000**	**9,527,945**	**982,857**	**8,008,252**	**226,327**	**70,629**	**(110,218)**	**-**	**(249,007)**	**43,456,785**	**7,937,500**	**51,394,285**
For the six month period ended June 30, 2025												
Balance at the beginning of the period	25,000,000	8,189,590	982,857	4,509,836	(550,817)	26,537	(608,556)	1,245,666	(188,111)	38,607,002	8,000,000	46,607,002
Impact on prior years adjustment (note 24)	-	-	-	-	530,896	-	-	-	-	530,896	-	530,896
Restated balance as at January 01, 2025	25,000,000	8,189,590	982,857	4,509,836	(19,921)	26,537	(608,556)	1,245,666	(188,111)	39,137,898	8,000,000	47,137,898
Net income for the period	-	-	-	2,740,957	-	-	-	-	-	2,740,957	-	2,740,957
Net change in the fair value	-	-	-	-	601,286	-	82,653	-	-	683,939	-	683,939
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(68,131)	-	275,207	-	-	207,076	-	207,076
Total comprehensive income for the period	-	-	-	2,740,957	533,155	-	357,860	-	-	3,631,972	-	3,631,972
Issuance of Tier 1 capital	-	-	-	-	-	-	-	-	-	-	2,437,500	2,437,500
Tier I capital related cost	-	-	-	(202,500)	-	-	-	-	-	(202,500)	-	(202,500)
Final dividend paid for 2024	-	-	-	-	-	-	-	(1,245,666)	-	(1,245,666)	-	(1,245,666)
Net change in treasury shares	-	-	-	-	-	-	-	-	3,699	3,699	-	3,699
Balance at the end of the period	25,000,000	8,189,590	982,857	7,048,293	513,234	26,537	(250,696)	-	(184,412)	41,325,403	10,437,500	51,762,903

The accompanying notes 1 to 26 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**

h

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

⃁ '000	Notes	For the six month period ended	
		Jun 30, 2026	Jun 30, 2025
OPERATING ACTIVITIES			
Net income for the period before zakat		**3,196,413**	3,061,114
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		**65,423**	40,914
Gains on non-trading investment		**(89,378)**	(68,131)
Depreciation and amortization		**184,223**	159,195
Gains on disposal of property, equipment, net		**(179)**	(33,756)
Impairment charge for expected credit losses, net	8	**635,833**	583,101
Impairment charge / (reversal) for investments, financial assets and others, net		**20,529**	(10,955)
Long term incentive scheme provision		**67,537**	62,014
Operating income before changes in operating assets and liabilities		**4,080,401**	3,793,496
Net increase in operating assets:			
Statutory deposit with Saudi Central Bank		**(243,408)**	(42,295)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		**(1,709,414)**	(441,904)
Investments held as FVSI, trading		**(811,680)**	185,799
Loans and advances		**(9,985,937)**	(6,295,623)
Other assets		**781,454**	1,670,300
Net increase / (decrease) in operating liabilities:			
Due to Saudi Central Bank, banks and other financial institutions, net		**12,434,804**	(652,094)
Customers' deposits		**9,368,781**	(2,428,118)
Other liabilities		**(264,322)**	(808,028)
		13,650,679	(5,018,467)
Zakat paid		**(617,511)**	(524,117)
Net cash generated from / (used in) operating activities		**13,033,168**	(5,542,584)
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments not held as FVSI		**10,311,113**	7,136,348
Purchase of investments not held as FVSI, net		**(15,496,565)**	(9,125,734)
Purchases of property and equipment		**(493,309)**	(146,006)
Proceeds from sale of property and equipment		**186**	73,122
Net cash used in investing activities		**(5,678,575)**	(2,062,270)
FINANCING ACTIVITIES			
Issuance of debt securities and term loans		**2,677,732**	8,163,890
Repayment of debt securities and term loans		**(5,508,400)**	-
Dividend paid		**(1,294,696)**	(1,245,666)
Issuance of Tier I capital		**-**	2,437,500
Tier I capital related cost		**(247,695)**	(202,500)
Payment of lease liability		**(90,144)**	(53,222)
Purchase of Treasury Shares		**(95,933)**	(58,315)
Net cash (used in) / generated from financing activities		**(4,559,136)**	9,041,687
Increase in cash and cash equivalents		**2,795,457**	1,436,833
Cash and cash equivalents at the beginning of the period		**2,657,098**	3,029,528
Cash and cash equivalents at the end of the period	15	**5,452,555**	4,466,361
Special commission received during the period		**9,030,855**	8,498,867
Special commission paid during the period		**4,291,517**	4,035,449
Supplemental non-cash information			
RoU assets		**56,808**	44,704
Lease liability		**18,607**	14,670
Movement in other reserve and transfers to the condensed interim consolidated statement of income		**(552,173)**	972,734

The accompanying notes 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Ramzy Darwish	**Bader AlSalloom**	**Mazin AlRomaih**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board**

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), Unified National Number 7000025333 and the Bank provides service through its 78 branches (June 30, 2025: 80 branches) in the Kingdom of Saudi Arabia, employing 3,171 people (June 30, 2025: 3,087 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 (under liquidation)
Sakan Real Estate Financing	100%	Sakan holds title deeds on behalf of Banque Saudi Fransi (Banque Saudi Fransi holds 95% direct ownership and 5% indirect ownership through its subsidiary)
Sur Multi Family Office Limited	100%	Provides a wide range of wealth management services to BSF's high net worth clients and their families

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

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

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

2. Basis of preparation

The condensed interim consolidated financial statements of the Group as at and for the period ended June 30, 2026 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, 2025. In addition, results for the six-month period ended June 30, 2026, are not necessarily indicative of actual results for the full financial year ending on December 31, 2026, and final results may differ.

The consolidated financial statements of the Group as at and for the year ended December 31, 2025, 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 (⃁) and amounts are rounded to the nearest thousand.

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the annual consolidated financial statements as of and for the year ended December 31, 2025, except from those relating to the impact of the Geopolitical situation on ECL (expected credit losses), disclosed in note 25 of these condensed interim consolidated financial statements.

3. Basis of consolidation

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.

4. Material Accounting Policies and Estimates

The accounting policies, estimates, assumptions and methods of computation of balances and transactions, 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, 2025, except from those relating to the impact of the Geopolitical situation on ECL (expected credit losses), disclosed in note 25 of these condensed interim consolidated financial statements.

4.1 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, 2025, except for the adoption of new standards effective as of January 01, 2026. These do not have a significant impact on the condensed interim consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The impact of these new standards is currently being assessed.

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	01 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	01 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	01 January 2026

4. Material Accounting Policies and Estimates (continued)

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
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. Further information on IFRS 18 is provided in note 4.2.	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

4.2 Preliminary impact assessment of IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 'Presentation and Disclosure in Financial Statements', as endorsed in Kingdom of Saudi Arabia (IFRS 18) will replace IAS 1 'Presentation of Financial Statements'' as endorsed in the Kingdom of Saudi Arabia, for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The Bank has not early adopted IFRS 18 in preparing this interim condensed consolidated financial information.

The Bank has established a formal IFRS 18 implementation program overseen by senior management and the Audit Committee, supported by a cross-functional working group comprising representatives from Financial Reporting, Investor Relations, Finance Systems, Financial Planning and Performance Management, and Corporate Governance. The program includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications.

4. Material Accounting Policies and Estimates (continued)

The Bank is currently assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements. Based on the assessment performed to date, the expected impacts pertain to the presentation, aggregation, disaggregation and disclosure of information within the consolidated financial statements.

Presentation of Statement of Income

IFRS 18 requires entities to classify income and expenses into specified categories within the statement of income, namely operating, investing, financing, income taxes and discontinued operations. It also introduces mandatory subtotal including Operating Profit.

Neither total profit for the period nor total equity is expected to change as a result of adopting IFRS 18. However, the Bank expects changes to the presentation and classification of certain income and expense items within the statement of income, including the introduction of IFRS-defined subtotals.

Based on our preliminary assessment, the Bank has concluded that providing financing to customers constitutes a specified main business activity (SMBA). The Bank continues to assess whether investing in certain assets, including financial assets, also constitutes an SMBA under IFRS 18. Based on this, the Bank expects the following impacts on the interim condensed consolidated financial statements:

- Financing income arising from customer financing assets, investment securities and treasury activities supporting the Bank's specified main business activities is expected to be presented within the operating category.

- Funding costs relating to customer deposits, debt securities issued and other financing liabilities that support the Bank's specified main business activities are expected to be presented within the operating category.

- Foreign exchange differences are expected to be classified in the same category as the underlying assets and liabilities giving rise to those differences. Based on the Bank's current assessment, the majority of foreign exchange differences arise from financing, treasury and investment activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any foreign exchange differences relate to activities that may require presentation outside the operating category under IFRS 18.

- Gains and losses arising from derivatives designated in hedging relationships are expected to be presented in the same category as the underlying hedged exposures. Based on the Bank's current assessment, the majority of derivatives are associated with customer financing, treasury and funding activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any derivatives relate to activities that may require presentation outside the operating category under IFRS 18.

Certain expenses arising from liabilities or other obligations that are not directly linked to the Bank's specified main business activities, i.e. interest charge on lease liabilities and the interest cost of employee benefit obligations are currently being assessed and would be presented within the financing category in accordance with IFRS 18.
In addition, IFRS 18 may require changes to certain line-item descriptions, subtotals and disclosures currently presented in the statement of income. The assessment remains subject to completion of the Bank's implementation activities and any future interpretative or regulatory developments.

4. Material Accounting Policies and Estimates (continued)

Management-defined Performance Measures

IFRS 18 introduces new disclosure requirements for Management-defined Performance Measures ("MPMs"), which are subtotals of income and expenses used in public communications to communicate management's view of an aspect of the Bank's financial performance. Such measures will be required to be disclosed within a single note to the financial statements together with explanations of their purpose and reconciliations to the most directly comparable IFRS-defined totals or subtotals.

The Bank is assessing whether measures communicated externally, net operating income before impairment provision, or other performance metrics that meet the definition of MPMs under IFRS 18 and may therefore require enhanced disclosures and reconciliations.

Principles of Aggregation and Disaggregation

IFRS 18 introduces enhanced requirements relating to the aggregation and disaggregation of information throughout the financial statements and accompanying notes. These requirements are intended to improve transparency by ensuring that material information is presented separately and dissimilar items are not obscured through aggregation. The Bank is currently assessing whether additional disaggregation may be required for other assets, other liabilities, other operating income, other general and administrative expenses, other operating expenses. The Bank also expects certain line-item descriptions currently used within the financial statements to be refined to enhance clarity and consistency with the objectives of IFRS 18.

Consequential Amendments

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The Bank is currently assessing the impact of these amendments, including potential changes to the presentation of operating cash flows and the classification of interest, dividends and other cash flow items. The Bank is also evaluating requirements relating to comparative information and retrospective application upon adoption of IFRS 18. The Bank's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress, industry practice evolves and additional guidance from regulators and standard setters become available.

5. Cash and balances with Saudi Central Bank

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Cash on hand	**973,823**	849,676	939,625
Current account	**-**	-	80,124
Statutory deposit	**10,324,978**	10,081,570	9,979,558
Money market placements	**-**	-	-
Total	**11,298,801**	10,931,246	10,999,307

6. Due from banks and other financial institutions, net

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Current accounts	**3,127,883**	1,807,728	2,065,128
Money market placements	**5,069,213**	2,009,660	4,793,634
	8,197,096	3,817,388	6,858,762
Less: impairment	**(630)**	(616)	(775)
Total	**8,196,466**	3,816,772	6,857,987

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**349**	**267**	**-**	**616**
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net charge / (reversal) for the period	**57**	**(43)**	**-**	**14**
Balance at the end of the period	**406**	**224**	**-**	**630**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01, 2025	462	159	-	621
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net (reversal) / charge for the year	(113)	108	-	(5)
Balance at the end of the year	349	267	-	616

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

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	462	159	-	621
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net (reversal) / charge for the period	(35)	189	-	154
Balance at the end of the period	427	348	-	775

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance as at January 01	**3,800,164**	**17,224**	**-**	**3,817,388**
Transfer from 12-month ECL	**-**	**-**	**-**	**-**
Transfer from lifetime ECL not credit impaired	**-**	**-**	**-**	**-**
Net change for the period	**4,389,201**	**(9,493)**	**-**	**4,379,708**
Write-offs	**-**	**-**	**-**	**-**
Balance at the end of the period	**8,189,365**	**7,731**	**-**	**8,197,096**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	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 year	(1,212,637)	13,594	-	(1,199,043)
Write-offs	-	-	-	-
Balance at the end of the year	3,800,164	17,224	-	3,817,388

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance as at January 01	5,012,801	3,630	-	5,016,431
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	1,833,636	8,695	-	1,842,331
Write-offs	-	-	-	-
Balance at the end of the period	6,846,437	12,325	-	6,858,762

7. Investments, net

a) Investment securities are classified as follows:

⃁ '000	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited) Restated – note 24
Investments at amortized cost – gross	**28,026,111**	29,140,342	28,003,345
Less: impairment	**(20,763)**	(19,983)	(15,072)
Investments at amortized cost, net	**28,005,348**	29,120,359	27,988,273
Investments at FVOCI – Debt instruments	**42,279,137**	37,304,098	33,248,330
Investments at FVOCI – Equity/other investments	**2,951,655**	2,106,597	1,832,736
Total FVOCI	**45,230,792**	39,410,695	35,081,066
Investments at FVSI – Debt/equity instruments	**972,213**	150,649	172,113
Total	**74,208,353**	68,681,703	63,241,452

Gross Investments include Shariah based investments amounting to ⃁ 56,759 million (December 31, 2025: ⃁ 50,346 million; June 30, 2025: ⃁ 44,497 million).

Investments include ⃁ 15,930 million (Dec 31 2025: ⃁ 7,039 million, June 30, 2025: ⃁ 19,352 million), which have been pledged under repurchase agreements with other banks and customers.

b) Investments by type of Instruments:

⃁ '000	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited) Restated - note 24
Bonds	**15,768,059**	17,092,011	16,924,973
Sukuk	**53,790,882**	48,352,504	43,957,568
Equities, Funds and Tier I instruments	**2,972,946**	2,111,449	1,833,968
Other	**1,676,466**	1,125,739	524,943
Total	**74,208,353**	68,681,703	63,241,452

c) The analysis of investments by counterparty is as follows:

⃁ '000	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited) Restated - note 24
Government and quasi government	**55,725,107**	51,122,647	47,020,466
Corporate	**7,163,224**	6,357,728	6,004,249
Banks and other financial institutions	**11,320,022**	11,201,328	10,216,737
Total	**74,208,353**	68,681,703	63,241,452

7. Investments, net (continued)

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

Investments by type of securities

⃁ '000	**June 30, 2026 (Unaudited)**			December 31, 2025 (Audited)			June 30, 2025 (Unaudited)		
	Domestic	**International**	**Total**	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	**741,503**	**209,419**	**950,922**	145,797	-	145,797	170,880	-	170,880
Equities	**21,291**	**-**	**21,291**	4,852	-	4,852	1,233	-	1,233
Total	**762,794**	**209,419**	**972,213**	150,649	-	150,649	172,113	-	172,113

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

Investments by type of securities

⃁ '000	**June 30, 2026 (Unaudited)**			December 31, 2025 (Audited)			June 30, 2025 (Unaudited) Restated – note 24		
	Domestic	**International**	**Total**	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	**31,093,201**	**7,944,993**	**39,038,194**	24,700,913	9,018,697	33,719,610	21,170,519	8,620,376	29,790,895
Debt securities – floating rate	**2,588,342**	**652,601**	**3,240,943**	3,038,830	545,658	3,584,488	2,912,635	544,801	3,457,436
Equities, Tier I instruments and others	**1,955,498**	**996,157**	**2,951,655**	1,699,855	406,742	2,106,597	1,822,074	10,661	1,832,735
Total	**35,637,041**	**9,593,751**	**45,230,792**	29,439,598	9,971,097	39,410,695	25,905,228	9,175,838	35,081,066

f) Investments held at amortised cost

Investments by type of securities

⃁ '000	**June 30, 2026 (Unaudited)**			December 31, 2025 (Audited)			June 30, 2025 (Unaudited)		
	Domestic	**International**	**Total**	Domestic	International	Total	Domestic	International	Total
Debt securities – fixed rate	**27,773,552**	**-**	**27,773,552**	28,282,283	-	28,282,283	27,150,265	-	27,150,265
Debt securities – floating rate	**231,796**	**-**	**231,796**	838,076	-	838,076	838,008	-	838,008
Total	**28,005,348**	**-**	**28,005,348**	29,120,359	-	29,120,359	27,988,273	-	27,988,273

7. Investments, net (continued)

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**52,161**	**-**	**-**	**52,161**
Net charge for the period	**124**	**-**	**-**	**124**
Balance at the end of the period	**52,285**	**-**	**-**	**52,285**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	44,582	-	-	44,582
Net charge for the year	7,579	-	-	7,579
Balance at the end of the year	52,161	-	-	52,161

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	44,582	-	-	44,582
Net reversal for the period	(2,568)	-	-	(2,568)
Balance at the end of the period	42,014	-	-	42,014

7. Investments, net (continued)

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**66,444,440**	-	-	**66,444,440**
Transfer from12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	**3,860,808**	-	-	**3,860,808**
Write-offs	-	-	-	-
Balance at the end of the period	**70,305,248**	-	-	**70,305,248**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	58,588,200	-	-	58,588,200
Transfer from12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	7,856,240	-	-	7,856,240
Write-offs	-	-	-	-
Balance at the end of the year	66,444,440	-	-	66,444,440

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	58,588,200	-	-	58,588,200
Transfer from12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	2,663,475	-	-	2,663,475
Write-offs	-	-	-	-
Balance at the end of the period	61,251,675	-	-	61,251,675

8. Loans and advances, net

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	Overdraft & Commercial Loans	**Credit Cards**	**Consumer Loans**	**Total**
Performing loans and advances	**178,249,451**	**919,646**	**46,384,329**	**225,553,426**
Non-performing loans and advances	**1,686,343**	**34,655**	**490,667**	**2,211,665**
Total loans and advances	**179,935,794**	**954,301**	**46,874,996**	**227,765,091**
Allowance for impairment	**(2,893,027)**	**(53,143)**	**(577,554)**	**(3,523,724)**
Loans and advances held at amortised cost, net	**177,042,767**	**901,158**	**46,297,442**	**224,241,367**

⃁ '000	December 31, 2025 (Audited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances	171,986,137	957,776	43,608,855	216,552,768
Non-performing loans and advances	1,724,240	37,999	356,884	2,119,123
Total loans and advances	173,710,377	995,775	43,965,739	218,671,891
Allowance for impairment	(3,302,389)	(53,919)	(424,320)	(3,780,628)
Loans and advances held at amortised cost, net	170,407,988	941,856	43,541,419	214,891,263

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

Gross Loans and advances include Shariah based loans and advances amounting to ⃁ 165,667 million (December 31, 2025: ⃁ 162,828 million; June 30, 2025: ⃁ 157,562 million).

8. Loans and advances, net (continued)

The below table shows the loans and advances break up by product categories:

⃁ '000	June 30, 2026 (Unaudited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	**161,279,934**	**16,969,517**	**14,810,364**	**23,635,562**	**919,646**	**7,938,403**	**225,553,426**
Non-performing loans and advances	**1,315,499**	**370,844**	**366,522**	**90,027**	**34,655**	**34,118**	**2,211,665**
Total loans and advances	**162,595,433**	**17,340,361**	**15,176,886**	**23,725,589**	**954,301**	**7,972,521**	**227,765,091**
Allowance for impairment	**(2,387,950)**	**(505,077)**	**(395,724)**	**(85,024)**	**(53,143)**	**(96,806)**	**(3,523,724)**
Loans and advances held at amortised cost, net	**160,207,483**	**16,835,284**	**14,781,162**	**23,640,565**	**901,158**	**7,875,715**	**224,241,367**

⃁ '000	December 31, 2025 (Audited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	157,551,212	14,434,925	13,782,391	22,223,709	957,776	7,602,755	216,552,768
Non-performing loans and advances	1,391,674	332,566	265,699	70,606	37,999	20,579	2,119,123
Total loans and advances	158,942,886	14,767,491	14,048,090	22,294,315	995,775	7,623,334	218,671,891
Allowance for impairment	(2,900,282)	(402,107)	(303,270)	(58,848)	(53,919)	(62,202)	(3,780,628)
Loans and advances held at amortised cost, net	156,042,604	14,365,384	13,744,820	22,235,467	941,856	7,561,132	214,891,263

⃁ '000	June 30, 2025 (Unaudited)						
	Overdraft & Commercial Loans		Consumer Loans				Total
	Corporate	Micro, small and medium enterprises	Personal	Mortgage	Credit Cards	Auto Lease	
Performing loans and advances	159,457,645	10,799,680	13,323,981	19,934,033	818,581	7,261,841	211,595,761
Non-performing loans and advances	1,169,020	575,037	221,397	50,342	23,724	23,755	2,063,275
Total loans and advances	160,626,665	11,374,717	13,545,378	19,984,375	842,305	7,285,596	213,659,036
Allowance for impairment	(2,760,901)	(575,432)	(266,934)	(63,433)	(47,432)	(64,107)	(3,778,239)
Loans and advances held at amortised cost, net	157,865,764	10,799,285	13,278,444	19,920,942	794,873	7,221,489	209,880,797

8. Loans and advances, net (continued)

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

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Opening loss allowance as at January 01	**3,780,628**	3,514,792	3,514,792
Charge for the period / year, net	**635,833**	1,381,343	583,101
Bad debts written off against provision	**(892,737)**	(1,115,507)	(319,654)
Balance at the end of the period / year	**3,523,724**	3,780,628	3,778,239

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**831,282**	**1,163,096**	**1,786,250**	**3,780,628**
Transfer from12-month ECL	**(51,559)**	**49,085**	**2,474**	**-**
Transfer from lifetime ECL not credit impaired	**14,526**	**(161,748)**	**147,222**	**-**
Transfer from Lifetime ECL credit impaired	**31,457**	**9,775**	**(41,232)**	**-**
Net (reversal) / charge for the period	**(162,616)**	**243,405**	**555,044**	**635,833**
Write-offs	**-**	**-**	**(892,737)**	**(892,737)**
Balance at the end of the period	**663,090**	**1,303,613**	**1,557,021**	**3,523,724**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	945,871	1,247,200	1,321,721	3,514,792
Transfer from12-month ECL	(26,900)	22,619	4,281	-
Transfer from lifetime ECL not credit impaired	38,608	(303,783)	265,175	-
Transfer from Lifetime ECL credit impaired	13,556	14,990	(28,546)	-
Net (reversal) / charge for the year	(139,853)	182,070	1,339,126	1,381,343
Write-offs	-	-	(1,115,507)	(1,115,507)
Balance at the end of the year	831,282	1,163,096	1,786,250	3,780,628

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	945,871	1,247,200	1,321,721	3,514,792
Transfer from12-month ECL	(10,555)	8,066	2,489	-
Transfer from lifetime ECL not credit impaired	42,669	(133,410)	90,741	-
Transfer from Lifetime ECL credit impaired	15,382	4,091	(19,473)	-
Net (reversal) / charge for the period	(14,169)	144,076	453,194	583,101
Write-offs	-	-	(319,654)	(319,654)
Balance at the end of the period	979,198	1,270,023	1,529,018	3,778,239

8. Loans and advances, net (continued)

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Overdraft & commercial loans	**162,360,098**	**15,589,619**	**1,986,077**	**179,935,794**
Credit Card	**874,282**	**33,726**	**46,293**	**954,301**
Consumer	**45,481,660**	**689,755**	**703,581**	**46,874,996**
Balance at the end of the period	**208,716,040**	**16,313,100**	**2,735,951**	**227,765,091**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Overdraft & commercial loans	159,530,402	12,218,918	1,961,057	173,710,377
Credit Card	911,348	32,670	51,757	995,775
Consumer	42,882,590	562,298	520,851	43,965,739
Balance at the end of the year	203,324,340	12,813,886	2,533,665	218,671,891

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Overdraft & commercial loans	158,456,199	11,613,270	1,931,913	172,001,382
Credit Card	782,686	29,016	30,603	842,305
Consumer	39,950,324	470,062	394,963	40,815,349
Balance at the end of the period	199,189,209	12,112,348	2,357,479	213,659,036

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**203,324,340**	**12,813,886**	**2,533,665**	**218,671,891**
Transfer from12-month ECL	**(6,790,044)**	**6,519,339**	**270,705**	**-**
Transfer from lifetime ECL not credit impaired	**362,070**	**(1,023,448)**	**661,378**	**-**
Transfer from Lifetime ECL credit impaired	**77,074**	**23,493**	**(100,567)**	**-**
Net change for the period	**11,742,600**	**(2,020,170)**	**263,507**	**9,985,937**
Write-offs	**-**	**-**	**(892,737)**	**(892,737)**
Balance at the end of the period	**208,716,040**	**16,313,100**	**2,735,951**	**227,765,091**

8. Loans and advances, net (continued)

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	193,863,171	11,731,130	2,088,766	207,683,067
Transfer from12-month ECL	(4,495,163)	4,041,660	453,503	-
Transfer from lifetime ECL not credit impaired	1,560,149	(2,513,552)	953,403	-
Transfer from Lifetime ECL credit impaired	31,633	30,522	(62,155)	-
Net change for the year	12,364,550	(475,874)	215,655	12,104,331
Write-offs	-	-	(1,115,507)	(1,115,507)
Balance at the end of the year	203,324,340	12,813,886	2,533,665	218,671,891

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	193,863,171	11,731,130	2,088,766	207,683,067
Transfer from12-month ECL	(1,937,402)	1,682,270	255,132	-
Transfer from lifetime ECL not credit impaired	1,663,299	(2,056,318)	393,019	-
Transfer from Lifetime ECL credit impaired	36,992	9,924	(46,916)	-
Net change for the period	5,563,149	745,342	(12,868)	6,295,623
Write-offs	-	-	(319,654)	(319,654)
Balance at the end of the period	199,189,209	12,112,348	2,357,479	213,659,036

vi) Loans and advances include finance lease receivables (Ijarah products), which are analyzed as follows:

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Gross receivable from finance leases			
Less than 1 year	**5,101,445**	2,904,157	3,012,580
1 to 3 years	**5,581,366**	5,560,003	4,161,678
3 to 5 years	**5,147,721**	6,460,431	6,980,475
More than 5 years	**1,998,975**	1,974,666	1,715,117
Unearned future finance income on finance lease	**(2,368,559)**	(1,759,619)	(1,609,636)
Net receivable from finance leases	**15,460,948**	15,139,638	14,260,214
Allowance for impairment	**(116,206)**	(75,849)	(79,514)
Total	**15,344,742**	15,063,789	14,180,700

8. Loans and advances, net (continued)

vii) The following table shows the stage wise ECL allowance for finance lease receivables:

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Ijarah ECL allowance	**72,144**	**11,835**	**32,227**	**116,206**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Ijarah ECL allowance	37,394	7,946	30,509	75,849

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Ijarah ECL allowance	40,144	6,717	32,653	79,514

viii) The following table shows the stage wise gross carrying value of finance lease receivables:

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Ijarah exposure	**15,188,747**	**181,490**	**90,711**	**15,460,948**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Ijarah exposure	14,951,709	135,335	52,594	15,139,638

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Ijarah exposure	14,109,025	107,593	43,596	14,260,214

9. Due to Saudi Central Bank

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Current accounts	**121,213**	9,136	-
Repos	**7,467,802**	995,625	12,928,914
Deposits	**3,808,453**	3,975,251	4,566,842
Total	**11,397,468**	4,980,012	17,495,756

10. Due to banks and other financial institutions

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Current accounts	**202,814**	460,851	493,962
Money market placements	**8,374,416**	1,494,628	7,456,693
Repos	**5,344,718**	5,949,121	6,208,355
Total	**13,921,948**	7,904,600	14,159,010

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 limits 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.

⃁ '000	**June 30, 2026 (Unaudited)**			December 31, 2025 (Audited)			June 30, 2025 (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	**3,543,305**	**3,627,063**	**282,972,180**	3,698,131	3,873,087	279,446,119	4,192,742	4,278,828	269,096,837
Commission rate futures and options	**57,848**	**57,848**	**14,197,074**	41,241	41,241	6,662,882	65,886	65,886	9,125,682
Forward foreign exchange contracts & currency swaps	**174,093**	**80,083**	**37,015,726**	31,537	101,121	16,566,414	34,746	43,230	22,175,643
Currency options	**9,856**	**10,821**	**3,962,332**	2,366	2,366	1,561,932	300	300	130,544
Others	**94,211**	**94,363**	**1,984,424**	86,721	86,722	2,637,379	27,759	27,759	5,228,821
Held as fair value hedges:									
Commission rate swaps	**66,013**	**199,583**	**18,610,250**	174,069	52,046	18,610,250	154,300	128,466	14,793,750
Held as cash flow hedges:									
Commission rate swaps	**204,435**	**58,033**	**19,368,500**	404,156	92,025	25,013,000	291,188	277,555	28,401,500
Foreign currency swap	**57,594**	**57,089**	**29,552,453**	25,878	3,079	29,058,273	-	-	-
Total	**4,207,355**	**4,184,883**	**407,662,939**	4,464,099	4,251,687	379,556,249	4,766,921	4,822,024	348,952,777

12. Customers' deposits

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Demand	**83,006,253**	79,122,868	80,515,857
Saving	**939,327**	864,568	931,562
Time	**115,733,014**	111,338,983	95,860,210
Other	**4,909,276**	3,892,670	5,382,432
Total	**204,587,870**	195,219,089	182,690,061

Time deposits include Shariah based deposits amounting to ⃁ 66,882 million (December 31, 2025: ⃁ 56,800 million; June 30, 2025: ⃁ 43,293 million).

13. Debt securities and term loans

Debt securities and term loans comprises:

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Debt securities and term loans	**30,108,214**	30,249,673	20,536,492
Certificate of deposit	**5,649,737**	8,627,272	3,427,983
Total	**35,757,951**	38,876,945	23,964,475

Movement of the debt securities and term loans during the year is as follows:

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Balance at the beginning of the year	**38,876,945**	15,518,054	15,518,054
Debt securities and term loans issued	**2,677,732**	30,210,205	8,163,890
Debt securities and term loans payment	**(5,508,400)**	(7,295,687)	-
Other adjustments	**(288,326)**	444,373	282,531
Balance at the end of the period / year	**35,757,951**	38,876,945	23,964,475

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

In 2023 the Bank established a USD 4 Billion Trust Certificate Issuance Programme. The issuer under the programme is BSF Sukuk Company, which operates as a special purpose entity for the guarantor Banque Saudi Fransi.

During Q2 2025 the Bank has established a USD 4 Billion Certificate of Deposit Programme. The issuer under the programme is Banque Saudi Fransi.

14. Commitments and contingencies

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

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Letters of credit	**10,283,539**	10,398,581	10,022,198
Letters of guarantee	**55,413,249**	53,410,664	52,857,781
Acceptances	**2,196,406**	3,411,607	2,376,418
Irrevocable commitments to extend credit	**14,471,181**	13,080,754	15,115,807
Total	**82,364,375**	80,301,606	80,372,204

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

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**48,245**	**32,735**	**147,735**	**228,715**
Transfer from12-month ECL	**(972)**	**971**	**1**	**-**
Transfer from lifetime ECL not credit impaired	**386**	**(386)**	**-**	**-**
Net (reversal) / charge for the period	**(5,939)**	**27,202**	**(768)**	**20,495**
Write-offs	**-**	**-**	**-**	**-**
Balance at the end of the period	**41,720**	**60,522**	**146,968**	**249,210**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	50,011	23,836	147,863	221,710
Transfer from 12-month ECL	(4,190)	3,949	241	-
Transfer from lifetime ECL not credit impaired	5,131	(5,548)	417	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net (reversal) / charge for the year	(2,707)	10,498	(786)	7,005
Write-offs	-	-	-	-
Balance as the end of the year	48,245	32,735	147,735	228,715

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	50,011	23,836	147,863	221,710
Transfer from12-month ECL	(213)	209	4	-
Transfer from lifetime ECL not credit impaired	4,721	(4,723)	2	-
Net (reversal) / charge for the period	(6,903)	(1,889)	301	(8,491)
Write-offs	-	-	-	-
Balance at the end of the period	47,616	17,433	148,170	213,219

14. Commitments and contingencies (continued)

ii) The following table shows the stage wise movement for commitments and contingencies:

⃁ '000	**June 30, 2026 (Unaudited)**			
	12 month ECL (Stage 1)	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
Balance at January 01	**75,399,426**	**3,841,763**	**1,060,417**	**80,301,606**
Transfer from12-month ECL	**(983,000)**	**957,766**	**25,234**	**-**
Transfer from lifetime ECL not credit impaired	**461,636**	**(462,053)**	**417**	**-**
Transfer from Lifetime ECL credit impaired	**26**	**1,155**	**(1,181)**	**-**
Net change for the period	**1,749,990**	**533,216**	**(220,437)**	**2,062,769**
Write-offs	**-**	**-**	**-**	**-**
Balance at the end of the period	**76,628,078**	**4,871,847**	**864,450**	**82,364,375**

⃁ '000	December 31, 2025 (Audited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	76,702,102	4,202,611	979,834	81,884,547
Transfer from12-month ECL	(2,536,140)	2,337,022	199,118	-
Transfer from lifetime ECL not credit impaired	1,146,678	(1,320,977)	174,299	-
Transfer from Lifetime ECL credit impaired	9,441	3,021	(12,462)	-
Net change for the year	77,345	(1,379,914)	(280,372)	(1,582,941)
Write-offs	-	-	-	-
Balance at the end of the year	75,399,426	3,841,763	1,060,417	80,301,606

⃁ '000	June 30, 2025 (Unaudited)			
	12 month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Balance at January 01	76,702,102	4,202,611	979,834	81,884,547
Transfer from12-month ECL	(350,167)	257,282	92,885	-
Transfer from lifetime ECL not credit impaired	1,044,457	(1,050,031)	5,574	-
Transfer from Lifetime ECL credit impaired	1,500	1,240	(2,740)	-
Net change for the period	(2,112,156)	686,643	(86,830)	(1,512,343)
Write-offs	-	-	-	-
Balance at the end of the period	75,285,736	4,097,745	988,723	80,372,204

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, 2025.

15. Cash and cash equivalents

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

⃁ '000	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5)	**973,823**	849,676	1,019,749
Due from banks and other financial institutions maturing within three months from the date of acquisition	**4,478,732**	1,807,422	3,446,612
Total	**5,452,555**	2,657,098	4,466,361

16. Tier I capital

During Q3 2024, the Bank through a Shariah compliant arrangement issued Tier I Sukuk (the "Sukuk"), amounting to ⃁ 3 billion under its ⃁ 8 billion Tier I 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 Q2 2025, the Bank issued USD 650 million Additional Tier I Capital as part of its USD 3 Billion Additional Tier I Capital Note Programme established in Q3 2024, the issuer under the programme is Banque Saudi Fransi. The applicable profit rate is 6.375% per annum from date of issue up to 2030.

During Q4 2025 the Bank exercised the call option on its existing Tier I Sukuk (the "Sukuk") which was issued in 2020, amounting to ⃁ 5 billion.

During Q4 2025, the Bank through a Shariah compliant arrangement issued Tier I Sukuk (the "Sukuk"), amounting to ⃁ 2.5 billion under its ⃁ 8 billion Tier I 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 6.4% per annum from date of issue up to 2030 and is subjected to reset every 5 years.

The applicable profit on the instrument 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

The Bank filed its 2025 Zakat return under the new Zakat Regulations issued by Ministerial Decree No. 2215 and obtained the corresponding Zakat certificate. ZATCA has finalized the review of the Zakat returns up to the year 2024.

Zakat for the period ended June 30, 2026 amounted to approximately ⃁ 329 million (June 30, 2025: ⃁ 320 million). The provision of Zakat is estimated based on the results of operations of the Bank for the six months period ended and the consolidated financial position at June 30, 2026.

As of the reporting date, Pillar Two legislation (OECD – global minimum tax framework) has been enacted in certain jurisdictions in which the Group operates; however there is no impact from top-up taxes for the current reporting period in line with Undertaxed Profit Rule (UTPR) relief. From the reporting and regulatory perspective, BSF filed the GloBE Information Return (“GIR”) in compliance with the regulations.

The Group will continue to monitor developments in the local and international tax reforms for Pillar Two income taxes.

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.

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 date including broker rates etc.

⃁ '000	Carrying Value	Level 1	Level 2	Level 3	Total
June 30, 2026 (Unaudited)					
Financial assets					
Derivative financial instruments positive fair value	**4,207,355**	**-**	**4,207,355**	**-**	**4,207,355**
Financial investments designated at FVSI	**972,213**	**820,808**	**151,405**	**-**	**972,213**
Financial investments at FVOCI	**45,230,792**	**40,867,177**	**3,469,196**	**894,419**	**45,230,792**
Total	**50,410,360**	**41,687,985**	**7,827,956**	**894,419**	**50,410,360**
Financial Liabilities					
Derivative financial instruments negative fair value	**4,184,883**	**-**	**4,184,883**	**-**	**4,184,883**
Total	**4,184,883**	**-**	**4,184,883**	**-**	**4,184,883**

⃁ '000	Carrying Value	Level 1	Level 2	Level 3	Total
December 31, 2025 (Audited)					
Financial assets					
Derivative financial instruments positive fair value	4,464,099	-	4,464,099	-	4,464,099
Financial investments designated at FVSI	150,649	150,649	-	-	150,649
Financial investments at FVOCI	39,410,695	35,313,307	2,931,531	1,165,857	39,410,695
Total	44,025,443	35,463,956	7,395,630	1,165,857	44,025,443
Financial Liabilities					
Derivative financial instruments negative fair value	4,251,687	-	4,251,687	-	4,251,687
Total	4,251,687	-	4,251,687	-	4,251,687

⃁ '000	Carrying Value	Level 1	Level 2	Level 3	Total
June 30, 2025 (Unaudited) Restated – note 24					
Financial assets					
Derivative financial instruments positive fair value	4,766,921	-	4,766,921	-	4,766,921
Financial investments designated at FVSI	172,113	98,133	73,980	-	172,113
Financial investments at FVOCI	35,081,066	19,359,996	14,805,157	915,913	35,081,066
Total	40,020,100	19,458,129	19,646,058	915,913	40,020,100
Financial Liabilities					
Derivative financial instruments negative fair value	4,822,024	-	4,822,024	-	4,822,024
Total	4,822,024	-	4,822,024	-	4,822,024

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

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

The fair values of investments held at amortized cost are ⃁ 26,887 million (December 31, 2025: ⃁ 28,175 million and June 30, 2025: ⃁ 27,411 million) against carrying value of ⃁ 28,005 million (December 31, 2025: ⃁ 29,120 million and June 30, 2025: ⃁ 27,988 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 ⃁ 225,575 (December 31, 2025: ⃁ 216,738 million and June 30, 2025: ⃁ 211,509 million). The carrying values of those loans and advances are ⃁ 224,241 million (December 31, 2025: ⃁ 214,891 million and June 30, 2025: ⃁ 209,881 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:

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited) Restated – note 24
Balance at the beginning of the period / year	**1,165,857**	830,575	830,575
Additions during the period / year	**38,279**	189,458	44,095
Disposal during the period / year	**-**	-	-
Transfer to level 2	**(359,699)**	-	-
Change in value	**49,982**	145,824	41,243
Balance at the end of period / year	**894,419**	1,165,857	915,913

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.

19. Segment information (continued)

The Bank is organised into the following main operating segments:

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

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

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

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

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

⃁ '000	**Retail banking**	**Corporate banking**	**Treasury**	**Investment banking & brokerage**	**Total**
June 30, 2026 (Unaudited)					
Total assets	**64,108,268**	**162,155,537**	**98,212,337**	**3,507,189**	**327,983,331**
Loans and advances, net	**62,377,060**	**160,297,200**	**-**	**1,567,107**	**224,241,367**
Total liabilities	**72,387,860**	**136,224,722**	**66,705,427**	**1,271,037**	**276,589,046**
Customers' deposits	**69,855,195**	**134,732,675**	**-**	**-**	**204,587,870**
Total operating income	**1,799,482**	**2,486,763**	**972,174**	**298,701**	**5,557,120**
Total operating expenses before impairment charge	**1,022,280**	**448,390**	**210,410**	**166,539**	**1,847,619**
Impairment charges for financial assets & others, net	**264,183**	**246,734**	**2,375**	**(204)**	**513,088**
Net income for the period before zakat	**513,019**	**1,791,639**	**759,389**	**132,366**	**3,196,413**
Net special commission income	**1,800,307**	**2,186,871**	**488,852**	**83,709**	**4,559,739**
Fee and commission income, net	**(7,829)**	**300,841**	**(5,396)**	**177,618**	**465,234**
Exchange income, net	**6,857**	**(949)**	**225,580**	**-**	**231,488**
Trading income, net	**-**	**-**	**154,851**	**789**	**155,640**
Inter-segment revenue	**321,801**	**(836,009)**	**514,208**	**-**	**-**
Depreciation and amortization	**118,690**	**41,723**	**15,485**	**8,325**	**184,223**

⃁ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
December 31, 2025 (Audited)					
Total assets	61,446,604	154,717,337	89,433,642	3,408,203	309,005,786
Loans and advances, net	59,854,171	153,249,174	-	1,787,918	214,891,263
Total liabilities	73,055,525	125,994,054	57,691,267	1,605,502	258,346,348
Customers' deposits	71,023,505	124,195,584	-	-	195,219,089

19. Segment information (continued)

⃁ '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
June 30, 2025 (Unaudited)					
Restated – note 24					
Total assets	57,784,122	152,945,828	88,324,998	2,884,026	301,938,974
Loans and advances, net	56,052,637	152,049,966	-	1,778,194	209,880,797
Total liabilities	71,351,859	115,855,421	61,964,627	1,004,164	250,176,071
Customers' deposits	68,392,274	114,297,787	-	-	182,690,061
Total operating income	1,525,959	2,765,007	694,693	330,908	5,316,567
Total operating expenses before impairment charge	929,935	449,249	212,201	148,608	1,739,993
Impairment charges for financial assets & others, net	147,455	368,323	(349)	31	515,460
Net income for the period before zakat	448,569	1,947,435	482,841	182,269	3,061,114
Net special commission income	1,463,810	2,437,067	293,042	120,422	4,314,341
Fee and commission income, net	24,233	328,351	(4,212)	194,428	542,800
Exchange income, net	27,220	(411)	222,596	-	249,405
Trading income, net	10,644	-	79,138	3,236	93,018
Inter-segment revenue	308,779	(787,919)	479,140	-	-
Depreciation and amortization	104,176	37,720	15,706	1,593	159,195

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 ⃁ 10 each (December 31, 2025: 2,500 million shares of ⃁ 10 each and June 30, 2025: 2,500 million shares of ⃁ 10 each).

Basic and diluted earnings per share for the periods ended June 30, 2026 and 2025 are calculated on a weighted average basis by dividing the net income adjusted for Tier I capital costs for the period by 2,500 million shares after excluding treasury shares consisting of 24.7 million shares as of June 30, 2025 (December 31, 2025: 24.4 million shares and June 30, 2025: 20.4 million shares).

The final net dividend of ⃁ 0.52 net per share for the year 2025 has been approved by the shareholders at the General Assembly Meeting held on May 19, 2026.

The Board of Directors of the Bank approved on July 20, 2026 to distribute interim cash dividend of ⃁ 1,420 million, being ⃁ 0.57 per share for the six months period ended June 30, 2026 (2025: ⃁ 1,374 million at ⃁ 0.55 per share).

21. Related party balances

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

21. Related party balances (continued)

The balances as at June 30, 2026, December 31, 2025 and June 30, 2025 resulting from such transactions included in the consolidated financial statements are as follows:

⃁ '000	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
Associates			
Investments	**9,695**	9,695	9,965
Due to banks and other financial institutions	**509,716**	472,013	8,938
Directors, senior management, shariah members and their affiliates (key management personal)			
Loans and advances	**11,077,050**	9,283,040	8,056,929
Investments	**752,577**	683,203	779,851
Due from banks and other financial institutions	**1,187,500**	-	395,625
Other assets	**26,450**	20,906	26,733
Customers' deposits	**9,186,867**	8,604,702	2,587,669
Due to banks and other financial institutions	**2,050,000**	-	290,000
Other liabilities	**1,680**	11,712	2,937
Derivatives at fair value, net	**(34,761)**	(15,968)	(48,272)
Commitments and contingencies	**2,221,265**	2,499,640	2,503,155
Major shareholders' and their affiliates			
Loans and advances	**633,296**	411,774	898,390
Customers' deposits	**172,957**	227,833	248,148
Other liabilities	**3**	-	-
Derivatives at fair value, net	**(7)**	(24)	(49)
Commitments and contingencies	**12,500**	24,203	24,203

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

⃁ '000	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Special commission income		
-Directors, senior management, shariah members and their affiliates (key management personal)	**330,705**	258,292
-Major shareholders' and their affiliates	**18,551**	43,355
Total Special commission income	**349,256**	301,647
Special commission expense		
-Directors, senior management, shariah members and their affiliates (key management personal)	**132,164**	132,020
Major shareholders' and their affiliates	**466**	1,421
-Associates	**8,974**	448
Total Special commission expense	**141,604**	133,889
Fees, commission income and others, net	**57,479**	104,740
Directors' fees	**10,853**	10,819
Other general and administrative expenses	**10,292**	17,279

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:

⃁ '000	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)	June 30, 2025 (Unaudited) Restated
Credit Risk RWA	**259,289,130**	250,307,927	244,915,938
Operational Risk RWA	**11,288,047**	9,647,584	9,647,097
Market Risk RWA	**3,254,719**	4,043,730	3,256,632
Total RWA	**273,831,896**	263,999,241	257,819,667
Common Equity Tier I Capital	**43,567,003**	42,764,420	41,576,099
Additional Tier I Capital	**7,937,500**	7,937,500	10,437,500
Tier I Capital	**51,504,503**	50,701,920	52,013,599
Tier II Capital	**5,580,572**	5,751,527	2,090,048
Total Tier I & II Capital	**57,085,075**	56,453,447	54,103,647
Capital Adequacy Ratio %			
Common Equity Tier I ratio	**15.91%**	16.20%	16.13%
Tier I ratio	**18.81%**	19.21%	20.17%
Tier I + Tier II ratio	**20.85%**	21.38%	20.99%

23. Comparative figures

Certain prior period figures have been represented to conform to current period's presentation, which are not material in nature to the condensed interim consolidated financial statements, except for the restatements disclosed in note 24.

24. Restatement

During the year ended December 31, 2025, the Bank corrected valuation of its interest in equity investments that are classified as investments at Fair Value through Other Comprehensive Income (FVOCI) which were historically valued at cost. These adjustments were considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and were material to the consolidated financial statements and accordingly the consolidated statement of financial position and consolidated statement of changes in equity were restated.

24. Restatement (continued)

Accordingly, the Bank has restated the impacted line items to correct the prior period consolidated statements as follows:

⃁ '000	As previously presented	Restatement	Restated balance
As at June 30, 2025			
Consolidated statement of financial position			
Investments, net	62,792,275	449,177	63,241,452
Other reserves	(160,102)	449,177	289,075
Consolidated statement of comprehensive income			
Total comprehensive income for the period	3,713,691	(81,719)	3,631,972

In addition, during the period ended June 30, 2025, the Bank corrected the classification of some of its investments from "Investments at FVOCI – Debt instruments" to "Investments at FVOCI – Equity/other investments" amounting ⃁ 779 million. These adjustments are considered as correction as per IAS 8 (Accounting policies, Changes and Accounting Estimates and Error) and accordingly the disclosure note (7) to the consolidated financial statements has been restated.

The impact of correcting classification of these equity investments, on the consolidated statement of income and consolidated statement of other comprehensive income, for the period ended June 30, 2025, was insignificant and accordingly, these have not been restated.

25. Impact of geopolitical situation on expected credit losses ("ECL")

The geopolitical situation in the Middle East has deteriorated significantly since February 28, 2026. The situation has remained highly volatile and has impacted several countries in the Middle East including Kingdom of Saudi Arabia, causing disruption to some business and economic activities.

The Bank continues to evaluate and closely monitor the current situation to assess any impact geopolitical situation may have on its business and financial performance through conducting stress-testing scenarios, as appropriate, on expected movements of oil prices and its impact on key credit, liquidity, operational, solvency and performance indicators in addition to other risk management practices. The steps taken by management also includes commencing review of credit exposures at a more granular level with particular focus on specific economic sectors, and collateral protection, where required.

The prevailing geopolitical situation, has brought about additional uncertainties in the economic environment which makes it challenging to reliably ascertain the specific effects the war may have in the future. The Bank will continue to monitor developments and reassess the assumptions and judgments applied in determining ECL, including the need to reflect any potential credit deterioration through the application of staging criteria, adjustments to macroeconomic variables and scenario weightings, or the recognition of management overlays in respect of impacted portfolios, as appropriate.

As the impact of such uncertain economic environment is judgmental, the Bank will continue to reassess its position and the related impact on a regular basis as new data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

26. Board of Directors Approval

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on July 20, 2026 corresponding to Safar 06, 1448H.