



BANQUE SAUDI FRANSI

(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED

SEPTEMBER 30, 2024



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

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

**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 September 2024, and the related condensed interim consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related condensed interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements 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 statements 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 statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other regulatory matters

The consolidated financial statements for the year ended 31 December 2023 and the condensed interim consolidated financial statements for the period ended 30 September 2023 were respectively audited and reviewed by other joint auditors who expressed an unmodified opinion and review conclusion on 13 February 2024 (corresponding to 3 Sha'ban 1445H) and 30 October 2023 (corresponding to 15 Rabi Al-Thani 1445H) respectively.

Ernst & Young Professional Services

Rashid S. Roshod
Certified Public Accountant
License Number: 366

Deloitte and Touche & Co.

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



26 Rabi Al-Thani 1446
29 October 2024



SAR '000	Notes	Sep 30, 2024 (Unaudited)	Dec 31, 2023 (Audited)	Sep 30, 2023 (Unaudited)
ASSETS				
Cash and balances with Saudi Central Bank	5	11,118,415	10,558,759	10,482,660
Due from banks and other financial institutions, net	6	6,763,542	4,113,165	5,126,833
Investments, net	7	57,385,839	48,467,289	46,389,673
Positive fair value of derivatives	11	5,330,305	5,658,824	7,346,045
Loans and advances, net	8	201,008,036	179,391,223	174,680,785
Investment in associate, net		9,695	9,695	9,695
Property, equipment and right of use assets, net		2,229,778	2,038,231	1,940,512
Other real estate, net		343,500	343,359	343,359
Other assets, net		3,481,113	2,802,304	3,542,677
Total assets		287,670,223	253,382,849	249,862,239
LIABILITIES AND EQUITY				
Liabilities				
Due to Saudi Central Bank	9	11,251,935	5,065,895	10,502,718
Due to banks and other financial institutions	10	12,928,872	13,879,375	10,037,630
Customers' deposits	12	193,341,687	172,208,983	166,366,883
Negative fair value of derivatives	11	5,264,439	5,985,332	8,618,430
Debt securities and term loans	13	12,798,009	8,634,026	8,175,207
Other liabilities		5,968,646	6,488,017	6,878,704
Total liabilities		241,553,588	212,261,628	210,579,572
Equity				
Share capital		12,053,572	12,053,572	12,053,572
Statutory reserve		12,053,572	12,053,572	12,053,572
General reserve		982,857	982,857	982,857
Other reserves		(222,888)	(1,423,083)	(2,505,650)
Retained earnings		13,474,271	11,428,181	11,854,549
Proposed dividend		-	1,197,738	-
Treasury shares		(224,749)	(171,616)	(156,233)
Equity attributable to the shareholders of the Bank		38,116,635	36,121,221	34,282,667
Tier 1 Sukuk	16	8,000,000	5,000,000	5,000,000
Total equity		46,116,635	41,121,221	39,282,667
Total liabilities and equity		287,670,223	253,382,849	249,862,239

The accompanying notes 1 to 24 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

SAR '000	For the three months ended		For the nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Special commission income	4,220,968	3,489,003	12,212,303	9,711,622
Special commission expense	2,235,352	1,421,015	6,368,248	3,744,165
Net special commission income	1,985,616	2,067,988	5,844,055	5,967,457
Fee and commission income	424,565	380,586	1,247,152	1,083,329
Fee and commission expense	201,438	149,514	512,490	405,970
Net fee and commission income	223,127	231,072	734,662	677,359
Exchange income, net	137,765	113,382	331,069	337,297
Trading income, net	52,769	72,443	140,789	151,691
Dividend income	4,197	3,598	11,864	10,512
Gains on FVOCI / non-trading investments, net	8,402	(20,916)	22,820	(16,494)
Other operating income	130	63	385	5,229
Total operating income	2,412,006	2,467,630	7,085,644	7,133,051
Salaries and employee related expenses	479,657	453,350	1,407,483	1,284,645
Rent and premises related expenses	18,481	17,850	49,154	50,382
Depreciation and amortization	76,542	57,521	210,540	170,745
Other operating and general and administrative expenses	282,194	211,290	771,874	670,041
Total operating expenses before impairment charge	856,874	740,011	2,439,051	2,175,813
Impairment charge for expected credit losses on loans and advances, net	252,061	350,787	821,211	1,262,845
Impairment charge / (reversal) for investments, financial assets and others, net	22,475	(6,137)	3,013	(81,657)
Total operating expenses, net	1,131,410	1,084,661	3,263,275	3,357,001
Net income for the period before Zakat	1,280,596	1,382,969	3,822,369	3,776,050
Zakat for the period	132,474	137,475	395,102	380,801
Net income for the period	1,148,122	1,245,494	3,427,267	3,395,249
Basic and diluted earnings per share (SAR)	0.90	0.99	2.71	2.69

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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SAR '000	For the three months ended		For the nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net income for the period	1,148,122	1,245,494	3,427,267	3,395,249
Other comprehensive income / (loss):				
Items that cannot be recycled back to condensed interim consolidated statement of income in subsequent periods				
<u>Movement in equity instruments at fair value through other comprehensive income</u>				
Net change in the fair value	(34,960)	(2,938)	(20,622)	30,998
Items that can be recycled back to condensed interim consolidated statement of income in subsequent periods				
<u>Debt instruments at fair value through other comprehensive income</u>				
Net change in the fair value	793,717	(244,524)	786,883	(197,623)
Net change in ECL	733	(208)	3,072	(1,203)
(Income) / loss transferred to condensed interim consolidated statement of income	(8,401)	11,306	(23,858)	6,884
<u>Cash flow hedge</u>				
Net change in the fair value	479,119	(433,582)	(235,968)	(837,716)
Loss transferred to condensed interim consolidated statement of income	219,146	236,617	690,688	583,077
Total other comprehensive income / (loss) for the period	1,449,354	(433,329)	1,200,195	(415,583)
Total comprehensive income for the period	2,597,476	812,165	4,627,462	2,979,666

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

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

SAR '000	Share capital	Statutory reserve	General reserve	Retained earnings	Other reserves			Proposed dividend	Treasury shares	Total equity attributable to the shareholders	Tier 1 Sukuk	Total Equity
					FVOCI	Actuarial gain / (loss) on defined benefit plans	Cash flow hedge					
For the nine months period ended Sep 30, 2024												
Balance at the beginning of the period	12,053,572	12,053,572	982,857	11,428,181	(633,619)	6,418	(795,882)	1,197,738	(171,616)	36,121,221	5,000,000	41,121,221
Net income for the period	-	-	-	3,427,267	-	-	-	-	-	3,427,267	-	3,427,267
Net change in the fair value	-	-	-	-	769,333	-	(235,968)	-	-	533,365	-	533,365
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	(23,858)	-	690,688	-	-	666,830	-	666,830
Total comprehensive income for the period	-	-	-	3,427,267	745,475	-	454,720	-	-	4,627,462	-	4,627,462
Final dividend for 2023	-	-	-	-	-	-	-	(1,197,738)	-	(1,197,738)	-	(1,197,738)
Interim dividend for 2024	-	-	-	(1,199,541)	-	-	-	-	-	(1,199,541)	-	(1,199,541)
Tier 1 Sukuk related cost	-	-	-	(181,636)	-	-	-	-	-	(181,636)	-	(181,636)
Issuance of additional Tier 1 Sukuk	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Net change in treasury shares	-	-	-	-	-	-	-	-	(53,133)	(53,133)	-	(53,133)
Balance at the end of the period	12,053,572	12,053,572	982,857	13,474,271	111,856	6,418	(341,162)	-	(224,749)	38,116,635	8,000,000	46,116,635
For the nine months period ended Sep 30, 2023												
Balance at the beginning of the period	12,053,572	12,053,572	982,857	9,768,005	(850,259)	11,080	(1,250,888)	1,079,633	(102,247)	33,745,325	5,000,000	38,745,325
Net income for the period	-	-	-	3,395,249	-	-	-	-	-	3,395,249	-	3,395,249
Net change in the fair value	-	-	-	-	(167,828)	-	(837,716)	-	-	(1,005,544)	-	(1,005,544)
Net amount transferred to condensed interim consolidated statement of income	-	-	-	-	6,884	-	583,077	-	-	589,961	-	589,961
Total comprehensive income for the period	-	-	-	3,395,249	(160,944)	-	(254,639)	-	-	2,979,666	-	2,979,666
Final dividend for 2022	-	-	-	-	-	-	-	(1,079,633)	-	(1,079,633)	-	(1,079,633)
Interim dividend for 2023	-	-	-	(1,140,213)	-	-	-	-	-	(1,140,213)	-	(1,140,213)
Tier 1 Sukuk related cost	-	-	-	(168,492)	-	-	-	-	-	(168,492)	-	(168,492)
Net change in treasury shares	-	-	-	-	-	-	-	-	(53,986)	(53,986)	-	(53,986)
Balance at the end of the period	12,053,572	12,053,572	982,857	11,854,549	(1,011,203)	11,080	(1,505,527)	-	(156,233)	34,282,667	5,000,000	39,282,667

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

Ramzy Darwish



Chief Financial Officer

Bader AlSloom



Chief Executive Officer

Mazin AlRomaih



Chairman of the Board

SAR '000	Note	For the nine months period ended	
		Sep 30, 2024	Sep 30, 2023
OPERATING ACTIVITIES			
Net income for the period before zakat		3,822,369	3,776,050
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		62,543	68,009
Gains on FVOCI		(23,858)	16,494
Depreciation and amortization		210,540	170,745
Gain on disposal of property, equipment, net		(139)	(120)
Impairment charge for expected credit losses on loans and advances, net	8	931,177	1,370,069
Impairment charge / (reversal) for investments, financial assets and others, net		3,013	(81,657)
Long term incentive scheme provision		39,963	32,248
Operating income before changes in operating assets and liabilities		5,045,608	5,351,838
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		(562,030)	(218,679)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		223,770	(25,889)
Investments held as FVSI, trading		(274,733)	(28,350)
Loans and advances		(22,547,989)	(16,985,661)
Other assets		104,599	(807,374)
Net increase / (decrease) in operating liabilities:			
Due to SAMA, banks and other financial institutions, net		5,235,537	3,700,137
Customers' deposits		21,132,704	8,774,562
Other liabilities		(1,068,897)	925,972
Zakat paid		7,288,569	686,556
Net cash generated from operating activities		6,803,157	273,724
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investment not held as FVSI		4,310,337	18,925,865
Purchase of investments not held as FVSI		(12,249,581)	(21,026,166)
Purchases of property and equipment		(343,750)	(323,695)
Proceeds from sale of property and equipment		192	229
Net cash used in investing activities		(8,282,802)	(2,423,767)
FINANCING ACTIVITIES			
Issuance of term loan		4,087,500	3,937,500
Issuance of Tier 1 sukuk		3,000,000	-
Dividends paid		(2,397,279)	(2,219,846)
Tier I Sukuk related cost		(181,636)	(168,492)
Payment of lease liability		(64,361)	(68,657)
Purchase of Treasury Shares		(93,096)	(86,234)
Net cash from financing activities		4,351,128	1,394,271
Increase / (decrease) in cash and cash equivalents		2,871,483	(755,772)
Cash and cash equivalents at the beginning of the period		3,118,898	5,797,919
Cash and cash equivalents at the end of the period	15	5,990,381	5,042,147
Special commission received during the period		11,535,197	8,828,496
Special commission paid during the period		6,385,011	3,398,167
Supplemental non-cash information			
RoU assets		68,261	55,082
Lease liability		21,914	20,275
Movement in other reserve and transfers to the interim condensed consolidated statement of income		1,200,195	(415,583)

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

Ramzy Darwish

Bader AlSloom

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), through its 82 branches (September 30, 2023: 82 branches) in the Kingdom of Saudi Arabia, employing 3,140 people (September 30, 2023: 3,072 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 Bank owns a subsidiary, Saudi Fransi Capital (100% share in equity) engaged in brokerage, asset management and corporate finance business. The Bank also owns Saudi Fransi Insurance Agency (SAFIA), Saudi Fransi for Finance Leasing (rebranded from SFL to JB), Sofinco Saudi Fransi and Saudi Fransi Digital Ventures having 100% share in equity. The Bank owns 100% (95% direct ownership and 5% indirect ownership through its subsidiary) share in Sakan Real Estate Financing. These subsidiaries are incorporated in the Kingdom of Saudi Arabia.

The Bank also formed subsidiaries BSF Markets Limited & BSF Finance Limited registered in Cayman Islands having 100% share in equity. The objective of BSF Markets Limited Company 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 formed a subsidiary Sur Multi Family Office Limited registered in United Kingdom having 100% share in equity. The objective of this subsidiary is to provide a wide range of wealth management services to BSF's high net worth clients and their families.

The Bank has investment in an associate and owns 27% shareholding in Banque BEMO Saudi Fransi, incorporated in Syria.

2. Basis of preparation

The condensed interim consolidated financial statements of the Group as at and for the period ended September 30, 2024 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, 2023.

The consolidated financial statements of the Group as at and for the year ended December 31, 2023, were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the SOCPA. The condensed interim consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

3. Basis of consolidation

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19, 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association / By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Bank shall present the amended Articles of Association / By-Laws to the shareholders in the General Assembly meeting for their ratification.

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 and assumptions used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023.

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, 2023, except for the adoption of new standards effective as of January 01, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a significant impact on the condensed interim consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	01 January 2024

4. Material Accounting Policies and Estimates (continued)

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	01 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	01 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	01 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	01 January 2024 subject to endorsement from SOCPA

New standards not yet effective and not early adopted

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	01 January 2025
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.	01 January 2027

4. Material Accounting Policies and Estimates (continued)

Standard, interpretation, amendments	Description	Effective date
IFRS 19 - reducing subsidiaries' 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

5. Cash and balances with Saudi Central Bank

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Cash on hand	1,085,397	1,068,081	991,375
Current account	-	19,690	-
Statutory deposit	10,033,018	9,470,988	9,385,529
Money market placements with SAMA	-	-	105,756
Total	11,118,415	10,558,759	10,482,660

6. Due from banks and other financial institutions, net

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Current accounts	4,186,872	1,637,224	2,241,153
Money market placements	2,577,285	2,476,846	2,886,589
	6,764,157	4,114,070	5,127,742
Less: impairment	(615)	(905)	(909)
Total	6,763,542	4,113,165	5,126,833

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	590	315	-	905
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net reversal for the period	(60)	(230)	-	(290)
Balance at the end of the period	530	85	-	615

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

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

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01, 2023	353	1,951	-	2,304
Net charge / (reversal) for the year	237	(1,636)	-	(1,399)
Balance as at December 31, 2023	590	315	-	905

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	353	1,951	-	2,304
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net charge / (reversal) for the period	277	(1,672)	-	(1,395)
Balance at the end of the period	630	279	-	909

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	4,106,233	7,837	-	4,114,070
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	2,653,205	(3,118)	-	2,650,087
Write-offs	-	-	-	-
Balance at the end of the period	6,759,438	4,719	-	6,764,157

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	4,754,180	43,235	-	4,797,415
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the year	(647,947)	(35,398)	-	(683,345)
Write-offs	-	-	-	-
Balance at the end of the year	4,106,233	7,837	-	4,114,070

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

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

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	4,754,180	43,235	-	4,797,415
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	362,932	(32,605)	-	330,327
Write-offs	-	-	-	-
Balance at the end of the period	5,117,112	10,630	-	5,127,742

7. Investments, net

a) Investment securities are classified as follows:

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Investment at amortized cost - gross	27,751,052	24,656,529	24,715,664
Less: Expected credit loss (ECL)	(16,729)	(16,311)	(11,447)
Investment at amortized cost, net	27,734,323	24,640,218	24,704,217
Investments at FVOCI – Debt instruments	28,738,626	23,249,397	21,231,251
Investments at FVOCI – Equity/other investments	416,220	355,737	357,111
Total FVOCI	29,154,846	23,605,134	21,588,362
Investment at FVSI – Debt/equity instruments	496,670	221,937	97,094
Total	57,385,839	48,467,289	46,389,673

Gross Investments include Shariah based investments amounting to SAR 39,241 million (December 31, 2023: SAR 32,627 million; September 30, 2023: SAR 32,215 million).

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

Investments by type of securities

SAR '000	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)			September 30, 2023 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	496,670	-	496,670	168,181	53,756	221,937	76,293	18,582	94,875
Floating-rate securities	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	2,219	-	2,219
Total	496,670	-	496,670	168,181	53,756	221,937	78,512	18,582	97,094

7. Investments, net (continued)

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

Investments by type of securities

SAR '000	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)			September 30, 2023 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	16,945,868	7,877,513	24,823,381	13,107,310	6,008,807	19,116,117	11,830,864	5,272,951	17,103,815
Floating-rate securities	3,030,563	884,682	3,915,245	3,322,080	811,200	4,133,280	3,316,782	810,654	4,127,436
Equities and others	405,962	10,258	416,220	345,482	10,255	355,737	346,886	10,225	357,111
Total	20,382,393	8,772,453	29,154,846	16,774,872	6,830,262	23,605,134	15,494,532	6,093,830	21,588,362

d) Investments held at amortised cost

Investments by type of securities

SAR '000	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)			September 30, 2023 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	26,898,898	-	26,898,898	23,800,132	-	23,800,132	22,511,579	-	22,511,579
Floating-rate securities	835,425	-	835,425	840,086	-	840,086	2,192,638	-	2,192,638
Total	27,734,323	-	27,734,323	24,640,218	-	24,640,218	24,704,217	-	24,704,217

i) The following table shows the stage wise movement in ECL allowance for debt instruments:

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	33,739	-	-	33,739
Net charge for the period	3,491	-	-	3,491
Balance at the end of the period	37,230	-	-	37,230

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	25,422	-	-	25,422
Net charge for the year	8,317	-	-	8,317
Balance at the end of the year	33,739	-	-	33,739

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

7. Investments, net (continued)

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	25,422	-	-	25,422
Net charge for the period	2,350	-	-	2,350
Balance at the end of the period	27,772	-	-	27,772

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	47,905,926	-	-	47,905,926
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	8,583,752	-	-	8,583,752
Write-offs	-	-	-	-
Balance at the end of the period	56,489,678	-	-	56,489,678

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	44,136,307	-	-	44,136,307
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	3,769,619	-	-	3,769,619
Write-offs	-	-	-	-
Balance at the end of the year	47,905,926	-	-	47,905,926

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	44,136,307	-	-	44,136,307
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	1,810,608	-	-	1,810,608
Write-offs	-	-	-	-
Balance at the end of the period	45,946,915	-	-	45,946,915

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

8. Loans and advances, net

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

SAR '000	September 30, 2024 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	165,723,522	711,548	36,142,786	202,577,856
Non-performing loans and advances, net	1,369,074	29,083	287,115	1,685,272
Total loans and advances	167,092,596	740,631	36,429,901	204,263,128
Allowance for impairment	(2,864,865)	(43,689)	(346,538)	(3,255,092)
Loans and advances held at amortised cost, net	164,227,731	696,942	36,083,363	201,008,036

SAR '000	December 31, 2023 (Audited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	147,636,954	668,238	31,809,240	180,114,432
Non-performing loans and advances, net	1,727,150	19,094	174,537	1,920,781
Total loans and advances	149,364,104	687,332	31,983,777	182,035,213
Allowance for impairment	(2,368,159)	(35,612)	(240,219)	(2,643,990)
Loans and advances held at amortised cost, net	146,995,945	651,720	31,743,558	179,391,223

SAR '000	September 30, 2023 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	144,395,522	671,796	31,012,755	176,080,073
Non-performing loans and advances, net	3,382,991	18,789	138,491	3,540,271
Total loans and advances	147,778,513	690,585	31,151,246	179,620,344
Allowance for impairment	(4,679,868)	(39,485)	(220,206)	(4,939,559)
Loans and advances held at amortised cost, net	143,098,645	651,100	30,931,040	174,680,785

Gross Loans and advances include Shariah based loans and advances amounting to SAR 147,652 million (December 31, 2023: SAR 132,705 million; September 30, 2023: SAR 128,590 million).

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

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Opening loss allowance as at January 01	2,643,990	5,000,542	5,000,542
Charge for the period / year, net	931,177	1,798,293	1,370,069
Bad debts written off against provision	(320,075)	(4,154,845)	(1,431,052)
Balance at the end of the period / year	3,255,092	2,643,990	4,939,559

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

8. Loans and advances, net (continued)

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	509,846	849,666	1,284,478	2,643,990
Transfer from 12-month ECL	(8,975)	7,482	1,493	-
Transfer from lifetime ECL not credit impaired	19,180	(35,336)	16,156	-
Transfer from Lifetime ECL credit impaired	11,391	162,050	(173,441)	-
Net charge for the period	457,360	143,072	330,745	931,177
Write-offs	-	-	(320,075)	(320,075)
Balance at the end of the period	988,802	1,126,934	1,139,356	3,255,092

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	421,205	1,799,671	2,779,666	5,000,542
Transfer from 12-month ECL	(27,475)	15,660	11,815	-
Transfer from lifetime ECL not credit impaired	36,103	(917,834)	881,731	-
Transfer from Lifetime ECL credit impaired	5,762	7,443	(13,205)	-
Net charge / (reversal) for the year	74,251	(55,274)	1,779,316	1,798,293
Write-offs	-	-	(4,154,845)	(4,154,845)
Balance at the end of the year	509,846	849,666	1,284,478	2,643,990

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	421,205	1,799,671	2,779,666	5,000,542
Transfer from 12-month ECL	(14,380)	12,222	2,158	-
Transfer from lifetime ECL not credit impaired	36,591	(206,841)	170,250	-
Transfer from Lifetime ECL credit impaired	6,456	8,738	(15,194)	-
Net (reversal) / charge for the period	(138,783)	386,253	1,122,599	1,370,069
Write-offs	-	-	(1,431,052)	(1,431,052)
Balance at the end of the period	311,089	2,000,043	2,628,427	4,939,559

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

8. Loans and advances, net (continued)

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	151,748,156	13,966,875	1,377,565	167,092,596
Credit Card	680,447	19,056	41,128	740,631
Consumer	35,711,482	386,683	331,736	36,429,901
Balance at the end of the period	188,140,085	14,372,614	1,750,429	204,263,128

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	135,708,078	11,917,850	1,738,176	149,364,104
Credit Card	637,900	23,226	26,206	687,332
Consumer	31,442,463	336,150	205,164	31,983,777
Balance at the end of the year	167,788,441	12,277,226	1,969,546	182,035,213

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	132,461,431	11,921,948	3,395,134	147,778,513
Credit Card	637,147	28,189	25,249	690,585
Consumer	30,694,447	296,308	160,491	31,151,246
Balance at the end of the period	163,793,025	12,246,445	3,580,874	179,620,344

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	167,788,441	12,277,226	1,969,546	182,035,213
Transfer from 12-month ECL	(3,395,263)	3,206,705	188,558	-
Transfer from lifetime ECL not credit impaired	905,887	(1,058,257)	152,370	-
Transfer from Lifetime ECL credit impaired	22,169	174,438	(196,607)	-
Net change for the period	22,818,851	(227,498)	(43,363)	22,547,990
Write-offs	-	-	(320,075)	(320,075)
Balance at the end of the period	188,140,085	14,372,614	1,750,429	204,263,128

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

8. Loans and advances, net (continued)

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	147,548,454	12,185,639	4,277,974	164,012,067
Transfer from 12-month ECL	(4,844,809)	4,475,694	369,115	-
Transfer from lifetime ECL not credit impaired	1,960,344	(3,689,920)	1,729,576	-
Transfer from Lifetime ECL credit impaired	80,020	18,362	(98,382)	-
Net change for the year	23,044,432	(712,549)	(153,892)	22,177,991
Write-offs	-	-	(4,154,845)	(4,154,845)
Balance at the end of the year	167,788,441	12,277,226	1,969,546	182,035,213

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	147,548,454	12,185,639	4,277,974	164,012,067
Transfer from 12-month ECL	(2,758,602)	2,416,877	341,725	-
Transfer from lifetime ECL not credit impaired	1,878,868	(2,378,009)	499,141	-
Transfer from Lifetime ECL credit impaired	82,295	20,483	(102,778)	-
Net change for the period	17,042,010	1,455	(4,136)	17,039,329
Write-offs	-	-	(1,431,052)	(1,431,052)
Balance at the end of the period	163,793,025	12,246,445	3,580,874	179,620,344

9. Due to Saudi Central Bank

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Current accounts	65,615	-	-
Repo	6,991,296	-	4,988,773
Deposits	1,596,176	1,070,850	1,542,159
Government grant	2,618,276	4,066,531	4,066,530
Modification impact, net	(19,428)	(71,486)	(94,744)
Total	11,251,935	5,065,895	10,502,718

10. Due to banks and other financial institutions

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Current accounts	293,497	466,229	389,528
Money market placements	5,117,945	4,389,864	1,022,066
Repos	7,517,430	9,023,282	8,626,036
Total	12,928,872	13,879,375	10,037,630

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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

11. Derivatives (continued)**Held for hedging purposes**

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

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

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

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

Cash flow hedges

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

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

SAR '000	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)			September 30, 2023 (Unaudited)		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount
Held for trading:									
Commission rate swaps	4,688,996	4,559,336	249,747,618	5,003,368	4,896,728	226,574,092	6,930,267	6,622,459	223,638,571
Commission rate futures and options	81,752	81,752	9,015,881	137,000	137,000	14,150,831	205,001	205,001	14,920,832
Forward foreign exchange contracts & currency swaps	76,206	20,466	20,486,788	123,405	32,134	18,807,236	85,603	67,437	15,766,917
Currency options	4,842	4,842	2,123,841	11,850	11,850	1,896,012	15,010	15,010	2,110,054
Others	19,412	19,412	1,439,058	17,752	17,752	833,428	14,771	14,771	1,062,083
Held as fair value hedges:									
Commission rate swaps	65,228	149,301	11,000,000	4,021	117,017	8,375,000	58,785	346,352	8,375,000
Held as cash flow hedges:									
Commission rate swaps	393,869	429,330	30,078,250	361,428	772,851	36,186,500	36,608	1,347,400	34,681,000
Total	5,330,305	5,264,439	323,891,436	5,658,824	5,985,332	306,823,099	7,346,045	8,618,430	300,554,457

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12. Customers' deposits

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Demand	83,591,445	76,411,540	88,113,983
Saving	884,997	878,229	872,098
Time	102,101,691	90,199,493	72,497,910
Other	6,763,554	4,719,721	4,882,892
Total	193,341,687	172,208,983	166,366,883

Time deposits include Shariah based deposits amounting to SAR 46,799 million (December 31, 2023: SAR 38,812 million; September 30, 2023: SAR 35,914 million).

13. Debt securities and term loans

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

Debt Securities and term loans issued by the Bank under its various programs during 2024 include:

Issue Date	Type	Market	Tenure	Currency	Value	Term	Maturity
Jan 25 2024	Sukuk	London stock exchange	5 years	USD	700 Million	5.00% Semi Annual	Jan 25 2029
Feb 29 2024	Bond	Private placement	7 years	USD	30 Million	SOFR + 155 bps Quarterly	Feb 28 2031
Mar 26 2024	Term loan facility	Syndicated facility - International FI Lenders	3 Years	USD	250 Million	SOFR + 90 bps Quarterly	Mar 26 2027
Apr 30 2024	Bond	Private placement	7 years	USD	20 Million	SOFR + 145 bps Quarterly	Apr 30 2031
May 01 2024	Bond	Private placement	7 years	USD	20 Million	SOFR + 145 bps Quarterly	May 01 2031
May 09 2024	Bond	Private placement	5 years	USD	50 Million	SOFR + 120 bps Quarterly	May 09 2029
May 16 2024	Bond	Private placement	5 years	USD	20 Million	SOFR + 116 bps Quarterly	May 16 2029

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14. Commitments and contingencies

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

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Letters of credit	8,990,216	8,351,739	8,693,080
Letters of guarantee	51,107,000	46,634,872	45,990,071
Acceptances	2,679,107	4,825,739	3,626,047
Irrevocable commitments to extend credit	15,893,005	10,918,887	11,897,357
Total	78,669,328	70,731,237	70,206,555

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

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	14,639	6,637	174,825	196,101
Transfer from 12-month ECL	(294,240)	294,240	-	-
Transfer from lifetime ECL not credit impaired	21,397	(21,397)	-	-
Net charge / (reversal) for the period	275,053	(247,965)	(26,966)	122
Write-offs	-	-	-	-
Balance at the end of the period	16,849	31,515	147,859	196,223

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	14,057	12,457	251,120	277,634
Transfer from 12-month ECL	(155)	155	-	-
Transfer from lifetime ECL not credit impaired	4,632	(4,871)	239	-
Transfer from lifetime ECL credit impaired	203	-	(203)	-
Net reversal for the year	(4,098)	(1,104)	(76,331)	(81,533)
Write-offs	-	-	-	-
Balance as at December 31, 2023	14,639	6,637	174,825	196,101

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	14,057	12,457	251,120	277,634
Transfer from 12-month ECL	(47)	47	-	-
Transfer from lifetime ECL not credit impaired	4,538	(4,727)	189	-
Transfer from Lifetime ECL credit impaired	-	383	(383)	-
Net reversal for the period	(3,338)	(3,210)	(76,101)	(82,649)
Write-offs	-	-	-	-
Balance at the end of the period	15,210	4,950	174,825	194,985

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

14. Commitments and contingencies (continued)

- ii) The following table shows the CCF (credit conversion factor) adjusted credit exposure amount of off statement of financial position items:

SAR '000	September 30, 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	37,806,408	1,594,543	574,953	39,975,904
Transfer from 12-month ECL	(761,443)	755,925	5,518	-
Transfer from lifetime ECL not credit impaired	164,199	(167,836)	3,637	-
Transfer from Lifetime ECL credit impaired	107	-	(107)	-
Net change for the period	3,305,126	(124,523)	(86,403)	3,094,200
Write-offs	-	-	-	-
Balance at the end of the period	40,514,397	2,058,109	497,598	43,070,104

SAR '000	December 31, 2023 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	31,938,575	2,325,850	556,680	34,821,105
Transfer from 12-month ECL	(497,634)	489,472	8,162	-
Transfer from lifetime ECL not credit impaired	712,292	(914,607)	202,315	-
Transfer from Lifetime ECL credit impaired	767	7,047	(7,814)	-
Net change for the year	5,652,408	(313,219)	(184,390)	5,154,799
Write-offs	-	-	-	-
Balance at the end of the year	37,806,408	1,594,543	574,953	39,975,904

SAR '000	September 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	31,938,575	2,325,850	556,680	34,821,105
Transfer from 12-month ECL	(189,293)	187,496	1,797	-
Transfer from lifetime ECL not credit impaired	639,426	(736,676)	97,250	-
Transfer from Lifetime ECL credit impaired	3,492	13,336	(16,828)	-
Net change for the period	4,878,411	(264,386)	(146,636)	4,467,389
Write-offs	-	-	-	-
Balance at the end of the period	37,270,611	1,525,620	492,263	39,288,494

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, 2023.

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For the nine months ended September 30, 2024 and 2023

15. Cash and cash equivalents

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

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5)	1,085,397	1,087,771	1,097,131
Due from banks and other financial institutions maturing within three months from the date of acquisition	4,904,984	2,031,127	3,945,016
Total	5,990,381	3,118,898	5,042,147

16. Tier 1 Sukuk

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

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

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement.

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

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

17. Zakat

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

The Bank submitted its zakat return for the year ended December 31, 2023, and obtained the unrestricted zakat certificate. The assessments in respect to the Bank's zakat returns for the financial years up to 2018 have been finalized. The assessments for the financial years 2019 to 2022 are under the review of ZATCA.

Zakat for the period ended September 30, 2024 amounted to approximately SAR 395 million (September 30, 2023: SAR 381 million). The provision of Zakat is estimated based on the results of operations of the Bank for the nine months period ended and the consolidated financial position at September 30, 2024.

18. Fair values of financial assets and liabilities

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

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

Valuation models

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

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

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

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

Valuation Framework

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

Determination of fair value and fair value hierarchy

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

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

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

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

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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.

SAR '000	Carrying Value	Level 1	Level 2	Level 3	Total
<u>September 30, 2024 (Unaudited)</u>					
Financial assets					
Derivative financial instruments positive fair value	5,330,305	-	5,330,305	-	5,330,305
Financial investments designated at FVSI	496,670	-	496,670	-	496,670
Financial investments at FVOCI	29,154,846	17,316,723	11,556,496	281,627	29,154,846
Total	34,981,821	17,316,723	17,383,471	281,627	34,981,821
Financial Liabilities					
Derivative financial instruments negative fair value	5,264,439	-	5,264,439	-	5,264,439
Total	5,264,439	-	5,264,439	-	5,264,439

SAR '000	Carrying Value	Level 1	Level 2	Level 3	Total
<u>December 31, 2023 (Audited)</u>					
Financial assets					
Derivative financial instruments positive fair value	5,658,824	-	5,658,824	-	5,658,824
Financial investments designated at FVSI	221,937	72,877	149,060	-	221,937
Financial investments at FVOCI	23,605,134	14,668,660	8,726,057	210,417	23,605,134
Total	29,485,895	14,741,537	14,533,941	210,417	29,485,895
Financial Liabilities					
Derivative financial instruments negative fair value	5,985,332	-	5,985,332	-	5,985,332
Total	5,985,332	-	5,985,332	-	5,985,332

SAR '000	Carrying Value	Level 1	Level 2	Level 3	Total
<u>September 30, 2023 (Unaudited)</u>					
Financial assets					
Derivative financial instruments positive fair value	7,346,045	-	7,346,045	-	7,346,045
Financial investments designated at FVSI	97,094	38,701	58,393	-	97,094
Financial investments at FVOCI	21,588,362	13,068,600	8,309,483	210,279	21,588,362
Total	29,031,501	13,107,301	15,713,921	210,279	29,031,501
Financial Liabilities					
Derivative financial instruments negative fair value	8,618,430	-	8,618,430	-	8,618,430
Total	8,618,430	-	8,618,430	-	8,618,430

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

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For the nine months ended September 30, 2024 and 2023

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

The fair values of investments held at amortized cost are SAR 27,494 million (December 31, 2023: SAR 23,988 million and September 30, 2023: SAR 23,975 million) against carrying value of SAR 27,734 million (December 31, 2023: SAR 24,640 million and September 30, 2023: SAR 24,704 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 SAR 201,340 million (December 31, 2023: SAR 179,455 million and September 30, 2023: SAR 175,975 million). The carrying values of those loans and advances are SAR 201,008 million (December 31, 2023: SAR 179,391 million and September 30, 2023: SAR 174,681 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:

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Balance at the beginning of the period/year	210,417	210,353	210,353
Additions during the period / year	81,077	6,247	6,062
Change in value	(9,867)	(6,183)	(6,136)
Balance at the end of period / year	281,627	210,417	210,279

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.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2023.

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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 nine months then ended, by operating segments, are as follows:

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>September 30, 2024 (Unaudited)</u>					
Total assets	51,581,962	152,066,530	81,463,482	2,558,249	287,670,223
Loans and advances, net	49,576,555	149,711,405	-	1,720,076	201,008,036
Total liabilities	63,348,653	131,829,218	45,515,767	859,950	241,553,588
Customers' deposits	62,589,978	130,751,709	-	-	193,341,687
Total operating income	3,020,217	3,804,994	(143,693)	404,126	7,085,644
Total operating expenses before impairment charge	1,336,174	634,034	273,978	194,865	2,439,051
Impairment charges for financial assets & others, net	185,474	636,402	2,348	-	824,224
Net income for the period before zakat	1,498,569	2,534,558	(420,019)	209,261	3,822,369
Net special commission income	2,917,693	3,381,337	(577,212)	122,237	5,844,055
Fee and commission income, net	57,762	414,659	-	262,241	734,662
Exchange income, net	44,761	8,998	277,310	-	331,069
Trading income, net	-	-	136,559	4,230	140,789
Inter-segment revenue	2,403,533	1,711,719	(4,115,252)	-	-
Depreciation and amortization	142,614	41,902	20,842	5,182	210,540

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>December 31, 2023 (Audited)</u>					
Total assets	44,030,393	136,408,923	70,830,279	2,113,254	253,382,849
Total liabilities	70,428,713	104,477,499	36,594,817	760,599	212,261,628

19. Segment information (continued)

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
<u>September 30, 2023 (Unaudited)</u>					
Total assets	42,983,893	134,141,801	70,593,776	2,142,769	249,862,239
Loans and advances, net	40,442,955	132,811,804	-	1,426,026	174,680,785
Total liabilities	76,641,262	94,452,327	37,159,239	2,326,744	210,579,572
Customers' deposits	75,467,284	90,899,599	-	-	166,366,883
Total operating income	2,636,631	3,209,550	955,118	331,752	7,133,051
Total operating expenses before impairment charge	1,213,473	557,058	244,736	160,546	2,175,813
Impairment charge / (reversal) for financial assets & others, net	(90,535)	1,266,667	5,056	-	1,181,188
Net income for the period before zakat	1,513,693	1,385,825	705,326	171,206	3,776,050
Net special commission income	2,507,328	2,797,008	534,294	128,827	5,967,457
Fee and commission income, net	78,579	408,740	-	190,040	677,359
Exchange income, net	46,571	3,617	287,109	-	337,297
Trading income, net	-	-	149,318	2,373	151,691
Inter-segment revenue	1,908,599	1,025,963	(2,934,562)	-	-
Depreciation and amortization	114,116	34,848	18,393	3,388	170,745

20. Share capital and Earnings per share

The authorised, issued and fully paid share capital of the Bank consists of 1,205 million shares of SAR 10 each (December 31, 2023: 1,205 million shares of SAR 10 each and September 30, 2023: 1,205 million shares of SAR 10 each).

Basic and diluted earnings per share for the periods ended September 30, 2024 and 2023 are calculated on a weighted average basis by dividing the net income adjusted for Tier I Sukuk costs for the period by 1,205 million shares after excluding treasury shares consisting of 9.0 million shares as of September 30, 2024 (December 31, 2023: 7.6 million shares and September 2023: 6.8 million shares).

The final net dividend of SAR 1.00 net per share for the year 2023 has been approved by the shareholders at the Annual General Assembly Meeting held on May 22, 2024.

The Board of Directors of the Bank approved to distribute interim cash dividend of SAR 1,200 million being SAR 1.00 per share for the six months period ended June 30, 2024 (2023: SAR 1,140 million at SAR 0.95 per share).

Subsequent to the period ended September 30, 2024 the Bank has received Capital Market Authority approval to increase its share capital from SAR 12.05 billion to SAR 25.00 billion, through issuing 1.07 bonus shares for every 1 existing share owned by the shareholders.

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.

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21. Related party balances (continued)

The balances as at September 30, 2024, December 31, 2023 and September 30, 2023 resulting from such transactions included in the consolidated financial statements are as follows:

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Associates			
Investments	9,695	9,695	9,695
Due to banks and other financial institutions	8,707	8,462	8,377
Directors, senior management, shariah members and their affiliates (key management personal)			
Loans and advances	7,256,143	7,442,827	9,340,668
Investments	673,804	1,021,721	998,208
Due from banks and other financial institutions	402,048	395,625	-
Other assets	15,220	25,736	58,511
Customers' deposits	8,109,912	10,020,831	9,841,423
Due to banks and other financial institutions	500,000	2,822,190	1,416,485
Other liabilities	6,488	4,550	2,441
Derivatives at fair value, net	(31,846)	(13,772)	(101,567)
Commitments and contingencies	2,949,760	3,055,299	3,031,236
Major shareholders' and their affiliates			
Loans and advances	1,528,889	671,978	1,525,201
Customers' deposits	6,367,990	6,284,014	6,347,392
Derivatives at fair value, net	(16)	-	(16,786)
Commitments and contingencies	12,500	-	-

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

SAR '000	For the nine months ended	
	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Special commission income		
-Directors, senior management, shariah members and their affiliates (key management personal)	485,241	501,112
-Major shareholders' and their affiliates	68,853	108,716
Total special commission income	554,094	609,828
Special commission expense		
-Directors, senior management, shariah members and their affiliates (key management personal)	244,931	181,383
Major shareholders' and their affiliates	231,591	124,878
-Associates	243	226
Total special commission expense	476,765	306,487
Fees, commission income and others, net	32,442	64,395
Directors' fees	7,856	7,855
Other general and administrative expenses	93,920	93,739

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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.

The numbers are presented as per Basel IV regulation issued by SAMA (circular number 44047144) effective from January 01, 2023.

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

SAR '000	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
Credit Risk RWA	235,846,651	212,627,655	209,551,335
Operational Risk RWA	8,649,785	7,594,969	7,545,292
Market Risk RWA	4,889,179	2,800,566	2,236,259
Total RWA	249,385,615	223,023,190	219,332,886
Common Equity Tier I Capital	38,457,797	37,204,728	36,075,819
Additional Tier I Capital	8,000,000	5,000,000	5,000,000
Tier I Capital	46,457,797	42,204,728	41,075,819
Tier II Capital	2,000,318	1,363,733	1,068,980
Total Tier I & II Capital	48,458,115	43,568,461	42,144,799
Capital Adequacy Ratio %			
Common Equity Tier I ratio	15.42%	16.68%	16.45%
Tier I ratio	18.63%	18.92%	18.73%
Tier I + Tier II ratio	19.43%	19.54%	19.21%

23. Comparative figures

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

24. Board of Directors Approval

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on October 21, 2024 corresponding to Rabi Al-Akhar 18, 1446H.