

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



BANQUE SAUDI FRANSI
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2023



**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' REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Banque Saudi Fransi and its subsidiaries (collectively referred to as "the Bank") as at 30 June 2023, and the related interim condensed consolidated statements of income and comprehensive income for the three months and six-months periods then ended, and the interim condensed consolidated statement of changes in equity and cash flows for the six-months period then ended and explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed 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 interim condensed 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 interim condensed 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

As required by Saudi Central Bank ("SAMA"), certain capital adequacy information has been disclosed in note 22 of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note 22 to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

Ernst & Young Professional Services

Rashid S. Roshod
Certified Public Accountant
License Number: 366



KPMG Professional Services

Dr. Abdullah Hamad Al Fozan
Certified Public Accountant
License Number: 348

14 Muharram 1445
1 August 2023



KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (40,000,000) SAR. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

SAR '000	Notes	Jun 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)	Jun 30, 2022 (Unaudited)
ASSETS				
Cash and balances with SAMA	5	10,083,554	11,325,586	12,811,715
Due from banks and other financial institutions, net	6	3,795,200	4,795,111	4,245,793
Investments, net	7	49,177,581	44,517,549	43,505,357
Positive fair value of derivatives	12	6,370,069	6,582,980	4,695,090
Loans and advances, net	8	169,695,132	159,011,525	159,624,824
Investment in associate, net		9,695	9,695	9,695
Property, equipment and right of use assets, net		1,864,116	1,739,307	1,688,518
Other real estate, net		343,359	342,050	362,234
Other assets, net		4,379,504	3,754,316	4,323,709
Total assets		245,718,210	232,078,119	231,266,935
LIABILITIES AND EQUITY				
Liabilities				
Due to SAMA	9	10,800,898	8,004,403	15,396,984
Due to banks and other financial institutions	10	11,965,130	8,766,039	5,726,778
Customers' deposits	11	161,164,696	157,592,320	157,919,459
Negative fair value of derivatives	12	7,434,620	7,383,707	4,956,366
Debt securities and term loans	20	8,232,625	4,515,254	-
Other liabilities		6,424,186	7,071,071	9,525,624
Total liabilities		206,022,155	193,332,794	193,525,211
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		(2,072,321)	(2,090,067)	(1,393,800)
Retained earnings		11,805,434	9,768,005	9,096,498
Proposed dividend		-	1,079,633	-
Treasury shares		(127,059)	(102,247)	(50,975)
Equity attributable to the shareholders of the Bank		34,696,055	33,745,325	32,741,724
Tier 1 Sukuk	15	5,000,000	5,000,000	5,000,000
Total equity		39,696,055	38,745,325	37,741,724
Total liabilities and equity		245,718,210	232,078,119	231,266,935

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazen AlRomaih



Chairman of the Board



SAR '000	For the three months ended		For the six months ended	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Special commission income	3,226,118	1,834,900	6,222,619	3,398,918
Special commission expense	1,250,607	318,433	2,323,150	467,605
Net special commission income	1,975,511	1,516,467	3,899,469	2,931,313
Fee and commission income	347,329	351,841	702,743	707,105
Fee and commission expense	136,360	142,550	256,456	263,684
Net fee and commission income	210,969	209,291	446,287	443,421
Exchange income, net	100,286	98,749	223,915	198,132
Trading income, net	48,341	41,371	79,248	107,769
Dividend income	3,535	4,335	6,914	7,080
Gains on FVOCI / non-trading investments, net	3,973	65	4,422	2,784
Other operating income	4,726	82	5,166	904
Total operating income	2,347,341	1,870,360	4,665,421	3,691,403
Salaries and employee related expenses	409,320	361,886	831,295	690,974
Rent and premises related expenses	17,501	18,347	32,532	31,736
Depreciation and amortization	54,588	57,685	113,224	112,639
Other operating and general and administrative expenses	242,227	210,117	458,751	417,175
Total operating expenses before impairment charge	723,636	648,035	1,435,802	1,252,524
Impairment charge for expected credit losses on loans and advances, net	427,006	294,821	912,058	539,711
Impairment charge / (reversal) for investments, financial assets and others, net	3,622	(727)	(75,520)	(4,197)
Total operating expenses, net	1,154,264	942,129	2,272,340	1,788,038
Net income for the period before Zakat	1,193,077	928,231	2,393,081	1,903,365
Zakat for the period	119,725	91,216	243,326	191,778
Net income for the period	1,073,352	837,015	2,149,755	1,711,587
Basic and diluted earnings per share (SAR)	0.85	0.65	1.70	1.33

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazen AlRomaih



Chairman of the Board



SAR '000	For the three months ended		For the six months ended	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Net income for the period	1,073,352	837,015	2,149,755	1,711,587
Other comprehensive income / (loss):				
Items that cannot be recycled back to interim condensed 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	23,016	(74,760)	33,936	(79,380)
Items that can be recycled back to interim condensed consolidated statement of income in subsequent periods				
<u>Debt instruments at fair value through other comprehensive income</u>				
Net change in the fair value	(18,152)	(232,680)	46,901	(599,263)
Net change in ECL	1,103	1,345	(995)	90
Income transferred to interim condensed consolidated statement of income	(3,973)	(65)	(4,422)	(2,784)
<u>Cash flow hedge</u>				
Net change in the fair value	(358,431)	(174,746)	(404,134)	(759,794)
Loss / (income) transferred to interim condensed consolidated statement of income	196,433	(58,592)	346,460	(181,376)
Total other comprehensive (loss) / income for the period	(160,004)	(539,498)	17,746	(1,622,507)
Total comprehensive income for the period	913,348	297,517	2,167,501	89,080

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazen AlRomaih



Chairman of the Board



BANQUE SAUDI FRANSI (A Saudi Joint Stock Company)
INTERIM CONDENSED 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 six months period ended June 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	-	-	-	2,149,755	-	-	-	-	-	2,149,755	-	2,149,755
Net change in the fair value	-	-	-	-	79,842	-	(404,134)	-	-	(324,292)	-	(324,292)
Net amount transferred to interim condensed consolidated statement of income	-	-	-	-	(4,422)	-	346,460	-	-	342,038	-	342,038
Total comprehensive income for the period	-	-	-	2,149,755	75,420	-	(57,674)	-	-	2,167,501	-	2,167,501
Tier 1 Sukuk related cost	-	-	-	(112,326)	-	-	-	-	-	(112,326)	-	(112,326)
Final dividend paid for 2022	-	-	-	-	-	-	-	(1,079,633)	-	(1,079,633)	-	(1,079,633)
Net change in treasury shares	-	-	-	-	-	-	-	-	(24,812)	(24,812)	-	(24,812)
Balance at the end of the period	12,053,572	12,053,572	982,857	11,805,434	(774,839)	11,080	(1,308,562)	-	(127,059)	34,696,055	5,000,000	39,696,055
For the six months period ended June 30, 2022												
Balance at the beginning of the period	12,053,572	12,053,572	982,857	8,398,887	7,712	1,731	219,264	1,019,956	(51,881)	34,685,670	5,000,000	39,685,670
Net income for the period	-	-	-	1,711,587	-	-	-	-	-	1,711,587	-	1,711,587
Net change in the fair value	-	-	-	-	(678,553)	-	(759,794)	-	-	(1,438,347)	-	(1,438,347)
Net amount transferred to interim condensed consolidated statement of income	-	-	-	-	(2,784)	-	(181,376)	-	-	(184,160)	-	(184,160)
Total comprehensive income for the period	-	-	-	1,711,587	(681,337)	-	(941,170)	-	-	89,080	-	89,080
Tier 1 Sukuk related cost	-	-	-	(112,488)	-	-	-	-	-	(112,488)	-	(112,488)
Final dividend paid for 2021	-	-	-	-	-	-	-	(1,019,956)	-	(1,019,956)	-	(1,019,956)
Interim dividend for 2022	-	-	-	(901,488)	-	-	-	-	-	(901,488)	-	(901,488)
Net change in treasury shares	-	-	-	-	-	-	-	-	906	906	-	906
Balance at the end of the period	12,053,572	12,053,572	982,857	9,096,498	(673,625)	1,731	(721,906)	-	(50,975)	32,741,724	5,000,000	37,741,724

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

Ramzy Darwish



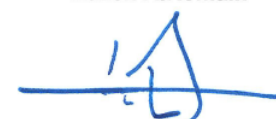
Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazen AlRomaih



Chairman of the Board



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

Page 5

SAR '000	Note	For the six months ended	
		Jun 30, 2023	Jun 30, 2022
OPERATING ACTIVITIES			
Net income for the period before zakat		2,393,081	1,903,365
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		57,330	118,074
Gains on FVOCI		(4,422)	(2,784)
Depreciation and amortization		113,224	112,639
Loss / (gain) on disposal of property, equipment, net		(160)	50
Impairment charge for expected credit losses, net	8	977,204	595,431
Impairment reversal for investments, financial assets and others, net		(75,520)	(4,197)
Long term incentive scheme provision		23,632	5,895
Operating income before changes in operating assets and liabilities		3,484,369	2,728,473
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		20,344	(505,556)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		216,475	200,000
Investments held as FVSI, trading		(121,253)	107,962
Loans and advances		(11,625,033)	(12,374,967)
Other assets		(471,260)	(2,875,618)
Net increase / (decrease) in operating liabilities:			
Due to SAMA, banks and other financial institutions, net		5,949,075	(2,800,913)
Customers' deposits		3,572,376	15,969,251
Other liabilities		(167,189)	3,478,362
Zakat paid		857,904	3,926,994
Net cash generated from operating activities		445,072	3,531,332
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investment not held as FVSI		4,806,337	3,190,290
Purchase of investments not held as FVSI		(9,333,684)	(3,725,943)
Purchases of property and equipment		(194,797)	(186,165)
Proceeds from sale of property and equipment		201	79
Net cash used in investing activities		(4,721,943)	(721,739)
FINANCING ACTIVITIES			
Issuance of term loan		3,562,500	-
Dividend paid		(1,079,633)	(1,019,956)
Tier I Sukuk related cost		(112,326)	(112,488)
Payment of lease liability		(50,350)	(39,240)
Purchase of Treasury Shares		(48,444)	(4,989)
Net cash from / (used in) financing activities		2,271,747	(1,176,673)
(Decrease) / increase in cash and cash equivalents		(2,005,124)	1,632,920
Cash and cash equivalents at the beginning of the period		5,797,919	6,227,104
Cash and cash equivalents at the end of the period	14	3,792,795	7,860,024
Special commission received during the period		5,664,094	2,993,221
Special commission paid during the period		2,112,632	332,447
Supplemental non-cash information			
RoU assets		36,722	39,910
Lease liability		13,533	14,138
Movement in other reserve and transfers to the interim condensed consolidated statement of income		17,746	(1,622,507)

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

Ramzy Darwish



Chief Financial Officer

Bader AlSalloom



Chief Executive Officer

Mazen AlRomaih



Chairman of the Board



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the six months ended June 30, 2023 and 2022****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 (June 30, 2022: 82 branches) in the Kingdom of Saudi Arabia, employing 3,083 people (June 30, 2022: 2,976 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 and Sofinco Saudi Fransi 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 has investment in an associate and owns 27% shareholding in Banque BEMO Saudi Fransi, incorporated in Syria.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group as at and for the period ended June 30, 2023 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 interim condensed 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, 2022.

The consolidated financial statements of the Group as at and for the year ended December 31, 2022, 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 interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand.

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 their Extraordinary / Annual General Assembly meeting for their ratification.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

3. Basis of consolidation

The interim condensed 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 interim condensed 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 interim condensed 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 interim condensed 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. Significant Accounting Policies and Estimates

The accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed 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, 2022, except for the adoption of new standards effective as of January 01, 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after January 01, 2023
Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after January 01, 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

4. Significant Accounting Policies and Estimates (continued)

Standard, interpretation, amendments	Description	Effective date
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after January 01, 2023.

Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 01, 2024. The Group has opted not to early adopt these pronouncements and they do not have a significant impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	<p>These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.</p> <p>Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>Note that the IASB has issued a new exposure draft proposing changes to this amendment.</p>	Deferred until accounting periods starting not earlier than January 01, 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	January 01, 2024

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

5. Cash and balances with SAMA

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Cash on hand	821,064	973,736	1,035,433
Statutory deposit	9,146,506	9,166,850	9,197,484
Money market placements with SAMA	115,984	1,185,000	2,280,778
Current account	-	-	298,020
Total	10,083,554	11,325,586	12,811,715

6. Due from banks and other financial institutions, net

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Current accounts	969,591	2,795,573	2,371,223
Money market placements	2,825,930	2,001,842	1,875,084
	3,795,521	4,797,415	4,246,307
Less: impairment	(321)	(2,304)	(514)
Total	3,795,200	4,795,111	4,245,793

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

SAR '000	June 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 reversal for the period	(86)	(1,897)	-	(1,983)
Balance at the end of the period	267	54	-	321

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	114	66	-	180
Net charge for the year	239	1,885	-	2,124
Balance at the end of the year	353	1,951	-	2,304

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

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

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	114	66	-	180
Net charge for the period	333	1	-	334
Balance at the end of the period	447	67	-	514

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

SAR '000	June 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	(964,725)	(37,169)	-	(1,001,894)
Write-offs	-	-	-	-
Balance at the end of the period	3,789,455	6,066	-	3,795,521

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	5,316,259	7,885	-	5,324,144
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the year	(562,079)	35,350	-	(526,729)
Write-offs	-	-	-	-
Balance at the end of the year	4,754,180	43,235	-	4,797,415

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance as at January 01	5,316,259	7,885	-	5,324,144
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Net change for the period	(1,077,851)	14	-	(1,077,837)
Write-offs	-	-	-	-
Balance at the end of the period	4,238,408	7,899	-	4,246,307

7. Investments, net

a) Investment securities are classified as follows:

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Investment at amortized cost - gross	28,510,714	26,051,032	26,915,817
Less: impairment	(11,384)	(7,895)	(7,474)
Investment at amortized cost, net	28,499,330	26,043,137	26,908,343
Investments at FVOCI – Debt instruments	20,139,074	18,085,275	16,158,813
Investments at FVOCI – Equity/other investments	349,180	320,393	336,168
Total FVOCI	20,488,254	18,405,668	16,494,981
Investment at FVSI – Debt/equity instruments	189,997	68,744	102,033
Total	49,177,581	44,517,549	43,505,357

Gross Investments include Shariah based investments amounting to SAR 31,447 million (December 31, 2022: SAR 29,818 million; June 30, 2022: SAR 29,362 million).

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

Investments by type of securities

SAR '000	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)			June 30, 2022 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	168,435	19,059	187,494	60,459	3,800	64,259	92,925	9,108	102,033
Floating-rate securities	-	-	-	-	-	-	-	-	-
Equities	2,503	-	2,503	4,485	-	4,485	-	-	-
Total	170,938	19,059	189,997	64,944	3,800	68,744	92,925	9,108	102,033

c) Investments held at fair value through other comprehensive income

Investments by type of securities

SAR '000	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)			June 30, 2022 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	10,772,510	5,175,756	15,948,266	8,893,525	4,915,935	13,809,460	7,847,559	4,067,122	11,914,681
Floating-rate securities	3,381,443	809,365	4,190,808	3,204,689	1,071,126	4,275,815	3,341,058	903,074	4,244,132
Equities and others	338,932	10,248	349,180	310,162	10,231	320,393	325,950	10,218	336,168
Total	14,492,885	5,995,369	20,488,254	12,408,376	5,997,292	18,405,668	11,514,567	4,980,414	16,494,981

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

7. Investments, net (continued)

d) Investments held at amortised cost

Investments by type of securities

SAR '000	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)			June 30, 2022 (Unaudited)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Fixed-rate securities	23,554,531	-	23,554,531	20,686,727	-	20,686,727	23,131,006	-	23,131,006
Floating-rate securities	4,505,424	-	4,505,424	4,778,807	-	4,778,807	3,078,061	-	3,078,061
Other	439,375	-	439,375	577,603	-	577,603	699,276	-	699,276
Total	28,499,330	-	28,499,330	26,043,137	-	26,043,137	26,908,343	-	26,908,343

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

SAR '000	June 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	2,495	-	-	2,495
Balance at the end of the period	27,917	-	-	27,917

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	20,730	-	-	20,730
Net charge for the year	4,692	-	-	4,692
Balance at the end of the year	25,422	-	-	25,422

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	20,730	-	-	20,730
Net charge for the period	1,245	-	-	1,245
Balance at the end of the period	21,975	-	-	21,975

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

7. Investments, net (continued)

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

SAR '000	June 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	4,513,481	-	-	4,513,481
Write-offs	-	-	-	-
Balance at the end of the period	48,649,788	-	-	48,649,788

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	43,316,349	-	-	43,316,349
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the year	819,958	-	-	819,958
Write-offs	-	-	-	-
Balance at the end of the year	44,136,307	-	-	44,136,307

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	43,316,349	-	-	43,316,349
Transfer from 12-month ECL	-	-	-	-
Transfer from lifetime ECL not credit impaired	-	-	-	-
Transfer from lifetime ECL credit impaired	-	-	-	-
Net change for the period	(241,719)	-	-	(241,719)
Write-offs	-	-	-	-
Balance at the end of the period	43,074,630	-	-	43,074,630

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

8. Loans and advances, net

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

SAR '000	June 30, 2023 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	140,647,961	645,334	29,814,328	171,107,623
Non-performing loans and advances, net	4,098,015	19,622	128,823	4,246,460
Total loans and advances	144,745,976	664,956	29,943,151	175,354,083
Allowance for impairment	(5,401,168)	(37,534)	(220,249)	(5,658,951)
Loans and advances held at amortised cost, net	139,344,808	627,422	29,722,902	169,695,132

SAR '000	December 31, 2022 (Audited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	130,156,440	586,647	29,099,056	159,842,143
Non-performing loans and advances, net	4,038,589	20,175	111,160	4,169,924
Total loans and advances	134,195,029	606,822	29,210,216	164,012,067
Allowance for impairment	(4,696,609)	(38,798)	(265,135)	(5,000,542)
Loans and advances held at amortised cost, net	129,498,420	568,024	28,945,081	159,011,525

SAR '000	June 30, 2022 (Unaudited)			
	Overdraft & Commercial Loans	Credit Cards	Consumer Loans	Total
Performing loans and advances – gross	131,497,699	547,808	28,660,805	160,706,312
Non-performing loans and advances, net	3,959,115	16,829	111,088	4,087,032
Total loans and advances	135,456,814	564,637	28,771,893	164,793,344
Allowance for impairment	(4,850,772)	(61,048)	(256,700)	(5,168,520)
Loans and advances held at amortised cost, net	130,606,042	503,589	28,515,193	159,624,824

Gross Loans and advances include Shariah based loans and advances amounting to SAR 123,960 million (December 31, 2022: SAR 115,207 million; June 30, 2022: SAR 116,100 million).

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

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Opening loss allowance as at January 01	5,000,542	4,732,824	4,732,824
Charge for the period / year, net	977,384	1,548,321	595,431
Bad debts written off against provision	(318,975)	(1,280,603)	(159,735)
Balance at the end of the period / year	5,658,951	5,000,542	5,168,520

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

8. Loans and advances, net (continued)

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

SAR '000	June 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	(68,982)	11,050	57,932	-
Transfer from lifetime ECL not credit impaired	23,025	(107,750)	84,725	-
Transfer from Lifetime ECL credit impaired	6,313	2,595	(8,908)	-
Net charge / (reversal) for the period	(24,527)	312,314	689,597	977,384
Write-offs	-	-	(318,975)	(318,975)
Balance at the end of the period	357,034	2,017,880	3,284,037	5,658,951

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	526,450	1,828,983	2,377,391	4,732,824
Transfer from 12-month ECL	(19,274)	16,816	2,458	-
Transfer from lifetime ECL not credit impaired	51,113	(740,238)	689,125	-
Transfer from Lifetime ECL credit impaired	11,445	422,939	(434,384)	-
Net charge / (reversal) for the year	(148,529)	271,171	1,425,679	1,548,321
Write-offs	-	-	(1,280,603)	(1,280,603)
Balance at the end of the year	421,205	1,799,671	2,779,666	5,000,542

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	526,450	1,828,983	2,377,391	4,732,824
Transfer from 12-month ECL	(10,618)	9,900	718	-
Transfer from lifetime ECL not credit impaired	31,645	(245,584)	213,939	-
Transfer from Lifetime ECL credit impaired	10,839	4,237	(15,076)	-
Net charge / (reversal) for the period	(172,740)	646,960	121,211	595,431
Write-offs	-	-	(159,735)	(159,735)
Balance at the end of the period	385,576	2,244,496	2,538,448	5,168,520

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

8. Loans and advances, net (continued)

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

SAR '000	June 30, 2023 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	127,722,673	12,904,971	4,118,332	144,745,976
Credit Card	617,502	22,286	25,168	664,956
Consumer	29,555,733	245,886	141,532	29,943,151
Balance at the end of the period	157,895,908	13,173,143	4,285,032	175,354,083

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	118,193,805	11,932,997	4,068,227	134,195,029
Credit Card	562,135	18,953	25,734	606,822
Consumer	28,792,514	233,689	184,013	29,210,216
Balance at the end of the year	147,548,454	12,185,639	4,277,974	164,012,067

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Overdraft & commercial loans	117,096,181	14,442,151	3,918,482	135,456,814
Credit Card	522,051	19,627	22,959	564,637
Consumer	28,480,751	174,622	116,520	28,771,893
Balance at the end of the period	146,098,983	14,636,400	4,057,961	164,793,344

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

SAR '000	June 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	(2,306,238)	2,206,706	99,532	-
Transfer from lifetime ECL not credit impaired	855,156	(1,169,544)	314,388	-
Transfer from Lifetime ECL credit impaired	10,447	5,285	(15,732)	-
Net change for the period	11,788,089	(54,943)	(72,155)	11,660,991
Write-offs	-	-	(318,975)	(318,975)
Balance at the end of the period	157,895,908	13,173,143	4,285,032	175,354,083

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

8. Loans and advances, net (continued)

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	134,589,045	14,022,436	3,934,102	152,545,583
Transfer from 12-month ECL	(3,307,476)	3,141,115	166,361	-
Transfer from lifetime ECL not credit impaired	2,174,569	(4,490,566)	2,315,997	-
Transfer from Lifetime ECL credit impaired	20,875	884,010	(904,885)	-
Net change for the year	14,071,441	(1,371,356)	47,002	12,747,087
Write-offs	-	-	(1,280,603)	(1,280,603)
Balance at the end of the year	147,548,454	12,185,639	4,277,974	164,012,067

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	134,589,045	14,022,436	3,934,102	152,545,583
Transfer from 12-month ECL	(2,401,138)	2,366,120	35,018	-
Transfer from lifetime ECL not credit impaired	1,020,060	(1,457,239)	437,179	-
Transfer from Lifetime ECL credit impaired	19,782	8,591	(28,373)	-
Net change for the period	12,871,234	(303,508)	(160,230)	12,407,496
Write-offs	-	-	(159,735)	(159,735)
Balance at the end of the period	146,098,983	14,636,400	4,057,961	164,793,344

9. Due to SAMA

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Current accounts	51,979	19,134	-
Repo	4,981,651	-	4,979,190
Deposits	1,818,739	3,557,904	6,017,849
Government grant	4,066,530	4,591,880	4,619,982
Modification impact, net	(118,001)	(164,515)	(220,037)
Total	10,800,898	8,004,403	15,396,984

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

10. Due to banks and other financial institutions

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Current accounts	1,029,032	243,553	674,689
Money market placements	10,936,098	8,522,486	5,052,089
Total	11,965,130	8,766,039	5,726,778

11. Customers' deposits

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Demand	91,246,382	91,181,332	91,124,044
Saving	949,319	1,053,846	967,468
Time	64,505,326	60,275,249	60,019,275
Other	4,463,669	5,081,893	5,808,672
Total	161,164,696	157,592,320	157,919,459

Time deposits include Shariah based deposits amounting to SAR 26,596 million (December 31, 2022: SAR 28,648 million; June 30, 2022: SAR 30,888 million).

12. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

12. Derivatives (continued)**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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

12. Derivatives (continued)

SAR '000	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)			June 30, 2022 (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	5,995,653	5,738,251	219,398,262	6,134,158	5,859,651	207,931,197	4,275,126	4,016,813	251,641,730
Forward rate agreements and commission rate futures and options	207,186	207,186	15,757,955	229,298	229,298	25,127,912	127,486	127,486	30,747,282
Forward foreign exchange contracts	91,336	41,797	16,868,629	110,907	81,096	25,157,176	110,488	109,032	25,102,180
Currency options	15,001	15,001	2,755,574	20,568	20,568	1,905,281	13,663	13,663	845,970
Others	24,121	24,121	709,076	37,039	37,039	1,262,606	29,823	29,823	716,544
Held as fair value hedges:									
Commission rate swaps	-	167,406	6,000,000	20,638	43,146	4,130,063	6,457	-	105,000
Held as cash flow hedges:									
Commission rate swaps	36,772	1,240,858	32,959,000	30,372	1,112,909	25,570,000	132,047	659,549	25,518,750
Total	6,370,069	7,434,620	294,448,496	6,582,980	7,383,707	291,084,235	4,695,090	4,956,366	334,677,456

13. Commitments and contingencies

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

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Letters of credit	9,134,529	9,794,419	9,786,745
Letters of guarantee	44,079,917	40,195,932	37,314,544
Acceptances	3,446,496	2,412,633	2,130,876
Irrevocable commitments to extend credit	12,110,010	11,443,665	9,938,430
Total	68,770,952	63,846,649	59,170,595

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

SAR '000	June 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	819	(916)	97	-
Net charge / (reversal) for the period	4,116	(4,725)	(75,463)	(76,072)
Write-offs	-	-	-	-
Balance at the end of the period	18,945	6,863	175,754	201,562

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

13. Commitments and contingencies (continued)

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	17,261	15,093	255,925	288,279
Transfer from 12-month ECL	(337)	335	2	-
Transfer from lifetime ECL not credit impaired	1,302	(2,090)	788	-
Net reversal for the year	(4,169)	(881)	(5,595)	(10,645)
Write-offs	-	-	-	-
Balance at the end of the year	14,057	12,457	251,120	277,634

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	17,261	15,093	255,925	288,279
Transfer from 12-month ECL	(282)	282	-	-
Transfer from lifetime ECL not credit impaired	497	(497)	-	-
Net charge for the period	(2,797)	(1,157)	(1,441)	(5,395)
Write-offs	-	-	-	-
Balance at the end of the period	14,679	13,721	254,484	282,884

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

SAR '000	June 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	(147,461)	123,913	23,548	-
Transfer from lifetime ECL not credit impaired	360,325	(436,381)	76,056	-
Transfer from Lifetime ECL credit impaired	3,504	5,303	(8,807)	-
Net change for the period	3,056,293	(203,329)	(112,110)	2,740,854
Write-offs	-	-	-	-
Balance at the end of the period	35,211,236	1,815,356	535,367	37,561,959

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

13. Commitments and contingencies (continued)

SAR '000	December 31, 2022 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	28,257,723	2,178,077	474,244	30,910,044
Transfer from 12-month ECL	(946,020)	925,650	20,370	-
Transfer from lifetime ECL not credit impaired	392,709	(526,669)	133,960	-
Transfer from Lifetime ECL credit impaired	-	686	(686)	-
Net change for the year	4,234,163	(251,894)	(71,208)	3,911,061
Write-offs	-	-	-	-
Balance at the end of the year	31,938,575	2,325,850	556,680	34,821,105

SAR '000	June 30, 2022 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at January 01	28,257,723	2,178,077	474,244	30,910,044
Transfer from 12-month ECL	(433,280)	433,048	232	-
Transfer from lifetime ECL not credit impaired	16,955	(34,997)	18,042	-
Transfer from Lifetime ECL credit impaired	-	-	-	-
Net change for the period	1,834,709	(366,471)	28,154	1,496,392
Write-offs	-	-	-	-
Balance at the end of the period	29,676,107	2,209,657	520,672	32,406,436

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, 2022.

14. Cash and cash equivalents

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

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Cash and balances with SAMA excluding statutory deposit (note 5)	937,048	2,158,736	3,614,231
Due from banks and other financial institutions maturing within three months from the date of acquisition	2,855,747	3,639,183	4,245,793
Total	3,792,795	5,797,919	7,860,024

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

15. 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.

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 rate is 4.5% per annum from date of issue up to 2025 and is subjected to reset every 5 years. 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.

16. 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.

Zakat for the period ended June 30, 2023 amounted to approximately SAR 243 million (June 30, 2022: SAR 192 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, 2023.

17. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

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

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.

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	Level 1	Level 2	Level 3	Total
June 30, 2023 (Unaudited)				
Financial assets				
Derivative financial instruments positive fair value	-	6,370,069	-	6,370,069
Financial investments designated at FVSI	129,842	60,155	-	189,997
Financial investments at FVOCI	14,773,819	5,509,231	205,204	20,488,254
Total	14,903,661	11,939,455	205,204	27,048,320
Financial Liabilities				
Derivative financial instruments negative fair value	-	7,434,620	-	7,434,620
Total	-	7,434,620	-	7,434,620

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

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

SAR '000	Level 1	Level 2	Level 3	Total
<u>December 31, 2022 (Audited)</u>				
Financial assets				
Derivative financial instruments positive fair value	-	6,582,980	-	6,582,980
Financial investments designated at FVSI	8,285	60,459	-	68,744
Financial investments at FVOCI	13,018,029	5,177,286	210,353	18,405,668
Total	13,026,314	11,820,725	210,353	25,057,392
Financial Liabilities				
Derivative financial instruments negative fair value	-	7,383,707	-	7,383,707
Total	-	7,383,707	-	7,383,707

SAR '000	Level 1	Level 2	Level 3	Total
<u>June 30, 2022 (Unaudited)</u>				
Financial assets				
Derivative financial instruments positive fair value	-	4,695,090	-	4,695,090
Financial investments designated at FVTPL	102,033	-	-	102,033
Financial investments at FVOCI	13,307,296	2,989,277	198,408	16,494,981
Total	13,409,329	7,684,367	198,408	21,292,104
Financial Liabilities				
Derivative financial instruments negative fair value	-	4,956,366	-	4,956,366
Total	-	4,956,366	-	4,956,366

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

The fair values of investments held at amortized cost are SAR 27,721 million (December 31, 2022: SAR 25,217 million and June 30, 2022: SAR 26,409) against carrying value of SAR 28,499 million (December 31, 2022: SAR 26,043 million and June 30, 2022: SAR 26,908 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 interim condensed 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 171,603 million (December 31, 2022: SAR 160,823 million and June 30, 2022: SAR 162,012 million). The carrying values of those loans and advances are SAR 169,695 million (December 31, 2022: SAR 159,012 million and June 30, 2022: SAR 159,625 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

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

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	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Balance at the beginning of the period / year	210,353	121,167	121,167
Transfer from level 2	-	-	-
Additions during the period / year	-	90,413	77,289
Change in value	(5,149)	(1,227)	(48)
Balance at the end of period / year	205,204	210,353	198,408

18. 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 interim condensed 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, 2022.

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:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

18. Segment information (continued)

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
June 30, 2023 (Unaudited)					
Total assets	40,064,135	131,880,033	71,613,338	2,160,704	245,718,210
Loans and advances, net	38,790,648	129,435,678	-	1,468,806	169,695,132
Total liabilities	76,658,481	88,503,710	38,456,842	2,403,122	206,022,155
Customers' deposits	74,963,641	86,201,055	-	-	161,164,696
Total operating income	1,686,900	2,072,068	702,411	204,042	4,665,421
Total operating expenses before impairment charge	805,564	366,556	169,489	94,193	1,435,802
Impairment charges for financial assets & others, net	(81,439)	928,358	(10,381)	-	836,538
Net income for the period before zakat	962,775	777,154	543,303	109,849	2,393,081
Net special commission income	1,590,740	1,813,342	427,263	68,124	3,899,469
Fee and commission income, net	64,389	256,149	-	125,749	446,287
Exchange income, net	27,615	2,392	193,908	-	223,915
Trading income, net	-	-	78,105	1,143	79,248
Inter-segment revenue	1,210,081	425,201	(1,635,282)	-	-
Depreciation and amortization	76,636	21,798	12,636	2,154	113,224

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
December 31, 2022 (Audited)					
Total assets	38,411,305	122,840,810	68,634,685	2,191,319	232,078,119
Total liabilities	78,542,043	81,980,544	31,204,920	1,605,287	193,332,794

SAR '000	Retail banking	Corporate banking	Treasury	Investment banking & brokerage	Total
June 30, 2022 (Unaudited)					
Total assets	37,439,320	123,734,794	67,596,385	2,496,436	231,266,935
Loans and advances, net	36,187,570	121,516,981	-	1,920,273	159,624,824
Total liabilities	76,887,432	83,776,894	30,299,106	2,561,779	193,525,211
Customers' deposits	75,590,000	82,329,459	-	-	157,919,459
Total operating income	980,036	1,514,815	965,247	231,305	3,691,403
Total operating expenses before impairment charge	665,965	328,947	152,910	104,702	1,252,524
Impairment charges for financial assets & others, net	38,194	501,517	(4,197)	-	535,514
Net income for the period before zakat	275,877	684,351	816,534	126,603	1,903,365
Net special commission income	853,189	1,340,132	675,765	62,227	2,931,313
Fee and commission income, net	58,942	215,402	-	169,077	443,421
Exchange income, net	25,482	2,073	170,577	-	198,132
Trading income, net	-	-	107,769	-	107,769
Inter-segment revenue	451,984	157,617	(609,601)	-	-
Depreciation and amortization	71,063	26,470	13,585	1,521	112,639

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

19. 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, 2022: 1,205 million shares of SAR 10 each and June 30, 2022: 1,205 million shares of SAR 10 each).

Basic and diluted earnings per share for the periods ended June 30, 2023 and 2022 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 5.9 million shares as of June 30, 2023 (December 31, 2022: 5.4 million shares and June 2022: 5.4 million shares).

The final net dividend of SAR 0.90 net per share for the year 2022 has been approved by the shareholders at the General Assembly Meeting held on May 24, 2023.

The Board of Directors of the Bank approved on July 25, 2023 to distribute interim cash dividend of SAR 1,140 million, being SAR 0.95 per share for the six months period ended June 30, 2023 (2022: SAR 901 million at SAR 0.75 per share).

20. Debt securities and term loans

During Q2 2023, the Bank via BSF Sukuk Company Limited issued USD 900 million senior unsecured trust certificates (the "Certificates") under its USD 4 Billion Trust Certificate Issuance Programme. The Certificates mature on May 31, 2028 and bear a profit rate of 4.75 per cent. per annum payable semi-annually in arrears. In addition, the Bank also issued a privately placed USD 50 million unsecured term loan facility in June 2023 for a period of 2.5 years for general banking purposes. The term loan facility pays a three months coupon of SOFR + margin of 0.70% in arrears.

During Q4 2022, the Bank issued USD 700 million in 5 year non-convertible and unsecured senior fixed rate bonds, under its USD 4 Billion Euro Medium Term Note programme which is listed on the London Stock Exchange. The bonds pay a semi-annual coupon of 5.50% in arrears and are to be used for general banking purposes. In addition, the Bank also issued a privately placed USD 500 million unsecured term loan facility in December 2022 for a period of 3 years for general banking purposes. The term loan facility pays a three months coupon of SOFR + margin of 0.70% in arrears.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

21. Related party balances (continued)

The balances as at June 30, 2023, December 31, 2022 and June 30, 2022 resulting from such transactions included in the consolidated financial statements are as follows:

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Associates			
Investments	9,695	9,695	9,695
Due to banks and other financial institutions	8,314	8,204	8,186
Directors, senior management, shariah members and major shareholders' and their affiliates			
Loans and advances	12,800,806	11,813,189	12,632,236
Investments	995,352	957,941	848,376
Due from banks and other financial institutions	-	-	-
Other assets	37,959	17,783	18,498
Customers' deposits	15,428,798	12,112,335	13,075,387
Due to banks and other financial institutions	3,900,000	900,000	-
Other liabilities	1,384	6,542	6,492
Derivatives at fair value, net	(74,994)	(45,733)	(19,465)
Commitments and contingencies	3,937,640	3,224,229	2,407,636

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.

SAMA through its circular number 391000029731 dated 15/03/1439H, which relates to the interim approach and transitional arrangements for the accounting allocations under IFRS 9 – financial instruments, has directed Banks that the initial impact on the capital adequacy ratio as a result of applying IFRS 9 shall be transitioned over five years.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

22. Capital Adequacy (continued)

The current period numbers are presented as per Basel III final reform issued by SAMA (circular number 44047144) effective from January 01, 2023, while the prior period is based on the previous Basel III regulations.

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

SAR '000	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2022 (Unaudited)
Credit Risk RWA	206,782,194	199,328,125	199,453,301
Operational Risk RWA	7,545,292	13,681,882	13,562,214
Market Risk RWA	2,949,124	1,662,442	2,982,740
Total RWA	217,276,610	214,672,449	215,998,255
Common Equity Tier I Capital	36,292,242	35,571,463	34,038,880
Additional Tier I Capital	5,000,000	5,000,000	5,000,000
Tier I Capital	41,292,242	40,571,463	39,038,880
Tier II Capital	2,145,295	2,200,323	2,425,325
Total Tier I & II Capital	43,437,537	42,771,786	41,464,205
Capital Adequacy Ratio %			
Common Equity Tier I ratio	16.70%	16.57%	15.76%
Tier I ratio	19.00%	18.90%	18.07%
Tier I + Tier II ratio	19.99%	19.92%	19.20%

23. IBOR Transition (Interest Rate Benchmark Reforms)

A fundamental review and reform of major profit rate benchmarks are being undertaken globally. The IASB has published, in two phases, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in order to address issues that might affect financial reporting after the reform of an interest rate benchmark, including the replacement of an existing London Inter-bank Offer Rate ("LIBOR") with an alternative Risk-Free Rate ("RFR").

Management had put in place a robust transition project for those contracts which reference LIBOR and to transition them to the alternate benchmarks as applicable. This transition project considered changes to systems, processes, risk management policies, and models, as well as accounting implications. Further, the Bank has actively approached customers for awareness and led communication and negotiations with affected counterparties. As of June 30, 2023, all of the impacted financial instruments have transitioned to alternate reference rate. The Bank has no exposure to any other LIBOR rates.

24. Comparative figures

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

25. Board of Directors Approval

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on July 25, 2023 corresponding to Muharram 07,1445H.