



THE SAUDI INVESTMENT BANK

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of and for the six-month period ended June 30, 2024

(Unaudited)



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000) (Five million and five hundred thousand Saudi Riyal)
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Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Statements

To the Shareholders of The Saudi Investment Bank
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **The Saudi Investment Bank** ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements 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 the International Standards on Auditing as 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.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


	Notes	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
ASSETS				
Cash and balances with Saudi Central Bank	5a	11,724,901	11,018,269	8,149,160
Due from banks and other financial institutions, net	6,15	1,205,732	1,473,418	2,178,918
Investments, net	7a,15	34,783,123	32,301,073	31,706,902
Positive fair values of derivatives, net	11a,15	833,376	685,436	802,423
Loans and advances, net	8a,15	90,644,157	80,750,770	77,304,660
Investments in associates		960,266	967,945	917,983
Other real estate		858,830	858,897	451,981
Property, equipment, and right of use assets, net		1,249,133	1,185,742	1,171,502
Intangible assets, net		554,262	484,914	458,247
Other assets, net		544,289	257,709	452,756
Total assets		143,358,069	129,984,173	123,594,532
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions, net	9,15	28,765,004	27,288,658	22,287,419
Customers' deposits	10,15	95,362,797	83,233,264	82,664,201
Negative fair values of derivatives, net	11a,15	40,309	25,273	29,022
Other liabilities		1,689,367	2,201,925	1,918,904
Total liabilities		125,857,477	112,749,120	106,899,546
Equity				
Share capital		12,500,000	10,000,000	10,000,000
Statutory reserve		1,317,000	3,817,000	3,376,000
Other reserves	12	(916,450)	(1,008,408)	(1,121,042)
Shares held for employee stock options		(10,436)	-	-
Retained earnings		2,110,478	1,711,461	1,725,028
Shareholders' equity		15,000,592	14,520,053	13,979,986
Tier I Sukuk	19	2,500,000	2,715,000	2,715,000
Total equity		17,500,592	17,235,053	16,694,986
Total liabilities and equity		143,358,069	129,984,173	123,594,532



Abdallah Salih Jum'ah
Chairman



Faisal Al-Omran
Chief Executive Officer



Ahmed Almohsen
Chief Financial Officer

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



INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Notes	Three months period ended		Six months period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		SAR'000	SAR'000	SAR'000	SAR'000
Special commission income		2,156,405	1,799,810	4,215,419	3,406,642
Special commission expense		(1,281,124)	(932,117)	(2,493,937)	(1,693,941)
Net special commission income		875,281	867,693	1,721,482	1,712,701
Fee income from banking services		195,945	168,254	365,340	324,533
Fee expense from banking services		(112,263)	(87,593)	(196,023)	(172,924)
Net fee income from banking services		83,682	80,661	169,317	151,609
Exchange income, net		51,343	53,143	102,030	107,702
Unrealized gain / (loss) on FVSI financial instruments, net		12,218	(16,500)	24,823	(33,000)
Realized gain on FVSI financial instruments, net		-	2,120	-	2,229
Gains on disposals of FVOCI debt securities, net		-	6,366	-	15,172
Total operating income		1,022,524	993,483	2,017,652	1,956,413
Salaries and employee-related expenses		202,320	195,252	401,414	393,437
Rent and premises related expenses		15,871	19,130	27,730	37,699
Depreciation and amortization		43,391	41,442	87,207	83,751
Other general and administrative expenses		160,968	154,565	333,814	319,847
Operating expenses before provisions for credit and other losses		422,550	410,389	850,165	834,734
Provisions for credit and other losses		62,069	79,558	144,127	160,910
Total operating expenses		484,619	489,947	994,292	995,644
Net operating income		537,905	503,536	1,023,360	960,769
Share in earnings of associates		24,381	12,537	50,391	30,778
Income before provisions for Zakat		562,286	516,073	1,073,751	991,547
Provisions for Zakat		75,908	72,281	144,957	138,848
Net income		486,378	443,792	928,794	852,699
Basic and diluted earnings per share (expressed in SAR per share)	17	0.34	0.30	0.68	0.61

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**INTERIM CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (Unaudited)**

	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Notes	SAR'000	SAR'000	SAR'000	SAR'000
Net income	486,378	443,792	928,794	852,699
Other comprehensive income / (loss)				
Items that cannot be reclassified to the interim condensed consolidated statement of income in subsequent periods:				
Net change in fair value of equity investments held at fair value through other comprehensive income	53,074	33,000	257,873	18,237
Items that will be reclassified to the interim condensed consolidated statement of income in subsequent periods:				
Net change in fair value of debt securities held at fair value through other comprehensive income	(28,272)	(41,710)	(161,188)	86,151
Net change in expected credit loss impairment provision	(428)	(294)	(448)	(1,469)
Fair value gains transferred to the consolidated statement of income on disposals of FVOCI debt securities, net	-	(6,366)	-	(15,172)
Share in other comprehensive income / (loss) of associates	857	-	(1,766)	-
Total other comprehensive income / (loss)	25,231	(15,370)	94,471	87,747
Total comprehensive income attributable to equity shareholders	511,609	428,422	1,023,265	940,446



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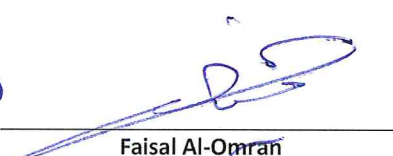
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June 30, 2024 (SAR'000)

Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Shares held for employee stock options	Shareholders' equity	Tier I Sukuk	Total equity
Balances at the beginning of the period (audited)	10,000,000	3,817,000	(1,008,408)	1,711,461	-	14,520,053	2,715,000	17,235,053
Net income	-	-	-	928,794	-	928,794	-	928,794
Total other comprehensive income	-	-	94,471	-	-	94,471	-	94,471
Total comprehensive income	-	-	94,471	928,794	-	1,023,265	-	1,023,265
Tier I Sukuk costs	-	-	-	(82,290)	-	(82,290)	-	(82,290)
Realized gain on disposal of FVOCI equity securities	-	-	(2,513)	2,513	-	-	-	-
Increase in share capital through issuance of bonus shares	2,500,000	(2,500,000)	-	-	-	-	-	-
Dividend paid	-	-	-	(450,000)	-	(450,000)	-	(450,000)
Shares purchased for employee stock options	-	-	-	-	(10,436)	(10,436)	-	(10,436)
Repayment of Tier I Sukuk	19	-	-	-	-	-	(215,000)	(215,000)
Balances at the end of the period	12,500,000	1,317,000	(916,450)	2,110,478	(10,436)	15,000,592	2,500,000	17,500,592



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - Continued (Unaudited)

June 30, 2023 (SAR'000)

Notes	Share capital	Statutory Reserve	Other reserves	Retained earnings	Proposed dividend	Shareholders' equity	Tier I Sukuk	Total equity
Balances at the beginning of the period (audited)	10,000,000	3,376,000	(1,207,944)	956,640	450,000	13,574,696	3,215,000	16,789,696
Net income	-	-	-	852,699	-	852,699	-	852,699
Total other comprehensive income	-	-	87,747	-	-	87,747	-	87,747
Total comprehensive income	-	-	87,747	852,699	-	940,446	-	940,446
Tier I Sukuk costs	-	-	-	(85,156)	-	(85,156)	-	(85,156)
Realized gain on disposal of FVOCI equity securities	-	-	(845)	845	-	-	-	-
Dividend paid	-	-	-	-	(450,000)	(450,000)	-	(450,000)
Repayment of Tier I Sukuk	19	-	-	-	-	-	(1,000,000)	(1,000,000)
Issuance of Tier I Sukuk	19	-	-	-	-	-	500,000	500,000
Balances at the end of the period	10,000,000	3,376,000	(1,121,042)	1,725,028	-	13,979,986	2,715,000	16,694,986



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)



	June 30, 2024	June 30, 2023
Notes	SAR`000	SAR`000
OPERATING ACTIVITIES		
Income before provisions for Zakat	1,073,751	991,547
Adjustments to reconcile net income to net cash generated from operating activities		
Net accretion of discounts and net amortization of premiums on investments, net	(25,707)	(19,113)
Net change in deferred loan fees	(17,457)	18,706
Gains on disposals of FVOCI debt securities, net	-	(15,172)
Unrealized (gain) / losses on FVSI financial instruments, net	(24,823)	33,000
Realized gain on FVSI financial instruments, net	-	(2,229)
Depreciation and amortization	87,207	83,751
Lease interest expense	4,608	7,863
Net effect of commission free deposit from Saudi Central Bank and their Private sector financing support program	(43,099)	(46,593)
Provisions for credit and other losses	144,127	160,910
Share in earnings of associates	(50,391)	(30,778)
	1,148,216	1,181,892
Net (increase) / decrease in operating assets:		
Statutory deposits with Saudi Central Bank	(302,599)	(391,535)
Due from banks and other financial institutions maturing after three months from acquisition date	4,078	(1,629)
Loans and advances	(10,039,291)	(8,437,703)
Positive fair values of derivatives, net	(147,940)	(88,341)
Other assets	(263,399)	140,253
Net increase / (decrease) in operating liabilities:		
Due to banks, Saudi central bank and other financial institutions, net	1,476,346	1,380,427
Customers' deposits	12,129,533	12,843,999
Negative fair value of derivatives, net	15,036	(18,058)
Other liabilities	(344,489)	321,959
Interest paid on lease liabilities	(4,608)	(7,863)
Zakat Payment	(265,494)	(203,963)
Net cash generated from operating activities	3,405,389	6,719,438

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued (Unaudited)

	June 30, 2024	June 30, 2023
Notes	SAR`000	SAR`000
INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	937,868	1,491,430
Purchase of investments	(3,274,216)	(4,862,434)
Dividends received from associates	56,304	35,779
Purchase of property, equipment, and intangible assets	(219,946)	(93,150)
Net cash (used in) investing activities	(2,499,990)	(3,428,375)
FINANCING ACTIVITIES		
Dividends paid	(450,000)	(450,000)
Repayment of Tier I Sukuk	(215,000)	(1,000,000)
Issuance of Tier I Sukuk	-	500,000
Purchased employee stock option shares	(10,436)	-
Payment of principal portion of lease liabilities	(7,340)	(27,249)
Tier I Sukuk costs	(82,290)	(85,156)
Net cash (used in) financing activities	(765,066)	(1,062,405)
Net increase in cash and cash equivalents	140,333	2,228,658
Cash and cash equivalents at the beginning of the period	8,471,482	4,156,381
Cash and cash equivalents at the end of the period	8,611,815	6,385,039
Supplemental special commission information		
Special commission received	4,179,496	3,207,737
Special commission paid	2,183,624	1,445,216
Other supplemental information		
Right of use assets	180,119	190,770
Lease liabilities	186,906	178,045


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1. General

The Saudi Investment Bank (the “Bank”), a Saudi joint stock company, was formed pursuant to Royal Decree No. M/31 dated 25 Jumada II 1396H, corresponding to June 23, 1976 in the Kingdom of Saudi Arabia (“KSA”). The Bank operates under Commercial Registration No. 1010011570 dated 25 Rabie Awwal 1397H, corresponding to March 16, 1977 through its 51 branches (December 31, 2023: 51 branches; and June 30, 2023: 51 branches) in KSA. The address of the Bank’s Head Office is as follows:

The Saudi Investment Bank
Head Office
P. O. Box 3533
Riyadh 11481, KSA

The Bank offers a full range of commercial and retail banking services. The Bank also offers Shariah compliant (non-interest based) banking products and services, which are approved and supervised by an independent Shariah Board established by the Bank. The bank is regulated by the Saudi Central Bank (SAMA).

2. Basis of preparation

These interim condensed consolidated financial statements as of and for the six months period ended June 30, 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in KSA and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the group’s annual consolidated financial statements as of and for the year ended December 31, 2023.

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

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the group’s accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the annual consolidated financial statements as of and for the year ended December 31, 2023.

3. Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Bank and the financial statements of the following subsidiaries (collectively referred to as the “Group”) in these interim condensed consolidated financial statements:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



3. Basis of consolidation – continued

Name of subsidiaries	Ownership		Functional Currency	Description
	June 30, 2024	June 30, 2023		
Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)	100%	100%	Saudi Riyal	A Saudi closed joint stock company, which is registered in KSA under Commercial Registration No. 1010235995 issued on 8 Rajab 1428H (corresponding to July 22, 2007). The principal activities of Alistithmar Capital include dealing in securities as principal and agent, underwriting, management of investment funds and private investment portfolios on behalf of customers, and arrangement, advisory and custody services relating to financial securities.
Saudi Investment Real Estate Company	100%	100%	Saudi Riyal	A limited liability company, which is registered in KSA under commercial registration No. 101268297 issued on 29 Jumada Awwal 1430H (corresponding to May 25, 2009). The primary objective of the Company is to hold title deeds as collateral on behalf of the Bank for real estate related lending transactions.
SAIB Markets Limited Company	100%	100%	Saudi Riyal	A Cayman Island limited liability company, registered in the Caymans Islands on July 18, 2017, The objective of the Company is to conduct derivatives and repurchase activities on behalf of the Bank.

References to the Bank hereafter in these interim condensed consolidated financial statements refer to disclosures that are relevant only to the Bank and not collectively to the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies. Changes are made to the accounting policies of the subsidiaries when necessary to align with the accounting policies of the Group.

Subsidiaries are investees controlled by the Group. The financial statements of the subsidiaries are included in the interim condensed consolidated financial statements from the date the Group obtains control of the investee and ceases when the Group loses control of the investee.

A structured entity is an entity designed so that its activities are not governed by way of voting rights. In assessing whether the Group has power over such investees in which it has an interest, the Group considers factors such as purpose and design of the investee, its practical ability to direct the relevant activities of the investee, the nature of its relationship with the investee, and the size of its exposure to the variability of returns of the investee. The financial statements of any such structured entities are consolidated from the date the Group obtains control and until the date when the Group ceases to control the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

3. Basis of consolidation – continued

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights granted by equity instruments such as shares.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group acts as Fund Manager to several investment funds. Determining whether the Group controls individual investment funds usually focuses on the assessment of the aggregate economic interests of the Group in an individual fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

All intra-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial statements.

4. Summary of material accounting policies

The material 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, 2023.

Other Standards, amendments or interpretations

The following standards, amendments or interpretations effective for annual periods beginning on or after January 1, 2024, did not have a significant impact on the Group's interim condensed consolidated financial statements:

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.	January 1, 2024
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.	January 1, 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.	January 1, 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.	January 1, 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.	January 1, 2024 subject to endorsement from SOCPA

Prospective changes to the International Financial Reporting Framework

The Group has chosen not to early adopt the following new standards and amendments to IFRS Accounting Standards which have been issued but not yet effective for the Group's accounting year beginning on or after January 1, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



4. Summary of material accounting policies – continued

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.	January 1, 2025
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.	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



5. Cash and balances with Saudi Central Bank

a) Cash and balances with Saudi Central Bank as of June 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Cash in hand	968,464	678,550	1,010,383
Reverse repurchase agreements	6,322,000	6,440,000	3,250,000
Other balances	114,916	(117,203)	(54,087)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5b)	7,405,380	7,001,347	4,206,296
Statutory deposit	4,319,521	4,016,922	3,942,864
Cash and balances with Saudi Central Bank	11,724,901	11,018,269	8,149,160

In accordance with the Banking Control Law and regulations issued by the Saudi Central Bank ("SAMA"), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its average demand, savings, time and other deposits, calculated at the end of last month. The statutory deposit with SAMA is not available to finance the Bank's day to day operations and therefore do not form part of cash and cash equivalents.

b) Cash and cash equivalents, included in the interim condensed consolidated statement of cash flows, as of June 30, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Cash and balances with Saudi Central Bank excluding statutory deposit	7,405,380	7,001,347	4,206,296
Due from banks and other financial institutions maturing within three months from the date of acquisition	1,206,435	1,470,135	2,178,743
Cash and cash equivalents	8,611,815	8,471,482	6,385,039

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



6. Due from banks and other financial institutions, net

Due from banks and other financial institutions, net as of June 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Current accounts	915,905	1,126,516	1,693,769
Money market placements	290,530	347,697	486,636
Total due from banks and other financial institutions	1,206,435	1,474,213	2,180,405
Allowance for credit losses	(703)	(795)	(1,487)
Due from banks and other financial institutions, net	1,205,732	1,473,418	2,178,918

7. Investments, net

a) Investments, net as of June 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Held at amortized cost – debt securities	15,708,276	12,303,445	11,017,463
Allowance for credit losses	(4,952)	(3,888)	(3,588)
Held at amortized cost – debt securities, net	15,703,324	12,299,557	11,013,875
FVOCI – debt securities	18,475,319	19,670,682	20,445,882
FVOCI – equity securities	547,425	291,923	190,577
FVSI	57,055	38,911	56,568
Investments, net	34,783,123	32,301,073	31,706,902

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023

7. Investments, net – continued

b) Investments, net as of June 30, 2024 and 2023 and as of December 31, 2023 by type of securities are summarized as follows:

	June 30, 2024 SAR'000			December 31, 2023 SAR'000			June 30, 2023 SAR'000		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Investments - FVOCI									
Fixed rate debt securities	13,673,156	3,985,310	17,658,466	14,352,573	4,500,402	18,852,975	15,184,731	4,444,564	19,629,295
Bonds	6,374,389	3,421,143	9,795,532	6,479,418	3,740,310	10,219,728	6,376,356	3,678,514	10,054,870
Sukuk	7,298,767	564,167	7,862,934	7,873,155	760,092	8,633,247	8,808,375	766,050	9,574,425
Floating rate debt securities	816,853	-	816,853	817,707	-	817,707	816,587	-	816,587
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	816,853	-	816,853	817,707	-	817,707	816,587	-	816,587
Total debt securities	14,490,009	3,985,310	18,475,319	15,170,280	4,500,402	19,670,682	16,001,318	4,444,564	20,445,882
Equities	547,425	-	547,425	291,923	-	291,923	190,577	-	190,577
Investments – FVOCI	15,037,434	3,985,310	19,022,744	15,462,203	4,500,402	19,962,605	16,191,895	4,444,564	20,636,459
Investments – FVSI									
Mutual funds	55,076	-	55,076	36,608	-	36,608	53,660	-	53,660
Other securities	-	1,979	1,979	-	2,303	2,303	-	2,908	2,908
Investments – FVSI	55,076	1,979	57,055	36,608	2,303	38,911	53,660	2,908	56,568
Investments – Amortized cost, net									
Fixed rate debt securities	4,719,637	10,463,229	15,182,866	4,112,838	8,045,439	12,158,277	3,678,284	7,224,386	10,902,670
Bonds	2,573,648	10,214,315	12,787,963	2,043,646	7,858,750	9,902,396	2,084,747	7,037,782	9,122,529
Sukuk	2,145,989	248,914	2,394,903	2,069,192	186,689	2,255,881	1,593,537	186,604	1,780,141
Floating rate debt securities	102,096	418,362	520,458	102,122	39,158	141,280	101,959	9,246	111,205
Bonds	-	388,389	388,389	-	9,152	9,152	-	9,246	9,246
Sukuk	102,096	29,973	132,069	102,122	30,006	132,128	101,959	-	101,959
Investments – amortized cost, net	4,821,733	10,881,591	15,703,324	4,214,960	8,084,597	12,299,557	3,780,243	7,233,632	11,013,875
Investments, net	19,914,243	14,868,880	34,783,123	19,713,771	12,587,302	32,301,073	20,025,798	11,681,104	31,706,902

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
 FINANCIAL STATEMENTS (Unaudited)**

For the six-month periods ended June 30, 2024 and 2023

7. Investments, net – continue

c) The composition of Investments, net as of June 30, 2024 and 2023 and as of December 31, 2023 is as follows:

	June 30, 2024 SAR'000			December 31, 2023 SAR'000			June 30, 2023 SAR'000		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments - FVOCI									
Fixed rate debt securities	17,286,727	371,739	17,658,466	18,469,598	383,377	18,852,975	19,254,541	374,754	19,629,295
Bonds	9,795,532	-	9,795,532	10,219,728	-	10,219,728	10,054,870	-	10,054,870
Sukuk	7,491,195	371,739	7,862,934	8,249,870	383,377	8,633,247	9,199,671	374,754	9,574,425
Floating rate debt securities	-	816,853	816,853	-	817,707	817,707	-	816,587	816,587
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	-	816,853	816,853	-	817,707	817,707	-	816,587	816,587
Total debt securities	17,286,727	1,188,592	18,475,319	18,469,598	1,201,084	19,670,682	19,254,541	1,191,341	20,445,882
Equities	542,782	4,643	547,425	287,280	4,643	291,923	185,934	4,643	190,577
Investments – FVOCI	17,829,509	1,193,235	19,022,744	18,756,878	1,205,727	19,962,605	19,440,475	1,195,984	20,636,459
Investments – FVSI									
Mutual funds	-	55,076	55,076	-	36,608	36,608	53,660	-	53,660
Other securities	-	1,979	1,979	-	2,303	2,303	-	2,908	2,908
Investments – FVSI	-	57,055	57,055	-	38,911	38,911	53,660	2,908	56,568
Investments – Amortized cost, net									
Fixed rate debt securities	14,070,889	1,111,977	15,182,866	11,465,293	692,984	12,158,277	10,499,404	403,266	10,902,670
Bonds	12,445,391	342,573	12,787,964	9,902,396	-	9,902,396	9,122,529	-	9,122,529
Sukuk	1,625,498	769,404	2,394,902	1,562,897	692,984	2,255,881	1,376,875	403,266	1,780,141
Floating rate debt securities	388,389	132,069	520,458	9,152	132,128	141,280	9,246	101,959	111,205
Bonds	388,389	-	388,389	9,152	-	9,152	9,246	-	9,246
Sukuk	-	132,069	132,069	-	132,128	132,128	-	101,959	101,959
Investments – amortized cost, net	14,459,278	1,244,046	15,703,324	11,474,445	825,112	12,299,557	10,508,650	505,225	11,013,875
Investments, net	32,288,787	2,494,336	34,783,123	30,231,323	2,069,750	32,301,073	30,002,785	1,704,117	31,706,902

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



7. Investments, net - continued

The Group holds strategic investments in equity securities totaling SAR 547.3 million as of June 30, 2024 (31 December 2023: SAR 291.9 million, 30 June 2023: SAR 190.6 million) including the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, the Saudi Credit Bureau ("SIMAH"), and the Saudi Company for Registration of Finance Lease Contracts.

As of June 30, 2024, Investments include SAR 19.7 billion (December 31, 2023: SAR 19.7 billion, June 30, 2023: SAR 16.8 billion) in debt securities, which have been pledged under repurchase agreements with other financial institutions. Pledged assets are those financial assets that may be repledged or resold by counterparties to whom they have been transferred. These transactions are conducted under terms that are usual and customary to standard securities borrowing and lending activities, as well as requirements determined by exchanges on which the Bank acts as a participant.

The unquoted debt securities above are principally comprised of Saudi corporate securities and Saudi Government Development Bonds.

The Group's investments in mutual funds represent investments in private real estate fund with the investment objective of delivering medium-term capital appreciation through development of premium residential apartments. The Group had also invested in shariah compliant open-ended investment funds for investors seeking capital appreciation and high liquidity through exposure to Shariah compliant Saudi equities and financial products.

d) Investments, net are classified by counterparty as of June 30, 2024 and 2023 and as of December 31, 2023 is as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Government and quasi-government	20,013,964	18,801,266	19,459,459
Corporate	4,381,725	4,855,884	4,364,878
Banks and other financial institutions	10,387,434	8,643,923	7,882,565
Total	34,783,123	32,301,073	31,706,902

e) The movement of the allowance for credit losses, for investments, for the period ended June 30, 2024 and 2023 and for the year ended December 31, 2023 is as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Balances at the beginning of the year / period	10,872	10,438	10,438
Allowance for credit losses	616	434	468
Balances at the end of the period / year	11,488	10,872	10,906

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



8. Loans and advances, net

a) Loans and advances, net, held at amortized cost, as of June 30, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	June 30, 2024 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	71,468,847	5,025,118	10,468,920	86,962,885
Stage 2	2,510,415	828,526	57,647	3,396,588
Stage 3	738,912	238,252	1,841	979,005
Total performing loans and advances	74,718,174	6,091,896	10,528,408	91,338,478
Non-performing loans and advances	178,497	1,083,794	96,115	1,358,406
Total loans and advances	74,896,671	7,175,690	10,624,523	92,696,884
Allowance for credit losses	(647,017)	(1,274,802)	(130,908)	(2,052,727)
Loans and advances, net	74,249,654	5,900,888	10,493,615	90,644,157

	December 31, 2023 (Audited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	62,714,331	3,910,635	10,277,957	76,902,923
Stage 2	2,774,036	713,371	68,435	3,555,842
Stage 3	742,173	233,731	441	976,345
Total performing loans and advances	66,230,540	4,857,737	10,346,833	81,435,110
Non-performing loans and advances	448,149	702,002	89,789	1,239,940
Total loans and advances	66,678,689	5,559,739	10,436,622	82,675,050
Allowance for credit losses	(903,295)	(889,509)	(131,476)	(1,924,280)
Loans and advances, net	65,775,394	4,670,230	10,305,146	80,750,770

	June 30, 2023 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	58,565,159	4,353,213	10,112,212	73,030,584
Stage 2	2,701,704	749,145	63,588	3,514,437
Stage 3	975,170	564,758	10,014	1,549,942
Total performing loans and advances	62,242,033	5,667,116	10,185,814	78,094,963
Non-performing loans and advances	-	1,034,334	97,383	1,131,717
Total loans and advances	62,242,033	6,701,450	10,283,197	79,226,680
Allowance for credit losses	(676,123)	(1,127,458)	(118,439)	(1,922,020)
Loans and advances, net	61,565,910	5,573,992	10,164,758	77,304,660

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



8. Loans and advances, net- continued

b) The movement of the allowance for credit losses, for loans and advances, for the periods ended June 30, 2024 and 2023 and for the year ended December 31, 2023 is as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Balances at the beginning of the period / year	1,924,280	1,804,869	1,804,869
Allowance for credit losses	126,104	362,863	123,538
Write-offs	(25,714)	(312,961)	(37,860)
Recoveries	28,057	69,509	31,473
Balances at the end of the period / year	2,052,727	1,924,280	1,922,020

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

Due to banks, Saudi Central Bank and other financial institutions, net as of June 30, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Current accounts	3,341	13,777	15,276
Repurchase agreements	18,413,394	17,946,193	15,738,048
Money market deposits	4,484,132	2,166,891	2,033,404
Deposits from Saudi Central Bank, net	5,864,137	7,161,797	4,500,691
Total	28,765,004	27,288,658	22,287,419

10. Customers' deposits

Customers' deposits as of June 30, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Murabaha commodity deposits	26,037,622	20,472,459	20,514,886
Conventional time deposits	35,566,837	29,485,629	26,449,308
Total Time deposits	61,604,459	49,958,088	46,964,194
Savings deposits	4,924,579	3,301,306	2,426,168
Total special commission bearing deposits	66,529,038	53,259,394	49,390,362
Demand deposits	26,705,828	27,754,612	29,624,381
Other deposits	2,127,931	2,219,258	3,649,458
Customers' deposits	95,362,797	83,233,264	82,664,201

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For the six-month periods ended June 30, 2024 and 2023



11. Derivatives

- a) The table below summarize the positive and negative fair values of derivative financial instruments. The notional amounts, which provide an indication of the volume of the transactions outstanding at each period/year end, do not necessarily reflect the amounts of future cash flows involved. The notional amounts are not indicative of the Bank's exposure to credit risk which is generally limited to the net positive fair values of derivatives, nor market risk.

Derivative financial instruments as of June 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	June 30, 2024 (Unaudited)			December 31, 2023 (Audited)			June 30, 2023 (Unaudited)		
	Fair value		Notional amount	Fair value		Notional amount	Fair value		Notional amount
	Positive	Negative		Positive	Negative		Positive	Negative	
Held for trading:									
<i>Forward foreign exchange contracts</i>	1,946	2,379	2,203,290	7,512	7,189	6,339,797	5,711	4,971	6,012,006
<i>Special commission rates instruments</i>	350,674	350,674	15,187,894	284,569	284,569	15,085,529	275,884	279,078	15,206,396
Held as fair value hedges:									
<i>Commission rate swaps</i>	388,485	-	7,341,882	328,546	-	8,285,158	449,865	-	8,296,694
<i>CSA / EMIR cash margins</i>	(45,795)	(312,744)	-	(48,257)	(266,485)	-	4,772	(255,027)	-
Subtotal	695,310	40,309	24,733,066	572,370	25,273	29,710,484	736,232	29,022	29,515,096
Associated company put option (note 11c)	138,066	-	-	113,066	-	-	66,191	-	-
Total	833,376	40,309	24,733,066	685,436	25,273	29,710,484	802,423	29,022	29,515,096

- b) The Bank, as part of its derivative management activities, has entered into a master agreement in accordance with the International Swaps and Derivative Association ("ISDA") directives. Under this agreement, the terms and conditions for derivative products purchased or sold by the Group are unified. As part of the master agreement, a credit support annex ("CSA") has also been signed. The CSA allows the Bank to receive improved pricing by way of exchange of mark to market amounts in cash as collateral whether in favor of the Bank or the counter party.

For commission rate swaps entered with European counterparties, the Bank and the European counterparty both comply with the European Market Infrastructure Regulation ("EMIR"). EMIR is a body of European legislation for the central clearing and regulation of Over the Counter ("OTC") derivatives. The regulation includes requirements for reporting of derivatives contracts and implementation of risk management standards and establishes common rules for central counterparties and trade repositories. Accordingly, all such standardized OTC derivatives contracts are traded on exchanges and cleared through a Central Counter Party ("CCP") through netting arrangements and exchanges of cash to reduce counter party credit and liquidity risk.

The positive and negative fair values of derivatives including CSA and EMIR cash margins have been netted/offset when there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis, or to realize the assets and settle the liability simultaneously.

- c) The Bank has a put option arising from an existing master agreement entered by the Bank relating to an associated company, the estimated value of which is included in note 11a. The terms of the agreement give the Bank a put option and give the counter party a call option that is exercisable for the remaining term of the agreement. The Bank has valued only the put option, as the call option is deemed to be out of the money. The put option, once exercised, grants the Bank the right to receive a payment in exchange for its shares one year after the exercise, based on pre-determined formulas included in the agreement.

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12. Other Reserves

Other reserves classified in shareholders' equity as of June 30, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Unrealized losses on revaluation of debt securities at FVOCI before allowance for credit losses	(1,060,431)	(899,243)	(931,415)
Allowance for credit losses on debt securities at FVOCI	6,536	6,984	7,318
Unrealized losses on revaluation of debt securities at FVOCI after allowance for credit losses	(1,053,895)	(892,259)	(924,097)
Unrealized gain / (losses) on revaluation of equities held at FVOCI	169,111	(86,249)	(186,643)
Actuarial losses on end of service plans	(34,727)	(34,727)	(8,751)
Share of other comprehensive income / (loss) of associates	3,061	4,827	(1,551)
Other reserves	(916,450)	(1,008,408)	(1,121,042)

13. Commitments, contingencies, and financial guarantee contracts

a) The contractual maturity structure for the Group's credit related commitments and contingencies as of June 30, 2024 and 2023 and as of December 31, 2023 are as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Letters of credit	2,910,876	3,180,934	2,177,256
Letters of guarantee	12,424,756	10,923,997	10,515,623
Acceptances	1,300,114	1,015,652	816,741
Total financial guarantee contracts	16,635,746	15,120,583	13,509,620
Irrevocable commitments to extend credit	1,295,848	1,397,101	1,742,861
Credit-related commitments and contingencies	17,931,594	16,517,684	15,252,481

b) The credit quality of financial guarantee contracts as of June 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Stage 1	16,185,489	14,668,360	13,002,311
Stage 2	267,418	284,090	285,255
Stage 3	182,839	168,133	222,054
Total	16,635,746	15,120,583	13,509,620

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



13. Commitments, contingencies, and financial guarantee contracts – continued

- c) The movement of the allowance for credit losses for financial guarantee contracts for the periods ended June 30, 2024 and 2023 and for the year ended December 31, 2023 is summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Balances at the beginning of the year	237,943	241,688	241,688
Allowance/ (Reversals) for credit losses	17,320	(3,745)	28,683
Balances at the end of the period / year	255,263	237,943	270,371

- d) The Group is subject to legal proceedings in the ordinary course of business. No provision has been made in cases where professional legal advice indicates that it is not probable that any significant loss will arise. However, provisions are made for legal cases where management foresees the probability of an adverse outcome based on professional advice.

14. Operating segments

- a) Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the Bank's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance is measured based on segment profit, as management believes that this indicator is the most relevant in evaluating the results of segments relative to other entities that operate within these sectors.

Transactions between the operating segments are on normal commercial terms and conditions as approved by management. The revenue from external parties reported to the Board is measured in a manner consistent with that in the interim condensed consolidated statement of income. Segment assets and liabilities are comprised of operating assets and liabilities. The Group's primary business is conducted in Kingdom of Saudi Arabia ("KSA").

- b) The Group's reportable segments are as follows:

Retail banking. Loans, deposits and other credit products for public institutions, high-net worth individuals and consumers.

Corporate banking. Loans, deposits and other credit products for corporate, small to medium-sized businesses.

Treasury and Investments. Money market, investments and treasury services, and investments in associates and related activities.

Asset management and brokerage. Dealing, managing, advising and custody of securities services.

Other. Support functions, special credit, and other management and control units.

During the period ended June 30, 2024 Public Institution related products were moved to Retail banking segment from Treasury and Investment segment.

Commission is charged to operating segments based on Funds Transfer Price (FTP) rates. The net FTP contribution included in the segment information below includes the segmental net special commission income after FTP asset charges and liability credits (FTP net transfers). All other segment income is from external customers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



14. Operating segments – continued

- c) The segment information provided to the Bank's Board of Directors for the reportable segments of the Group's total assets and liabilities as of June 30, 2024 and 2023, and its total operating income, expenses, and income before provisions for Zakat for the period ended, are as follows:

June 30, 2024 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	24,979,322	65,812,240	48,641,071	818,943	3,106,493	143,358,069
Total liabilities	70,719,202	10,380,456	42,734,332	58,466	1,965,021	125,857,477
Net special commission income (loss)	(338,772)	2,327,572	(276,726)	32,620	(23,212)	1,721,482
FTP net transfers	1,049,807	(1,626,595)	582,084	-	(5,296)	-
Net FTP contribution	711,035	700,977	305,358	32,620	(28,508)	1,721,482
Fee income (loss) from banking services, net	12,904	67,569	20,774	83,767	(15,697)	169,317
Other operating income (loss)	60,467	33,577	127,150	(282)	(94,059)	126,853
Total operating income (loss)	784,406	802,123	453,282	116,105	(138,264)	2,017,652
Direct operating expenses	237,718	40,966	21,015	56,847	-	356,546
Indirect operating expenses	246,810	98,723	148,086	-	-	493,619
Allowance for credit and other losses	25,342	118,188	522	75	-	144,127
Total operating expenses	509,870	257,877	169,623	56,922	-	994,292
Net operating income (loss)	274,536	544,246	283,659	59,183	(138,264)	1,023,360
Share in earnings of associates	-	-	50,391	-	-	50,391
Income (loss) before provisions for Zakat	274,536	544,246	334,050	59,183	(138,264)	1,073,751

June 30, 2023 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	21,820,610	55,495,076	42,692,416	732,861	2,853,569	123,594,532
Total liabilities	61,819,727	7,769,892	34,352,472	55,671	2,901,784	106,899,546
Net special commission income (loss)	(166,792)	1,807,761	71,846	27,237	(27,351)	1,712,701
FTP net transfers	918,572	(1,208,387)	289,666	-	149	-
Net FTP contribution	751,780	599,374	361,512	27,237	(27,202)	1,712,701
Fee income (loss) from banking services, net	10,611	55,610	15,366	77,624	(7,602)	151,609
Other operating income (loss)	59,978	38,663	77,959	2,229	(86,726)	92,103
Total operating income (loss)	822,369	693,647	454,837	107,090	(121,530)	1,956,413
Direct operating expenses	237,536	38,354	18,086	51,112	-	345,088
Indirect operating expenses	244,823	97,929	146,894	-	-	489,646
Allowance for credit and other losses	54,049	106,581	201	79	-	160,910
Total operating expenses	536,408	242,864	165,181	51,191	-	995,644
Net operating income (loss)	285,961	450,783	289,656	55,899	(121,530)	960,769
Share in earnings of associates	-	-	30,778	-	-	30,778
Income (loss) before provisions for Zakat	285,961	450,783	320,434	55,899	(121,530)	991,547

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



15. Fair values of financial assets and liabilities

- a) The Group uses the fair value hierarchy for determining and disclosing the fair value of financial instruments. The following table shows an analysis of financial assets and liabilities recorded at fair value as of June 30, 2024 and 2023 and as of December 31, 2023 by level of the fair value hierarchy.

June 30, 2024 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	695,310	138,066	833,376
Investments at FVOCI	17,829,509	1,188,592	4,643	19,022,744
Investments at FVSI	-	36,326	20,729	57,055
Total	17,829,509	1,920,228	163,438	19,913,175
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	40,309	-	40,309
Total	-	40,309	-	40,309
December 31, 2023 (Audited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	572,370	113,066	685,436
Investments at FVOCI	18,756,878	1,201,084	4,643	19,962,605
Investments at FVSI	-	36,608	2,303	38,911
Total	18,756,878	1,810,062	120,012	20,686,952
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	25,273	-	25,273
Total	-	25,273	-	25,273
June 30, 2023 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	736,232	66,191	802,423
Investments at FVOCI	19,440,475	1,191,341	4,643	20,636,459
Investments at FVSI	-	53,660	2,908	56,568
Total	19,440,475	1,981,233	73,742	21,495,450
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	29,022	-	29,022
Total	-	29,022	-	29,022

The total amount of the changes in fair value recognized in the consolidated statement of income for the period ended June 30, 2024 which was estimated using valuation models, is a gain of SAR 25 million (June 30, 2023: a loss of 33 million) which primarily relate to changes in the valuation of the associated company put option described in note 11c, which is included in unrealized gain/ loss on FVSI financial instruments.

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For the six-month periods ended June 30, 2024 and 2023



15. Fair values of financial assets and liabilities - continued

Level 2 investments include debt securities which are comprised of Saudi corporate and bank securities, and Saudi Arabian Government securities. These securities are generally unquoted. In the absence of a quoted price in an active market, these securities are valued using observable inputs such as yield information for similar instruments or last executed transaction prices in securities of the same issuer or based on indicative market quotes. Adjustments are also considered as part of the valuations when necessary to account for the different features of the instruments including difference in tenors. Because the significant inputs for these investments are observable, the Bank categorizes these investments within Level 2.

Level 2 derivative financial instruments include various derivatives contracts including forward foreign exchange contracts, commission rate options, and commission rate swaps. These derivatives are valued using widely recognized valuation models. The most frequently applied valuation techniques include the use of forward pricing standard models using present value calculations and well-recognized Black - Scholes option pricing models. These models incorporate various market observable inputs including foreign exchange rates, forward rates, and yield curves, and are therefore included within Level 2.

Level 3 investments include private equity funds and certain unquoted strategic investments in equities. These securities are generally not quoted in an active market, and therefore are valued using indicative market quotes from an issuer / counter-party or valued at cost in the absence of any such alternative reliable indicative estimate.

Level 3 derivative financial instruments include the embedded derivative put option arising from the existing master agreement entered into by the Bank relating to its investment in an associated company (see note 11c). For purposes of determining the fair value of the put option, the Bank uses a well-recognized and frequently used Binomial Option Pricing Model. This model requires certain inputs which are not observable in the current market place. Certain inputs are specifically stated within the master agreement with the associated company. Other inputs are based on the historical results of the associated company. These other inputs may require management's judgement including estimations about the future results of the associated company, the detrimental effects on the operating results of the associated company which may arise from an exercise of the option, and an estimate of the fair value of the underlying investment. Several of the inputs are also interdependent.

In all respects, the Group's significant estimates are based on experience and judgement relevant to each input, and in all cases, due care is taken to ensure that the inputs are prudent to ensure that the estimation of fair value is reasonable in the circumstances. However, any amounts which may be realized in the future may differ from the Bank's estimates of fair value.

- b) The following table summarizes the movement of the Level 3 fair values for the periods ended June 30, 2024 and 2023 and for the year ended December 31, 2023 is summarized as follows:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Fair values at the beginning of the period / year	120,012	107,535	107,535
Purchases during the period	18,750	-	-
Net change in fair value	24,676	12,477	(33,793)
Fair values at the end of the period / year	163,438	120,012	73,742

- c) The following table summarizes the estimated fair values of financial assets and financial liabilities as of June 30, 2024 and 2023 and as of December 31, 2023 that are not carried at fair value in the consolidated statement of financial position, along with the respective carrying amounts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



15. Fair values of financial assets and liabilities - continued

	Carrying values SAR'000	Estimated fair values SAR'000
June 30, 2024		
Financial assets:		
Due from banks and other financial institutions, net	1,205,732	1,205,512
Investments – held at amortized cost	15,703,324	15,270,174
Loans and advances, net	90,644,157	90,186,339
Total	107,553,213	106,662,025
Financial liabilities:		
Due to banks and other financial institutions, net	28,765,004	28,752,000
Customers' deposits	95,362,797	94,973,683
Total	124,127,801	123,725,683
December 31, 2023		
Financial assets:		
Due from banks and other financial institutions, net	1,473,418	1,473,418
Investments – held at amortized cost	12,299,557	12,054,606
Loans and advances, net	80,750,770	80,405,936
Total	94,523,745	93,933,960
Financial liabilities:		
Due to banks and other financial institutions, net	27,288,658	27,288,658
Customers' deposits	83,233,264	82,890,344
Total	110,521,922	110,179,002
June 30, 2023		
Financial assets:		
Due from banks and other financial institutions, net	2,178,918	2,178,918
Investments – held at amortized cost	11,013,875	10,748,987
Loans and advances, net	77,304,660	76,896,286
Total	90,497,453	89,824,191
Financial liabilities:		
Due to banks and other financial institutions, net	22,287,419	22,287,419
Customers' deposits	82,664,201	82,370,793
Total	104,951,620	104,658,212

The estimated fair values of loans and advances, net are calculated using market based discounted cash flow models of individual loan portfolios using the weighted average estimated maturities of each individual loan portfolio. The estimated fair values of customers' deposits are calculated using market based discounted cash flow models of individual deposit classes using the weighted average estimated maturities of each individual deposit class. Fair value estimates for net, loans and advances and customers' deposits are considered as level 3 in the fair value hierarchy.

15. Fair values of financial assets and liabilities – continued

The fair values of other financial instruments that are not carried in the consolidated statement of financial position at fair value are not significantly different from the carrying values. The fair values of due from banks and other financial institutions 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 consolidated financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the special commission rates at initial recognition, and because of the short duration of due from banks and other financial institutions.

16. Credit and financial risk management

a) Credit Risk

The Group manages its exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in customer lending activities that lead to loans and advances, and other investment activities. There is also credit risk in off consolidated statement of financial position financial instruments, such as loan commitments and financial guarantee contracts. The Group assesses the Probability of Default (PD) of counterparties using internal rating tools which can be mapped to external ratings where available. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation, and to control the level of credit risk taken. The Group assesses wholesale counterparties using the same techniques as for its lending activities to clients.

Concentrations of credit risk arise when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group has a comprehensive Board approved framework for managing credit risk which includes an independent credit risk review function and credit risk monitoring process. The Group seeks to control credit risk by monitoring credit exposures, limiting concentration risks, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are regularly monitored. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

b) Credit Risk management

The Group seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations, businesses, or economic sectors.

16. Credit and financial risk management – continued

The Group uses a credit classification system as a tool to assist in managing the quality of credit risk within the lending portfolio. It maintains classification grades that differentiate between portfolios and allocates expected credit loss allowances. The Group determines each individual borrower's grade based on specific objective and subjective financial and business assessment criteria covering debt service, profitability, liquidity, capital structure, industry, management quality, and company standing. The Group conducts periodic quality classification exercises over all of its existing borrowers and the results of these exercises are validated by the independent risk management unit established for that purpose. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, external economic environment, emerging best practices, and regulatory guidance.

c) Credit Risk Mitigation ("CRM")

The Group in the ordinary course of lending activities holds collateral as security for Credit Risk Mitigation (CRM) on its loans and advances. The collateral includes primarily time, demand, and other cash deposits, financial guarantees, local and international equities, real estate, and other assets. The collateral is held mainly against commercial and similar loans and is managed against relevant exposures at their net realizable value. Management monitors the market value of collateral, requests additional collateral in accordance with underlying agreements, and assesses the adequacy of the allowance for credit losses. The Group also seeks additional collateral from counterparties when impairment indicators are observed.

16. Credit and financial risk management - continued**Due from banks and other financial institutions**

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for due from banks and other financial institutions for the period ended June 30, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	1,305,673	779	-	1,306,452	1,661	90	-	1,751
Changes in exposures and re-measurements								
- existing placements	580,374	773	-	581,147	(278)	12	-	(266)
- new placements	454,843	-	-	454,843	7	-	-	7
- matured placements	(162,037)	-	-	(162,037)	(5)	-	-	(5)
Balances as of June 30, 2023	2,178,853	1,552	-	2,180,405	1,385	102	-	1,487
Balances as of December 31, 2023	1,473,223	990	-	1,474,213	734	61	-	795
Changes in exposures and re-measurements								
- existing placements	250,019	(294)	-	249,725	61	(18)	-	43
- new placements	37,314	-	-	37,314	1	-	-	1
- matured placements	(554,817)	-	-	(554,817)	(136)	-	-	(136)
Balances as of June 30, 2024	1,205,739	696	-	1,206,435	660	43	-	703

16. Credit and financial risk management - continued**Investments – debt securities**

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for debt securities for the period ended June 30, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	27,992,437	-	-	27,992,437	10,438	-	-	10,438
Changes in exposures and re-measurements								
- existing investments	231,185	-	-	231,185	(701)	-	-	(701)
- new investments	4,446,876	-	-	4,446,876	1,387	-	-	1,387
- matured investments	(1,207,153)	-	-	(1,207,153)	(218)	-	-	(218)
Balances as of June 30, 2023	31,463,345	-	-	31,463,345	10,906	-	-	10,906
Balances as of December 31, 2023	31,974,127	-	-	31,974,127	10,872	-	-	10,872
Changes in exposures and re-measurements								
- existing investments	(259,627)	-	-	(259,627)	(251)	-	-	(251)
- new investments	3,559,961	-	-	3,559,961	980	-	-	980
- matured investments	(1,090,866)	-	-	(1,090,866)	(113)	-	-	(113)
Balances as of June 30, 2024	34,183,595	-	-	34,183,595	11,488	-	-	11,488

16. Credit and financial risk management - continued**Total loans and advances**

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for total loans and advances for the period ended June 30, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	64,766,322	3,409,272	2,512,473	70,688,067	362,199	328,272	1,114,398	1,804,869
Transfers from Stage 1 to Stage 2	(456,050)	456,050	-	-	(2,154)	2,154	-	-
Transfers from Stage 1 to Stage 3	(68,745)	-	68,745	-	(1,338)	-	1,338	-
Transfers from Stage 2 to Stage 1	69,498	(69,498)	-	-	2,926	(2,926)	-	-
Transfers from Stage 2 to Stage 3	-	(104,559)	104,559	-	-	(4,240)	4,240	-
Transfers from Stage 3 to Stage 1	1,769	-	(1,769)	-	876	-	(876)	-
Transfers from Stage 3 to Stage 2	-	738	(738)	-	-	499	(499)	-
Post-model overlays	-	-	-	-	(15,251)	(1,125)	8,522	(7,854)
Changes in exposures and re-measurements								
- existing facilities	6,404,028	(3,179)	43,664	6,444,513	(16,751)	4,227	98,674	86,150
- transfer facilities	(14,757)	(26,804)	(3,529)	(45,090)	(3,043)	8,298	69,176	74,431
- new facilities	5,576,954	10,277	25,335	5,612,566	37,506	417	4,968	42,891
- matured facilities	(3,248,435)	(157,860)	(60,694)	(3,466,989)	(20,615)	(19,124)	(32,341)	(72,080)
Write-offs, net	-	-	(6,387)	(6,387)	-	-	(6,387)	(6,387)
Balances as of June 30, 2023	73,030,584	3,514,437	2,681,659	79,226,680	344,355	316,452	1,261,213	1,922,020
Balances as of December 31, 2023	76,902,923	3,555,842	2,216,285	82,675,050	359,462	342,150	1,222,668	1,924,280
Transfers from Stage 1 to Stage 2	(138,668)	138,668	-	-	(1,152)	1,152	-	-
Transfers from Stage 1 to Stage 3	(30,522)	-	30,522	-	(446)	-	446	-
Transfers from Stage 2 to Stage 1	65,935	(65,935)	-	-	8,361	(8,361)	-	-
Transfers from Stage 2 to Stage 3	-	(107,108)	107,108	-	-	(9,525)	9,525	-
Transfers from Stage 3 to Stage 1	846	-	(846)	-	542	-	(542)	-
Transfers from Stage 3 to Stage 2	-	3,394	(3,394)	-	-	1,894	(1,894)	-
Changes in exposures and re-measurements								
- existing facilities	4,776,105	(39,201)	34,467	4,771,371	(7,263)	607	85,279	78,623
- transfer facilities	(1,523)	(58,798)	(3,817)	(64,138)	(8,215)	11,551	43,325	46,661
- new facilities	7,187,857	6,856	3,841	7,198,554	39,213	367	1,830	41,410
- matured facilities	(1,800,068)	(37,130)	(49,098)	(1,886,296)	(14,092)	(3,143)	(23,355)	(40,590)
Recoveries, net	-	-	2,343	2,343	-	-	2,343	2,343
Balances as of June 30, 2024	86,962,885	3,396,588	2,337,411	92,696,884	376,410	336,692	1,339,625	2,052,727

16. Credit and financial risk management - continued**Financial guarantee contracts**

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for financial guarantee contracts for the period ended June 30, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts SAR'000				Allowances for credit losses SAR '000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	12,873,094	238,636	190,437	13,302,167	84,756	25,127	131,805	241,688
Transfers from Stage 1 to Stage 2	(112,784)	112,784	-	-	(1,195)	1,195	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	429	(429)	-	-	3	(3)	-	-
Transfers from Stage 2 to Stage 3	-	(43,322)	43,322	-	-	(4,083)	4,083	-
Changes in exposures and re-measurements								
- existing facilities	(683,615)	(3,536)	193	(686,958)	(8,458)	(381)	15,708	6,869
- transfer facilities	-	(8,003)	(7,467)	(15,470)	(2)	425	12,609	13,032
- new facilities	2,339,124	400	1,509	2,341,033	21,925	6	747	22,678
- matured facilities	(1,413,937)	(11,275)	(5,940)	(1,431,152)	(7,891)	(409)	(5,596)	(13,896)
Balances as of June 30, 2023	13,002,311	285,255	222,054	13,509,620	89,138	21,877	159,356	270,371
Balances as of December 31, 2023	14,668,360	284,090	168,133	15,120,583	110,793	21,161	105,989	237,943
Transfers from Stage 1 to Stage 2	(4,590)	4,590	-	-	(6)	6	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfers from Stage 2 to Stage 1	7,955	(7,955)	-	-	110	(110)	-	-
Transfers from Stage 2 to Stage 3	-	(13,395)	13,395	-	-	(927)	927	-
Changes in exposures and re-measurements								
- existing facilities	3,620	(22,764)	1,311	(17,833)	(6,392)	(57)	(124)	(6,573)
- transfer facilities	-	(112)	-	(112)	(81)	6	4,388	4,313
- new facilities	2,428,162	35,754	-	2,463,916	25,760	468	-	26,228
- matured facilities	(918,018)	(12,790)	-	(930,808)	(6,358)	(290)	-	(6,648)
Balances as of June 30, 2024	16,185,489	267,418	182,839	16,635,746	123,826	20,257	111,180	255,263

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17. Basic and diluted earnings per share

Details of basic and diluted earnings per share are as follows:

	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	SAR'000	SAR'000	SAR'000	SAR'000
Profit attributable to ordinary shareholders				
Net income	486,378	443,792	928,794	852,669
Tier I Sukuk costs	(66,552)	(66,646)	(82,290)	(85,156)
Net income adjusted for Tier I Sukuk costs	419,826	377,146	846,504	767,513
Weighted average number of outstanding shares (in '000)				
Weighted average number of outstanding shares	1,249,829	1,250,000	1,249,829	1,250,000
Basic and diluted earnings per share (SAR)	0.34	0.30	0.68	0.61

Basic earnings per share for the period ended June 30, 2024 and 2023 have been adjusted to reflect the issuance of the bonus shares (refer note 22). Also, the effect of shares held for employee stock options is included in calculation of weighted average number of outstanding shares for the period ended June 30, 2024.

18. Capital adequacy

The Group's objectives when managing capital are to comply with the capital requirements set by Saudi Central Bank to safeguard the Group's ability to continue as a going concern, and to maintain a strong capital base.

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

The following table summarizes the Bank's Pillar I Risk Weighted Assets (RWA), Tier I and Tier II Capital, and corresponding Capital adequacy ratio percentages as of June 30, 2024 and 2023 and as of December 31, 2023.

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
Credit Risk RWA	90,054,494	80,028,493	76,215,452
Operational Risk RWA	4,414,078	4,000,357	4,000,357
Market Risk RWA	1,396,888	6,183,372	6,941,069
Total Pillar- I RWA	95,865,460	90,212,222	87,156,878
Tier I Capital	17,482,297	17,490,943	16,950,876
Tier II Capital	557,772	605,567	569,499
Total Tier I plus II Capital	18,040,069	18,096,510	17,520,375
Capital Adequacy Ratios:			
CET I Ratio	15.63%	16.08%	16.02%
Tier I Ratio	18.24%	19.39%	19.45%
Tier I plus Tier II Ratio	18.82%	20.06%	20.10%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



18. Capital adequacy - continued

Capital adequacy and the use of Regulatory capital are regularly monitored by the Bank's management. Saudi Central Bank requires the Bank to hold a minimum level of regulatory capital and maintain a ratio of total regulatory capital to Risk Weighted Assets (RWA) at or above the requirement of 10.5%, which includes additional buffers as required by the Basel Committee on Banking Supervision.

19. Tier I Sukuk

The Bank completed the establishment of a Sharia compliant Tier I Sukuk Program (the Program) in 2016 and 2022. The Program was approved by the Bank's regulatory authorities. The following tranches of Tier I Sukuk issued under the program on the dates indicated below are outstanding as of June 30, 2024 and 2023 and as of December 31, 2023:

	June 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	June 30, 2023 (Unaudited) SAR'000
April 15, 2019	-	215,000	215,000
June 29, 2022	2,000,000	2,000,000	2,000,000
February 6, 2023	500,000	500,000	500,000
Total	2,500,000	2,715,000	2,715,000

The Tier I Sukuk securities are perpetual with no fixed redemption dates and represent an undivided ownership interest in the Sukuk assets, constituting an unsecured conditional and subordinated obligation of the Bank classified under equity. However, the Bank has the exclusive right to redeem or call the Tier I Sukuk debt securities in a specific period of time, subject to the terms and conditions stipulated in the Program.

The applicable profit rate on the Tier I Sukuk is payable 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 a non-payment event or non-payment election are not considered to be an event of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



20. Related party transactions

- a) In the ordinary course of its activities, the Group transacts business with related parties. Related parties, balances, and transactions are governed by the Banking Control Law and other regulations issued by Saudi Central Bank.
- b) The balances as of June 30, 2024 and June 30, 2023 and as of December 31, 2023 resulting from such transactions included in the consolidated statement of financial position are as follows:

	June, 30 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	June, 30 2023 (Unaudited) SAR'000
Management of the Bank, their relatives and/or their affiliated entities:			
Loans and advances	528,067	155,377	182,037
Customers' deposits	2,135,609	1,135,008	877,301
Tier I Sukuk	18,300	25,300	25,300
Commitments and contingencies	733,126	1,360,983	775,520
Investments	249,654	249,900	249,887
Principal shareholders of the Bank and/or their relatives:			
Customers' deposits	7,982,203	4,945,712	5,613,321
Tier I Sukuk	50,000	50,000	50,000
Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives:			
Loans and advances	1,331,042	1,500,906	1,325,546
Customers' deposits	1,129,215	1,048,678	915,466
Tier I Sukuk	10,000	10,000	12,000
Commitments, contingencies and derivatives	42,529	455,794	308,334
Trusts for the benefit of the Bank's employees such as pension or other benefits plans that are managed by the Bank:			
Customers' deposits and other liabilities	307,541	325,176	272,410

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the six-month periods ended June 30, 2024 and 2023



20. Related party transactions – continued

- c) Income and expense for the period ended June 30, 2024 and 2023 and for the year ended December 31, 2023, pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	June, 30 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	June, 30 2023 (Unaudited) SAR'000
Management of the Bank and/or members of their immediate family:			
Special commission income	49,278	40,223	23,737
Special commission expense	41,629	46,811	28,355
Fee income from banking services	543	63	21
Other expenses	19,209	51,765	19,539
Principal shareholders of the Bank and/or members of their immediate family:			
Special commission expense	36,016	132,101	73,621
Other expenses	122	-	-
Rent and premises-related expenses (Building rental)	-	7,758	3,879
Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:			
Special commission income	133,201	203,997	111,174
Special commission expense	25,279	36,968	13,227
Fee income from banking services	158	266	122
Other income	62	7,891	3,633
Other expenses	2,538	8,408	5,347
Board of Directors and other Board Committee member remuneration	17,985	10,574	3,953

All related party transactions are conducted on terms approved by the management.

21. Zakat

The Bank has filed the required Zakat declarations with the Zakat, Tax, and Customs Authority ("ZATCA") which are due on April 30 each year, through the year ended December 31, 2023.

22. Dividends and Bonus shares

During the six-month period ended June 30, 2024, the Board of Directors proposed an interim cash dividend of SAR 450 million equal to SAR 0.45 per share, for the second half of the fiscal year 2023, to 1,000 million eligible shares. The proposed cash dividend was paid during the six-month period ended June 30, 2024.

During the six-month period ended June 30, 2024, the capital was increased by way of issuing bonus shares to the bank's shareholders by capitalizing part of the Statutory Reserve by way of granting one share for every four shares.

23. Comparative figures

Certain comparative amounts have been reclassified to conform to current year presentation. However, there was no impact of such reclassifications on the consolidated statement of changes in equity and the consolidated statement of cash flows.

24. Events after the reporting date

There were no significant events after the reporting date which require disclosure or adjustment to these consolidated financial statements.

25. Board of Director's Approval

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors on Safar 3, 1446H, corresponding to August 7, 2024.
