



THE SAUDI INVESTMENT BANK

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of and for the nine-month period ended September 30, 2024

(Unaudited)



Building a better
working world

**Ernst & Young Professional Services
(Professional LLC)**
**Paid-up capital (SR 5,500,000 – Five million
five hundred thousand Saudi Riyal)**
Head Office
Al Faisaliah Office Tower, 14th Floor.
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

Deloitte. **Deloitte and Touche & Co.**
Chartered Accountants
Metro Boulevard – Al-Aqiq
King Abdullah Financial District
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia
CR: 1010600030
Tel: +966 11 5089001
www.deloitte.com

Independent Auditors' Report on Review of 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 September 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these 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.

Ernst & Young Professional Services
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

Rashid S. Roshod
Certified Public Accountant
License No. 366

Deloitte and Touche & Co.
Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia

Walied bin Moh'd Sobahi
Certified Public Accountant
License No. 378




27 Rabi' al-Thani, 1446 AH
(October 30, 2024)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

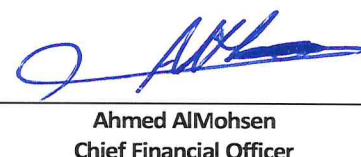
	Notes	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
ASSETS				
Cash and balances with Saudi Central Bank	5a	9,568,220	11,018,269	9,739,407
Due from banks and other financial institutions, net	6,15	1,270,528	1,473,418	2,486,391
Investments, net	7a,15	40,284,332	32,301,073	32,754,383
Positive fair values of derivatives, net	11a,15	685,915	685,436	945,824
Loans and advances, net	8a,15	94,936,370	80,750,770	80,200,810
Investments in associates		993,233	967,945	942,338
Other real estate		858,830	858,897	451,981
Property, equipment, and right of use assets, net		1,239,292	1,185,742	1,171,184
Intangible assets, net		576,050	484,914	477,729
Other assets, net		837,184	257,709	656,387
Total assets		151,249,954	129,984,173	129,826,434
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions, net	9,15	33,280,432	27,288,658	25,885,060
Customers' deposits	10,15	98,094,417	83,233,264	85,454,528
Negative fair values of derivatives, net	11a,15	14,824	25,273	47,135
Other liabilities		2,024,860	2,201,925	1,900,974
Total liabilities		133,414,533	112,749,120	113,287,697
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	(623,211)	(1,008,408)	(1,323,184)
Treasury shares		(21,530)	-	-
Retained earnings		2,163,162	1,711,461	1,770,921
Shareholders' equity		15,335,421	14,520,053	13,823,737
Tier I Sukuk	19	2,500,000	2,715,000	2,715,000
Total equity		17,835,421	17,235,053	16,538,737
Total liabilities and equity		151,249,954	129,984,173	129,826,434



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		Nine months period ended	
		September	September	September	September
		30, 2024	30, 2023	30, 2024	30, 2023
		SAR'000	SAR'000	SAR'000	SAR'000
Special commission income		2,320,401	1,976,803	6,535,820	5,383,445
Special commission expense		(1,411,394)	(1,087,060)	(3,905,331)	(2,781,001)
Net special commission income		909,007	889,743	2,630,489	2,602,444
Fee income from banking services		198,516	188,524	563,856	513,057
Fee expense from banking services		(111,362)	(106,715)	(307,385)	(279,639)
Net fee income from banking services		87,154	81,809	256,471	233,418
Exchange income, net		50,673	53,061	152,703	160,763
Unrealized gain / (loss) on FVSI financial instruments, net		31,021	(16,500)	55,844	(49,500)
Realized gain/(loss) on FVSI financial instruments, net		-	(552)	-	1,677
Gains on disposals of FVOCI debt securities, net		15	61	15	15,233
Other income		17	-	17	-
Total operating income		1,077,887	1,007,622	3,095,539	2,964,035
Salaries and employee-related expenses		205,322	197,010	606,736	590,447
Rent and premises related expenses		17,638	20,528	45,368	58,227
Depreciation and amortization		44,328	39,111	131,535	122,862
Other general and administrative expenses		179,507	151,143	513,321	470,990
Operating expenses before provisions for credit and other losses		446,795	407,792	1,296,960	1,242,526
Provisions for credit and other losses		65,670	87,427	209,797	248,337
Total operating expenses		512,465	495,219	1,506,757	1,490,863
Net operating income		565,422	512,403	1,588,782	1,473,172
Share in earnings of associates		33,239	24,356	83,630	55,134
Income before provisions for Zakat		598,661	536,759	1,672,412	1,528,306
Provisions for Zakat		80,819	75,116	225,776	213,964
Net income		517,842	461,643	1,446,636	1,314,342
Basic and diluted earnings per share (expressed in SAR per share)	17	0.40	0.36	1.08	0.97


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


	Three months period ended		Nine months period ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Notes	SAR'000	SAR'000	SAR'000	SAR'000
Net income	517,842	461,643	1,446,636	1,314,342
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	(68,229)	84,601	187,131	101,993
Net amount transferred to retained earnings on disposal of equity investments held at fair value through other comprehensive income	-	-	2,513	845
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 / (loss)	361,783	(287,752)	200,595	(201,601)
Net change in expected credit loss impairment provision	(28)	1,070	(476)	(399)
Fair value gains transferred to the consolidated statement of income on disposals of FVOCI debt securities, net	(15)	(61)	(15)	(15,233)
Share in other comprehensive income / (loss) of associates	(272)	-	(2,038)	-
Total other comprehensive income / (loss)	293,239	(202,142)	387,710	(114,395)
Total comprehensive income attributable to equity shareholders	811,081	259,501	1,834,346	1,199,947

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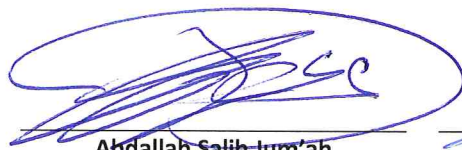
Ahmed AlMohsen
Chief Financial Officer

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

September 30, 2024 (SAR'000)

Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Treasury shares	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	-	-	-	1,446,636	-	1,446,636	-	1,446,636
Total other comprehensive income	-	-	387,710	-	-	387,710	-	387,710
Total comprehensive income	-	-	387,710	1,446,636	-	1,834,346	-	1,834,346
Tier I Sukuk costs	-	-	-	(97,917)	-	(97,917)	-	(97,917)
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	-	-	-	(899,531)	-	(899,531)	-	(899,531)
Treasury shares purchased	-	-	-	-	(21,530)	(21,530)	-	(21,530)
Repayment of Tier I Sukuk 19	-	-	-	-	-	-	(215,000)	(215,000)
Balances at the end of the period	12,500,000	1,317,000	(623,211)	2,163,162	(21,530)	15,335,421	2,500,000	17,835,421



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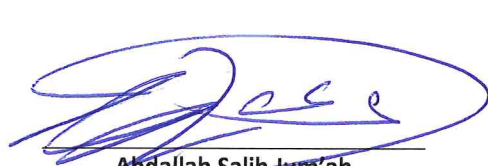


 Ahmed AlMohsen
Chief Financial Officer

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September 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		-	-	-	1,314,342	-	1,314,342	-	1,314,342
Total other comprehensive loss		-	-	(114,395)	-	-	(114,395)	-	(114,395)
Total comprehensive income / (loss)		-	-	(114,395)	1,314,342	-	1,199,947	-	1,199,947
Tier I Sukuk costs		-	-	-	(100,906)	-	(100,906)	-	(100,906)
Realized gain on disposal of FVOCI equity securities		-	-	(845)	845	-	-	-	-
Dividend paid		-	-	-	(400,000)	(450,000)	(850,000)	-	(850,000)
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	(1,323,184)	1,770,921	-	13,823,737	2,715,000	16,538,737



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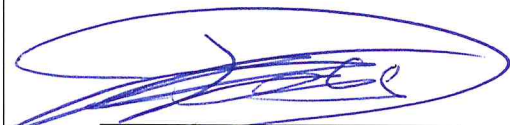
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Notes	For the nine months period ended	
		September 30, 2024	September 30, 2023
		SAR'000	SAR'000
OPERATING ACTIVITIES			
Income before provisions for Zakat		1,672,412	1,528,306
Adjustments to reconcile net income to net cash generated from operating activities			
Net accretion of discounts and net amortization of premiums on investments, net		(43,498)	(38,677)
Net change in deferred loan fees		(66,875)	33,989
Gains on disposals of FVOCI debt securities, net		(15)	(15,233)
Unrealized (gain) / losses on FVSI financial instruments, net		(55,844)	49,500
Realized gain on FVSI financial instruments, net		-	(1,677)
Depreciation and amortization		131,535	122,862
Lease interest expense		7,663	10,369
Net effect of commission free deposit from Saudi Central Bank and their Private sector financing support program		(64,828)	(67,861)
Provisions for credit and other losses		209,797	248,337
Share in earnings of associates		(83,630)	(55,134)
		1,706,717	1,814,781
Net (increase) / decrease in operating assets:			
Statutory deposits with Saudi Central Bank		(573,447)	(534,831)
Due from banks and other financial institutions maturing after three months from acquisition date		4,078	-
Loans and advances		(14,443,787)	(11,586,767)
Positive fair values of derivatives, net		(479)	(232,731)
Other assets		(380,347)	(63,195)
Net increase / (decrease) in operating liabilities:			
Due to banks, Saudi central bank and other financial institutions, net		5,991,774	4,992,590
Customers' deposits		14,861,153	15,876,002
Negative fair value of derivatives, net		(10,449)	90
Other liabilities		(131,064)	245,197
Interest paid on lease liabilities		(7,663)	(10,369)
Zakat Payment		(265,494)	(203,963)
Net cash generated from operating activities		6,750,992	10,296,804


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



	Notes	For the nine months period ended	
		September 30, 2024	September 30, 2023
		SAR'000	SAR'000
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments		1,040,132	1,407,613
Purchase of investments		(8,538,489)	(6,144,078)
Dividends received from associates		56,304	35,780
Purchase of property, equipment, and intangible assets		(276,221)	(151,607)
Net cash (used in) investing activities		(7,718,274)	(4,852,292)
FINANCING ACTIVITIES			
Dividends paid		(899,531)	(850,000)
Repayment of Tier I Sukuk		(215,000)	(1,000,000)
Issuance of Tier I Sukuk		-	500,000
Purchase of Treasury shares		(21,530)	-
Payment of principal portion of lease liabilities		(20,964)	(8,736)
Tier I Sukuk costs		(97,917)	(100,906)
Net cash (used in) financing activities		(1,254,942)	(1,459,642)
Net (decrease) / increase in cash and cash equivalents		(2,222,224)	3,984,870
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	5b	6,249,258	8,141,251
Supplemental special commission information			
Special commission received		6,339,436	4,879,745
Special commission paid		3,674,331	2,399,114
Other supplemental information			
Right of use assets		151,800	190,588
Lease liabilities		153,933	182,169

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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 September 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 nine months period ended September 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 nine-month periods ended September 30, 2024 and 2023



3. Basis of consolidation – continued

Name of subsidiaries	Ownership		Functional Currency	Description
	September 30, 2024	September 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 Islands 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 bank. 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



4. Summary of material accounting policies – continued

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.

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
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



5. Cash and balances with Saudi Central Bank

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Cash in hand	768,624	678,550	619,865
Reverse repurchase agreements	4,360,000	6,440,000	5,264,000
Other balances	(150,773)	(117,203)	(230,618)
Cash and balances with Saudi Central Bank excluding statutory deposit (note 5b)	4,977,851	7,001,347	5,653,247
Statutory deposit	4,590,369	4,016,922	4,086,160
Cash and balances with Saudi Central Bank	9,568,220	11,018,269	9,739,407

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 September 30, 2024 and 2023 and as of December 31, 2023 are comprised of the following:

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Cash and balances with Saudi Central Bank excluding statutory deposit	4,977,851	7,001,347	5,653,247
Due from banks and other financial institutions maturing within three months from the date of acquisition	1,271,407	1,470,135	2,488,004
Cash and cash equivalents	6,249,258	8,471,482	8,141,251

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



6. Due from banks and other financial institutions, net

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Current accounts	1,078,584	1,126,516	1,431,195
Money market placements	192,823	347,697	1,056,809
Total due from banks and other financial institutions	1,271,407	1,474,213	2,488,004
Allowance for credit losses	(879)	(795)	(1,613)
Due from banks and other financial institutions, net	1,270,528	1,473,418	2,486,391

7. Investments, net

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Held at amortized cost – debt securities	20,767,619	12,303,445	12,353,458
Allowance for credit losses	(8,091)	(3,888)	(3,996)
Held at amortized cost – debt securities, net	20,759,528	12,299,557	12,349,462
FVOCI – debt securities	18,987,936	19,670,682	20,085,149
FVOCI – equity securities	479,190	291,923	281,370
FVSI	57,678	38,911	38,402
Investments, net	40,284,332	32,301,073	32,754,383

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023

7. Investments, net – continued

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

	September 30, 2024 SAR'000			December 31, 2023 SAR'000			September 30, 2023 SAR'000		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Investments - FVOCI									
Fixed rate debt securities	14,173,747	3,999,192	18,172,939	14,352,573	4,500,402	18,852,975	14,888,937	4,383,686	19,272,623
Bonds	6,600,228	3,540,561	10,140,789	6,479,418	3,740,310	10,219,728	6,233,559	3,637,150	9,870,709
Sukuk	7,573,519	458,631	8,032,150	7,873,155	760,092	8,633,247	8,655,378	746,536	9,401,914
Floating rate debt securities	814,997	-	814,997	817,707	-	817,707	812,526	-	812,526
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	814,997	-	814,997	817,707	-	817,707	812,526	-	812,526
Total debt securities	14,988,744	3,999,192	18,987,936	15,170,280	4,500,402	19,670,682	15,701,463	4,383,686	20,085,149
Equities	479,190	-	479,190	291,923	-	291,923	281,370	-	281,370
Investments – FVOCI	15,467,934	3,999,192	19,467,126	15,462,203	4,500,402	19,962,605	15,982,833	4,383,686	20,366,519
Investments – FVSI									
Mutual funds	55,700	-	55,700	36,608	-	36,608	36,608	-	36,608
Other securities	-	1,978	1,978	-	2,303	2,303	-	1,794	1,794
Investments – FVSI	55,700	1,978	57,678	36,608	2,303	38,911	36,608	1,794	38,402
Investments – Amortized cost, net									
Fixed rate debt securities	7,061,699	13,178,438	20,240,137	4,112,838	8,045,439	12,158,277	4,208,060	8,030,977	12,239,037
Bonds	4,512,956	12,888,746	17,401,702	2,043,646	7,858,750	9,902,396	2,202,197	7,842,961	10,045,158
Sukuk	2,548,743	289,692	2,838,435	2,069,192	186,689	2,255,881	2,005,863	188,016	2,193,879
Floating rate debt securities	131,196	388,195	519,391	102,122	39,158	141,280	101,187	9,238	110,425
Bonds	-	388,195	388,195	-	9,152	9,152	-	9,238	9,238
Sukuk	131,196	-	131,196	102,122	30,006	132,128	101,187	-	101,187
Investments – amortized cost, net	7,192,895	13,566,633	20,759,528	4,214,960	8,084,597	12,299,557	4,309,247	8,040,215	12,349,462
Investments, net	22,716,529	17,567,803	40,284,332	19,713,771	12,587,302	32,301,073	20,328,688	12,425,695	32,754,383

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023

7. Investments, net – continued

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

	September 30, 2024 SAR'000			December 31, 2023 SAR'000			September 30, 2023 SAR'000		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments - FVOCI									
Fixed rate debt securities	17,787,051	385,888	18,172,939	18,469,598	383,377	18,852,975	18,912,033	360,590	19,272,623
Bonds	10,140,789	-	10,140,789	10,219,728	-	10,219,728	9,870,709	-	9,870,709
Sukuk	7,646,262	385,888	8,032,150	8,249,870	383,377	8,633,247	9,041,324	360,590	9,401,914
Floating rate debt securities	-	814,997	814,997	-	817,707	817,707	-	812,526	812,526
Bonds	-	-	-	-	-	-	-	-	-
Sukuk	-	814,997	814,997	-	817,707	817,707	-	812,526	812,526
Total debt securities	17,787,051	1,200,885	18,987,936	18,469,598	1,201,084	19,670,682	18,912,033	1,173,116	20,085,149
Equities	474,547	4,643	479,190	287,280	4,643	291,923	276,727	4,643	281,370
Investments – FVOCI	18,261,598	1,205,528	19,467,126	18,756,878	1,205,727	19,962,605	19,188,760	1,177,759	20,366,519
Investments – FVSI									
Mutual funds	-	55,700	55,700	-	36,608	36,608	-	36,608	36,608
Other securities	-	1,978	1,978	-	2,303	2,303	-	1,794	1,794
Investments – FVSI	-	57,678	57,678	-	38,911	38,911	-	38,402	38,402
Investments – Amortized cost, net									
Fixed rate debt securities	19,471,881	768,256	20,240,137	11,465,293	692,984	12,158,277	11,546,143	692,894	12,239,037
Bonds	17,401,703	-	17,401,703	9,902,396	-	9,902,396	10,045,158	-	10,045,158
Sukuk	2,070,178	768,256	2,838,434	1,562,897	692,984	2,255,881	1,500,985	692,894	2,193,879
Floating rate debt securities	388,195	131,196	519,391	9,152	132,128	141,280	9,238	101,187	110,425
Bonds	388,195	-	388,195	9,152	-	9,152	9,238	-	9,238
Sukuk	-	131,196	131,196	-	132,128	132,128	-	101,187	101,187
Investments – amortized cost, net	19,860,076	899,452	20,759,528	11,474,445	825,112	12,299,557	11,555,381	794,081	12,349,462
Investments, net	38,121,674	2,162,658	40,284,332	30,231,323	2,069,750	32,301,073	30,744,141	2,010,242	32,754,383

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



7. Investments, net - continued

The Group holds strategic investments in equity securities totaling SAR 479.1 million as of September 30, 2024 (31 December 2023: SAR 291.9 million, 30 September 2023: SAR 274.4 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 September 30, 2024, investments include SAR 24.2 billion (December 31, 2023: SAR 19.7 billion, September 30, 2023: SAR 18.8 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.

Fixed rate bonds included investments in SAMA treasury bills totaling SAR 951.8 million as of September 30, 2024 (December 31, 2023: nil, 30 September 2023: nil). These were valued through quoted prices in an active market.

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 September 30, 2024 and 2023 and as of December 31, 2023 is as follows:

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Government and quasi-government	22,681,667	18,801,266	19,491,286
Corporate	4,509,037	4,855,884	4,797,784
Banks and other financial institutions	13,093,628	8,643,923	8,465,313
Total	40,284,332	32,301,073	32,754,383

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Balances at the beginning of the year / period	10,872	10,438	10,438
Allowance for credit losses	3,727	434	772
Balances at the end of the period / year	14,599	10,872	11,210

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



8. Loans and advances, net

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

	September 30, 2024 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	75,681,118	4,592,620	11,064,350	91,338,088
Stage 2	2,504,805	682,141	53,306	3,240,252
Stage 3	736,698	367,698	1,712	1,106,108
Total performing loans and advances	78,922,621	5,642,459	11,119,368	95,684,448
Non-performing loans and advances	172,017	1,103,308	92,189	1,367,514
Total loans and advances	79,094,638	6,745,767	11,211,557	97,051,962
Allowance for credit losses	(691,137)	(1,306,217)	(118,238)	(2,115,592)
Loans and advances, net	78,403,501	5,439,550	11,093,319	94,936,370

	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

	September 30, 2023 (Unaudited) SAR '000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	62,148,354	3,799,570	10,142,348	76,090,272
Stage 2	2,596,852	695,579	71,615	3,364,046
Stage 3	1,052,139	534,761	441	1,587,341
Total performing loans and advances	65,797,345	5,029,910	10,214,404	81,041,659
Non-performing loans and advances	-	1,130,021	87,516	1,217,537
Total loans and advances	65,797,345	6,159,931	10,301,920	82,259,196
Allowance for credit losses	(761,291)	(1,186,548)	(110,547)	(2,058,386)
Loans and advances, net	65,036,054	4,973,383	10,191,373	80,200,810

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 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 September 30, 2024 and 2023 and for the year ended December 31, 2023 is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
	SAR'000	SAR'000	SAR'000
Balances at the beginning of the period / year	1,924,280	1,804,869	1,804,869
Allowance for credit losses	183,881	362,863	261,875
Write-offs	(35,734)	(312,961)	(52,976)
Recoveries	43,165	69,509	44,618
Balances at the end of the period / year	2,115,592	1,924,280	2,058,386

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 September 30, 2024 and 2023 and as of December 31, 2023 is summarized as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
	SAR'000	SAR'000	SAR'000
Current accounts	2,205	13,777	25,243
Repurchase agreements	22,460,058	17,946,193	17,651,901
Money market deposits	4,532,651	2,166,891	1,994,831
Deposits from Saudi Central Bank, net	6,285,518	7,161,797	6,213,085
Total	33,280,432	27,288,658	25,885,060

10. Customers' deposits

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	September 30, 2023 (Unaudited)
	SAR'000	SAR'000	SAR'000
Murabaha commodity deposits	24,789,463	20,472,459	32,064,593
Conventional time deposits	38,477,373	29,485,629	19,379,544
Total Time deposits	63,266,836	49,958,088	51,444,137
Savings deposits	3,146,427	3,301,306	2,671,798
Total special commission bearing deposits	66,413,263	53,259,394	54,115,935
Demand deposits	29,522,650	27,754,612	28,200,388
Other deposits	2,158,504	2,219,258	3,138,205
Customers' deposits	98,094,417	83,233,264	85,454,528

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the nine-month periods ended September 30, 2024 and 2023



11. Derivatives

- a) The table below summarizes 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 September 30, 2024 and 2023 and as of December 31, 2023 are summarized as follows:

(SAR`000)	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)			September 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>	2,583	2,904	2,407,690	7,512	7,189	6,339,797	7,674	7,427	5,020,235
<i>Special commission rates instruments</i>	536,443	518,545	32,469,046	284,569	284,569	15,085,529	374,197	374,280	16,065,121
Held as fair value hedges:									
<i>Commission rate swaps</i>	170,745	-	7,238,817	328,546	-	8,285,158	572,644	-	8,286,262
CSA / EMIR cash margins	(174,422)	(506,625)	-	(48,257)	(266,485)	-	(58,382)	(334,572)	-
Subtotal	535,349	14,824	42,115,553	572,370	25,273	29,710,484	896,133	47,135	29,371,618
Associated company put option (note 11c)	150,566	-	-	113,066	-	-	49,691	-	-
Total	685,915	14,824	42,115,553	685,436	25,273	29,710,484	945,824	47,135	29,371,618

- 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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12. Other Reserves

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Unrealized losses on revaluation of debt securities at FVOCI before allowance for credit losses	(698,663)	(899,243)	(1,218,054)
Allowance for credit losses on debt securities at FVOCI	6,508	6,984	7,214
Unrealized losses on revaluation of debt securities at FVOCI after allowance for credit losses	(692,155)	(892,259)	(1,210,840)
Unrealized gain / (losses) on revaluation of equities held at FVOCI	100,882	(86,249)	(102,042)
Actuarial losses on end of service plans	(34,727)	(34,727)	(8,751)
Share of other comprehensive income / (loss) of associates	2,789	4,827	(1,551)
Other reserves	(623,211)	(1,008,408)	(1,323,184)

13. Commitments, contingencies, and financial guarantee contracts

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Letters of credit	3,438,261	3,180,934	2,732,184
Letters of guarantee	13,128,160	10,923,997	10,707,973
Acceptances	1,290,631	1,015,652	1,060,533
Total financial guarantee contracts	17,857,052	15,120,583	14,500,690
Irrevocable commitments to extend credit	3,820,095	1,397,101	1,305,287
Credit-related commitments and contingencies	21,677,147	16,517,684	15,805,977

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

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Stage 1	21,257,026	16,065,461	15,368,690
Stage 2	194,842	284,090	264,743
Stage 3	225,279	168,133	172,544
Total	21,677,147	16,517,684	15,805,977

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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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 September 30, 2024 and 2023 and for the year ended December 31, 2023 is summarized as follows:

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Balances at the beginning of the year	237,943	241,688	241,688
Allowance/ (Reversals) for credit losses	21,924	(3,745)	(21,531)
Balances at the end of the period / year	259,867	237,943	220,157

- 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 September 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.

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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 September 30, 2024 and 2023, and its total operating income, expenses, and income before provisions for Zakat for the period ended, are as follows:

September 30, 2024 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	25,457,403	69,319,057	51,998,879	903,049	3,571,566	151,249,954
Total liabilities	72,347,478	11,731,590	47,235,538	71,251	2,028,676	133,414,533
Net special commission income (loss)	(602,735)	3,606,274	(390,197)	50,003	(32,856)	2,630,489
FTP net transfers	1,690,776	(2,587,792)	907,802	-	(10,786)	-
Net FTP contribution	1,088,041	1,018,482	517,605	50,003	(43,642)	2,630,489
Fee income (loss) from banking services, net	9,111	114,224	38,486	123,188	(28,538)	256,471
Other operating income (loss)	86,605	70,352	208,115	450	(156,943)	208,579
Total operating income (loss)	1,183,757	1,203,058	764,206	173,641	(229,123)	3,095,539
Direct operating expenses	361,392	62,506	29,409	86,436	-	539,743
Indirect operating expenses	378,609	151,443	227,165	-	-	757,217
Allowance for credit and other losses	11,255	194,657	3,810	75	-	209,797
Total operating expenses	751,256	408,606	260,384	86,511	-	1,506,757
Net operating income (loss)	432,501	794,452	503,822	87,130	(229,123)	1,588,782
Share in earnings of associates	-	-	83,630	-	-	83,630
Income (loss) before provisions for Zakat	432,501	794,452	587,452	87,130	(229,123)	1,672,412

September 30, 2023 (Unaudited) SAR'000						
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	21,600,725	58,301,857	46,205,302	715,187	3,003,363	129,826,434
Total liabilities	60,914,174	8,238,352	41,183,714	63,865	2,887,592	113,287,697
Net special commission income (loss)	(399,834)	2,885,747	116,580	41,866	(41,915)	2,602,444
FTP net transfers	1,415,849	(1,967,186)	536,248	-	15,089	-
Net FTP contribution	1,016,015	918,561	652,828	41,866	(26,826)	2,602,444
Fee income (loss) from banking services, net	13,494	94,305	28,715	115,628	(18,724)	233,418
Other operating income (loss)	93,286	54,483	108,944	1,677	(130,217)	128,173
Total operating income (loss)	1,122,795	1,067,349	790,487	159,171	(175,767)	2,964,035
Direct operating expenses	353,021	59,052	29,143	78,046	-	519,262
Indirect operating expenses	361,632	144,653	216,979	-	-	723,264
Allowance for credit and other losses	37,172	210,452	634	79	-	248,337
Total operating expenses	751,825	414,157	246,756	78,125	-	1,490,863
Net operating income (loss)	370,970	653,192	543,731	81,046	(175,767)	1,473,172
Share in earnings of associates	-	-	55,134	-	-	55,134
Income (loss) before provisions for Zakat	370,970	653,192	598,865	81,046	(175,767)	1,528,306

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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 September 30, 2024 and 2023 and as of December 31, 2023 by level of the fair value hierarchy.

September 30, 2024 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	535,349	150,566	685,915
Investments at FVOCI	18,261,597	1,200,886	4,643	19,467,126
Investments at FVSI	-	36,950	20,728	57,678
Total	18,261,597	1,773,185	175,937	20,210,719
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	14,824	-	14,824
Total	-	14,824	-	14,824
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
September 30, 2023 (Unaudited) SAR'000				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVSI, net	-	896,133	49,691	945,824
Investments at FVOCI	19,188,760	1,173,116	4,643	20,366,519
Investments at FVSI	-	36,608	1,794	38,402
Total	19,188,760	2,105,857	56,128	21,350,745
Financial liabilities carried at fair value:				
Derivative financial instruments at FVSI, net	-	47,135	-	47,135
Total	-	47,135	-	47,135

The total amount of the changes in fair value recognized in the consolidated statement of income for the period ended September 30, 2024 which was estimated using valuation models, is a gain of SAR 37.5 million (September 30, 2023: a loss of 49.5 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.

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 September 30, 2024 and 2023 and for the year ended December 31, 2023 is summarized as follows:

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Fair values at the beginning of the period / year	120,012	107,535	117,569
Purchases during the period	18,750	-	(61,441)
Net change in fair value	37,175	12,477	-
Fair values at the end of the period / year	175,937	120,012	56,128

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15. Fair values of financial assets and liabilities - continued

- c) The following table summarizes the estimated fair values of financial assets and financial liabilities as of September 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.

	Carrying values SAR'000	Estimated fair values SAR'000
September 30, 2024		
Financial assets:		
Due from banks and other financial institutions, net	1,270,528	1,270,215
Investments – held at amortized cost	20,759,528	20,919,017
Loans and advances, net	94,936,370	94,675,881
Total	116,966,426	116,865,113
Financial liabilities:		
Due to banks and other financial institutions, net	33,280,432	33,276,648
Customers' deposits	98,094,417	97,849,278
Total	131,374,849	131,125,926
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
September 30, 2023		
Financial assets:		
Due from banks and other financial institutions, net	2,486,391	2,488,021
Investments – held at amortized cost	12,349,462	11,734,870
Loans and advances, net	80,200,810	78,210,654
Total	95,036,663	92,433,545
Financial liabilities:		
Due to banks and other financial institutions, net	25,885,060	25,700,312
Customers' deposits	85,454,528	85,400,916
Total	111,339,588	111,101,228

The estimated fair values of loans and advances, net are calculated using market based discounted cash flow models of individual loans. The estimated fair values of customers' deposits are calculated using market based discounted cash flow models of

15. Fair values of financial assets and liabilities – continued

individual deposit. Fair value estimates for net, loans and advances and customers' deposits are considered as level 3 in the fair value hierarchy.

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 September 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	409,310	300	-	409,610	(439)	(19)	-	(458)
- new placements	890,625	-	-	890,625	472	-	-	472
- matured placements	(118,683)	-	-	(118,683)	(152)	-	-	(152)
Balances as of September 30, 2023	2,486,925	1,079	-	2,488,004	1,542	71	-	1,613
Balances as of December 31, 2023	1,473,223	990	-	1,474,213	734	61	-	795
Changes in exposures and re-measurements								
- existing placements	(56,661)	139	-	(56,522)	10	8	-	18
- new placements	156,066	-	-	156,066	70	-	-	70
- matured placements	(302,350)	-	-	(302,350)	(4)	-	-	(4)
Balances as of September 30, 2024	1,270,278	1,129	-	1,271,407	810	69	-	879

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 September 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	5,797	-	-	5,797	(841)	-	-	(841)
- new investments	5,647,554	-	-	5,647,554	1,831	-	-	1,831
- matured investments	(1,207,181)	-	-	(1,207,181)	(218)	-	-	(218)
Balances as of September 30, 2023	32,438,607	-	-	32,438,607	11,210	-	-	11,210
Balances as of December 31, 2023	31,974,127	-	-	31,974,127	10,872	-	-	10,872
Changes in exposures and re-measurements								
- existing investments	283,070	-	-	283,070	(246)	-	-	(246)
- new investments	8,538,489	-	-	8,538,489	4,111	-	-	4,111
- matured investments	(1,040,132)	-	-	(1,040,132)	(138)	-	-	(138)
Balances as of September 30, 2024	39,755,554	-	-	39,755,554	14,599	-	-	14,599

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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 September 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	(577,502)	577,502	-	-	(3,061)	3,061	-	-
Transfers from Stage 1 to Stage 3	(100,226)	-	100,226	-	(1,308)	-	1,308	-
Transfers from Stage 2 to Stage 1	225,821	(225,821)	-	-	5,673	(5,673)	-	-
Transfers from Stage 2 to Stage 3	-	(105,389)	105,389	-	-	(4,202)	4,202	-
Transfers from Stage 3 to Stage 1	4,553	-	(4,553)	-	1,482	-	(1,482)	-
Transfers from Stage 3 to Stage 2	-	1,816	(1,816)	-	-	1,048	(1,048)	-
Post-model overlays	-	-	-	-	(15,251)	(1,125)	8,522	(7,854)
Changes in exposures and re-measurements								
- existing facilities	7,771,432	6,073	161,235	7,938,740	(18,236)	7,830	221,405	210,999
- transfer facilities	(25,634)	(39,563)	(7,534)	(72,731)	(5,808)	13,640	73,488	81,320
- new facilities	9,105,681	13,097	30,517	9,149,295	64,586	693	15,886	81,165
- matured facilities	(5,080,175)	(272,941)	(82,701)	(5,435,817)	(37,642)	(20,133)	(45,980)	(103,755)
Write-offs, net	-	-	(8,358)	(8,358)	-	-	(8,358)	(8,358)
Balances as of September 30, 2023	76,090,272	3,364,046	2,804,878	82,259,196	352,634	323,411	1,382,341	2,058,386
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	(151,665)	151,665	-	-	(1,503)	1,503	-	-
Transfers from Stage 1 to Stage 3	(38,925)	-	38,925	-	(529)	-	529	-
Transfers from Stage 2 to Stage 1	97,760	(97,760)	-	-	9,875	(9,875)	-	-
Transfers from Stage 2 to Stage 3	-	(238,072)	238,072	-	-	(59,533)	59,533	-
Transfers from Stage 3 to Stage 1	2,061	-	(2,061)	-	1,223	-	(1,223)	-
Transfers from Stage 3 to Stage 2	-	3,892	(3,892)	-	-	2,016	(2,016)	-
Changes in exposures and re-measurements								
- existing facilities	6,178,785	(83,732)	48,735	6,143,788	25,139	(2,166)	91,204	114,177
- transfer facilities	29,708	(25,548)	(9,432)	(5,272)	(10,116)	11,884	65,022	66,790
- new facilities	11,405,718	11,637	3,702	11,421,057	58,530	1,853	1,702	62,085
- matured facilities	(3,088,277)	(37,672)	(64,143)	(3,190,092)	(19,739)	(4,836)	(34,596)	(59,171)
Write-offs, net	-	-	7,431	7,431	-	-	7,431	7,431
Balances as of September 30, 2024	91,338,088	3,240,252	2,473,622	97,051,962	422,342	282,996	1,410,254	2,115,592

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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 September 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	15,547,555	238,636	190,437	15,976,628	84,756	25,127	131,805	241,688
Transfers from Stage 1 to Stage 2	(89,103)	89,103	-	-	(1,123)	1,123	-	-
Transfers from Stage 1 to Stage 3	(22,632)	-	22,632	-	(166)	-	166	-
Transfers from Stage 2 to Stage 1	429	(429)	-	-	3	(3)	-	-
Transfers from Stage 2 to Stage 3	-	(43,336)	43,336	-	-	(4,083)	4,083	-
Changes in exposures and re-measurements								
- existing facilities	673,388	2,436	(7,686)	668,138	6,342	(137)	10,745	16,950
- transfer facilities	-	9,603	(7,467)	2,136	-	1,174	23,645	24,819
- new facilities	2,814,128	16,791	442	2,831,361	24,007	945	219	25,171
- matured facilities	(3,555,075)	(48,061)	(69,150)	(3,672,286)	(16,418)	(3,247)	(68,806)	(88,471)
Balances as of September 30, 2023	15,368,690	264,743	172,544	15,805,977	97,401	20,899	101,857	220,157
Balances as of December 31, 2023	16,065,461	284,090	168,133	16,517,684	110,793	21,165	105,985	237,943
Transfers from Stage 1 to Stage 2	(4,991)	4,991	-	-	(9)	9	-	-
Transfers from Stage 2 to Stage 1	8,219	(8,219)	-	-	111	(111)	-	-
Transfers from Stage 2 to Stage 3	-	(57,546)	57,546	-	-	(16,700)	16,700	-
Changes in exposures and re-measurements								
- existing facilities	1,020,722	(33,057)	10	987,675	(5,229)	(248)	(831)	(6,308)
- transfer facilities	(5,962)	(555)	-	(6,517)	(104)	10	12,950	12,856
- new facilities	5,290,335	32,642	-	5,322,977	22,451	446	-	22,897
- matured facilities	(1,116,758)	(27,504)	(410)	(1,144,672)	(6,712)	(583)	(226)	(7,521)
Balances as of September 30, 2024	21,257,026	194,842	225,279	21,677,147	121,301	3,988	134,578	259,867

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For the nine-month periods ended September 30, 2024 and 2023

17. Basic and diluted earnings per share

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

	Three months period ended		Nine months period ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	SAR'000	SAR'000	SAR'000	SAR'000
Profit attributable to ordinary shareholders				
Net income	517,842	461,643	1,446,636	1,314,342
Tier I Sukuk costs	(15,627)	(15,750)	(97,917)	(100,906)
Net income adjusted for Tier I Sukuk costs	502,215	445,893	1,348,719	1,213,436
Weighted average number of outstanding shares (in '000)				
Weighted average number of outstanding shares	1,249,417	1,250,000	1,249,417	1,250,000
Basic and diluted earnings per share (SAR)	0.40	0.36	1.08	0.97

Basic earnings per share for the period ended September 30, 2024 and 2023 have been adjusted to reflect the issuance of the bonus shares (refer note 22). Also, the effect of treasury shares is included in calculation of weighted average number of outstanding shares for the period ended September 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 September 30, 2024 and 2023 and as of December 31, 2023.

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 30, 2023 (Unaudited) SAR'000
Credit Risk RWA	96,617,378	80,028,493	81,683,587
Operational Risk RWA	4,414,078	4,000,357	4,000,357
Market Risk RWA	1,281,221	6,183,372	4,588,441
Total Pillar- I RWA	102,312,677	90,212,222	90,272,385
Tier I Capital	17,817,126	17,490,943	16,794,628
Tier II Capital	598,743	605,567	590,075
Total Tier I plus II Capital	18,415,869	18,096,510	17,384,703
Capital Adequacy Ratios:			
CET I Ratio	14.97%	16.08%	15.29%
Tier I Ratio	17.41%	19.39%	18.60%
Tier I plus Tier II Ratio	18.00%	20.06%	19.26%


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 September 30, 2024 and 2023 and as of December 31, 2023:

	September 30, 2024 (Unaudited) SAR'000	December 31, 2023 (Audited) SAR'000	September 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.

During the period ended September 30, 2024 Group announced its intention to establish a Tier I Sukuk Program denominated in US Dollar with a total amount not exceeding one billion five hundred million US Dollar (USD 1,500,000,000), and its intention to issue Tier I Sukuk (the "Sukuk") under the Sukuk Program by way of private placement to qualified investors.

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For the nine-month periods ended September 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 September 30, 2024 and September 30, 2023 and as of December 31, 2023 resulting from such transactions included in the consolidated statement of financial position are as follows:

	September, 30 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	September, 30 2023 (Unaudited) SAR'000
Management of the Bank, their relatives and/or their affiliated entities:			
Loans and advances	682,610	155,377	190,791
Customers' deposits	3,361,589	1,135,008	1,551,338
Tier I Sukuk	18,300	25,300	25,300
Commitments and contingencies	649,168	1,360,983	1,141,824
Investments	250,031	249,900	249,848
Principal shareholders of the Bank and/or their relatives:			
Customers' deposits	7,971,126	4,945,712	4,994,952
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	1,408,509	1,500,906	1,287,361
Customers' deposits	486,638	1,048,678	1,279,403
Tier I Sukuk	10,000	10,000	12,000
Commitments, contingencies and derivatives	45,710	455,794	312,121
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	333,847	325,176	303,533

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20. Related party transactions – continued

- c) Income and expense for the period ended September 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:

	September, 30 2024 (Unaudited) SAR'000	December, 31 2023 (Audited) SAR'000	September, 30 2023 (Unaudited) SAR'000
Management of the Bank and/or members of their immediate family:			
Special commission income	72,293	40,223	32,246
Special commission expense	80,629	46,811	36,786
Fee income from banking services	812	63	50
Other expenses	28,762	51,765	31,710
Principal shareholders of the Bank and/or members of their immediate family:			
Special commission expense	103,433	132,101	112,929
Other expenses	122	-	-
Rent and premises-related expenses (Building rental)	-	7,758	5,819
Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:			
Special commission income	171,276	203,997	152,575
Special commission expense	36,565	36,968	25,288
Fee income from banking services	231	266	197
Other income	84	7,891	3,658
Other expenses	3,688	8,408	6,497
Board of Directors and other Board Committee member remuneration	21,113	10,574	6,792

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 three-month period ended September 30, 2024, the Board of Directors proposed an interim cash dividend of SAR 449.7 million equal to SAR 0.36 per share, first half of the fiscal year 2024, to 1,249 million eligible shares. The proposed cash dividend were paid during the three-month period ended September 30, 2024.

During the nine-month period ended September 30, 2023, 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 nine-month period ended September 30, 2023.

During the nine-month period ended September 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 Rabi' Al Thani 27, 1446H, corresponding to October 30, 2024.
