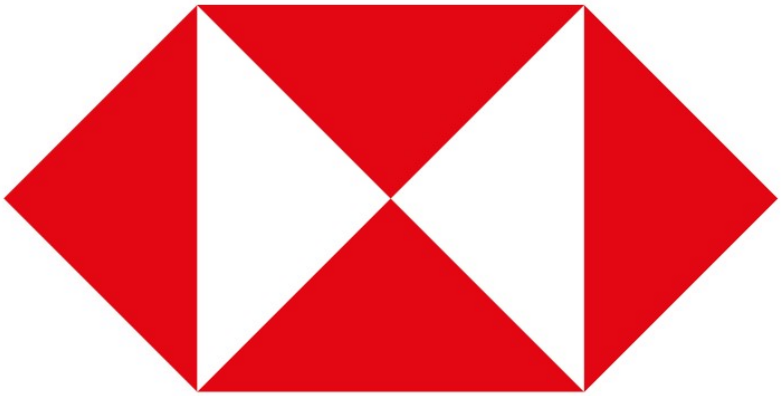
Saudi Awwal Bank

Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2025

(Unaudited)



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PricewaterhouseCoopers, License No. 25
Kingdom Tower, P.O. Box 8282, Riyadh 11482
Kingdom of Saudi Arabia
T: +966 (11) 211-0400
F: +966 (11) 211-0401
www.pwc.com/middle-east

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000) (Five million and 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

Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Information

To The shareholders of Saudi Awwal Bank
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Awwal Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2025, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended, and other explanatory notes (collectively referred to as "the interim condensed consolidated financial information").

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Other matter

The interim condensed consolidated financial information for the three-month period ended 31 March 2024 was jointly reviewed by another joint auditor who expressed an unmodified review conclusion on 9 May 2024 (corresponding to 1 Dhul Qadah 1445H).

PricewaterhouseCoopers

Mufaddal A. Ali
Certified Public Accountant
License number: 447

Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License number: 356

6 Thul-Qi'dah1446H
(4 May 2025)

PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTANTS
Lic No. 323/11/125/1
C.R. 4030289002

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شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Interim condensed consolidated statement of financial position

All amounts in thousands of Saudi Riyals unless otherwise stated

	Notes	As at 31 March 2025 (Unaudited)	As at 31 December 2024 (Audited)	As at 31 March 2024* (Unaudited)
ASSETS				
Cash and balances with Saudi Central Bank ("SAMA")	3	18,238,259	17,362,692	18,339,418
Due from banks and other financial institutions, net	4	3,893,764	3,429,772	9,205,509
Investments, net	5	103,542,875	98,412,224	91,956,640
Positive fair value derivatives, net	9	2,182,049	2,631,208	2,648,785
Loans and advances, net	6	278,835,943	259,345,516	228,539,158
Investment in an associate	7	504,727	463,350	497,448
Property, equipment and right of use assets, net		4,021,614	4,087,561	4,099,020
Goodwill and other intangibles, net	8	10,719,510	10,660,468	10,549,088
Other assets		3,772,230	3,050,018	3,776,760
Total assets		**425,710,971**	**399,442,809**	**369,611,826**
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions	22	40,956,104	40,996,981	16,974,793
Customers' deposits	10, 22	290,439,971	267,010,659	265,955,079
Negative fair value derivatives, net	9	2,090,282	2,546,204	2,477,642
Debt securities in issue	11	5,070,036	5,178,059	5,076,207
Other liabilities		15,405,777	15,424,723	16,108,399
Total liabilities		**353,962,170**	**331,156,626**	**306,592,120**
Equity				
Equity attributable to equity holders of the Bank				
Share capital		20,547,945	20,547,945	20,547,945
Share premium		8,524,882	8,524,882	8,524,882
Statutory reserve		20,547,945	20,547,945	20,547,945
Other reserves		(1,360,396)	(2,818,768)	(2,260,085)
Retained earnings		13,468,630	11,464,384	9,660,320
Proposed dividend	21	2,054,795	2,054,795	2,013,699
Total equity attributable to equity holders of the Bank		**63,783,801**	**60,321,183**	**59,034,706**
Additional Tier 1 Sukuk	13	7,965,000	7,965,000	3,985,000
Total equity		**71,748,801**	**68,286,183**	**63,019,706**
Total liabilities and equity		**425,710,971**	**399,442,809**	**369,611,826**

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

*Refer note 22

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Managing Director & Authorized Member

Interim condensed consolidated statement of income

For the three-month period ended 31 March 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

	Notes	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Special commission income		5,276,736	4,866,703
Special commission expense		(2,438,341)	(2,157,951)
Net special commission income		**2,838,395**	**2,708,752**
Fee and commission income		1,129,766	995,042
Fee and commission expense		(705,661)	(637,666)
Net fee and commission income		**424,105**	**357,376**
Exchange income, net		285,320	250,604
Gain from FVSI financial instruments, net		88,101	195,838
Dividend income		2,972	897
Losses on FVOCI debt instruments, net		-	(7,934)
Losses on amortised cost investments, net		-	(40,117)
Other operating income		5,687	11,756
Other operating expense		(24,820)	(29,750)
Net other operating expenses		**(19,133)**	**(17,994)**
Total operating income		**3,619,760**	**3,447,422**
Provision for expected credit losses, net	18 (a)	(141,666)	(80,656)
Operating expenses			
Salaries and employee related expenses		(579,535)	(550,813)
Rent and premises related expenses		(17,180)	(18,178)
Depreciation and amortization		(145,692)	(133,436)
General and administrative expenses		(328,540)	(348,815)
Total operating expenses		**(1,070,947)**	**(1,051,242)**
Income from operating activities		**2,407,147**	**2,315,524**
Share in earnings of an associate	7	41,377	35,402
Net income for the period before Zakat and income tax		**2,448,524**	**2,350,926**
Provision for income tax	14	(127,863)	(144,991)
Provision for Zakat	14	(185,374)	(162,916)
Net income for the period after Zakat and income tax		**2,135,287**	**2,043,019**
Basic and diluted earnings per share	15	**0.98**	**0.96**

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Managing Director & Authorized Member

Interim condensed consolidated statement of comprehensive income

For the three-month period ended 31 March 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

		31 March 2025 (Unaudited)	31 March 2024* (Unaudited)
Net income for the period after Zakat and income tax		**2,135,287**	**2,043,019**
Other comprehensive income / (loss) for the period			
Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods			
Net changes in fair value of FVOCI equity instruments		(13,535)	138,826
Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods			
Debt instrument at FVOCI:			
Net changes in fair value	22	1,450,247	(744,130)
Transfer to interim condensed consolidated statement of income, net		-	7,934
Cash flow hedges:			
Net changes in fair value	22	12,588	(257,097)
Transfer to interim condensed consolidated statement of income, net	22	-	(553)
Total other comprehensive income / (loss) for the period		**1,449,300**	**(855,020)**
Total comprehensive income for the period		**3,584,587**	**1,187,999**

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

*Refer note 22

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Managing Director & Authorized Member

Saudi Awwal Bank

Interim condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

31 March 2025 (Unaudited)	Note	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total		
Balance at the beginning of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(2,818,768)**	**11,464,384**	**2,054,795**	**60,321,183**	**7,965,000**	**68,286,183**
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-		2,135,287	-	2,135,287	-	2,135,287
Net changes in fair value of cash flow hedges		-	-	-	12,588	-	-	12,588	-	12,588
Net changes in fair value of FVOCI equity instruments		-	-	-	(13,535)	-	-	(13,535)	-	(13,535)
Net changes in fair value of FVOCI debt instruments		-	-	-	1,450,247	-	-	1,450,247	-	1,450,247
		-	**-**	**-**	**1,449,300**	**2,135,287**	**-**	**3,584,587**	**-**	**3,584,587**
Employee share plan reserve net charge and shares vested		-	-	-	9,072	-	-	9,072	-	9,072
Additional Tier 1 Sukuk payments		-	-	-	-	(131,041)	-	(131,041)	-	(131,041)
Balance at the end of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(1,360,396)**	**13,468,630**	**2,054,795**	**63,783,801**	**7,965,000**	**71,748,801**

31 March 2024* (Unaudited)	Note	Attributable to equity holders of the Bank							Additional Tier 1 Sukuk	Total equity
		Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total		
Balance at the beginning of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(1,414,343)**	**9,708,134**	**-**	**57,914,563**	**3,985,000**	**61,899,563**
Total comprehensive income / (loss) for the period										
Net income for the period after Zakat and income tax		-	-	-	-	2,043,019	-	2,043,019	-	2,043,019
Net changes in fair value of cash flow hedges	22	-	-	-	(257,097)	-	-	(257,097)	-	(257,097)
Net changes in fair value of FVOCI equity instruments		-	-	-	138,826	-	-	138,826	-	138,826
Net changes in fair value of FVOCI debt instruments	22	-	-	-	(744,130)	-	-	(744,130)	-	(744,130)
Transfer to interim condensed consolidated statement of income		-	-	-	7,381	-	-	7,381	-	7,381
		-	**-**	**-**	**(855,020)**	**2,043,019**	**-**	**1,187,999**	**-**	**1,187,999**
Employee share plan reserve net charge and shares vested		-	-	-	9,278	-	-	9,278	-	9,278
Additional Tier 1 Sukuk payments		-	-	-	-	(77,134)	-	(77,134)	-	(77,134)
2023 proposed dividend, net of Zakat and income tax	21	-	-	-	-	(2,013,699)	2,013,699	-	-	-
Balance at the end of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(2,260,085)**	**9,660,320**	**2,013,699**	**59,034,706**	**3,985,000**	**63,019,706**

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

*Refer note 22

Lama A. Ghazzaoui

Lama Ghazzaoui

Chief Financial Officer

Tony Cripps

Managing Director & Authorized Member

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Interim condensed consolidated statement of cash flows

For the three-month period ended 31 March 2025

All amounts in thousands of Saudi Riyals unless otherwise stated

	Notes	31 March 2025 (Unaudited)	31 March 2024* (Unaudited)
OPERATING ACTIVITIES			
Net income for the period before Zakat and income tax		**2,448,524**	**2,350,926**
Adjustments to reconcile net income before Zakat and income tax to net cash from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		(98,682)	(81,943)
Depreciation and amortization		145,692	133,436
Special commission expense on debt securities in issue		85,301	99,841
Special commission expense on lease liabilities		2,682	3,518
Losses on amortised investments, net		-	40,117
Income transferred to interim condensed consolidated statement of income		-	(115,693)
Share in earnings of an associate	7	(41,377)	(35,402)
Provision for expected credit losses, net	18 (a)	141,666	80,656
Employee share plan reserve		9,072	9,278
		2,692,878	**2,484,734**
Change in operating assets:			
Statutory deposit with SAMA		(192,506)	(521,852)
Due from banks and other financial institutions		40,368	42,501
Investments held as FVSI		(150,482)	94,197
Loans and advances		(19,616,930)	(12,729,373)
Positive fair value derivatives		461,747	(221,514)
Other assets		(704,159)	(1,018,242)
Change in operating liabilities:			
Due to banks and other financial institutions	22	(40,877)	(2,704,125)
Customers' deposits	22	23,429,312	12,497,589
Negative fair value derivatives		(455,922)	246,172
Other liabilities		(344,514)	1,689,913
		5,118,915	**(140,000)**
Special commission paid on debt securities in issue		(193,324)	(201,496)
Net cash generated from / (used in) operating activities		**4,925,591**	**(341,496)**
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		665,435	7,268,944
Purchase of investments not held as FVSI		(4,110,039)	(3,511,360)
Purchase of property, equipment and intangibles, net		(138,787)	(380,251)
Net cash (used in) / generated from investing activities		**(3,583,391)**	**3,377,333**
FINANCING ACTIVITIES			
Payment of lease liabilities		(21,703)	(31,416)
Additional Tier 1 Sukuk payments		(131,041)	(77,134)
Dividends paid		(1,321)	(9,759)
Net cash used in financing activities		**(154,065)**	**(118,309)**
Net change in cash and cash equivalents		**1,188,135**	**2,917,528**
Cash and cash equivalents at beginning of the period	16	**5,491,697**	**10,198,684**
Cash and cash equivalents at end of the period	16	**6,679,832**	**13,116,212**
Supplemental non-cash information			
Special commission income received		5,440,980	4,961,626
Special commission income paid		2,431,128	2,159,730
Net changes in fair value and transfers to interim condensed consolidated statement of income		1,449,300	(855,020)

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

*Refer note 22

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

Tony Cripps
Managing Director & Authorized Member

1. General and basis of preparation

Saudi Awwal Bank ('SAB') is a Saudi joint stock company incorporated in the Kingdom of Saudi Arabia and was established by a Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SAB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SAB operates under Commercial Registration No. 1010025779 and Unified No. 7000018668 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 101 branches (31 December 2024: 103 branches) in the Kingdom of Saudi Arabia. The address of SAB's head office is as follows:

Saudi Awwal Bank
7383 King Fahad Branch Rd
2338 Al Yasmeen Dist.
13325
Riyadh
Kingdom of Saudi Arabia

The shareholders of the Saudi British Bank and Alawwal Bank ("AAB") approved the merger of the two banks at Extraordinary General Meetings held on 15 May 2019 pursuant to Articles 191-193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G) (the "Companies Law"), and Article 49 (a) (1) of the Merger and Acquisitions Regulations issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (the "CMA").

Subsequent to the above merger, the Group has changed its commercial name from "The Saudi British Bank" to "Saudi Awwal Bank" effective from 11 June 2023.

The objectives of SAB are to provide a range of banking services. SAB also provides Shariah-compliant products, which are approved and supervised by an independent Shariah Committee established by SAB.

The details of the Group's subsidiaries and associate are as follows:

Name of subsidiaries / associate	Ownership %		Description
	2025	2024	
Arabian Real Estate Company Limited ("**ARECO**")	**100%**	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010188350 dated 12 Jumada I 1424H (12 July 2003). ARECO is engaged in the real estate activities.
SAB Markets Limited	**100%**	100%	A limited liability company incorporated in the Cayman Islands under commercial registration No 323083 dated 21 Shaban 1438H (17 May 2017). SAB Markets is engaged in derivatives trading and repo activities.
Alawwal Invest Company ("**SAB Invest**")	**100%**	100%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No.1010242378 dated 30 Thul-Hijjah 1428H (9 January 2008). Alawwal Invest was formed and licensed as a capital market institution in accordance with the CMA's Resolution No. 1 39 2007. SAB Invest's principal activity is to engage in security activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.
Alawwal Real Estate Company ("**AREC**")	**100%**	100%	A limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010250772 dated 21 Jumada I 1429H (26 May 2008). AREC is engaged in the real estate activities.
X-Tech fund	**100%**	100%	A private equity fund incorporated in the Kingdom of Saudi Arabia dated 12 Shawwal 1445H (21 April 2024) which is engaged in investing activities and managed by SAB Invest.
HSBC Saudi Arabia	**49%**	49%	A closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010221555 dated 27 Jumada II 1427H (23 July 2006). HSBC Saudi Arabia was formed and licensed as a capital market institution in accordance with the Resolution No. 37-05008 of the CMA dated 05 Thul-Hijjah 1426H corresponding to 05 January 2006. HSBC Saudi Arabia's principal activity is to engage in the full range of securities activities regulated by the CMA related to dealing, managing, arranging, advising, and taking custody of securities.

SAB has participated in the following structured entity for the purpose of effecting syndicated loan transactions in the Kingdom of Saudi Arabia. This entity has no other business operations. SAB does not consolidate this entity. The details of the entity are as follows:

Name of Entity	Ownership %		Description
	2025	2024	
Saudi Kayan Assets Leasing Company	**50%**	50%	(the company is currently under liquidation).

1.1. Basis of preparation

This interim condensed consolidated financial information of the Group as at and for the period ended 31 March 2025 has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with Group's annual consolidated financial statements as at 31 December 2024.

SAB presents its interim condensed consolidated statement of financial position in the order of liquidity.

This interim condensed consolidated financial information is expressed in Saudi Arabian Riyals (⃁) and is rounded off to the nearest thousands, except where otherwise indicated.

1.2. Basis of consolidation

This interim condensed consolidated financial information comprises the financial information of SAB and its subsidiaries, as mentioned in note 1 (collectively referred to as "the Group"). The financial information of the subsidiaries is prepared for the same reporting period as that of SAB, using consistent accounting policies.

Subsidiaries are entities which are directly or indirectly controlled by SAB. SAB controls an entity ("the Investee") over which it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to SAB and cease to be consolidated from the date on which the control is transferred from SAB. Intra-group transactions and balances have been eliminated in preparing this interim condensed consolidated financial information.

The Group acts as a Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the 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.

2. Material accounting policies, estimates, assumptions, and impact of changes due to adoption of new standards

The accounting policies used in the preparation of this interim condensed consolidated financial information is consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 unless otherwise stated.

The following standards, interpretations or amendments are effective from the annual periods beginning on or after 1 January 2025 and are adopted by the Group, however, these do not have any significant impact on the interim condensed consolidated financial information for the period:

Accounting Standards, interpretations, amendments	Description
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. The 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.

Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2026. The Group has opted not to early adopt these pronouncements and is in the process of assessing the impact on the interim condensed consolidated financial information of the Group.

Accounting Standards, interpretations, amendments	Description	Effective periods beginning on or after
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.	1 January 2026
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.	1 January 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

3. Cash and balances with SAMA

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Cash in hand	2,386,101	1,794,960	2,058,550
Statutory deposit	15,356,662	15,164,156	14,268,793
Placements with SAMA	371,954	313,000	1,257,000
Other balances	123,542	90,576	755,075
Total	**18,238,259**	**17,362,692**	**18,339,418**

4. Due from banks and other financial institutions, net

a) Due from banks and other financial institutions are classified as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Current accounts	3,282,941	3,293,161	8,218,724
Money market placements	612,366	137,440	988,213
Provision for expected credit losses	(1,543)	(829)	(1,428)
Total	**3,893,764**	**3,429,772**	**9,205,509**

b) Credit quality analysis

The following table sets out information about the credit quality of due from banks and other financial institutions, net:

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit Impaired	Total
31 March 2025 (Unaudited)	**3,893,764**	**-**	**-**	**-**	**3,893,764**
31 December 2024 (Audited)	**3,429,772**	-	-	-	**3,429,772**
31 March 2024 (Unaudited)	**9,205,509**	-	-	-	**9,205,509**

Balances under due from banks and other financial institutions are held with investment grade financial institutions.

c) Movement in provision for expected credit losses

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against due from banks and other financial institutions:

	31 March 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	**829**	**-**	**-**	**829**
Net charge for the period	714	-	-	714
Balance as at 31 March 2025	**1,543**	**-**	**-**	**1,543**

	31 December 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	**550**	**-**	**210**	**760**
Transfer to lifetime ECL credit impaired	210	-	(210)	-
Net change for the year	69	-	-	69
Balance as at 31 December 2024	**829**	**-**	**-**	**829**

	31 March 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	**550**	**-**	**210**	**760**
Transfer to lifetime ECL credit impaired	878	-	(210)	668
Balance as at 31 March 2024	**1,428**	**-**	**-**	**1,428**

5. Investments, net

Investment securities are classified as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
FVOCI – Debt	57,576,758	52,170,144	47,540,228
FVOCI – Equity	595,973	609,406	561,655
FVSI	1,153,533	1,003,051	922,865
Held at amortised cost	44,224,751	44,638,406	42,944,270
Provision for expected credit losses for investments held at amortised cost	(8,140)	(8,783)	(12,378)
Total	**103,542,875**	**98,412,224**	**91,956,640**

The following table sets out information about the credit quality of debt instruments measured at amortised cost and FVOCI.

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 March 2025 (Unaudited)					
Debt instruments at amortised cost, net	44,216,611	-	-	-	**44,216,611**
Debt instruments at FVOCI	57,576,758	-	-	-	**57,576,758**

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 December 2024 (Audited)					
Debt instruments at amortised cost, net	44,629,623	-	-	-	**44,629,623**
Debt instruments at FVOCI	52,170,144	-	-	-	**52,170,144**

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Purchased credit impaired	Total
31 March 2024 (Unaudited)					
Debt instruments at amortised cost, net	42,931,892	-	-	-	**42,931,892**
Debt instruments at FVOCI	47,540,228	-	-	-	**47,540,228**

An analysis of changes in provision for ECL of debt instruments measured at amortised cost:

	31 March 2025 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2025	**8,783**	**-**	**-**	**8,783**
Net re-measurement of loss allowance	(643)	-	-	(643)
Balance as at 31 March 2025	**8,140**	**-**	**-**	**8,140**

	31 December 2024 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	**11,374**	**-**	**-**	**11,374**
Net re-measurement of loss allowance	(2,591)	-	-	(2,591)
Balance as at 31 December 2024	**8,783**	**-**	**-**	**8,783**

	31 March 2024 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2024	**11,374**	**-**	**-**	**11,374**
Net re-measurement of loss allowance	1,004	-	-	1,004
Balance as at 31 March 2024	**12,378**	**-**	**-**	**12,378**

Assets pledged

Assets pledged as collateral with other financial institutions for security are as follows:

	31 March 2025 (Unaudited)		31 December 2024 (Audited)		31 March 2024 (Unaudited)	
	Assets	**Related liabilities**	**Assets**	**Related liabilities**	**Assets**	**Related liabilities**
Debt securities	**17,776,755**	**18,930,254**	19,312,949	19,807,023	3,695,208	3,676,631

6. Loans and advances, net

Loans and advances comprise of the following:

	31 March 2025 (Unaudited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	3,225,004	63,539,264	188,505,861	255,270,129
Lifetime ECL not credit impaired	121,073	3,251,784	18,630,525	22,003,382
Lifetime ECL credit impaired	66,129	730,018	3,640,553	4,436,700
Purchased or originated credit impaired	88	121,099	3,518,066	3,639,253
Total loans and advances, gross	**3,412,294**	**67,642,165**	**214,295,005**	**285,349,464**
Provision for expected credit losses	(234,112)	(841,899)	(5,437,510)	(6,513,521)
Loans and advances, net	**3,178,182**	**66,800,266**	**208,857,495**	**278,835,943**
Non-performing loans and advances	39,463	384,501	3,416,959	3,840,923

	31 December 2024 (Audited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	3,429,308	60,464,399	175,649,961	239,543,668
Lifetime ECL not credit impaired	128,065	2,154,682	16,014,621	18,297,368
Lifetime ECL credit impaired	84,482	681,965	3,274,578	4,041,025
Purchased or originated credit impaired	83	121,470	3,600,503	3,722,056
Total loans and advances, gross	**3,641,938**	**63,422,516**	**198,539,663**	**265,604,117**
Provision for expected credit losses	(245,107)	(791,755)	(5,221,739)	(6,258,601)
Loans and advances, net	**3,396,831**	**62,630,761**	**193,317,924**	**259,345,516**
Non-performing loans and advances	47,481	406,395	3,159,275	3,613,151

	31 March 2024 (Unaudited)			
	Credit cards	Other retail Lending	Corporate and institutional lending	Total
12 month ECL	3,024,255	53,143,870	149,291,714	205,459,839
Lifetime ECL not credit impaired	108,614	2,924,245	18,247,461	21,280,320
Lifetime ECL credit impaired	55,345	655,369	3,671,583	4,382,297
Purchased or originated credit impaired	259	119,674	3,502,411	3,622,344
Total loans and advances, gross	**3,188,473**	**56,843,158**	**174,713,169**	**234,744,800**
Provision for expected credit losses	(222,914)	(755,388)	(5,227,340)	(6,205,642)
Loans and advances, net	**2,965,559**	**56,087,770**	**169,485,829**	**228,539,158**
Non-performing loans and advances	35,212	352,446	3,528,433	3,916,091

Lifetime ECL credit impaired includes non-performing loans and advances. It also includes exposures that are now performing but have yet to complete a period of 12 months of performance ('the curing period') to be eligible to be upgraded to a not-impaired category.

The financial assets recorded in each stage have the following characteristics:

- 12 month ECL not credit impaired (stage 1): without significant increase in credit risk on which a 12-month allowance (or lower if the tenor of the facility is less than 12 months) for ECL is recognised;
- Lifetime ECL not credit impaired (stage 2): a significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognised;
- Lifetime ECL credit impaired (stage 3): objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised; and
- Purchased or originated credit impaired ('POCI'): purchased or originated at a deep discount that reflects the expected lifetime credit losses at time of purchase or origination. A lifetime ECL is recognised if further credit losses are expected. POCI includes non-performing loans and advances acquired through the merger with Alawwal Bank (AAB) that were recorded at fair value as of acquisition date.

The following table shows reconciliations from the opening to the closing balance of the provision for credit losses against loans and advances:

31 March 2025 (Unaudited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2025	**684,521**	**2,170,597**	**2,168,921**	**1,234,562**	**6,258,601**
Transfer to Stage 1	18,629	(14,027)	(4,602)	-	-
Transfer to Stage 2	(21,449)	38,122	(16,673)	-	-
Transfer to Stage 3	(1,767)	(42,380)	44,147	-	-
Net re-measurement of loss allowance	46,723	182,665	271,267	1,444	502,099
Write-offs	-	-	(247,179)	-	(247,179)
Balance as at 31 March 2025	**726,657**	**2,334,977**	**2,215,881**	**1,236,006**	**6,513,521**

31 December 2024 (Audited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**814,617**	**2,345,382**	**2,274,799**	**693,573**	**6,128,371**
Transfer to Stage 1	50,527	(36,466)	(14,061)	-	-
Transfer to Stage 2	(19,276)	93,345	(74,069)	-	-
Transfer to Stage 3	(6,587)	(32,846)	39,433	-	-
Net re-measurement of loss allowance	(154,760)	(198,818)	388,551	540,989	575,962
Write-offs	-	-	(445,732)	-	(445,732)
Balance as at 31 December 2024	**684,521**	**2,170,597**	**2,168,921**	**1,234,562**	**6,258,601**

31 March 2024 (Unaudited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2024	**814,617**	**2,345,382**	**2,274,799**	**693,573**	**6,128,371**
Transfer to Stage 1	20,073	(15,784)	(4,289)	-	-
Transfer to Stage 2	(17,599)	45,688	(28,089)	-	-
Transfer to Stage 3	(2,870)	(47,767)	50,637	-	-
Net re-measurement of loss allowance	15,129	(86,097)	(14,788)	195,292	109,536
Write-offs	-	-	(32,265)	-	(32,265)
Balance as at 31 March 2024	**829,350**	**2,241,422**	**2,246,005**	**888,865**	**6,205,642**

7. Investment in an associate

HSBC Saudi Arabia	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Balance at beginning of the period / year	**463,350**	**462,046**	**462,046**
Share in earnings	41,377	205,369	35,402
Dividend received	-	(204,065)	-
Balance at end of the period / year	**504,727**	**463,350**	**497,448**

The associate's financial statements:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Total assets	1,438,336	1,320,815	1,431,537
Total liabilities	413,417	416,397	425,531
Total equity	1,024,919	904,418	1,006,006
Total income	252,769	862,461	219,539
Total expenses	132,269	467,220	113,387

8. Goodwill and other intangibles, net

Intangibles are comprised of the following:

Amounts arising from acquisitions:	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Goodwill	8,778,091	8,778,091	8,778,091
Other intangibles	1,311,815	1,352,800	1,476,419
Software	629,604	529,577	294,578
Total	**10,719,510**	**10,660,468**	**10,549,088**

Impairment testing of goodwill

The goodwill acquired through business combination is reviewed annually for impairment. However, at each reporting period, an assessment is made for indicators of impairment. If indicators exist, an impairment test is required. The impairment test compares the estimated recoverable amount of the Group's CGUs that carry goodwill, as determined through a Value-In-Use (VIU) model, with the carrying amount of net assets of each CGU. The goodwill has been allocated to the following cash-generating units:

- Wealth & personal banking
- Corporate and institutional banking
- Treasury

As at 31 March 2025, no impairment indicators were identified. The key assumptions, valuations and techniques used in assessing the impairment's indicators are applied consistently as those at year end test at 31 December 2024. Therefore, no impairment test was performed.

9. Derivatives

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

	31 March 2025 (Unaudited)			31 December 2024 (Audited)			31 March 2024 (Unaudited)		
	Positive fair Value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
Derivatives held for trading:									
Special commission rate swaps	1,847,498	(1,660,074)	111,427,013	2,258,153	(2,135,384)	113,946,402	2,185,576	(2,064,860)	99,708,173
Special commission rate options	214,124	(225,604)	9,064,741	228,736	(240,401)	8,958,872	286,377	(288,119)	6,925,678
Forward foreign exchange contracts	48,904	(41,881)	11,434,643	48,823	(58,496)	11,624,832	30,374	(23,437)	9,830,327
Currency swaps	14,002	(12,194)	6,529,611	10,866	(9,478)	4,017,111	295	(37)	1,687,500
Commodity swaps	44,165	(34,881)	384,486	21,699	(21,059)	975,659	-	-	-
Derivatives held as fair value hedges:									
Special commission rate swaps	6,419	(101,207)	4,378,750	62,662	(51,194)	6,422,500	146,146	(54,514)	6,262,500
Derivatives held as cash flow hedges:									
Special commission rate swaps	6,937	(14,441)	4,285,000	269	(30,192)	4,285,000	17	(46,675)	3,566,000
Total	**2,182,049**	**(2,090,282)**	**147,504,244**	**2,631,208**	**(2,546,204)**	**150,230,376**	**2,648,785**	**(2,477,642)**	**127,980,178**
Fair values of netting arrangements	**466,633**	**(187,461)**		**705,948**	**(69,104)**		**744,211**	**(41,225)**	
Cash collateral, net	**(79,921)**	**467,790**		**(118,120)**	**608,012**		**(267,150)**	**173,754**	
Fair values after netting	**386,712**	**280,329**		**587,828**	**538,908**		**477,061**	**132,529**	

10. Customers' deposits

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024* (Unaudited)
Demand	133,549,176	137,066,920	137,727,551
Time	152,394,638	125,373,090	124,062,871
Savings	2,709,512	2,987,570	2,651,349
Margin and others	1,786,645	1,583,079	1,513,308
Total	**290,439,971**	**267,010,659**	**265,955,079**

*Refer note 22

11. Debt securities in issue

⃁ 5 Billion 10 year Sukuk – 2020

SAB issued ⃁ 5 billion Tier II Sukuk on 22 July 2020 under the Group's local Sukuk Programme (the 'Local Programme'). The Sukuk are unsecured and due in 2030, with SAB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the Local Programme. The Sukuk carry effective special commission expense at six months' SAIBOR plus margin of 195 bps payable semi-annually.

12. Commitments and contingencies

a) Legal proceedings

There are no material outstanding legal matters against the Group.

b) Credit related commitments and contingencies

Credit related commitments and contingencies are as follows:

31 March 2025 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,203,419	1,047,965	32,873	131,085	18,415,342
Letters of guarantee	122,865,163	4,962,387	1,313,217	1,145,839	130,286,606
Acceptances	4,550,821	262,557	6,535	7,389	4,827,302
Irrevocable commitments to extend credit	20,875,612	554,347	-	149,295	21,579,254
Total	**165,495,015**	**6,827,256**	**1,352,625**	**1,433,608**	**175,108,504**

31 December 2024 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	17,400,063	1,075,404	29,418	146,289	18,651,174
Letters of guarantee	120,073,318	5,603,214	1,270,719	1,170,729	128,117,980
Acceptances	2,897,037	390,256	-	3,827	3,291,120
Irrevocable commitments to extend credit	19,225,105	1,063,070	-	38,372	20,326,547
Total	**159,595,523**	**8,131,944**	**1,300,137**	**1,359,217**	**170,386,821**

31 March 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	14,887,092	1,175,069	1,286	57,990	16,121,437
Letters of guarantee	96,700,351	6,123,031	1,133,481	1,245,782	105,202,645
Acceptances	3,435,030	200,599	-	4,285	3,639,914
Irrevocable commitments to extend credit	13,353,169	-	-	177,873	13,531,042
Total	**128,375,642**	**7,498,699**	**1,134,767**	**1,485,930**	**138,495,038**

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses on loan commitments and financial guarantee contracts:

31 March 2025 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2025	**74,421**	**308,898**	**685,107**	**69,496**	**1,137,922**
Transfer to stage 1	5,591	(5,591)	-	-	-
Transfer to stage 2	(89)	89	-	-	-
Transfer to stage 3	(63)	(4,685)	4,748	-	-
Net re-measurement of loss allowance	30,334	(17,701)	1,987	-	14,620
Balance as at 31 March 2025	**110,194**	**281,010**	**691,842**	**69,496**	**1,152,542**

31 December 2024 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	**121,810**	**249,985**	**606,108**	**48,074**	**1,025,977**
Transfer to stage 1	66,682	(66,682)	-	-	-
Transfer to stage 2	(3,494)	3,494	-	-	-
Transfer to stage 3	(10)	(6,332)	6,342	-	-
Net charge for the year	(110,567)	128,433	72,657	21,422	111,945
Balance as at 31 December 2024	**74,421**	**308,898**	**685,107**	**69,496**	**1,137,922**

31 March 2024 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	**121,810**	**249,985**	**606,108**	**48,074**	**1,025,977**
Transfer to stage 1	36,793	(36,793)	-	-	-
Transfer to stage 2	(1,088)	1,088	-	-	-
Transfer to stage 3	-	-	-	-	-
Net re-measurement of loss allowance	(29,180)	(15,598)	773	(4,092)	(48,097)
Balance as at 31 March 2024	**128,335**	**198,682**	**606,881**	**43,982**	**977,880**

13. Additional Tier 1 Sukuk

The Bank has issued Additional Tier 1 Capital Sukuk (⃁ denominated) by way of private placement with coupon payable on quarterly basis as follows:

Issuance date	Amount (in ⃁ billions)	Fixed/ Floating	Coupon rate
31 October 2023	4	Floating	3 months SAIBOR + 125 bps
12 December 2024	3.65	Fixed	6.07%
12 December 2024	0.35	Floating	3 months SAIBOR + 134 bps

The issuances were approved by the regulatory authorities and Board of Directors of the Bank. These Sukuk are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets. The applicable profit rate on the Sukuk is payable on each periodic distribution date, except in the event of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment elections are not considered to be events of default.

14. Zakat and income tax

The Zakat base computed in accordance with the formula specified in the Zakat Regulations is also subject to thresholds for minimum and maximum liability. In addition, SAB is subject to pay corporate income tax to reflect the portion of the shareholder base that is non-Saudi. Corporate income tax is calculated at a rate of 20%, applied to the share of taxable income of the non-Saudi shareholders.

As of 31 March 2025, SAB has filed its Zakat and income tax return up to 2023. Income tax assessments from 2015 to 2018 have not been received by the Bank. The assessment of Zakat and Income tax for 2019 up to 2022 are closed and settled. The assessment of 2023 is still with ZATCA review.

15. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net income / (loss) after Zakat and income tax for the period ended 31 March 2025 (adjusted by Additional Tier 1 Sukuk payments) by the weighted average number of shares outstanding during the period.

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Net income after Zakat and income tax	2,135,287	2,043,019
Additional Tier 1 Sukuk payments	(131,041)	(77,134)
Net income after Zakat and income tax (adjusted by Additional Tier 1 Sukuk payments)	**2,004,246**	**1,965,885**
Weighted average number of ordinary shares*	2,054,795	2,054,795
Basic and diluted earnings per share	**0.98**	**0.96**

* The impact of treasury shares is immaterial

16. Cash and cash equivalents

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Cash and balances with SAMA excluding the statutory deposit (note 3)	2,881,597	2,198,536	4,070,625
Due from banks and other financial institutions with an original maturity of three month or less from date of the acquisition	3,798,235	3,293,161	9,045,587
Total	**6,679,832**	**5,491,697**	**13,116,212**

17. Operating segments

The Group's primary business is conducted in the Kingdom of Saudi Arabia. Transactions between the operating segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance. The Group's reportable segments are as follows:

- **Wealth & Personal Banking** – Wealth and Personal Banking offers a variety of wealth and consumer lending products. Having a mix of domestic and international customers, WPB aims to be the Bank of choice for wealth and internationally-minded customers.
- **Corporate and Institutional Banking** – The Corporate and Institutional Banking provides tailored solutions to a wide range of customer segments including Global Corporates and Institutional Banking, Multinational Corporates, Large and Commercial Banking Corporates, and Small and Medium Enterprises. CIB offers a wide range of products that includes core banking, liquidity management, trade-finance and treasury services.
- **Treasury** – The Treasury business provides Corporate, Institutional, Wealth and Private banking clients with access to treasury and capital markets products across multiple asset classes, including foreign exchange, interest rate, and commodities hedging solutions. In addition, Treasury manages the liquidity and market risk of the Bank, including deployment of its commercial surplus through its investment portfolio.
- **Capital Markets** – The Capital Markets segment brings together the margin lending, brokerage, and asset management business and are managed by our wholly-owned subsidiary SAB Invest.
- **Others** – Includes activities of the Group's investment in its associate, HSBC Saudi Arabia and equity investments. It also includes elimination of inter-group income and expense items.

Transactions between the operating segments are reported as per by the Group's transfer pricing policy. The Group's total assets and liabilities as at 31 March 2025 and 31 March 2024, its total operating income and expenses, and the results for the periods then ended, by operating segment, are as follows:

31 March 2025 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	**78,747,045**	**213,358,966**	**129,598,801**	**2,714,312**	**1,291,847**	**425,710,971**
Loans and advances, net	68,404,622	208,857,495	-	1,573,826	-	278,835,943
Investments, net	-	-	102,276,484	670,418	595,973	103,542,875
Investment in an associate	-	-	-	-	504,727	504,727
Total liabilities	**96,530,833**	**169,986,789**	**87,217,719**	**179,343**	**47,486**	**353,962,170**
Operating income from external customers	712,805	2,503,152	299,569	104,234	-	3,619,760
Inter-segment operating income / (expense)	444,714	(522,306)	77,592	-	-	-
Total operating income, of which:	**1,157,519**	**1,980,846**	**377,161**	**104,234**	**-**	**3,619,760**
Net special commission income	994,654	1,619,934	188,005	35,802	-	2,838,395
Net fees and commission income / (expense)	72,018	288,327	(2,323)	66,083	-	424,105
Provision for expected credit losses, net	**(53,249)**	**(87,873)**	**(544)**	**-**	**-**	**(141,666)**
Total operating (expenses) / income	**(491,809)**	**(438,066)**	**(75,863)**	**(72,335)**	**7,126**	**(1,070,947)**
Share in earnings of an associate	-	-	-	-	41,377	41,377
Net income for the period before Zakat and income tax	**612,461**	**1,454,907**	**300,754**	**31,899**	**48,503**	**2,448,524**

31 March 2024 (Unaudited)	Wealth and Personal Banking	Corporate and Institutional Banking	Treasury	Capital markets	Others	Total
Total assets	**68,100,768**	**173,927,121**	**123,840,127**	**2,357,301**	**1,386,509**	**369,611,826**
Loans and advances, net	57,654,991	169,485,829	-	1,398,338	-	228,539,158
Investments, net	-	-	91,006,672	388,313	561,655	91,956,640
Investment in an associate	-	-	-	-	497,448	497,448
Total liabilities	**89,424,232**	**164,919,013**	**52,026,300**	**174,780**	**47,795**	**306,592,120**
Operating income from external customers	501,562	2,120,679	716,272	110,232	(1,323)	3,447,422
Inter-segment operating income / (expense)	522,264	(197,825)	(324,439)	-	-	-
Total operating income / (expense), of which:	**1,023,826**	**1,922,854**	**391,833**	**110,232**	**(1,323)**	**3,447,422**
Net special commission income	877,344	1,647,547	151,351	32,510	-	2,708,752
Net fees and commission income / (expense)	67,354	216,486	(990)	74,526	-	357,376
Provision for expected credit losses, net	**(67,619)**	**(10,345)**	**(2,692)**	**-**	**-**	**(80,656)**
Total operating expenses	**(484,106)**	**(428,871)**	**(71,442)**	**(59,420)**	**(7,403)**	**(1,051,242)**
Share in earnings of an associate	-	-	-	-	35,402	35,402
Net income for the period before Zakat and income tax	**472,101**	**1,483,638**	**317,699**	**50,812**	**26,676**	**2,350,926**

18. Financial risk management

Credit Risk

The Group follows SAMA Rules on Credit Risk Management whereby the Board of Directors has ultimate responsibility for the effective management of risk and approves the risk appetite. The Board has constituted a Board Risk Committee (BRC) for the ongoing monitoring, assessment and management of the risk environment and the effectiveness of the risk management framework. Day-to-day responsibility for risk management is delegated to senior managers with individual accountability for decision making.

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit risk arises principally from direct lending, trade finance and leasing activities, but also from other products such as guarantees and derivatives.

The Group continues to assess the impact of economic developments on specific customers, customer segments or portfolios. As credit conditions change, the Group takes mitigating actions, including the revision of risk appetites or limits and tenors, as appropriate. In addition, the Group continues to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Credit approval authorities are delegated by the Board to the Managing Director together with the authority to sub-delegate them. The Credit Risk function is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Group's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios.

Concentrations of credit risk arise when a number of counterparties have comparable economic characteristics, or such counterparties are engaged in similar business activities, or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political, or other conditions. The Group uses a number of controls and measures to minimize undue concentration of exposure in the portfolios. These include portfolio and counterparty limits, approval and review controls, and stress testing.

a. Provision for expected credit losses, net

The following table shows the provision for expected credit losses for due from banks and other financial institutions, investments, loans and advances and off balance sheet exposures:

	Notes	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Net provision for expected credit losses:			
Due from banks and other financial institutions	4	(714)	(668)
Investments	5	171	(2,024)
Loans and advances	6	(502,099)	(109,536)
Loan commitments and financial guarantees	12	(14,620)	48,097
Recoveries net of (write-offs)		375,596	(16,525)
Net charge for the period		**(141,666)**	**(80,656)**

b. Collateral

The Group in the ordinary course of lending activities holds collaterals as security to mitigate credit risk in the loans and advances. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collateral is held mainly against commercial and consumer loans and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

19. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences can arise between the carrying values and fair value estimates.

Determination of fair value and fair value hierarchy:

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

- **Level 1:** quoted prices in active markets for the same instrument (e.g, without modification or repacking);
- **Level 2:** quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- **Level 3:** valuation techniques for which any significant input is not based on observable market data.

31 March 2025 (Unaudited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Derivative financial instruments	2,182,049	-	2,182,049	-	**2,182,049**
Investments held as FVSI	1,153,533	178,028	975,505	-	**1,153,533**
Investments held as FVOCI – Debt	57,576,758	-	57,576,758	-	**57,576,758**
Investments held as FVOCI – Equity	595,973	378,168	-	217,805	**595,973**
Financial assets not measured at fair value:					
Due from banks and other financial institutions	3,893,764	-	3,893,764	-	**3,893,764**
Investments held at amortised cost	44,216,611	-	42,298,340	-	**42,298,340**
Loans and advances	278,835,943	-	-	274,805,298	**274,805,298**
Financial liabilities measured at fair value:					
Derivative financial instruments	2,090,282	-	2,090,282	-	**2,090,282**
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	40,956,104	-	40,956,104	-	**40,956,104**
Customers deposits	290,439,971	-	290,280,320	-	**290,280,320**
Debt securities in issue	5,070,036	-	5,070,036	-	**5,070,036**

31 December 2024 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	2,631,208	-	2,631,208	-	**2,631,208**
Investments held as FVSI	1,003,051	161,143	841,908	-	**1,003,051**
Investments held as FVOCI – Debt	52,170,144	-	52,170,144	-	**52,170,144**
Investments held as FVOCI – Equity	609,406	391,703	-	217,703	**609,406**
Financial assets not measured at fair value					
Due from banks and other financial institutions	3,429,772	-	3,429,772	-	**3,429,772**
Investments held at amortised cost	44,629,623	-	41,975,536	-	**41,975,536**
Loans and advances	259,345,516	-	-	255,731,817	**255,731,817**
Financial liabilities measured at fair value					
Derivative financial instruments	2,546,204	-	2,546,204	-	**2,546,204**
Financial liabilities not measured at fair value					
Due to banks and other financial institutions	40,996,981	-	40,996,981	-	**40,996,981**
Customers deposits	267,010,659	-	266,809,826	-	**266,809,826**
Debt securities in issue	5,178,059	-	5,178,059	-	**5,178,059**

The Group uses widely recognized valuation models for determining the fair value of common and simpler financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets The difference between the transaction price and the model value is commonly referred to as 'day one profit or loss'. It is either amortised over the life of the transaction or deferred until the instrument's fair value can be determined using market observable data or realized through disposal. Subsequent changes in fair value are recognized immediately in the consolidated statement of income without reversal of deferred day one profits and losses.

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

Derivatives classified as Level 2 comprise Over the Counter (OTC) special commission rate swaps, currency swaps, special commission rate options, forward foreign exchange contracts, currency options and other derivative financial instruments. These derivatives are fair valued using the Group's proprietary valuation models that are based on discounted cash flow techniques. The data inputs to these models are based on observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.

FVOCI equity investments include investments in local listed shares carried at market price listed on the local stock exchange.

FVOCI investments classified as Level 2 include bonds for which market quotes are not available. These are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads.

FVOCI investments classified as Level 3 represents private equity investments, the fair value of which is determined based on the latest reported net assets value as at the reporting date. The movement in Level 3 financial instruments during the period relates to fair value and capital repayment movements only.

Fair values of listed investments are determined using mid marked prices. Fair values of unlisted investments are determined using valuation techniques that incorporate the prices and future earning streams of equivalent quoted securities.

Loans and advances are classified as Level 3, the fair value of which is determined by discounting future cash flows using risk adjusted expected SAIBOR rates.

The fair values of due from and due to banks and other financial institutions which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial information, since these are short dated and the current market special commission rates for similar financial instruments are not significantly different from the contracted rates.

The fair values of demand deposits are approximated by their carrying value. For deposits with longer-term maturities, fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities.

Debt securities in issue are floating rate instruments that re-price within a year (every 6 months) and accordingly, the fair value of this portfolio approximates the carrying value. The fair value of the remaining portfolio is not significantly different from its carrying value.

There were no transfers between the levels of fair value hierarchies during the period. The values obtained from valuation models may be different from the transaction price of financial instruments on transaction date.

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values for Investment held at FVOCI – equity.

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	**217,703**	**173,806**
Net change in fair value (unrealized)	-	43,263
Addition	102	634
Closing balance	**217,805**	**217,703**

20. Capital adequacy

The Group monitors the adequacy of its capital using the methodology and ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its assets, commitments and contingencies, and notional amounts of derivatives at a weighted amount to reflect their relative risk.

SAMA through its Circular Number 391000029731 dated 15 Rabi Al-Awwal 1439H (3 December 2017), which relates to the interim approach and transitional arrangements for the accounting allocations under IFRS 9, has directed banks that the initial impact on the capital adequacy ratio as a result of applying IFRS 9 shall be transitioned over five years, however, as part of the latest SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures, Banks are now allowed to add-back up to 100% of the transitional adjustment amount to Common Equity Tier 1 (CET1) for the full two-year period comprising 2020 and 2021 effective from 31 March 2021 financial statement reporting. Starting from 2022, the add-back amount will be then phased-out on a straight-line basis over the 3 years. The impact of these revised transitional arrangements to the Group's Tier 1 ratio have been an improvement of 44 bps for the period ended 31 March 2025.

The current period numbers are presented as per Basel III Reforms issued by SAMA (circular number 44047144) which have come into effect on 1 January 2023.

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Risk Weighted Assets (RWA)			
Credit Risk RWA	324,506,227	308,505,820	280,678,238
Operational Risk RWA	14,221,244	12,233,759	12,233,759
Market Risk RWA	2,848,465	1,193,229	2,041,692
Total RWA	**341,575,936**	**321,932,808**	**294,953,689**
Common Equity Tier I Capital	53,064,291	49,660,716	49,007,153
Additional Tier I Capital (Note 13)	7,965,000	7,965,000	3,985,000
Tier I Capital	**61,029,291**	**57,625,716**	**52,992,153**
Tier II Capital	**5,857,628**	**5,778,894**	**5,982,660**
Total Tier I and Tier II Capital	**66,886,919**	**63,404,610**	**58,974,813**
Capital Adequacy Ratio %			
CET1	15.54%	15.43%	16.62%
Tier I ratio	17.87%	17.90%	17.97%
Tier I + Tier II ratio	19.58%	19.69%	19.99%

21. Proposed dividends

The Board of Directors has proposed on 5 Sha'ban 1446H (Corresponding 4 February 2025) a net dividend of ⃁ 2,055 million for the second half of year 2024, resulting in ⃁ 1.00 per share for Saudi shareholder's net of Zakat. The income tax of the foreign shareholders will be deducted from their share of the dividends.

22. Comparative figures

Following the Bank's re-evaluation of the presentation of certain balances in the annual consolidated financial statements as of 31 December 2024, the liability of ⃁ 14.19 billion as of 31 March 2024 (1 January 2024: ⃁ 12.5 billion) was reclassified from due to banks and other financial institutions to customers' deposits. The interim condensed consolidated statement of cash flows for the period ended 31 March 2024 was adjusted to reflect the changes in the interim condensed consolidated statement of financial position.

A net amount of ⃁ 123 million in the interim condensed consolidated statement of comprehensive income for the period ended 31 March 2024 has been reclassified from "transfer to interim condensed consolidated statement of income, net" (under cash flow hedge) to net changes in fair value of cash flow hedges and net changes in fair value of debt instruments at FVOCI with an amount of ⃁ 316 million and ⃁ 193 million, respectively. The impact of reclassification is also reflected in the interim condensed consolidated statement of changes in equity for the period ended 31 March 2024.

Further, special commission paid on debt securities in issue have been reclassified from financing activities to operating activities in the interim condensed consolidated statement of cash flows to align with related classification.

23. Board of Directors' approval

This interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Group on 28 Shawwal 1446H (Corresponding to 26 April 2025).