

Gulf International Bank – Saudi Arabia
(A Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three-month period ended
31 March 2025 (Unaudited)



**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TOGETHER WITH
INDEPENDENT AUDITORS' REVIEW REPORT TO THE SHAREHOLDERS**

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

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GULF INTERNATIONAL BANK – SAUDI ARABIA (A CLOSED JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf International Bank – Saudi Arabia (“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 months period then ended, and explanatory notes (collectively referred to as “the interim condensed consolidated financial statements”). 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* as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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 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

Marwan S. AlAfaliq
Certified Public Accountant
License no. 422



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16 June 2025

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KPMG Professional Services Company
(Professional Closed Joint Stock Company)
Paid-up capital SR110,000,000
Licence No. 46/11/323 issued on 11/3/1992
C.R. No. 2051062328

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT

	Notes	31.03.25 (Unaudited) SAR '000	31.12.24 (Audited) SAR '000	31.03.24 (Unaudited) SAR '000
ASSETS				
Cash and balances with Saudi Central Bank (SAMA)	4	4,053,566	7,669,915	7,620,000
Due from banks and other financial institutions, net	5	3,978,088	6,870,653	1,954,911
Investments, net	6	11,224,915	10,320,339	9,636,102
Positive fair value of derivatives	10	192,196	273,838	297,881
Loans and advances, net	7	34,113,864	31,770,514	27,131,506
Other assets		815,684	725,676	735,484
Property, furniture, fixtures and equipment, net		284,408	289,976	64,550
Intangible assets, net		151,392	144,192	100,307
Total assets		54,814,113	58,065,103	47,540,741
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, SAMA and other financial institutions	8	8,139,652	7,465,343	4,740,909
Customers' deposits	9	35,391,037	39,028,889	32,074,692
Negative fair value of derivatives	10	153,776	188,341	220,388
Subordinated debt	11	1,503,511	1,503,726	1,504,013
Other liabilities		1,712,645	2,057,244	1,421,011
Total liabilities		46,900,621	50,243,543	39,961,013
Equity				
Share capital	15	7,500,000	7,500,000	7,500,000
Statutory reserve		87,084	87,084	1,753
Fair value reserve		(8,252)	(10,194)	(3,398)
Retained earnings		334,660	244,670	81,373
Total equity		7,913,492	7,821,560	7,579,728
Total liabilities and equity		54,814,113	58,065,103	47,540,741

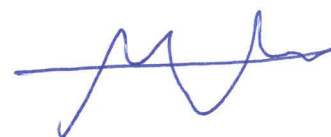
The interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by:-



Abdulla Mohammed Al-Zamil
Chairman



Khaled Abbas
Chief Executive Officer



Mazen Faisal Azoony
Chief Financial Officer

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

	Notes	Three-month periods ended	
		31.03.25	31.03.24
		(Unaudited)	
		SAR '000	SAR '000
Special commission income		743,514	690,440
Special commission expense		(517,429)	(459,414)
Net special commission income		226,085	231,026
Fee and commission income		102,312	118,809
Fee and commission expense		(9,024)	(24,266)
Net fee and commission income		93,288	94,543
Exchange income, net		18,871	12,466
Gains on FVSI investments, net		12,979	28,725
Gain / (loss) on other financial instruments, net		3,429	(13,124)
Dividend income		226	388
Other operating income		5,989	21,623
Total operating income		360,867	375,647
Salaries and employee related expenses		(145,533)	(136,847)
Rent and premises related expenses		(2,555)	(4,116)
Depreciation and amortisation		(17,080)	(15,003)
Other general and administrative expenses		(53,927)	(81,782)
Total operating expenses before credit impairment provisions		(219,095)	(237,748)
Expected credit losses on:			
Loans and advances	7	(30,722)	(23,566)
Financial contingencies and commitments	12	(1,335)	(15,880)
Investments and placements	5,6	(494)	(268)
Total expected credit losses		(32,551)	(39,714)
Total operating expenses		(251,646)	(277,462)
Income for the period before zakat		109,221	98,185
Zakat charge		(19,231)	(17,332)
Net income for the period		89,990	80,853
Earnings per share (expressed in SAR per share)			
Basic and diluted earnings per share	15	0.12	0.11

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

	Three-month periods ended	
	31.03.25	31.03.24
	(Unaudited)	
	SAR '000	SAR '000
Net income for the period	89,990	80,853
Other comprehensive income:		
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
- Net changes in fair value of equity investments classified as fair value through other comprehensive income (FVOCI)	887	(1,731)
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
- Debt instruments at fair value through other comprehensive income:		
Net change in fair value	945	588
Net change in expected credit losses	110	227
Total other comprehensive income / (loss) for the period	1,942	(916)
Total comprehensive income for the period	91,932	79,937

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

<u>For the three-month period ended</u> <u>31 March 2025 (Unaudited)</u>	Share capital SAR '000	Statutory reserve SAR '000	Fair value reserve SAR '000	Retained earnings SAR '000	Total SAR '000
Balance at 1 January 2025	7,500,000	87,084	(10,194)	244,670	7,821,560
Net income for the period	-	-	-	89,990	89,990
<i>Other comprehensive income:</i>					
Net fair value changes:					
Equity investments classified as FVOCI	-	-	887	-	887
Debt securities classified as FVOCI	-	-	945	-	945
Expected credit losses on debt securities	-	-	110	-	110
Total comprehensive income for the period	-	-	1,942	89,990	91,932
Balance at 31 March 2025	7,500,000	87,084	(8,252)	334,660	7,913,492

<u>For the three-month period ended</u> <u>31 March 2024 (Unaudited)</u>	Share capital SAR '000	Statutory reserve SAR '000	Fair value reserve SAR '000	Retained earnings SAR '000	Total SAR '000
Balance at 1 January 2024	7,500,000	1,753	(2,482)	520	7,499,791
Net income for the period	-	-	-	80,853	80,853
<i>Other comprehensive income:</i>					
Net fair value changes:					
Equity investments classified as FVOCI	-	-	(1,731)	-	(1,731)
Debt securities classified as FVOCI	-	-	588	-	588
Expected credit losses on debt securities	-	-	227	-	227
Total comprehensive income for the period	-	-	(916)	80,853	79,937
Balance at 31 March 2024	7,500,000	1,753	(3,398)	81,373	7,579,728

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

	Notes	2025	2024
		(Unaudited)	
		SAR '000	SAR '000
OPERATING ACTIVITIES			
Net income before zakat		109,221	98,185
Adjustments to reconcile net income before zakat to net cash flow (used in) / from operating activities:			
Depreciation and amortisation		17,080	15,003
Expected credit losses on:			
Financial contingencies and commitments	12	1,335	15,880
Loans and advances	7	30,722	23,566
Investments held at amortised cost	5,6	494	268
Gain on investments held at FVSI		(12,979)	(28,725)
(Gain) / loss on other financial instruments, net		(3,429)	13,124
Operating income before changes in operating assets & liabilities		<u>142,444</u>	<u>137,301</u>
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		(380,533)	18,193
Due from banks and other financial institutions		-	(5)
Positive fair value of derivatives		81,642	5,409
Loans and advances		(2,374,072)	128,989
Other assets		(90,008)	(43,307)
Net increase / (decrease) in operating liabilities:			
Due to banks and other financial institutions		674,309	884,698
Negative fair value of derivatives		(34,565)	(30,225)
Customers' deposits		(3,637,852)	(30,927)
Other liabilities		(362,055)	17,886
Net cash (used in) / generated from operating activities		<u>(5,980,690)</u>	<u>1,088,012</u>
INVESTING ACTIVITIES			
Investments held at amortised cost, net		(761,141)	(420,877)
Purchase of investments held at FVOCI, net		(150,230)	(82,514)
Proceeds from investments held at FVSI		21,326	-
Purchase of property, furniture, fixtures, equipments and intangible assets		(18,712)	(24,428)
Net cash used in investing activities		<u>(908,757)</u>	<u>(527,819)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		<u>(Unaudited)</u>	
		<u>SAR '000</u>	<u>SAR '000</u>
Net change in cash and cash equivalents		(6,889,447)	560,193
Cash and cash equivalents at the beginning of the period		<u>12,751,018</u>	<u>7,227,783</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	<u><u>5,861,571</u></u>	<u><u>7,787,976</u></u>
Special Commission received during the period		<u>751,081</u>	<u>694,880</u>
Special Commission paid during the period		<u>500,428</u>	<u>475,553</u>
Supplemental non-cash information			
Net changes in fair value of FVOCI investments		1,942	(916)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(AMOUNTS IN SAR '000)**

1. GENERAL

Gulf International Bank - Saudi Arabia (a Closed Joint Stock Company - incorporated in the Kingdom of Saudi Arabia) (the "Bank") was formed after conversion from a foreign branch in accordance with Ministerial resolution number 2007 dated 14 March 2018G, corresponding to 26 Jumada Al-Thani 1439H, and SAMA approval number 391000082125 dated 9 April 2018G, corresponding to 23 Rajab 1439H.

The Bank commenced its operations as a Closed Joint Stock Company on 3 April 2019G, corresponding to 27 Rajab 1440H. The Bank operates under Commercial registration number 2052001920 through its three locations in Riyadh, Jeddah and Dhahran. The address of the Bank's Head Office is as follows:

Gulf International Bank - Saudi Arabia
5515 Cooperative Council Road
Al Khuzama Area, unit No: 54, Al Khobar
Kingdom of Saudi Arabia

The Bank's activities comprise wholesale, commercial, and retail banking services. The Bank also provides to its customers Shariah-compliant products that are approved and supervised by an independent Shariah Board established by the Bank. The Bank is regulated by the Saudi Central Bank (SAMA).

These interim condensed consolidated financial information comprise the financial information of the Bank and its wholly owned subsidiaries (together referred to as "the Group").

<u>Name of subsidiary</u>	<u>Ownership interest % held by the owners of the Bank</u>		
	<u>31.03.25</u>	<u>31.12.24</u>	<u>Country of incorporation</u>
GIB Capital Company (a)	100	100	Kingdom of Saudi Arabia
Dar Enjaz Gulf Real Estate Company (b)	100	100	Kingdom of Saudi Arabia
GIB KSA Markets Limited (c)	100	100	Cayman Islands

- a. GIB Capital Company - a limited liability company incorporated in Kingdom of Saudi Arabia under commercial registration no. 1010244294 provides financial advisory services in connection with equity placements, mergers, disposals and acquisitions, privatisations, debt capital market products and services, strategic debt advisory and asset management. GIB Capital's clients include institutional investors and high net worth ("HNW") individual and the functional currency of the Company is Saudi Arabian Riyal (SAR).
- b. Dar Enjaz Gulf Real Estate Company incorporated in the Kingdom of Saudi Arabia under commercial registration no.1010326338, issued in Riyadh. The Subsidiary was formed with the approval of SAMA for the purpose of dealing, managing and holding real estate on behalf of the Bank and the functional currency of the Company is Saudi Arabian Riyal (SAR).
- c. GIB KSA Markets Limited, a limited liability company incorporated in the Cayman Islands. The Company is engaged in derivatives trading and repo activities and the functional currency of the Company is the United States Dollar (USD).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(AMOUNTS IN SAR '000)**

2. BASIS OF PREPARATION

The condensed interim 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 34 - Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants (SOCPA). The condensed interim consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

The consolidated financial statements of the Group as at and for the year ended 31 December 2024, were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA. The condensed interim consolidated financial information are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand except where otherwise stated and the functional currency of the Group is Saudi Riyal except where otherwise stated in the notes to the financial information.

The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation were consistent with those that were applied to the consolidated financial information as at and for the year ended 31 December 2024, expect otherwise stated.

3. IMPACT OF CHANGES IN MATERIAL ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on the condensed interim consolidated financial information of the Group.

**Standards, interpretations,
amendments**

	Description	Effective from periods beginning on or after
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.	1 January 2025

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(AMOUNTS IN SAR '000)

3. IMPACT OF CHANGES IN MATERIAL ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)
Accounting standards issued but not yet effective

Standards, interpretations, amendments	Description	Effective from periods beginning on or after
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.	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
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.	1 January 2027

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(AMOUNTS IN SAR '000)

4. CASH AND BALANCES WITH SAUDI CENTRAL BANK (SAMA)

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Money market placements with SAMA	1,861,767	5,858,000	5,597,000
Statutory deposits	2,170,083	1,789,550	1,756,930
Cash in hand	15,109	16,500	19,185
Current account	6,607	5,865	246,885
	<u>4,053,566</u>	<u>7,669,915</u>	<u>7,620,000</u>

5. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS, NET

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Current accounts	450,469	1,079,996	146,226
Money market placements	3,527,627	5,790,671	1,808,717
Less: expected credit losses	(8)	(14)	(32)
	<u>3,978,088</u>	<u>6,870,653</u>	<u>1,954,911</u>

6. INVESTMENTS, NET

Investment securities are classified as follows:

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Investments held at FVSI (6a)	370,384	378,731	311,369
Investments held FVOCI (6b)	549,802	397,630	118,268
Investments held at amortised cost - gross (6d)	10,307,841	9,546,700	9,209,083
Less: expected credit losses (6e)	(3,112)	(2,722)	(2,618)
	<u>11,224,915</u>	<u>10,320,339</u>	<u>9,636,102</u>

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

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Mutual funds	355,136	363,472	284,842
Equity investments	15,248	15,259	26,527
	<u>370,384</u>	<u>378,731</u>	<u>311,369</u>

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

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Debt investments	521,949	368,889	83,102
Equity investments	27,853	28,741	35,166
	<u>549,802</u>	<u>397,630</u>	<u>118,268</u>

c) The analysis of the composition of investments is as follows

31 March 2025 (Unaudited)	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	10,555,245	-	10,555,245
Debt securities - floating-rate securities	198,091	76,454	274,545
Less: expected credit losses	(3,080)	(32)	(3,112)
Equity investments	36,179	9,593	45,772
Mutual Funds	352,465	-	352,465
	<u>11,138,900</u>	<u>86,015</u>	<u>11,224,915</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(AMOUNTS IN SAR '000)

6. INVESTMENTS, NET (continued)

c) The analysis of the composition of investments is as follows (continued)

31 December 2024 (Audited)	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	9,640,304	-	9,640,304
Debt securities - floating-rate securities	200,054	75,231	275,285
Less: expected credit losses	(2,690)	(32)	(2,722)
Equity investments	34,407	9,593	44,000
Mutual Funds	363,472	-	363,472
	<u>10,235,547</u>	<u>84,792</u>	<u>10,320,339</u>

31 March 2024 (Unaudited)	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	8,922,872	-	8,922,872
Debt securities - floating-rate securities	292,674	76,639	369,313
Less: expected credit losses	(2,532)	(86)	(2,618)
Equity investments	51,361	10,332	61,693
Mutual Funds	284,842	-	284,842
	<u>9,549,217</u>	<u>86,885</u>	<u>9,636,102</u>

d) The following table shows the movement of gross carrying amounts of the investments held at amortised cost:

31 March 2025 (Unaudited)	Stage 1 (12-month ECL)	Total
Balance at 1 January 2025	9,546,700	9,546,700
Net change	761,141	761,141
Balance at 31 March 2025	<u>10,307,841</u>	<u>10,307,841</u>

31 December 2024 (Audited)	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	8,788,433	8,788,433
Net change	758,267	758,267
Balance at 31 December 2024	<u>9,546,700</u>	<u>9,546,700</u>

31 March 2024 (Unaudited)	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	8,788,433	8,788,433
Net change	420,650	420,650
Balance at 31 March 2024	<u>9,209,083</u>	<u>9,209,083</u>

e) The following table shows the movement of expected credit losses on investments held at amortised cost:

31 March 2025 (Unaudited)	Stage 1 (12-month ECL)	Total
Balance at 1 January 2025	2,722	2,722
Net remeasurement of loss allowance	390	390
Balance at 31 March 2025	<u>3,112</u>	<u>3,112</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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6. INVESTMENTS, NET (continued)

e) The following table shows the movement of expected credit losses on investments held at amortised cost: (continued)

<u>31 December 2024 (Audited)</u>	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	2,597	2,597
Net remeasurement of loss allowance	125	125
Balance at 31 December 2024	<u>2,722</u>	<u>2,722</u>
<u>31 March 2024 (Unaudited)</u>	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	2,597	2,597
Net remeasurement of loss allowance	21	21
Balance at 31 March 2024	<u>2,618</u>	<u>2,618</u>

f) The following table shows the movement of gross carrying amounts debt investments held at FVOCI:

<u>31 March 2025 (Unaudited)</u>	Stage 1 (12-month ECL)	Total
Balance at 1 January 2025	368,889	368,889
Purchase	152,115	152,115
Change in fair value	945	945
Balance at 31 March 2025	<u>521,949</u>	<u>521,949</u>
<u>31 December 2024 (Audited)</u>	Stage 1 (12-month ECL)	Total
New originated	372,725	372,725
Change in fair value	(3,836)	(3,836)
Balance at 31 March 2025	<u>368,889</u>	<u>368,889</u>
<u>31 March 2024 (Unaudited)</u>	Stage 1 (12-month ECL)	Total
New originated	82,514	82,514
Change in fair value	588	588
Balance at 31 March 2025	<u>83,102</u>	<u>83,102</u>

g) The following table shows the movement of expected credit losses on debt investments held at FVOCI:

<u>31 March 2025 (Unaudited)</u>	Stage 1 (12-month ECL)	Total
Balance at 1 January 2025	298	298
Net remeasurement of loss allowance	110	110
Balance at 31 March 2025	<u>408</u>	<u>408</u>
<u>31 December 2024 (Audited)</u>	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	-	-
Net remeasurement of loss allowance	298	298
Balance at 31 December 2024	<u>298</u>	<u>298</u>

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
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6. INVESTMENTS, NET (continued)

g) The following table shows the movement of expected credit losses on debt investments held at FVOCI: (continued)

<u>31 March 2024 (Unaudited)</u>	Stage 1 (12- month ECL)	Total
Balance at 1 January 2024	-	-
Net remeasurement of loss allowance	227	227
Balance at 31 March 2024	<u>227</u>	<u>227</u>

h) The analysis of investments by counterparty is as follows:

	<u>31.03.25</u> <u>(Unaudited)</u>	31.12.24 (Audited)	31.03.24 (Unaudited)
Government and quasi government	8,633,544	8,224,882	7,926,258
Corporate	1,052,340	772,667	686,087
Banks and other financial institutions	1,542,143	1,325,512	1,026,375
Less: expected credit losses	<u>(3,112)</u>	<u>(2,722)</u>	<u>(2,618)</u>
	<u>11,224,915</u>	<u>10,320,339</u>	<u>9,636,102</u>

i) Investments composition as per geography:

	<u>31.03.25</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Investments held at amortised cost, net	8,759,119	1,545,610	10,304,729
Investments held at FVSI	353,995	16,389	370,384
Investments held at FVOCI	54,500	495,302	549,802
	<u>9,167,614</u>	<u>2,057,301</u>	<u>11,224,915</u>

	<u>31.12.24</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Investments held at amortised cost, net	8,425,974	1,118,004	9,543,978
Investments held at FVSI	360,885	17,846	378,731
Investments held at FVOCI	28,741	368,889	397,630
	<u>8,815,600</u>	<u>1,504,739</u>	<u>10,320,339</u>

	<u>31.03.24</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Investments held at amortised cost, net	8,535,811	670,654	9,206,465
Investments held at FVSI	311,369	-	311,369
Investments held at FVOCI	35,166	83,102	118,268
	<u>8,882,346</u>	<u>753,756</u>	<u>9,636,102</u>

j) Movement of investments held at FVOCI - (level 3):

	<u>31.03.25</u> <u>(Unaudited)</u>	31.12.24 (Audited)	31.03.24 (Unaudited)
Balance at period / year beginning	9,593	10,332	10,332
Net change in fair value	-	(739)	-
Balance at period/year end	<u>9,593</u>	<u>9,593</u>	<u>10,332</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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7. LOANS AND ADVANCES, NET

a) Loans and advances are classified as follows:

31 March 2025 (Unaudited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	31,531,215	1,662,819	877,097	34,071,131
Non-performing loans and advances	556,541	-	19,211	575,752
Loans and advances, gross	32,087,756	1,662,819	896,308	34,646,883
Less: expected credit losses	(494,752)	(488)	(37,779)	(533,019)
Loans and advances, net	31,593,004	1,662,331	858,529	34,113,864
31 December 2024 (Audited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	30,233,320	802,808	942,218	31,978,346
Non-performing loans and advances	527,462	-	14,729	542,191
Loans and advances, gross	30,760,782	802,808	956,947	32,520,537
Less: expected credit losses	(715,405)	(1,411)	(33,207)	(750,023)
Loans and advances, net	30,045,377	801,397	923,740	31,770,514
31 March 2024 (Unaudited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	24,544,305	1,600,183	1,087,358	27,231,846
Non-performing loans and advances	564,867	-	20,364	585,231
Loans and advances, gross	25,109,172	1,600,183	1,107,722	27,817,077
Less: expected credit losses	(644,385)	(1,021)	(40,165)	(685,571)
Loans and advances, net	24,464,787	1,599,162	1,067,557	27,131,506

b) Reconciliation of gross carrying amounts:

31 March 2025 (Unaudited)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2025	29,128,611	2,849,735	542,191	32,520,537
<i>Transfers during the period</i>				
Transfer to Stage 1	6,033	(5,775)	(258)	-
Transfer to Stage 2	(20,119)	24,749	(4,630)	-
Transfer to Stage 3	(2,334)	(330,055)	332,389	-
	(16,420)	(311,081)	327,501	-
Written-off during the period	-	-	(247,726)	(247,726)
Net change during the period	2,394,249	26,037	(46,214)	2,374,072
Balance at 31 March 2025	31,506,440	2,564,691	575,752	34,646,883

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
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7. LOANS AND ADVANCES (continued)

b) Reconciliation of gross carrying amounts: (continued)

31 December 2024 (Audited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	26,362,295	1,019,609	591,296	27,973,200
<i>Transfers during the year</i>				
Transfer to Stage 1	62,121	(62,121)	-	-
Transfer to Stage 2	(2,069,370)	2,069,370	-	-
Transfer to Stage 3	(1,782)	(17,071)	18,853	-
	(2,009,031)	1,990,178	18,853	-
Written-off during the year	-	-	(41,236)	(41,236)
Net change during the year	4,775,347	(160,052)	(26,722)	4,588,573
Balance at 31 December 2024	<u>29,128,611</u>	<u>2,849,735</u>	<u>542,191</u>	<u>32,520,537</u>

31 March 2024 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	26,362,295	1,019,609	591,296	27,973,200
<i>Transfers during the period</i>				
Transfer to Stage 1	3,674	(3,674)	-	-
Transfer to Stage 2	(136,120)	138,031	(1,911)	-
Transfer to Stage 3	(3,242)	(11,742)	14,984	-
	(135,688)	122,615	13,073	-
Written-off during the period	-	-	(11,255)	(11,255)
Net change during the period	(63,609)	(73,376)	(7,883)	(144,868)
Balance at 31 March 2024	<u>26,162,998</u>	<u>1,068,848</u>	<u>585,231</u>	<u>27,817,077</u>

c) Reconciliation of expected credit losses:

31 March 2025 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2025	55,863	297,593	396,567	750,023
<i>Transfers during the period</i>				
Transfer to Stage 1	278	(111)	(167)	-
Transfer to Stage 2	(310)	3,134	(2,824)	-
Transfer to Stage 3	(76)	(113,037)	113,113	-
	(108)	(110,014)	110,122	-
<i>Net change during the period</i>				
Corporate	385	336	18,994	19,715
Retail	4,905	(2,332)	8,434	11,007
	5,290	(1,996)	27,428	30,722
<i>Written-off during the period</i>				
Corporate	-	-	(241,291)	(241,291)
Retail	-	-	(6,435)	(6,435)
	-	-	(247,726)	(247,726)
Balance at 31 March 2025	<u>61,045</u>	<u>185,583</u>	<u>286,391</u>	<u>533,019</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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7. LOANS AND ADVANCES (continued)

c) Reconciliation of expected credit losses: (continued)

31 December 2024 (Audited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	91,406	173,492	408,341	673,239
<i>Transfers during the year</i>				
Transfer to Stage 1	2,566	(2,566)	-	-
Transfer to Stage 2	(29,121)	29,121	-	-
Transfer to Stage 3	(1,055)	(2,695)	3,750	-
	(27,610)	23,860	3,750	-
<i>Net change during the year</i>				
Corporate	(9,568)	100,655	(7,128)	83,959
Retail	1,635	(414)	32,840	34,061
	(7,933)	100,241	25,712	118,020
<i>Written-off during the year</i>				
Corporate	-	-	-	-
Retail	-	-	(41,236)	(41,236)
	-	-	(41,236)	(41,236)
Balance at 31 December 2024	<u>55,863</u>	<u>297,593</u>	<u>396,567</u>	<u>750,023</u>

31 March 2024 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	91,406	173,492	408,341	673,239
<i>Transfers during the period</i>				
Transfer to Stage 1	88	(88)	-	-
Transfer to Stage 2	(557)	613	(56)	-
Transfer to Stage 3	(2,151)	(7,691)	9,842	-
	(2,620)	(7,166)	9,786	-
<i>Net change during the period</i>				
Corporate	3,892	7,884	881	12,657
Retail	1,129	7,621	2,159	10,909
	5,021	15,505	3,040	23,566
<i>Written-off during the period</i>				
Corporate	-	-	-	-
Retail	-	-	(11,234)	(11,234)
	-	-	(11,234)	(11,234)
Balance at 31 March 2024	<u>93,807</u>	<u>181,831</u>	<u>409,933</u>	<u>685,571</u>

d) Expected credit losses charge for the period / year:

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Corporate	19,715	83,959	12,657
Retail	11,007	34,061	10,909
Total	<u>30,722</u>	<u>118,020</u>	<u>23,566</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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8. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Money market deposits	6,466,467	5,659,461	4,612,414
Repos	1,596,707	1,494,659	-
Current accounts	76,478	311,223	128,495
	<u>8,139,652</u>	<u>7,465,343</u>	<u>4,740,909</u>

9. CUSTOMERS' DEPOSITS

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Demand	17,831,483	22,057,266	19,543,502
Time	16,269,993	15,278,760	11,754,740
Saving	405,859	453,448	309,732
Margin	883,702	1,239,415	466,718
	<u>35,391,037</u>	<u>39,028,889</u>	<u>32,074,692</u>

10. DERIVATIVES AND FOREIGN EXCHANGE INSTRUMENTS

The tables below summarise the positive and negative fair values of derivative financial instruments, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the period-end, 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 market risk.

31 March 2025 (Unaudited)

	Positive fair value	Negative fair value	Notional amount
Held for trading			
Commission rate swaps	55,441	(51,679)	4,372,812
Commission rate futures and currency options	64,707	(64,705)	14,607,605
Forward foreign exchange contracts	3,974	(3,210)	415,520
Others	21,189	(10,914)	704,809
Held as fair value hedge			
Commission rate swaps - investments	32,829	(23,268)	2,067,413
Commission rate swaps - loans	14,056	-	576,066
	<u>192,196</u>	<u>(153,776)</u>	<u>22,744,225</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
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10. DERIVATIVES AND FOREIGN EXCHANGE INSTRUMENTS (continued)

<u>31 December 2024 (Audited)</u>	<u>Positive fair value</u>	<u>Negative fair value</u>	<u>Notional amount</u>
<u>Held for trading</u>			
Commission rate swaps	83,505	(81,198)	5,142,877
Commission rate futures and currency options	93,871	(93,832)	14,789,597
Forward foreign exchange contracts	10,283	(10,618)	1,691,393
Others	3,356	(2,693)	456,058
<u>Held as fair value hedge</u>			
Commission rate swaps - investments	58,132	-	1,574,007
Commission rate swaps - loans	24,691	-	983,607
	<u>273,838</u>	<u>(188,341)</u>	<u>24,637,539</u>
<u>31 March 2024 (Unaudited)</u>	<u>Positive fair value</u>	<u>Negative fair value</u>	<u>Notional amount</u>
<u>Held for trading</u>			
Commission rate swaps	119,807	(113,520)	4,799,715
Commission rate futures and currency options	101,290	(101,291)	12,360,092
Forward foreign exchange contracts	5,881	(5,199)	600,094
Others	51	(51)	60,010
<u>Held as fair value hedge</u>			
Commission rate swaps - investments	46,476	(327)	930,158
Commission rate swaps - loans	24,376	-	710,427
	<u>297,881</u>	<u>(220,388)</u>	<u>19,460,496</u>

11. SUBORDINATED DEBT

In 2023, the Bank began issuing its Tier II sukuk (non-convertible and unlisted) worth SAR 3 billion. An amount of SAR 1.5 billion was issued and subscribed on December 19, 2023. The issuance of the sukuk is under the Bank's sukuk issuance programme ("the Programme") and matures in 2033, with the Bank having the option to redeem the sukuk after five years, subject to SAMA's prior approval and the conditions of the Programme being met. The Bank's sukuk programme is in line with its strategic objectives to promote growth and actively contribute to the achievement of the national economic goals set out in the Kingdom's Vision 2030. The structure of the sukuk was approved by the Bank's Shari'ah Committee and the Regulatory Authority. The sukuk are unsecured and were offered through a private placement in the Kingdom of Saudi Arabia. The effective special commission rate is the three-month SAIBOR plus a margin of 120 basis points, payable quarterly. The sukuk are denominated in Saudi Arabian Riyals.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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12. CONTINGENCIES AND COMMITMENTS

a) Legal proceedings

As at 31 March 2025, there were no significant legal proceedings outstanding against the Group which requires a disclosure or provision. The Group is subject to legal proceedings in the ordinary course of business.

b) Credit related contingencies and commitments

i) The breakdown of credit related contingencies and commitment is as follows:

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Letters of guarantee	15,945,706	15,373,176	14,004,417
Irrevocable commitments to extend credit	4,102,809	2,915,611	5,915,258
Letters of credit	2,696,789	2,715,043	2,554,068
Acceptances	2,364,658	2,707,320	2,082,646
	<u>25,109,962</u>	<u>23,711,150</u>	<u>24,556,389</u>

ii) Reconciliation of exposure of financial contingencies and commitments:

31 March 2025 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2025	21,936,211	1,489,956	284,983	23,711,150
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
	-	-	-	-
Net change during the period	1,396,050	2,762	-	1,398,812
Balance at 31 March 2025	<u>23,332,261</u>	<u>1,492,718</u>	<u>284,983</u>	<u>25,109,962</u>

31 December 2024 (Audited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2024	21,569,460	1,319,808	313,922	23,203,190
<i>Transfers during the year</i>				
Transfer to Stage 1	1,292,322	(1,292,322)	-	-
Transfer to Stage 2	(575,251)	575,251	-	-
Transfer to Stage 3	-	-	-	-
	717,071	(717,071)	-	-
Net change during the year	(350,320)	887,219	(28,939)	507,960
Balance at 31 December 2024	<u>21,936,211</u>	<u>1,489,956</u>	<u>284,983</u>	<u>23,711,150</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
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12. CONTINGENCIES AND COMMITMENTS (continued)

b) Credit related contingencies and commitments (continued)

ii) Reconciliation of exposure of financial contingencies and commitments: (continued)

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
31 March 2024 (Unaudited)				
Balance at 1 January 2024	21,569,460	1,319,808	313,922	23,203,190
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(49,469)	49,469	-	-
Transfer to Stage 3	-	-	-	-
	(49,469)	49,469	-	-
Net change during the period	1,353,199	-	-	1,353,199
Balance at 31 March 2024	22,873,190	1,369,277	313,922	24,556,389

iii) Reconciliation of expected credit losses on financial contingencies and commitments:

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
31 March 2025 (Unaudited)				
Balance at 1 January 2025	18,431	9,548	150,062	178,041
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
	-	-	-	-
Net change during the period	1,121	214	-	1,335
Balance at 31 March 2025	19,552	9,762	150,062	179,376

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
31 December 2024 (Audited)				
Balance at 1 January 2024	14,563	14,030	133,611	162,204
<i>Transfers during the year</i>				
Transfer to Stage 1	4,843	(4,843)	-	-
Transfer to Stage 2	(885)	885	-	-
Transfer to Stage 3	-	-	-	-
	3,958	(3,958)	-	-
Net change during the year	(90)	(524)	16,451	15,837
Balance at 31 December 2024	18,431	9,548	150,062	178,041

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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12. CONTINGENCIES AND COMMITMENTS (continued)

b) Credit related contingencies and commitments (continued)

iii) Reconciliation of expected credit losses on financial contingencies and commitments (continued)

31 March 2024 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2024	14,563	14,030	133,611	162,204
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(266)	266	-	-
Transfer to Stage 3	-	-	-	-
	(266)	266	-	-
Net change during the period	2,789	(114)	13,205	15,880
Balance at 31 March 2024	17,086	14,182	146,816	178,084

13. CASH AND CASH EQUIVALENTS

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Cash and balances with			
Saudi Central Bank (SAMA) excluding statutory deposit	1,883,483	5,880,365	5,863,070
Due from banks and other financial institutions with original maturities of three-months or less	3,978,088	6,870,653	1,924,906
	5,861,571	12,751,018	7,787,976

14. ZAKAT

Gulf International Bank - Saudi Arabia

The Bank has filed its zakat declarations with the Zakat, Tax and Customs Authority ("ZATCA") for the period from 3 April 2019 to 31 December 2019, and for the years 2020 to 2024. ZATCA has finalized the assessments for the period/year 2019 and 2020 without any additional liability. However, no assessments have been issued by ZATCA for the years ended 31 December 2021 to 2024.

GIB Capital Company

In 2016, the Company obtained an approval from ZATCA for an exemption to pay zakat. Accordingly, the Company has not considered zakat for the years from 2016 to 2024.

15. SHARE CAPITAL AND EARNINGS PER SHARE

The authorised, issued and fully paid share capital at 31 March 2025, 31 December 2024 and 31 March 2024 comprised 750 million shares of SAR 10 each. Basic and diluted earnings per share for the period/ year ended 31 March 2025, 31 December 2024 and 31 March 2024 is calculated on a weighted average basis by dividing the net income for the period / year by 750 million shares. Gulf International Bank BSC is the parent, Public Investment Fund is the Ultimate parent and Government of Saudi Arabia is the Ultimate Controlling Party of the Group.

	31.03.25	31.12.24
Gulf International Bank BSC	50%	50%
Public Investment Fund	50%	50%

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16. 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 between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 - Inputs that are unobservable. This category includes all instruments for which the valuation technique include inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

At 31 March 2025 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
<i>Investments held at FVOCI</i>					
Debt securities	521,949	521,949	-	-	521,949
Equity securities	27,853	18,260	-	9,593	27,853
Investments held at FVSI	370,384	15,248	355,136	-	370,384
Positive fair value of derivatives	192,196	-	192,196	-	192,196
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	10,304,729	9,971,533	-	74,992	10,046,525
Loans and advances, net	34,113,864	-	-	34,113,864	34,113,864

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2024 (Audited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
<i>Investments held at FVOCI</i>					
Debt securities	368,889	368,889	-	-	368,889
Equity securities	28,741	19,148	-	9,593	28,741
<i>Investments held at FVSI</i>	378,731	15,259	363,472	-	378,731
Positive fair value of derivatives	273,838	-	273,838	-	273,838
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	9,543,978	9,112,559	-	74,967	9,187,526
Loans and advances, net	31,770,514	-	-	31,770,514	31,770,514
<u>At 31 March 2024 (Unaudited)</u>					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
<i>Investments held at FVOCI</i>					
Debt securities	83,102	83,102	-	-	83,102
Equity securities	35,166	24,834	-	10,332	35,166
<i>Investments held at FVSI</i>	311,369	26,527	284,842	-	311,369
Positive fair value of derivatives	297,881	-	297,881	-	297,881
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	9,206,465	8,893,650	-	74,971	8,968,621
Loans and advances, net	27,131,506	-	-	27,131,506	27,131,506
<u>At 31 March 2025 (Unaudited)</u>					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	153,776	-	153,776	-	153,776
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	35,391,037	-	-	35,391,037	35,391,037
Subordinated debt	1,503,511	-	-	1,503,511	1,503,511

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2024 (Audited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	188,341	-	188,341	-	188,341
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	39,028,889	-	-	39,028,889	39,028,889
Subordinated debt	1,503,726	-	-	1,503,726	1,503,726

At 31 March 2024 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	220,388	-	220,388	-	220,388
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	32,074,692	-	-	32,074,692	32,074,692
Subordinated debt	1,504,013	-	-	1,504,013	1,504,013

Cash and balances with Saudi Central bank (SAMA), due from banks, due to banks and other financial assets and liabilities are assumed to have fair values that reasonably approximate their corresponding carrying values due to their short-term nature.

The Group's financial instruments are accounted for under the historical cost method with the exception of trading securities, equity investment securities, debt securities at FVOCI and derivative financial instruments, which are accounted for at fair value. The fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Differences therefore can arise between book values under the historical cost method and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Generally accepted methods of determining fair value include reference to quoted prices (level 1 measurement) or to the pricing prevailing for similar financial instruments (level 2 measurement) and the use of unobservable inputs in estimation techniques such as discounted cash flow analysis (level 3 measurement).

Investment held at FVSI

FVSI investments classified as level 1 are based on quoted prices.

FVSI investments classified as level 2 include mutual funds, the fair value of which is determined based on the latest reported net assets value (NAV) at fair market value as at the date of statement of interim consolidated financial position.

Investment held at FVOCI (Equity securities)

The fair values of equity investment at FVOCI are based on quoted prices (level 1) or valuation techniques (level 3).

Investment held at amortised cost / FVOCI (Debt securities)

The fair value of debt securities mentioned in level 1 is computed based on market quotes. The market quotes of the debt securities and similar instruments are readily available.

All other debt securities in Level 3 valued based on other valuation techniques comprise discounted cash flow techniques or other valuation methodologies such as broker quotes.

There were no transfers between the levels during the three month period ended 31 March 2025.

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Loans and advances, customer deposits and subordinated debt

The fair values (level 3) of impaired loans are estimated at the recoverable amount, measured as the present value of expected future cash flows discounted based on the Group's weighted average discount rate. The fair values of fixed rate / variable loans, customer deposits are estimated on a discounted cash flow basis utilising discount rates equal to prevailing market rates of interest in the respective currencies for loans and deposits of similar residual maturity and credit quality.

Other on-balance sheet items

The fair values of foreign exchange and derivative financial instruments are based on market prices, discounted cash flow techniques or option pricing models as appropriate. The fair values of all other on-balance sheet financial assets and liabilities approximate their respective book values due to their short-term nature.

17. CAPITAL ADEQUACY

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

Capital adequacy and the use of regulatory capital are monitored regularly by management. SAMA requires holding the minimum level of the regulatory capital of and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above Basel prescribed minimum.

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

The following table summarizes the Group's Pillar-I Risk Weighted Assets, Tier I and Tier II Capital and Capital Adequacy Ratios.

	31.03.25 (Unaudited)	31.12.24 (Audited)	31.03.24 (Unaudited)
Risk Weighted Assets (RWA)			
Credit risk RWA	49,561,704	46,925,017	41,115,490
Operational risk RWA	1,925,713	1,591,323	1,591,323
Market risk RWA	4,058,378	3,521,112	2,932,801
Total Pillar-I RWA	55,545,795	52,037,452	45,639,614
Tier I capital	7,762,100	7,677,368	7,479,421
Tier II capital	1,779,062	1,884,171	1,809,556
Total Tier I & II Capital	9,541,162	9,561,539	9,288,977
Capital adequacy ratios %			
Tier I ratio	13.97%	14.75%	16.39%
Tier I + Tier II ratio	17.18%	18.37%	20.35%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)
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18. RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA. The Group uses the exemptions in respect of related parties' disclosures for government-related entities in IAS 24 "Related Party Disclosures". Transactions with related parties which are considered individually significant are included below.

- (i) The balances resulting from such transactions included in the interim condensed consolidated financial position are as follows:

	<u>31.03.25</u> (Unaudited)	<u>31.12.24</u> (Audited)	<u>31.03.24</u> (Unaudited)
Gulf International Bank BSC, its subsidiaries and branches:			
Due from banks and other financial institutions	10,710	24,284	40,877
Due to banks and other financial institutions	59,052	301,935	431,458
Other assets	204,511	164,529	63,128
Other liabilities	86,531	76,017	100,103
Public Investment Fund and its affiliates			
Loans and advances	6,250,431	4,120,268	3,637,501
Customers' deposits	11,052,951	14,032,781	9,881,759
Investments	1,315,896	894,824	691,401

- (ii) Off-balance sheet balances are as follows:

	<u>31.03.25</u> (Unaudited)	<u>31.12.24</u> (Audited)	<u>31.03.24</u> (Unaudited)
Gulf International Bank BSC, its subsidiaries and branches:			
Derivatives	8,664,652	9,926,827	7,540,926
Contingencies and commitments	1,607,692	1,619,019	1,703,924
Public Investment Fund and its affiliates			
Derivatives	1,121,412	1,172,027	920,096
Contingencies and commitments	535,757	498,465	1,279,432

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

	<u>31.03.25</u> (Unaudited)	<u>31.12.24</u> (Audited)	<u>31.03.24</u> (Unaudited)
Gulf International Bank BSC, its subsidiaries and branches:			
Special commission income	6,251	47,706	12,216
Special commission expense	4,004	8,471	2,521
Fees and commission income and expense, net	452	755	262
Cost recharged to, net	29,810	109,068	-
Public Investment Fund and its affiliates			
Special commission income	89,619	274,737	72,311
Special commission expense	99,275	449,518	104,131
Fees and commission income and expense, net	5,916	26,503	4,905

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 30 April 2025G (corresponding to 1 Dhul-Qi'dah 1446H).