

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023  
(Unaudited)

**GIB**



## Ernst & Young Professional Services

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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 SAUDI 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 30 September 2023, and the related interim condensed consolidated statements of income and comprehensive income for the three-months and nine-months periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended, and explanatory notes (collectively referred to as “the interim condensed consolidated financial statements”). The 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.

## Other regulatory matters

As required by the Saudi Central Bank (“SAMA”), certain capital adequacy information has been disclosed in note 16 to the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note 16 to the relevant analysis prepared by the Bank for its submission to SAMA and found no material inconsistencies.

## Ernst & Young Professional Services

**Marwan S. AlAfaliq**  
Certified Public Accountant  
License no. 422



Ernst & Young Professional Services (Professional LLC)  
Paid-up capital SR 5,500,000  
Registration No. 45/11/323  
C.R. No. 2051058792

## KPMG Professional Services

**Tareq Abdulrahman Al Sunaid**  
Certified Public Accountant  
License no. 419



KPMG Professional Services  
(Professional Closed Joint Stock Company)  
Paid-up capital SR 40,000,000  
C.R. No. 2051062328

23 Rabi-al-Thani 1445H  
(7 November 2023)

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

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**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT**

|   | Note | 30.09.23<br>(Unaudited)<br>SAR '000 | 31.12.22<br>(Audited)<br>SAR '000 | 30.09.22<br>(Unaudited)<br>SAR '000 |
|---|------|-------------------------------------|-----------------------------------|-------------------------------------|
| <b>ASSETS</b>   |      |                                     |                                   |                                     |
| Cash and balances with Saudi Central Bank (SAMA)      | 4    | 8,876,771                           | 5,150,826                         | 4,532,083                           |
| Due from banks and other financial institutions       | 5    | 2,684,481                           | 4,534,002                         | 3,049,942                           |
| Investments held at:                                  |      |                                     |                                   |                                     |
| Fair value through statement of income (FVSI)         | 6    | 248,930                             | 203,003                           | 221,205                             |
| Fair value through other comprehensive income (FVOCI) | 6    | 38,465                              | 296,412                           | 333,196                             |
| Amortised cost (AC), net                              | 6    | 7,594,080                           | 6,292,987                         | 7,013,249                           |
| Positive fair value derivatives                       | 10   | 438,032                             | 417,480                           | 368,551                             |
| Loans and advances, net                               | 7    | 26,318,594                          | 24,790,737                        | 21,938,343                          |
| Other assets  |      | 468,812                             | 456,165                           | 371,152                             |
| Furniture, fixtures and equipment, net                |      | 50,495                              | 51,541                            | 57,321                              |
| Right-of-use assets, net                              |      | 213,748                             | 184,629                           | 192,301                             |
| Intangible assets, net                                |      | 77,895                              | 49,287                            | 46,582                              |
| <b>Total assets</b>                                   |      | <b>47,010,303</b>                   | <b>42,427,069</b>                 | <b>38,123,925</b>                   |
| <b>LIABILITIES AND EQUITY</b>                         |      |                                     |                                   |                                     |
| <b>Liabilities</b>                                    |      |                                     |                                   |                                     |
| Due to banks and other financial institutions         | 8    | 6,168,709                           | 4,188,042                         | 1,063,839                           |
| Customers' deposits                                   | 9    | 31,513,100                          | 29,595,010                        | 28,425,709                          |
| Negative fair value derivatives                       | 10   | 318,226                             | 331,559                           | 302,865                             |
| Other liabilities                                     |      | 1,319,974                           | 886,948                           | 869,060                             |
| Lease liabilities                                     |      | 235,488                             | 193,740                           | 206,332                             |
| <b>Total liabilities</b>                              |      | <b>39,555,497</b>                   | <b>35,195,299</b>                 | <b>30,867,805</b>                   |
| <b>Equity</b>   |      |                                     |                                   |                                     |
| Share capital   | 14   | 7,500,000                           | 7,500,000                         | 7,500,000                           |
| Statutory reserve                                     |      | 1,753                               | 1,753                             | 1,753                               |
| Fair value reserve                                    |      | (912)                               | 16,163                            | 52,719                              |
| Accumulated losses                                    |      | (46,035)                            | (286,146)                         | (298,352)                           |
| <b>Total equity</b>                                   |      | <b>7,454,806</b>                    | <b>7,231,770</b>                  | <b>7,256,120</b>                    |
| <b>Total liabilities and equity</b>                   |      | <b>47,010,303</b>                   | <b>42,427,069</b>                 | <b>38,123,925</b>                   |

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

  
Abdulla Mohammed Al-Zamil  
Chairman

  
Abdulaziz A. Al-Helaissi  
Chief Executive Officer

  
Waleed AlKhatian  
Acting Chief Financial Officer

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

**INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED**

|   | Note | Three-month ended |                  | Nine-month ended |                  |
|---|------|-------------------|------------------|------------------|------------------|
|   |      | 30.09.23          | 30.09.22         | 30.09.23         | 30.09.22         |
|   |      | (Unaudited)       |                  | (Unaudited)      |                  |
|   |      | SAR '000          | SAR '000         | SAR '000         | SAR '000         |
| Special commission income                               |      | 693,080           | 325,478          | 1,923,772        | 738,701          |
| Special commission expense                              |      | (453,875)         | (157,589)        | (1,262,978)      | (300,481)        |
| <b>Net special commission income</b>                    |      | <b>239,205</b>    | <b>167,889</b>   | <b>660,794</b>   | <b>438,220</b>   |
| Fee and commission income                               |      | 85,033            | 60,711           | 220,023          | 181,028          |
| Fee and commission expense                              |      | (5,199)           | (5,690)          | (13,469)         | (13,202)         |
| <b>Net fee and commission income</b>                    |      | <b>79,834</b>     | <b>55,021</b>    | <b>206,554</b>   | <b>167,826</b>   |
| Exchange income, net                                    |      | 14,264            | 28,742           | 56,216           | 49,140           |
| (Loss) / gains on FVSI investments, net                 |      | (3,358)           | 3,377            | 22,836           | 15,958           |
| Gains on other financial instruments, net               |      | 7,021             | 11,122           | 7,952            | 21,315           |
| Dividend income   |      | 366               | 2,884            | 3,610            | 8,661            |
| Other operating income                                  |      | 3,534             | 8,482            | 8,205            | 10,739           |
| <b>Total operating income</b>                           |      | <b>340,866</b>    | <b>277,517</b>   | <b>966,167</b>   | <b>711,859</b>   |
| Salaries and employee related expenses                  |      | (126,749)         | (113,456)        | (375,357)        | (310,672)        |
| Rent and premises related expenses                      |      | (1,495)           | (4,315)          | (8,377)          | (8,622)          |
| Depreciation and amortisation                           |      | (14,534)          | (13,199)         | (42,134)         | (40,669)         |
| Other general and administrative expenses               |      | (73,313)          | (56,568)         | (202,211)        | (163,909)        |
| <b>Operating expenses before expected credit losses</b> |      | <b>(216,091)</b>  | <b>(187,538)</b> | <b>(628,079)</b> | <b>(523,872)</b> |
| <b>Expected credit losses (charge) / reversal on:</b>   |      |                   |                  |                  |                  |
| Loans and advances                                      | 7    | (42,239)          | (23,486)         | (115,840)        | (57,010)         |
| Financial contingencies and commitments                 | 11   | (2,232)           | (4,018)          | (409)            | (313)            |
| Investments   | 6    | 208               | 519              | (205)            | (195)            |
| <b>Total expected credit losses</b>                     |      | <b>(44,263)</b>   | <b>(26,985)</b>  | <b>(116,454)</b> | <b>(57,518)</b>  |
| <b>Total operating expenses</b>                         |      | <b>(260,354)</b>  | <b>(214,523)</b> | <b>(744,533)</b> | <b>(581,390)</b> |
| <b>Income for the period before zakat</b>               |      | <b>80,512</b>     | <b>62,994</b>    | <b>221,634</b>   | <b>130,469</b>   |
| Zakat charge  |      | (15,465)          | (10,725)         | (41,687)         | (21,696)         |
| <b>Net income for the period</b>                        |      | <b>65,047</b>     | <b>52,269</b>    | <b>179,947</b>   | <b>108,773</b>   |
| <b>Earnings per share (expressed in SAR per share)</b>  |      |                   |                  |                  |                  |
| Basic and diluted earnings per share                    | 14   | <u>0.09</u>       | <u>0.07</u>      | <u>0.24</u>      | <u>0.15</u>      |

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED

|   | Three-month ended |          | Nine-month ended |          |
|---|-------------------|----------|------------------|----------|
|   | 30.09.23          | 30.09.22 | 30.09.23         | 30.09.22 |
|   | (Unaudited)       |          |                  |          |
|   | SAR '000          | SAR '000 | SAR '000         | SAR '000 |
| Net income for the period   | 65,047            | 52,269   | 179,947          | 108,773  |
| Other comprehensive income / (loss):  |                   |          |                  |          |
| <i>Items that will not be reclassified to the statement of income in subsequent periods:</i>                          |                   |          |                  |          |
| - Net changes in fair value of equity investments classified as fair value through other comprehensive income (FVOCI) | 2,214             | (26,619) | 43,089           | 29,802   |
| Other comprehensive income / (loss) for the period  | 2,214             | (26,619) | 43,089           | 29,802   |
| Total comprehensive income for the period   | 67,261            | 25,650   | 223,036          | 138,575  |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIODS / YEAR ENDED

|  | Share capital<br>SAR '000 | Statutory reserve<br>SAR '000 | Fair value reserve<br>SAR '000 | Accumulated losses<br>SAR '000 | Total<br>SAR '000 |
|--|---------------------------|-------------------------------|--------------------------------|--------------------------------|-------------------|
| <b>For the nine-month period ended 30 September 2023 (Unaudited)</b> |                           |                               |                                |                                |                   |
| Balance at 1 January 2023  | 7,500,000                 | 1,753                         | 16,163                         | (286,146)                      | 7,231,770         |
| Net income for the period  | -                         | -                             | -                              | 179,947                        | 179,947           |
| Other comprehensive income for the period                            | -                         | -                             | 43,089                         | -                              | 43,089            |
| Total comprehensive income for the period                            | -                         | -                             | 43,089                         | 179,947                        | 223,036           |
| Disposal of FVOCI equity investments                                 | -                         | -                             | (60,164)                       | 60,164                         | -                 |
| <b>Balance at 30 September 2023</b>                                  | <b>7,500,000</b>          | <b>1,753</b>                  | <b>(912)</b>                   | <b>(46,035)</b>                | <b>7,454,806</b>  |
| <b>For the year ended 31 December 2022 (Audited)</b>                 |                           |                               |                                |                                |                   |
| Balance at 1 January 2022  | 7,500,000                 | 1,753                         | 22,917                         | (407,125)                      | 7,117,545         |
| Net income for the year  | -                         | -                             | -                              | 131,012                        | 131,012           |
| Other comprehensive loss for the year                                | -                         | -                             | (6,754)                        | (10,033)                       | (16,787)          |
| Total comprehensive income for the year                              | -                         | -                             | (6,754)                        | 120,979                        | 114,225           |
| <b>Balance at 31 December 2022</b>                                   | <b>7,500,000</b>          | <b>1,753</b>                  | <b>16,163</b>                  | <b>(286,146)</b>               | <b>7,231,770</b>  |
| <b>For the nine-month period ended 30 September 2022 (Unaudited)</b> |                           |                               |                                |                                |                   |
| Balance at 1 January 2022  | 7,500,000                 | 1,753                         | 22,917                         | (407,125)                      | 7,117,545         |
| Net income for the period  | -                         | -                             | -                              | 108,773                        | 108,773           |
| Other comprehensive income for the period                            | -                         | -                             | 29,802                         | -                              | 29,802            |
| Total comprehensive income for the period                            | -                         | -                             | 29,802                         | 108,773                        | 138,575           |
| <b>Balance at 30 September 2022</b>                                  | <b>7,500,000</b>          | <b>1,753</b>                  | <b>52,719</b>                  | <b>(298,352)</b>               | <b>7,256,120</b>  |

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



**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE-MONTH PERIODS ENDED**

|   | Note | 2023<br>(Unaudited)<br>SAR '000 | 2022<br>(Unaudited)<br>SAR '000 |
|---|------|---------------------------------|---------------------------------|
| <b>OPERATING ACTIVITIES</b>   |      |                                 |                                 |
| Net income before zakat for the period  |      | 221,634                         | 130,469                         |
| <b>Adjustments to reconcile net income before zakat<br/>to net cash flow from operating activities:</b> |      |                                 |                                 |
| Depreciation and amortisation   |      | 24,851                          | 23,785                          |
| Depreciation of right-of-use assets   |      | 17,283                          | 16,884                          |
| Interest expense on lease liabilities   |      | 8,393                           | 8,152                           |
| Expected credit losses on investments   |      | 205                             | 195                             |
| Expected credit losses on loans and advances  |      | 115,840                         | 57,010                          |
| Gains on FVSI investments   |      | (22,836)                        | (15,958)                        |
| Gains on other financial instruments  |      | (7,952)                         | (21,315)                        |
|   |      | <u>357,418</u>                  | <u>199,222</u>                  |
| <b>Net (increase) / decrease in operating assets:</b>   |      |                                 |                                 |
| Statutory deposit with SAMA   |      | (265,146)                       | (203,922)                       |
| Due from banks and other financial institutions   |      | 30,100                          | (55)                            |
| Positive fair value derivatives   |      | (12,600)                        | (186,177)                       |
| Loans and advances  |      | (1,644,106)                     | 1,579,254                       |
| Other assets  |      | (12,647)                        | 36,812                          |
| <b>Net increase / (decrease) in operating liabilities:</b>  |      |                                 |                                 |
| Due to banks and other financial institutions   |      | 1,980,667                       | (1,263,078)                     |
| Customers' deposits   |      | 1,918,090                       | 1,189,249                       |
| Negative fair value derivatives   |      | (13,333)                        | 80,189                          |
| Other liabilities   |      | 367,322                         | 194,999                         |
| <b>Net cash from operating activities</b>   |      | <u>2,705,765</u>                | <u>1,626,493</u>                |
| <b>INVESTING ACTIVITIES</b>   |      |                                 |                                 |
| Purchase of investments   |      | (1,301,298)                     | (1,651,761)                     |
| Proceed from sale of investments  |      | 302,944                         | -                               |
| Purchase of furniture, fixtures, equipment and intangible assets  |      | (52,413)                        | (29,141)                        |
| <b>Net cash used in investing activities</b>  |      | <u>(1,050,767)</u>              | <u>(1,680,902)</u>              |
| <b>FINANCING ACTIVITY</b>   |      |                                 |                                 |
| Lease liabilities paid  |      | (13,620)                        | (12,920)                        |
| <b>Net cash used in financing activity</b>  |      | <u>(13,620)</u>                 | <u>(12,920)</u>                 |
| <b>Net increase in cash and cash equivalents</b>  |      | <u>1,641,378</u>                | <u>(67,329)</u>                 |
| Cash and cash equivalents at the beginning of the period  | 12   | <u>8,110,176</u>                | <u>5,857,811</u>                |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>   | 12   | <u><u>9,751,554</u></u>         | <u><u>5,790,482</u></u>         |

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



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023  
(AMOUNTS IN SAR '000)**

**1. INCORPORATION AND REGISTRATION**

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.

Following are the subsidiaries of the Bank (collectively referred to as "the Group").

| <b>Name of subsidiary</b>              | <b>Ownership interest % held by the owners of the Bank</b> |                 |                                 |
|--|--|-----------------|---------------------------------|
|  | <b>30.09.23</b>  | <b>31.12.22</b> | <b>Country of incorporation</b> |
| (a) GIB Capital Company                | <b>100</b>   | 100             | Kingdom of Saudi Arabia         |
| (b) Dar Enjaz Gulf Real Estate Company | <b>100</b>   | 100             | Kingdom of Saudi Arabia         |
| (c) GIB KSA Markets Limited            | <b>100</b>   | 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") individuals.
- b. 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.
- c. A limited liability company incorporated in the Cayman Islands. The Company is engaged in derivatives trading and repo activities.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023  
(AMOUNTS IN SAR '000)**

**2. BASIS OF PREPARATION**

The interim condensed consolidated financial statements of the Group as at and for the period ended 30 September 2023 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

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

The preparation of interim condensed consolidated financial statements requires management to make judgements, 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 these interim condensed consolidated financial statements, 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 statements as at and for the year ended 31 December 2022.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Companies Law on the Group and believe to be insignificant.

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

**a) New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

**Standards, interpretations,  
amendments**

|   | <b>Description</b>  | <b>Effective date</b>                               |
|---|---|---|
| Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8                                      | The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.  | Annual periods beginning on or after 1 January 2023 |
| Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction | These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.   | Annual periods beginning on or after 1 January 2023 |
| Amendment to IAS 12 - International tax reform - pillar two model rules                               | These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. | Annual periods beginning on or after 1 January 2023 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)

a) New standards, interpretations and amendments adopted by the Group (continued)

Standards, interpretations,  
amendments

Description

Effective date

IFRS 17, 'Insurance contracts', as amended in December 2021

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts.

Annual periods beginning on or after 1 January 2023

b) Accounting standards issued but not yet effective

Standards, interpretations,  
amendments

Description

Effective date

Amendment to IFRS 16 - Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

1 January 2024

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

1 January 2024

Amendment to IAS 1 - Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions

1 January 2024

IFRS S1, 'General requirements for disclosure of sustainability-related financial information

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

1 January 2024 subject to endorsement from SOCPA

IFRS S2, 'Climate-related disclosures'

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

1 January 2024 subject to endorsement from SOCPA

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

|  | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--|-------------------------|-----------------------|-------------------------|
| Money market placements with SAMA (note 4.1) | 7,043,000               | 3,587,000             | 2,752,751               |
| Statutory deposits (note 4.2)                | 1,809,698               | 1,544,552             | 1,761,443               |
| Cash in hand                                 | 18,366                  | 15,784                | 15,105                  |
| Current account                              | 5,707                   | 3,490                 | 2,784                   |
|  | <u>8,876,771</u>        | <u>5,150,826</u>      | <u>4,532,083</u>        |

4.1 Money market placements with SAMA represents overnight reverse repo placement with SAMA that mature on 1 October 2023 (31 December 2022: 1 January 2023 and 30 September: 2 October 2022).

4.2 In accordance with the Banking Control Law and regulations issued by SAMA, the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its customer demand, savings, time and other deposits, calculated at the end of each month. The statutory deposits with SAMA are not available to finance the Bank's day-to-day operations and therefore are not part of cash and cash equivalents (note 12), when preparing the interim condensed consolidated statement of cash flows.

5. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

|                         | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|-------------------------|-------------------------|-----------------------|-------------------------|
| Money market placements | 1,844,016               | 3,111,431             | 1,345,267               |
| Current accounts        | 840,465                 | 1,422,571             | 1,704,675               |
|                         | <u>2,684,481</u>        | <u>4,534,002</u>      | <u>3,049,942</u>        |

The credit quality of due from banks and other financial institutions is assessed using external credit rating agencies. The above due from banks and other financial institutions balances are neither past due nor impaired. Due from banks and other financial institutions only includes on demand balances and short-term placements are in investment grade category and impact of expected credit losses is considered to be immaterial.

6. INVESTMENTS

a) Investment securities are classified as follows:

|   | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|---|-------------------------|-----------------------|-------------------------|
| Investments held at amortised cost - gross (6f) | 7,595,520               | 6,294,222             | 7,014,505               |
| Less: expected credit losses (6g)               | (1,440)                 | (1,235)               | (1,256)                 |
| Investments held at amortised cost - net (6c)   | 7,594,080               | 6,292,987             | 7,013,249               |
| Investments held at FVSI (6d)                   | 248,930                 | 203,003               | 221,205                 |
| Investments held FVOCI (6e)                     | 38,465                  | 296,412               | 333,196                 |
|   | <u>7,881,475</u>        | <u>6,792,402</u>      | <u>7,567,650</u>        |

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

|  | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--|-------------------------|-----------------------|-------------------------|
| Government and quasi government        | 6,574,839               | 5,485,459             | 6,312,278               |
| Corporate                              | 659,651                 | 925,709               | 995,980                 |
| Banks and other financial institutions | 648,425                 | 382,469               | 260,648                 |
| Less: expected credit losses           | (1,440)                 | (1,235)               | (1,256)                 |
|  | <u>7,881,475</u>        | <u>6,792,402</u>      | <u>7,567,650</u>        |

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## 6. INVESTMENTS (continued)

## c) Investments held at amortised cost (AC)

|  | Quoted           | Unquoted      | Total            |
|--|------------------|---------------|------------------|
| <b>30 September 2023 (Unaudited)</b>       |                  |               |                  |
| Debt securities - fixed-rate securities    | 7,254,648        | 15,234        | 7,269,882        |
| Debt securities - floating-rate securities | 249,084          | 76,554        | 325,638          |
| Less: expected credit losses               | (1,366)          | (74)          | (1,440)          |
|  | <u>7,502,366</u> | <u>91,714</u> | <u>7,594,080</u> |
| <b>31 December 2022 (Audited)</b>          |                  |               |                  |
| Debt securities - fixed-rate securities    | 5,868,887        | 15,071        | 5,883,958        |
| Debt securities - floating-rate securities | 335,014          | 75,250        | 410,264          |
| Less: expected credit losses               | (1,162)          | (73)          | (1,235)          |
|  | <u>6,202,739</u> | <u>90,248</u> | <u>6,292,987</u> |
| <b>30 September 2022 (Unaudited)</b>       |                  |               |                  |
| Debt securities - fixed-rate securities    | 6,583,093        | 15,180        | 6,598,273        |
| Debt securities - floating-rate securities | 340,256          | 75,976        | 416,232          |
| Less: expected credit losses               | (1,182)          | (74)          | (1,256)          |
|  | <u>6,922,167</u> | <u>91,082</u> | <u>7,013,249</u> |

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

|                    | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--------------------|-------------------------|-----------------------|-------------------------|
| Mutual funds       | 226,278                 | 179,515               | 195,508                 |
| Equity investments | 22,652                  | 23,488                | 25,697                  |
|                    | <u>248,930</u>          | <u>203,003</u>        | <u>221,205</u>          |

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

|                    | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--------------------|-------------------------|-----------------------|-------------------------|
| Equity investments | 38,465                  | 296,412               | 333,196                 |

The FVOCI designation was made on the basis that the investments are expected to be held for the long-term for strategic purposes. During the period, the Group disposed of certain investments measured at FVOCI and realised a total gain of SAR 60 million. These equity securities were disposed of due to a strategic decision by the investment committee.

The Following table shows the reconciliation from opening balances to the closing balances for level 3 fair value of FVOCI investments:

|                              | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|------------------------------|-------------------------|-----------------------|-------------------------|
| Balance at 1 January         | 6,883                   | 6,098                 | 6,098                   |
| Further investments made     | -                       | 3,750                 | 3,750                   |
| Net change in fair value     | 3,408                   | (2,965)               | -                       |
| Balance at period / year end | <u>10,291</u>           | <u>6,883</u>          | <u>9,848</u>            |

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6. INVESTMENTS (continued)

f) The following table shows the reconciliation of gross carrying amounts from the opening to the closing balance of the investments held at amortised cost:

**30 September 2023 (Unaudited)**

|                              | Stage 1 (12-month ECL) | Total            |
|------------------------------|------------------------|------------------|
| Balance at 1 January 2023    | 6,294,222              | 6,294,222        |
| Net change                   | 1,301,298              | 1,301,298        |
| Balance at 30 September 2023 | <u>7,595,520</u>       | <u>7,595,520</u> |

**31 December 2022 (Audited)**

|                             | Stage 1 (12-month ECL) | Total            |
|-----------------------------|------------------------|------------------|
| Balance at 1 January 2022   | 5,362,744              | 5,362,744        |
| Net change                  | 931,478                | 931,478          |
| Balance at 31 December 2022 | <u>6,294,222</u>       | <u>6,294,222</u> |

**30 September 2022 (Unaudited)**

|                              | Stage 1 (12-month ECL) | Total            |
|------------------------------|------------------------|------------------|
| Balance at 1 January 2022    | 5,362,744              | 5,362,744        |
| Net change                   | 1,651,761              | 1,651,761        |
| Balance at 30 September 2022 | <u>7,014,505</u>       | <u>7,014,505</u> |

g) The following table shows the reconciliation of expected credit losses on investments held at amortised cost from the opening to the closing balance:

**30 September 2023 (Unaudited)**

|                                     | Stage 1 (12-month ECL) | Total        |
|-------------------------------------|------------------------|--------------|
| Balance at 1 January 2023           | 1,235                  | 1,235        |
| Net remeasurement of loss allowance | 205                    | 205          |
| Balance at 30 September 2023        | <u>1,440</u>           | <u>1,440</u> |

**31 December 2022 (Audited)**

|                                     | Stage 1 (12-month ECL) | Total        |
|-------------------------------------|------------------------|--------------|
| Balance at 1 January 2022           | 1,061                  | 1,061        |
| Net remeasurement of loss allowance | 174                    | 174          |
| Balance at 31 December 2022         | <u>1,235</u>           | <u>1,235</u> |

**30 September 2022 (Unaudited)**

|                                     | Stage 1 (12-month ECL) | Total        |
|-------------------------------------|------------------------|--------------|
| Balance at 1 January 2022           | 1,061                  | 1,061        |
| Net remeasurement of loss allowance | 195                    | 195          |
| Balance at 30 September 2022        | <u>1,256</u>           | <u>1,256</u> |

h) Total investments include Shariah based investments amounting to SAR 4.9 billion (31 December 2022: SAR 4.6 billion, 30 September 2022: SAR 3.7 billion)

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7. LOANS AND ADVANCES

a) Loans and advances are classified as follows:

| 30 September 2023 (Unaudited)     | Commercial loans | Overdrafts | Retail loans | Total      |
|-----------------------------------|------------------|------------|--------------|------------|
| Performing loans and advances     | 24,401,582       | 733,389    | 1,231,678    | 26,366,649 |
| Non-performing loans and advances | 565,083          | -          | 17,919       | 583,002    |
| Loans and advances, gross         | 24,966,665       | 733,389    | 1,249,597    | 26,949,651 |
| Less: expected credit losses      | (600,453)        | (437)      | (30,167)     | (631,057)  |
| Loans and advances, net           | 24,366,212       | 732,952    | 1,219,430    | 26,318,594 |
| 31 December 2022 (Audited)        | Commercial loans | Overdrafts | Retail loans | Total      |
| Performing loans and advances     | 21,632,155       | 1,837,919  | 1,329,765    | 24,799,839 |
| Non-performing loans and advances | 623,290          | -          | 8,210        | 631,500    |
| Loans and advances, gross         | 22,255,445       | 1,837,919  | 1,337,975    | 25,431,339 |
| Less: expected credit losses      | (612,668)        | (1,059)    | (26,875)     | (640,602)  |
| Loans and advances, net           | 21,642,777       | 1,836,860  | 1,311,100    | 24,790,737 |
| 30 September 2022 (Unaudited)     | Commercial loans | Overdrafts | Retail loans | Total      |
| Performing loans and advances     | 19,000,309       | 1,477,754  | 1,458,805    | 21,936,868 |
| Non-performing loans and advances | 602,181          | -          | 7,039        | 609,220    |
| Loans and advances, gross         | 19,602,490       | 1,477,754  | 1,465,844    | 22,546,088 |
| Less: expected credit losses      | (582,473)        | (1,460)    | (23,812)     | (607,745)  |
| Loans and advances, net           | 19,020,017       | 1,476,294  | 1,442,032    | 21,938,343 |

b) Reconciliation of gross carrying amounts:

| 30 September 2023 (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 2023          | 23,858,497             | 941,342  | 631,500                                | 25,431,339 |
| <i>Transfers during the period</i> |                        |  |  |            |
| Transfer to Stage 1                | 565,315                | (565,315)  | -                                      | -          |
| Transfer to Stage 2                | (519,328)              | 519,328  | -                                      | -          |
| Transfer to Stage 3                | (1,272)                | (45,221)   | 46,493                                 | -          |
|                                    | 44,715                 | (91,208)   | 46,493                                 | -          |
| Written-off during the period      | -                      | -  | (125,385)                              | (125,385)  |
| Net change during the period       | 1,811,969              | (198,666)  | 30,394                                 | 1,643,697  |
| Balance at 30 September 2023       | 25,715,181             | 651,468  | 583,002                                | 26,949,651 |



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7. LOANS AND ADVANCES (continued)

b) Reconciliation of gross carrying amounts: (continued)

| 31 December 2022 (Audited)       | Stage 1 (12-month ECL) | Stage 2<br>(lifetime ECL for increase in SICR but not impaired) | Stage 3<br>(lifetime ECL credit-impaired) | Total      |
|----------------------------------|------------------------|---|---|------------|
| Balance at 1 January 2022        | 22,349,026             | 1,204,609   | 578,072                                   | 24,131,707 |
| <i>Transfers during the year</i> |                        |   |   |            |
| Transfer to Stage 1              | 57,932                 | (57,932)  | -   | -          |
| Transfer to Stage 2              | (2,233)                | 2,233   | -   | -          |
| Transfer to Stage 3              | (2,462)                | (34,548)  | 37,010                                    | -          |
|                                  | 53,237                 | (90,247)  | 37,010                                    | -          |
| Written-off during the year      | -                      | -   | (8,681)                                   | (8,681)    |
| Net change during the year       | 1,456,234              | (173,020)   | 25,099                                    | 1,308,313  |
| Balance at 31 December 2022      | 23,858,497             | 941,342   | 631,500                                   | 25,431,339 |

| 30 September 2022 (Unaudited)      | Stage 1 (12-month ECL) | Stage 2<br>(lifetime ECL for increase in SICR but not impaired) | Stage 3<br>(lifetime ECL credit-impaired) | Total       |
|------------------------------------|------------------------|---|---|-------------|
| Balance at 1 January 2022          | 22,349,026             | 1,204,609   | 578,072                                   | 24,131,707  |
| <i>Transfers during the period</i> |                        |   |   |             |
| Transfer to Stage 1                | 57,881                 | (57,881)  | -   | -           |
| Transfer to Stage 2                | (41,539)               | 41,539  | -   | -           |
| Transfer to Stage 3                | (1,966)                | (14,313)  | 16,279                                    | -           |
|                                    | 14,376                 | (30,655)  | 16,279                                    | -           |
| Written-off during the period      | -                      | -   | (6,052)                                   | (6,052)     |
| Net change during the period       | (1,460,217)            | (140,271)   | 20,921                                    | (1,579,567) |
| Balance at 30 September 2022       | 20,903,185             | 1,033,683   | 609,220                                   | 22,546,088  |

c) Reconciliation of expected credit losses:

| 30 September 2023 (Unaudited)              | Stage 1 (12-month ECL) | Stage 2<br>(lifetime ECL for increase in SICR but not impaired) | Stage 3<br>(lifetime ECL credit-impaired) | Total     |
|--|------------------------|---|---|-----------|
| Balance at 1 January 2023                  | 76,354                 | 148,430   | 415,818                                   | 640,602   |
| <i>Transfers during the period</i>         |                        |   |   |           |
| Transfer to Stage 1                        | 15,093                 | (15,093)  | -   | -         |
| Transfer to Stage 2                        | (1,389)                | 1,389   | -   | -         |
| Transfer to Stage 3                        | (16)                   | (29,817)  | 29,833                                    | -         |
|  | 13,688                 | (43,521)  | 29,833                                    | -         |
| <i>Charge/(reversal) during the period</i> |                        |   |   |           |
| Corporate                                  | 4,716                  | 30,338  | 59,673                                    | 94,727    |
| Retail                                     | (2,993)                | (862)   | 24,968                                    | 21,113    |
|  | 1,723                  | 29,476  | 84,641                                    | 115,840   |
| <i>Written-off during the period</i>       |                        |   |   |           |
| Corporate                                  | -                      | -   | (107,530)                                 | (107,530) |
| Retail                                     | -                      | -   | (17,855)                                  | (17,855)  |
|  | -                      | -   | (125,385)                                 | (125,385) |
| Balance at 30 September 2023               | 91,765                 | 134,385   | 404,907                                   | 631,057   |

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7. LOANS AND ADVANCES (continued)

c) Reconciliation of expected credit losses: (continued)

| 31 December 2022 (Audited)               | Stage 1 (12-month ECL) | Stage 2<br>(lifetime ECL for increase in SICR but not impaired) | Stage 3<br>(lifetime ECL credit-impaired) | Total   |
|--|------------------------|---|---|---------|
| Balance at 1 January 2022                | 61,364                 | 171,311   | 324,112                                   | 556,787 |
| <i>Transfers during the year</i>         |                        |   |   |         |
| Transfer to Stage 1                      | 982                    | (982)   | -   | -       |
| Transfer to Stage 2                      | (28)                   | 28  | -   | -       |
| Transfer to Stage 3                      | (39)                   | (7,725)   | 7,764                                     | -       |
|  | 915                    | (8,679)   | 7,764                                     | -       |
| <i>Charge/(reversal) during the year</i> |                        |   |   |         |
| Corporate                                | 13,337                 | (14,082)  | 77,534                                    | 76,789  |
| Retail                                   | 738                    | (120)   | 15,089                                    | 15,707  |
|  | 14,075                 | (14,202)  | 92,623                                    | 92,496  |
| <i>Written-off during the year</i>       |                        |   |   |         |
| Corporate                                | -                      | -   | -   | -       |
| Retail                                   | -                      | -   | (8,681)                                   | (8,681) |
|  | -                      | -   | (8,681)                                   | (8,681) |
| Balance at 31 December 2022              | 76,354                 | 148,430   | 415,818                                   | 640,602 |

| 30 September 2022 (Unaudited)              | Stage 1 (12-month ECL) | Stage 2<br>(lifetime ECL for increase in SICR but not impaired) | Stage 3<br>(lifetime ECL credit-impaired) | Total   |
|--|------------------------|---|---|---------|
| Balance at 1 January 2022                  | 61,364                 | 171,311   | 324,112                                   | 556,787 |
| <i>Transfers during the period</i>         |                        |   |   |         |
| Transfer to Stage 1                        | 982                    | (982)   | -   | -       |
| Transfer to Stage 2                        | (130)                  | 130   | -   | -       |
| Transfer to Stage 3                        | (13)                   | (3,192)   | 3,205                                     | -       |
|  | 839                    | (4,044)   | 3,205                                     | -       |
| <i>Charge/(reversal) during the period</i> |                        |   |   |         |
| Corporate                                  | 14,344                 | (5,327)   | 38,518                                    | 47,535  |
| Retail                                     | (306)                  | 743   | 9,038                                     | 9,475   |
|  | 14,038                 | (4,584)   | 47,556                                    | 57,010  |
| <i>Written-off during the period</i>       |                        |   |   |         |
| Corporate                                  | -                      | -   | -   | -       |
| Retail                                     | -                      | -   | (6,052)                                   | (6,052) |
|  | -                      | -   | (6,052)                                   | (6,052) |
| Balance at 30 September 2022               | 76,241                 | 162,683   | 368,821                                   | 607,745 |

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

|           | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|-----------|-------------------------|-----------------------|-------------------------|
| Corporate | 94,727                  | 76,789                | 47,535                  |
| Retail    | 21,113                  | 15,707                | 9,475                   |
| Total     | 115,840                 | 92,496                | 57,010                  |

e) Total loans and advances include Shariah based loans and advances amounting to SAR 15.7 billion (31 December 2022: SAR 15.6 billion, 30 September 2022: SAR 13.6 billion) .

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8. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

|                                  | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|----------------------------------|-------------------------|-----------------------|-------------------------|
| Money market deposits (note 8.1) | 6,084,194               | 4,119,310             | 875,194                 |
| Current accounts                 | 84,515                  | 68,732                | 188,645                 |
|                                  | <u>6,168,709</u>        | <u>4,188,042</u>      | <u>1,063,839</u>        |

8.1 Money market deposits include profit free deposits of SAR 358 million (2022: SAR 532 million) from SAMA with original tenures ranging from 1 to 4.75 years in order to offset the modification losses incurred in deferring the payments.

9. CUSTOMERS' DEPOSITS

|        | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--------|-------------------------|-----------------------|-------------------------|
| Demand | 17,503,595              | 15,001,961            | 18,621,043              |
| Time   | 13,426,761              | 13,346,902            | 9,331,484               |
| Saving | 337,533                 | 323,649               | 301,629                 |
| Margin | 245,211                 | 922,498               | 171,553                 |
|        | <u>31,513,100</u>       | <u>29,595,010</u>     | <u>28,425,709</u>       |

Customers' deposits include Shariah based deposits amounting to SAR 14.1 billion (31 December 2022: SAR 13.7 billion, 30 September 2022: SAR 8.7 billion) .

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 year-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.

| <u>30 September 2023 (Unaudited)</u>          | <u>Positive<br/>fair value</u> | <u>Negative<br/>fair value</u> | <u>Notional<br/>amount</u> |
|---|--------------------------------|--------------------------------|----------------------------|
| <b><u>Held for trading</u></b>                |                                |                                |                            |
| Commission rate swaps                         | 160,877                        | (153,138)                      | 7,217,616                  |
| Commission rate futures and currency options  | 141,075                        | (136,777)                      | 14,516,984                 |
| Forward foreign exchange                      | 13,926                         | (12,543)                       | 953,663                    |
| Others  | 15,934                         | (15,768)                       | 348,514                    |
| <b><u>Held as fair value hedge</u></b>        |                                |                                |                            |
| Commission rate swaps - loans and investments | 72,469                         | -                              | 1,393,516                  |
| Commission rate swaps - deposits              | 33,751                         | -                              | 986,879                    |
|   | <u>438,032</u>                 | <u>(318,226)</u>               | <u>25,417,172</u>          |

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10. DERIVATIVES AND FOREIGN EXCHANGE INSTRUMENTS (continued)

| <u>31 December 2022 (Audited)</u>             | <u>Positive<br/>fair value</u> | <u>Negative<br/>fair value</u> | <u>Notional<br/>amount</u> |
|---|--------------------------------|--------------------------------|----------------------------|
| <u>Held for trading</u>                       |                                |                                |                            |
| Commission rate swaps                         | 177,232                        | (172,954)                      | 10,145,434                 |
| Commission rate futures and currency options  | 136,765                        | (136,851)                      | 7,635,631                  |
| Forward foreign exchange                      | 16,202                         | (15,393)                       | 629,019                    |
| Others  | 4,037                          | (3,835)                        | 329,413                    |
| <u>Held as fair value hedge</u>               |                                |                                |                            |
| Commission rate swaps - loans and investments | 76,582                         | (87)                           | 1,294,886                  |
| Commission rate swaps - deposits              | 6,662                          | (2,439)                        | 999,586                    |
|   | <u>417,480</u>                 | <u>(331,559)</u>               | <u>21,033,969</u>          |
| <br>  |                                |                                |                            |
| <u>30 September 2022 (Unaudited)</u>          | <u>Positive<br/>fair value</u> | <u>Negative<br/>fair value</u> | <u>Notional<br/>amount</u> |
| <u>Held for trading</u>                       |                                |                                |                            |
| Commission rate swaps                         | 158,856                        | (154,506)                      | 10,618,910                 |
| Commission rate futures and options           | 81,997                         | (81,997)                       | 6,424,608                  |
| Currency options                              | 48,113                         | (48,113)                       | 2,372,656                  |
| Forward foreign exchange contracts            | 9,762                          | (11,093)                       | 505,919                    |
| Others  | 4,755                          | (4,500)                        | 322,801                    |
| <u>Held as fair value hedge</u>               |                                |                                |                            |
| Commission rate swaps - loans and investments | 32,245                         | -                              | 857,537                    |
| Commission rate swaps - deposits              | 32,823                         | (2,656)                        | 693,656                    |
|   | <u>368,551</u>                 | <u>(302,865)</u>               | <u>21,796,087</u>          |

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11. CONTINGENCIES AND COMMITMENTS

a) Legal proceedings

As at 30 September 2023, 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:

|  | 30.09.23<br>(Unaudited) | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--|-------------------------|-----------------------|-------------------------|
| Letters of guarantee                     | 12,662,800              | 11,150,947            | 9,771,862               |
| Irrevocable commitments to extend credit | 6,280,117               | 2,695,949             | 5,073,123               |
| Letters of credit                        | 3,185,548               | 2,006,989             | 2,520,431               |
| Acceptances                              | 1,445,087               | 1,452,691             | 1,036,804               |
|  | <u>23,573,552</u>       | <u>17,306,576</u>     | <u>18,402,220</u>       |

ii) Reconciliation of exposure of financial contingencies and commitments:

| 30 September 2023 (Unaudited)      | Stage 1 (12-<br>month ECL) | Stage 2<br>(lifetime ECL<br>but not credit-<br>impaired) | Stage 3<br>(lifetime ECL<br>credit-impaired)  | Total             |
|------------------------------------|----------------------------|--|---|-------------------|
| Balance at 1 January 2023          | 15,507,553                 | 1,444,009  | 355,014                                       | 17,306,576        |
| <i>Transfers during the period</i> |                            |  |   |                   |
| Transfer to Stage 1                | (16,173)                   | 16,173   | -   | -                 |
| Transfer to Stage 2                | 808,505                    | (808,505)  | -   | -                 |
| Transfer to Stage 3                | -                          | -  | -   | -                 |
|                                    | 792,332                    | (792,332)  | -   | -                 |
| Net change during the period       | 6,322,515                  | (14,449)   | (41,090)                                      | 6,266,976         |
| Balance at 30 September 2023       | <u>22,622,400</u>          | <u>637,228</u>   | <u>313,924</u>                                | <u>23,573,552</u> |
|                                    |                            |  |   |                   |
| 31 December 2022 (Audited)         | Stage 1 (12-<br>month ECL) | Stage 2 (lifetime<br>ECL but not<br>credit-impaired)     | Stage 3 (lifetime<br>ECL credit-<br>impaired) | Total             |
| Balance at 1 January 2022          | 14,164,314                 | 1,353,003  | 409,627                                       | 15,926,944        |
| <i>Transfers during the year</i>   |                            |  |   |                   |
| Transfer to Stage 1                | 117,960                    | (117,960)  | -   | -                 |
| Transfer to Stage 2                | -                          | -  | -   | -                 |
| Transfer to Stage 3                | -                          | -  | -   | -                 |
|                                    | 117,960                    | (117,960)  | -   | -                 |
| Net change during the year         | 1,225,279                  | 208,966  | (54,613)                                      | 1,379,632         |
| Balance at 31 December 2022        | <u>15,507,553</u>          | <u>1,444,009</u>   | <u>355,014</u>                                | <u>17,306,576</u> |

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11. 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      |
|------------------------------------|------------------------|--|--|------------|
| 30 September 2022 (Unaudited)      |                        |  |  |            |
| Balance at 1 January 2022          | 14,164,314             | 1,353,003                                      | 409,627                                | 15,926,944 |
| <i>Transfers during the period</i> |                        |  |  |            |
| Transfer to Stage 1                | 99,959                 | (99,959)                                       | -                                      | -          |
| Transfer to Stage 2                | (5,423)                | 5,423  | -                                      | -          |
| Transfer to Stage 3                | -                      | -  | -                                      | -          |
|                                    | 94,536                 | (94,536)                                       | -                                      | -          |
| Net change during the period       | 2,482,804              | 22,385   | (29,913)                               | 2,475,276  |
| Balance at 30 September 2022       | 16,741,654             | 1,280,852                                      | 379,714                                | 18,402,220 |

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   |
|---------------------------------------|------------------------|--|--|---------|
| 30 September 2023 (Unaudited)         |                        |  |  |         |
| Balance at 1 January 2023             | 12,056                 | 12,286   | 116,995                                | 141,337 |
| <i>Transfers during the period</i>    |                        |  |  |         |
| Transfer to Stage 1                   | 4,344                  | (4,344)  | -                                      | -       |
| Transfer to Stage 2                   | (90)                   | 90   | -                                      | -       |
| Transfer to Stage 3                   | -                      | -  | -                                      | -       |
|                                       | 4,254                  | (4,254)  | -                                      | -       |
| Charge / (reversal) during the period | 4,768                  | 480  | (4,839)                                | 409     |
| Balance at 30 September 2023          | 21,078                 | 8,512  | 112,156                                | 141,746 |

|                                     | Stage 1 (12-month ECL) | Stage 2 (lifetime ECL but not credit-impaired) | Stage 3 (lifetime ECL credit-impaired) | Total   |
|-------------------------------------|------------------------|--|--|---------|
| 31 December 2022 (Audited)          |                        |  |  |         |
| Balance at 1 January 2022           | 8,723                  | 6,060  | 123,412                                | 138,195 |
| <i>Transfers during the year</i>    |                        |  |  |         |
| Transfer to Stage 1                 | 503                    | (503)  | -                                      | -       |
| Transfer to Stage 2                 | -                      | -  | -                                      | -       |
| Transfer to Stage 3                 | -                      | -  | -                                      | -       |
|                                     | 503                    | (503)  | -                                      | -       |
| Charge / (reversal) during the year | 2,830                  | 6,729  | (6,417)                                | 3,142   |
| Balance at 31 December 2022         | 12,056                 | 12,286   | 116,995                                | 141,337 |

|                                       | Stage 1 (12-month ECL) | Stage 2 (lifetime ECL but not credit-impaired) | Stage 3 (lifetime ECL credit-impaired) | Total   |
|---------------------------------------|------------------------|--|--|---------|
| 30 September 2022 (Unaudited)         |                        |  |  |         |
| Balance at 1 January 2022             | 8,723                  | 6,060  | 123,412                                | 138,195 |
| <i>Transfers during the period</i>    |                        |  |  |         |
| Transfer to Stage 1                   | (225)                  | 225  | -                                      | -       |
| Transfer to Stage 2                   | (64)                   | 64   | -                                      | -       |
| Transfer to Stage 3                   | -                      | -  | -                                      | -       |
|                                       | (289)                  | 289  | -                                      | -       |
| Charge / (reversal) during the period | 7,744                  | 1,289  | (8,720)                                | 313     |
| Balance at 30 September 2022          | 16,178                 | 7,638  | 114,692                                | 138,508 |

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**12. CASH AND CASH EQUIVALENTS**

|   | <b>30.09.23</b><br><b>(Unaudited)</b> | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|---|---------------------------------------|-----------------------|-------------------------|
| Cash and balances with<br>Saudi Central Bank (SAMA) excluding statutory deposit                     | <b>7,067,073</b>                      | 3,606,274             | 2,770,640               |
| Due from banks and other financial institutions with<br>original maturities of three-months or less | <b>2,684,481</b>                      | 4,503,902             | 3,019,842               |
|   | <b>9,751,554</b>                      | 8,110,176             | 5,790,482               |

**13. ZAKAT**

**Gulf International Bank - Saudi Arabia**

The Bank has filed its zakat declaration with the Zakat, Tax and Customs Authority ("ZATCA") for the periods / years from 2019 till 31 December 2022. The assessments have been finalised by ZATCA for the period / year 2019 and 2020, without any additional liability, however, no assessment has been raised by the ZATCA for the years 2021 and 2022.

**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 2022.

**14. SHARE CAPITAL AND EARNINGS PER SHARE**

The authorised, issued and fully paid share capital at 30 September 2023 comprised 750 million shares (31 December 2022 and 30 September 2022 ; 750 million shares) of SAR 10 each. The shareholders of the Bank comprise: Gulf International Bank B.S.C. (50%) and Public Investment Fund (50%). Public Investment Fund (Sovereign Wealth Fund of the Kingdom of Saudi Arabia) is the ultimate parent of the Group. Basic and diluted earnings per share for the periods ended 30 September 2023 and 2022 is calculated on a weighted average basis by dividing the net income for the period by 750 million shares.

**15. 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:

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

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed consolidated financial statements.

**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.



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15. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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 30 September 2023 (Unaudited)                    | Carrying value | Fair value |           |            | Total      |
|---|----------------|------------|-----------|------------|------------|
|   |                | Level 1    | Level 2   | Level 3    |            |
| <b>Financial assets measured at fair value:</b>     |                |            |           |            |            |
| Investments held at FVOCI                           | 38,465         | 28,174     | -         | 10,291     | 38,465     |
| Investments held at FVSI                            | 248,930        | 22,652     | 226,278   | -          | 248,930    |
| Positive fair value of derivatives                  | 438,032        | -          | 438,032   | -          | 438,032    |
| <b>Financial assets not measured at fair value:</b> |                |            |           |            |            |
| Investments at amortised cost, net                  | 7,594,080      | -          | 5,050,751 | 2,363,432  | 7,414,183  |
| Loans and advances, net                             | 26,318,594     | -          | -         | 26,028,086 | 26,028,086 |
| <b>At 31 December 2022 (Audited)</b>                |                |            |           |            |            |
|   | Carrying value | Fair value |           |            | Total      |
|   |                | Level 1    | Level 2   | Level 3    |            |
| <b>Financial assets measured at fair value:</b>     |                |            |           |            |            |
| Investments held at FVOCI                           | 296,412        | 289,529    | -         | 6,883      | 296,412    |
| Investments held at FVSI                            | 203,003        | 23,488     | 179,515   | -          | 203,003    |
| Positive fair value of derivatives                  | 417,480        | -          | 417,480   | -          | 417,480    |
| <b>Financial assets not measured at fair value:</b> |                |            |           |            |            |
| Investments at amortised cost, net                  | 6,292,987      | -          | 4,127,401 | 2,004,015  | 6,131,416  |
| Loans and advances, net                             | 24,790,737     | -          | -         | 25,138,163 | 25,138,163 |
| <b>At 30 September 2022 (Unaudited)</b>             |                |            |           |            |            |
|   | Carrying value | Fair value |           |            | Total      |
|   |                | Level 1    | Level 2   | Level 3    |            |
| <b>Financial assets measured at fair value:</b>     |                |            |           |            |            |
| Investments held at FVOCI                           | 333,196        | 323,348    | -         | 9,848      | 333,196    |
| Investments held at FVSI                            | 221,205        | 25,697     | 195,508   | -          | 221,205    |
| Positive fair value of derivatives                  | 368,551        | -          | 368,551   | -          | 368,551    |
| <b>Financial assets not measured at fair value:</b> |                |            |           |            |            |
| Investments at amortised cost, net                  | 7,013,249      | -          | 3,217,828 | 3,427,769  | 6,645,597  |
| Loans and advances, net                             | 21,938,343     | -          | -         | 22,153,961 | 22,153,961 |

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15. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

| <u>At 30 September 2023 (Unaudited)</u>                  | <u>Carrying value</u> | <u>Fair value</u> |                |                | <u>Total</u> |
|--|-----------------------|-------------------|----------------|----------------|--------------|
|  |                       | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |              |
| <b>Financial liabilities measured at fair value:</b>     |                       |                   |                |                |              |
| Negative fair value of derivatives                       | 318,226               | -                 | 318,226        | -              | 318,226      |
| <b>Financial liabilities not measured at fair value:</b> |                       |                   |                |                |              |
| Customers' deposits                                      | 31,513,100            | -                 | -              | 30,915,547     | 30,915,547   |
| <b>At 31 December 2022 (Audited)</b>                     |                       |                   |                |                |              |
| <u>At 31 December 2022 (Audited)</u>                     | <u>Carrying value</u> | <u>Fair value</u> |                |                | <u>Total</u> |
|  |                       | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |              |
| <b>Financial liabilities measured at fair value:</b>     |                       |                   |                |                |              |
| Negative fair value of derivatives                       | 331,559               | -                 | 331,559        | -              | 331,559      |
| <b>Financial liabilities not measured at fair value:</b> |                       |                   |                |                |              |
| Customers' deposits                                      | 29,595,010            | -                 | -              | 28,912,211     | 28,912,211   |
| <b>At 31 September 2022 (Unaudited)</b>                  |                       |                   |                |                |              |
| <u>At 31 September 2022 (Unaudited)</u>                  | <u>Carrying value</u> | <u>Fair value</u> |                |                | <u>Total</u> |
|  |                       | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |              |
| <b>Financial liabilities measured at fair value:</b>     |                       |                   |                |                |              |
| Negative fair value of derivatives                       | 302,865               | -                 | 302,865        | -              | 302,865      |
| <b>Financial liabilities not measured at fair value:</b> |                       |                   |                |                |              |
| Customers' deposits                                      | 28,425,709            | -                 | -              | 28,084,499     | 28,084,499   |

Cash and balances with SAMA, due from banks and other financial institutions, due to banks and other financial institutions and other short-term receivables and payables are assumed to have fair values that reasonably approximate their corresponding carrying values due to the short-term nature. Loans and advances and customers' deposits are classified as Level 3, the fair value of which is determined by discounting future cash flows using expected market rates. Fair value of investments is determined using discounting future cash flows using expected market rates and observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.

Derivatives are classified as Level 2 comprise over-the-counter special commission rate swaps, currency swaps, special commission rate options, forward foreign exchange contracts and other derivative financial instruments. These derivatives are fair valued using the Group's 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.

There were no transfers between the levels of fair value hierarchies during the period.

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**16. 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 current period numbers are presented as per SAMA circular number 44047144 effective from 1 January 2023, while the prior period is based on Basel III regulations.

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

|                                      | <b>30.09.23</b><br><b>(Unaudited)</b> | 31.12.22<br>(Audited) | 30.09.22<br>(Unaudited) |
|--------------------------------------|---------------------------------------|-----------------------|-------------------------|
| <b>Risk Weighted Assets (RWA)</b>    |                                       |                       |                         |
| Credit risk RWA                      | <b>39,513,071</b>                     | 34,974,262            | 32,598,734              |
| Operational risk RWA                 | <b>1,217,537</b>                      | 1,361,785             | 1,361,785               |
| Market risk RWA                      | <b>2,390,283</b>                      | 459,678               | 537,875                 |
| <b>Total Pillar-I RWA</b>            | <b>43,120,891</b>                     | <b>36,795,725</b>     | <b>34,498,394</b>       |
| <br>                                 |                                       |                       |                         |
| Tier I capital                       | <b>7,376,911</b>                      | 7,182,483             | 7,209,538               |
| Tier II capital                      | <b>257,180</b>                        | 250,361               | 263,996                 |
| <b>Total Tier I &amp; II Capital</b> | <b>7,634,091</b>                      | <b>7,432,844</b>      | <b>7,473,534</b>        |
| <br>                                 |                                       |                       |                         |
| <b>Capital adequacy ratios %</b>     |                                       |                       |                         |
| Tier I ratio                         | <b>17.11%</b>                         | 19.52%                | 20.90%                  |
| Tier I + Tier II ratio               | <b>17.70%</b>                         | 20.20%                | 21.66%                  |
| CET I ratio                          | <b>17.11%</b>                         | 19.52%                | 20.90%                  |

**17. IBOR TRANSITION (INTEREST RATE BENCHMARK REFORMS)**

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

Management had put in place a robust transition project for those contracts which reference LIBOR and to transition them to the alternate benchmarks as applicable. This transition project considered changes to systems, processes, risk management policies, and models, as well as accounting implications. Further, the Bank has actively approached customers for awareness and led communication and negotiations with affected counterparties. As of 30 September 2023, transition is mostly completed for all impacted eligible instruments (loans, asset swaps, interest rate derivatives and term finance).

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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 significant balances resulting from such transactions included in the interim condensed consolidated financial statements are as follows:

|  | <u>30.09.23</u> | <u>31.12.22</u> | <u>30.09.22</u> |
|--|-----------------|-----------------|-----------------|
| <b>Gulf International Bank BSC, its subsidiaries and branches:</b> |                 |                 |                 |
| Due from banks and other financial institutions                    | 150,847         | 542,512         | 35,477          |
| Due to banks and other financial institutions                      | 1,019,388       | 947,137         | 511,100         |
| Other assets   | 157,831         | 127,147         | 145,990         |
| Other liabilities  | 280,330         | 145,020         | 182,115         |
| <b>Public Investment Fund and its subsidiaries:</b>                |                 |                 |                 |
| Loans and advances   | 947,718         | 2,841,875       | 2,144,582       |
| Customers' deposits  | 9,722,182       | 10,296,798      | 12,560,794      |

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

|  | <u>30.09.23</u> | <u>31.12.22</u> | <u>30.09.22</u> |
|--|-----------------|-----------------|-----------------|
| <b>Gulf International Bank BSC, its subsidiaries and branches:</b> |                 |                 |                 |
| Derivatives  | 9,827,021       | 12,004,034      | 10,901,757      |
| Contingencies and commitments                                      | 1,644,170       | 1,380,255       | 841,427         |
| <b>Public Investment Fund and its subsidiaries:</b>                |                 |                 |                 |
| Derivatives  | 2,531,807       | 2,457,918       | 2,458,108       |
| Contingencies and commitments                                      | 3,675,887       | 3,698,700       | 3,691,058       |

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

|  | <u>30.09.23</u> | <u>31.12.22</u> | <u>30.09.22</u> |
|--|-----------------|-----------------|-----------------|
| <b>Gulf International Bank BSC, its subsidiaries and branches:</b> |                 |                 |                 |
| Special commission income  | 35,753          | 1,477           | 4,933           |
| Special commission expense   | 10,164          | 7,768           | 3,968           |
| Fees and commission income and expense, net                        | 334             | 318             | 169             |
| <b>Public Investment Fund and its subsidiaries:</b>                |                 |                 |                 |
| Special commission income  | 72,647          | 76,166          | 37,094          |
| Special commission expense   | 405,863         | 161,685         | 70,025          |
| Fees and commission income and expense, net                        | 7,689           | 26,731          | 6,795           |

### 19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 25 October 2023G (corresponding to 10 Rabi al-thani 1445H).