BANK ALBILAD
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

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ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ⃁ 5,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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Independent auditors' review report on the interim condensed consolidated financial statements

To the shareholders of Bank Albilad
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Bank Albilad ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim consolidated statement of income and comprehensive income for the three months and six months periods then ended, and the related interim consolidated statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

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Independent auditors' review report on the interim condensed consolidated financial statements

To the shareholders of Bank Albilad (continued)
(A Saudi Joint Stock Company)

Other matter

The consolidated financial statements for the year ended 31 December 2025 and the interim condensed consolidated financial statements for the six months period ended 30 June 2025 were audited and reviewed, respectively, by other joint auditors who expressed an unmodified opinion on those consolidated financial statements and unmodified review conclusion on the interim condensed consolidated financial statements on 12 February 2026 (corresponding to 24 Shaban 1447H) and 30 July 2025 (corresponding to 5 Safar 1447H), respectively.

Ernst & Young Professional Services	**KPMG Professional Services Company**
Abdullah A. Alshenaibir	**Saleh Mohammed S. Mostafa**
Certified Public Accountant	Certified Public Accountant
License No. 583	License No. 524

13 Safar 1448H
(27 July 2026)

BANK ALBILAD
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT

	Note	**June 30, 2026 SAR'000 (Unaudited)**	December 31, 2025 SAR'000 (Audited)	June 30, 2025 SAR'000 (Unaudited)
ASSETS				
Cash and balances with Saudi Central Bank		**8,908,537**	9,616,694	10,909,768
Due from banks and other financial institutions, net		**8,139,754**	5,883,033	2,821,961
Investments, net	5	**32,112,841**	31,123,031	28,637,266
Financing, net	6	**133,418,455**	122,188,499	115,688,861
Other assets		**1,021,947**	1,364,184	1,190,843
Property, equipment and right of use assets, net		**2,876,482**	2,796,630	2,653,597
Total assets		**186,478,016**	172,972,071	161,902,296
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions		**7,766,912**	6,982,815	6,308,340
Customers' deposits	7	**147,187,916**	132,879,116	123,928,506
Sukuk and term financing	8	**-**	3,144,407	3,144,457
Other liabilities		**7,753,443**	8,609,813	7,764,611
Total liabilities		**162,708,271**	151,616,151	141,145,914
Equity				
Share capital	14	**15,000,000**	15,000,000	15,000,000
Treasury shares		**(378,113)**	(223,001)	(190,439)
Statutory reserve		**2,646,327**	2,646,327	1,883,989
Other reserves		**(300,187)**	(421,338)	(235,432)
Retained earnings		**2,460,567**	1,895,955	1,835,283
Employees' share plan reserve		**28,018**	20,119	25,123
Equity attributable to the shareholders of the Bank		**19,456,612**	18,918,062	18,318,524
Tier 1 Sukuk		**4,313,133**	2,437,858	2,437,858
Total equity		**23,769,745**	21,355,920	20,756,382
Total liabilities and equity		**186,478,016**	172,972,071	161,902,296

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

		For the three-month period ended		For the six-month period ended	
	Note	**June 30, 2026 SAR'000**	June 30, 2025 SAR'000	**June 30, 2026 SAR'000**	June 30, 2025 SAR'000
INCOME:					
Income from investing and financing assets		**2,594,239**	2,248,715	**4,989,419**	4,440,991
Return on deposits and financial liabilities		**(1,322,120)**	(1,071,978)	**(2,458,410)**	(2,102,258)
Income from investing and financing assets, net		**1,272,119**	1,176,737	**2,531,009**	2,338,733
Fee and commission income		**279,676**	322,739	**574,043**	616,254
Fee and commission expenses		**(128,915)**	(131,994)	**(261,652)**	(253,808)
Fee and commission income, net		**150,761**	190,745	**312,391**	362,446
Exchange income, net		**77,366**	82,452	**135,082**	167,268
Dividend income		**31,128**	33,171	**51,804**	54,676
Gain on FVSI Financial instruments, net		**584**	5,762	**9,579**	8,007
Other operating income		**81,205**	51,844	**102,509**	73,428
Total operating income		**1,613,163**	1,540,711	**3,142,374**	3,004,558
EXPENSES:					
Salaries and employee related expenses		**389,876**	374,625	**768,403**	751,081
Depreciation and amortization		**79,602**	74,907	**154,966**	146,176
Other general and administrative expenses		**205,384**	188,652	**388,939**	371,076
Operating expenses before expected credit losses		**674,862**	638,184	**1,312,308**	1,268,333
Impairment charge for expected credit losses, net		**55,782**	48,831	**127,311**	101,722
Total operating expenses		**730,644**	687,015	**1,439,619**	1,370,055
Net income for the period before zakat		**882,519**	853,696	**1,702,755**	1,634,503
Zakat for the period		**90,900**	87,931	**175,384**	168,354
Net income for the period after zakat		**791,619**	765,765	**1,527,371**	1,466,149
Basic and diluted earnings per share (SAR)	16	**0.48**	**0.51**	**0.97**	**0.98**

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

	Note	**For the three-month period ended**		**For the six-month period ended**	
		June 30, 2026 SAR'000	June 30, 2025 SAR'000	**June 30, 2026 SAR'000**	June 30, 2025 SAR'000
Net income for the period after zakat		**791,619**	765,765	**1,527,371**	1,466,149
Other comprehensive income / (loss):					
Items that will not be reclassified to interim consolidated statement of income in subsequent periods					
- Net changes in fair value of FVOCI - equity instruments		**(4,477)**	(42,316)	**(15,992)**	(60,822)
- Re-measurement of employees' end of service benefits ("EOSB")		**125**	552	**(4,042)**	3,858
Items that may be reclassified to interim consolidated statement of income in subsequent periods					
- Net changes in fair value of FVOCI - debt instruments		**163,340**	(10,113)	**53,953**	209,055
- Net changes in expected credit losses of FVOCI - debt instruments		**(1,005)**	7,300	**12,868**	9,296
- Effective portion of change in the fair value of cash flow hedges		**16,300**	(2,271)	**19,552**	(9,742)
Total other comprehensive income / (loss) for the period		**174,283**	(46,848)	**66,339**	151,645
Total comprehensive income for the period		**965,902**	718,917	**1,593,710**	1,617,794

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026 (UNAUDITED)

		(SAR' 000)								
	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders of the Bank	Tier 1 sukuk	Total equity
Balance at the beginning of the period		**15,000,000**	**(223,001)**	**2,646,327**	**(421,338)**	**1,895,955**	**20,119**	**18,918,062**	**2,437,858**	**21,355,920**
Net changes in fair value of FVOCI - equity instruments					**(15,992)**			**(15,992)**		**(15,992)**
Re-measurement of employees' end of service benefits ("EOSB")					**(4,042)**			**(4,042)**		**(4,042)**
Net changes in fair value of FVOCI - debt instruments					**53,953**			**53,953**		**53,953**
Net changes in expected credit losses of FVOCI - debt instruments					**12,868**			**12,868**		**12,868**
Effective portion of change in fair value of cash flow hedge					**19,552**			**19,552**		**19,552**
Total other comprehensive income for the period					**66,339**			**66,339**		**66,339**
Net income for the period after zakat						**1,527,371**		**1,527,371**		**1,527,371**
Total comprehensive income for the period					**66,339**	**1,527,371**		**1,593,710**		**1,593,710**
Realized loss from sale of FVOCI - equity instruments					**54,812**	**(54,812)**		**-**		**-**
Movement in treasury shares			**(155,112)**					**(155,112)**		**(155,112)**
Employees' share plan reserve							**7,899**	**7,899**		**7,899**
Cash dividends for the second half of 2025	15					**(825,000)**		**(825,000)**		**(825,000)**
Tier 1 Sukuk issued	8								**1,875,275**	**1,875,275**
Tier 1 Sukuk costs						**(82,947)**		**(82,947)**		**(82,947)**
Balance at the end of the period		**15,000,000**	**(378,113)**	**2,646,327**	**(300,187)**	**2,460,567**	**28,018**	**19,456,612**	**4,313,133**	**23,769,745**

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)

	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders of the Bank	Tier 1 sukuk	Total equity
		(SAR' 000)								
Balance at the beginning of the period		12,500,000	(210,866)	2,883,989	(387,077)	1,869,134	38,050	16,693,230	-	16,693,230
Net changes in fair value of FVOCI - equity instruments					(60,822)			(60,822)		(60,822)
Re-measurement of employees' end of service benefits ("EOSB")					3,858			3,858		3,858
Net changes in fair value of FVOCI - debt instruments					209,055			209,055		209,055
Net changes in expected credit losses of FVOCI - debt instruments					9,296			9,296		9,296
Effective portion of change in fair value of cash flow hedge					(9,742)			(9,742)		(9,742)
Total other comprehensive income for the period					151,645			151,645		151,645
Net income for the period after zakat						1,466,149		1,466,149		1,466,149
Total comprehensive income for the period					151,645	1,466,149		1,617,794		1,617,794
Movement in treasury shares			20,427					20,427		20,427
Employees' share plan reserve							(12,927)	(12,927)		(12,927)
Tier 1 Sukuk issued	8								2,437,858	2,437,858
Issuance of bonus shares	14	2,500,000		(1,000,000)		(1,500,000)		-		-
Balance at the end of the period		15,000,000	(190,439)	1,883,989	(235,432)	1,835,283	25,123	18,318,524	2,437,858	20,756,382

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026 AND 2025 (UNAUDITED)

	Note	2026 SAR'000	2025* SAR'000
OPERATING ACTIVITIES			
Net income for the period before zakat		**1,702,755**	1,634,503
Adjustments to reconcile net income to net cash generated from / (used in) operating activities:			
Return on sukuk		**57,493**	105,899
Gain on FVSI Financial instruments, net		**(9,579)**	(8,007)
Gain on disposal of property and equipment		**(116)**	-
Finance charges on lease liabilities		**9,562**	6,842
Depreciation and amortization		**154,966**	146,176
Impairment charge for expected credit losses, net		**127,311**	101,722
Employees' share plan reserve		**7,899**	(12,927)
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		**(517,933)**	(211,730)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		**(632,568)**	(182,244)
Investments measured at amortized cost maturing after ninety days from the date of acquisition		**309,549**	275,091
Financing, net		**(11,359,803)**	(6,470,479)
Other assets		**342,237**	719,070
Net increase / (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		**784,097**	815,541
Customers' deposits		**14,308,800**	2,152,291
Other liabilities		**(993,085)**	(390,698)
Net cash generated from / (used in) operating activities		**4,291,585**	(1,318,950)
INVESTING ACTIVITIES			
Purchase of investments measured at FVOCI		**(1,407,603)**	(4,959,526)
Proceeds from sale of investments measured at FVOCI		**1,031,099**	775,459
(Purchase) / proceeds from sale of investments measured at FVSI		**(31,432)**	106,340
(Purchase) / proceeds from maturity of investments measured at amortized cost		**(839,705)**	346,959
Purchase of property and equipment		**(194,210)**	(262,452)
Net cash used in investing activities		**(1,441,851)**	(3,993,220)
FINANCING ACTIVITIES			
Sukuk return and term financing paid	8	**(3,201,900)**	(108,563)
Issuance of tier 1 Sukuk	8	**1,875,275**	2,437,858
Tier 1 Sukuk costs		**(82,947)**	-
Movement in treasury shares		**(155,112)**	20,427
Dividends paid		**(825,000)**	-
Payment of finance charges on lease liabilities		**(9,562)**	(6,842)
Principal payment of lease liabilities		**(52,425)**	(40,837)
Net cash (used in) / generated from financing activities		**(2,451,671)**	2,302,043
Net increase / (decrease) in cash and cash equivalents		**398,063**	(3,010,127)
Cash and cash equivalents at the beginning of the period		**7,435,202**	8,727,034
Cash and cash equivalents at the end of the period	11	**7,833,265**	5,716,907
Income received from investing and financing assets during the period		**4,821,653**	4,416,962
Return paid on deposits and financial liabilities during the period		**2,112,239**	2,080,480
Supplemental information			
Effective portion of change in fair value of cash flow hedge		**19,552**	(9,742)

*Refer note 19 for comparative figures

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

1. GENERAL

a) Incorporation and operation

Bank Albilad ("the Bank"), a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia, was formed and licensed pursuant to Royal Decree No. M/48 dated Ramadan 21, 1425H (corresponding to November 4, 2004) in accordance with the Counsel of Ministers' resolution no. 258 dated Ramadan 18, 1425H (corresponding to November 1, 2004). The Bank operates under Commercial Registration No.1010208295 (Unified Identification No 7001473102) dated Rabi Al Awal 10, 1426H (corresponding to April 19, 2005) and the Bank provides banking services through 108 banking branches (June 30, 2025: 107) in the Kingdom of Saudi Arabia.

The registered address of the Bank's head office is as follows:

Bank Albilad
P.O. Box 140
Riyadh 11411
Kingdom of Saudi Arabia

The Group's objective is to provide full range of banking services and conduct financing and investing activities through various Islamic instruments. The activities of the Bank are conducted in compliance with the Shariah Committee resolutions and directions and within the provisions of the Bank's By-laws and the Banking Control Law.

These interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, "Albilad Investment Company", "Albilad Real Estate Company", "Enjaz Payment Services Company", "Financial Solutions Company for Investment" and "Dufaa Finance Company" (collectively referred to as "the Group"). Albilad Investment Company, Albilad Real Estate Company, Enjaz Payment Services Company, Financial Solutions Company for Investment and Dufaa Finance Company are directly or indirectly 100% owned by the Bank. All subsidiaries are incorporated in the Kingdom of Saudi Arabia.

b) Sharia Committee

The Bank has established a Shariah Committee ("the Committee"). It ascertains that all the Bank's activities are subject to its approval and control.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group as at and for the six-month period ended June 30, 2026, 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 endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Banking Control Law and the applicable provisions of Regulations for Companies in the Kingdom of Saudi Arabia. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025.

2. BASIS OF PREPARATION (continued)

The consolidated financial statements of the Group as at and for the year ended December 31, 2025, were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and the Banking Control Law and the applicable provisions of Regulations for Companies in the Kingdom of Saudi Arabia. The interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand except where otherwise stated and the functional currency of the Bank is Saudi Riyal except where otherwise stated in the notes to the financial information.

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets 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 for the year ended December 31, 2025, except as disclosed below in note 3.

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

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards effective as of January 1, 2026.

New standards, interpretations and amendments adopted by the Group

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 2026, but do not have a significant impact on the interim condensed consolidated financial statements:

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	January 1, 2026

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)

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

Standard, interpretation or amendments	Description	Effective date
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	January 1, 2026

Accounting standards issued but not yet effective and not early adopted

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which are effective from periods on or after January 1, 2027. The Group did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on these interim condensed consolidated financial statements of the Group.

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of income classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)

Accounting standards issued but not yet effective and not early adopted (continued)

IFRS 18 – presentation and disclosure in financial statements

IFRS 18 '*Presentation and Disclosure in Financial Statements*', as endorsed in Kingdom of Saudi Arabia (IFRS 18) will replace IAS 1 '*Presentation of Financial Statements*' as endorsed in the Kingdom of Saudi Arabia, for reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The Bank has not early adopted IFRS 18 in preparing this interim condensed consolidated financial information.

The Bank has established a formal IFRS 18 implementation programme overseen by senior management and the Audit Committee, supported by a cross-functional working group. The programme includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications.

The Bank is currently assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements. Based on the assessment performed to date, the expected impacts pertain to the presentation, aggregation, disaggregation and disclosure of information within the consolidated financial statements.

Presentation of statement of income

IFRS 18 requires entities to classify income and expenses into specified categories within the statement of income, namely operating, investing, financing, zakat and discontinued operations. It also introduces mandatory subtotal including Operating Profit and Profit for the period.

Neither total profit for the period nor total equity is expected to change as a result of adopting IFRS 18. However, the Bank expects changes to the presentation and classification of certain income and expense items within the statement of income, including the introduction of IFRS-defined subtotals.

Based on its preliminary assessment, the Bank has concluded that providing financing to customers and investing in financial assets as part of its banking activities constitute specified main business activities for the purposes of IFRS 18. Based on this, the Bank expects the following impacts on the interim condensed consolidated financial statements:

- Financing income arising from customer financing assets, investment securities and treasury activities supporting the Bank's specified main business activities is expected to be presented within the operating category.
- Funding costs relating to customers' deposits, debt securities issued and other financing liabilities that support the Bank's specified main business activities are expected to be presented within the operating category.

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)

Accounting standards issued but not yet effective and not early adopted (continued)

IFRS 18 – presentation and disclosure in financial statements (continued)

- Foreign exchange differences are expected to be classified in the same category as the underlying assets and liabilities giving rise to those differences. Based on the Bank's current assessment, the majority of foreign exchange differences arise from financing, treasury and investment activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any foreign exchange differences relate to activities that may require presentation outside the operating category under IFRS 18.
- Gains and losses arising from derivatives designated in hedging relationships are expected to be presented in the same category as the underlying hedged exposures. Based on the Bank's current assessment, the majority of derivatives are associated with treasury and funding activities that support the Bank's core banking operations and are therefore expected to be presented within operating performance. The Bank continues to assess whether any derivatives relate to activities that may require presentation outside the operating category under IFRS 18.

Certain expenses arising from liabilities or other obligations that are not directly linked to the Bank's specified main business activities, i-e. finance charge on lease liabilities and the finance cost of employee benefit obligations are currently being assessed and would be presented within the financing category in accordance with IFRS 18.

In addition, IFRS 18 may require changes to certain line-item descriptions, subtotals and disclosures currently presented in the statement of income. The assessment remains subject to completion of the Bank's implementation activities and any future interpretative or regulatory developments.

Management-defined performance measures

IFRS 18 introduces new disclosure requirements for Management-defined Performance Measures ("MPMs"), which are subtotals of income and expenses used in public communications to communicate management's view of an aspect of the Bank's financial performance. Such measures will be required to be disclosed within a single note to the financial statements together with explanations of their purpose and reconciliations to the most directly comparable IFRS-defined totals or subtotals.

The Bank is assessing whether measures communicated externally, net operating income before impairment provision or other performance metrics that meet the definition of Management-defined Performance Measures under IFRS 18 and may therefore require enhanced disclosures and reconciliations.

3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS (continued)

Accounting standards issued but not yet effective and not early adopted (continued)

IFRS 18 – presentation and disclosure in financial statements (continued)

Principles of aggregation and disaggregation

IFRS 18 introduces enhanced requirements relating to the aggregation and disaggregation of information throughout the financial statements and accompanying notes. These requirements are intended to improve transparency by ensuring that material information is presented separately and dissimilar items are not obscured through aggregation. The Bank is currently assessing whether additional disaggregation may be required for other assets, other liabilities, other operating income, and other general and administrative expenses. The Bank also expects certain line-item descriptions currently used within the financial statements to be refined to enhance clarity and consistency with the objectives of IFRS 18.

Consequential amendments

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. The Bank is currently assessing the impact of these amendments, including potential changes to the presentation of operating cash flows and the classification of profit, dividends and other cash flow items. The Bank is also evaluating requirements relating to comparative information and retrospective application upon adoption of IFRS 18. The Bank's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress, industry practice evolves and additional guidance from regulators and standard setters become available.

4. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The material accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2025.

5. INVESTMENTS, NET

a. Investments comprise the following:

	June 30, 2026 (Unaudited)		
SAR' 000	**Domestic**	**International**	**Total**
Fair value through other comprehensive income (FVOCI)			
Equities	**790,403**	**75,936**	**866,339**
Sukuk	**17,510,641**	**907,395**	**18,418,036**
	18,301,044	**983,331**	**19,284,375**
Fair value through statement of income (FVSI)			
Mutual funds	**445,659**	**509,937**	**955,596**
Equities	**131,277**	**83,909**	**215,186**
	576,936	**593,846**	**1,170,782**
Amortized cost			
Bei-Ajel with Saudi Central Bank	**-**	**-**	**-**
Sukuk	**9,513,255**	**2,144,429**	**11,657,684**
Total	**28,391,235**	**3,721,606**	**32,112,841**

	December 31, 2025 (Audited)		
SAR' 000	Domestic	International	Total
Fair value through other comprehensive income (FVOCI)			
Equities	845,089	50,626	895,715
Sukuk	16,854,064	1,107,263	17,961,327
	17,699,153	1,157,889	18,857,042
Fair value through statement of income (FVSI)			
Mutual funds	464,500	514,538	979,038
Equities	89,159	61,574	150,733
	553,659	576,112	1,129,771
Amortized cost			
Bei-Ajel with Saudi Central Bank	309,549	-	309,549
Sukuk	8,461,066	2,365,603	10,826,669
	8,770,615	2,365,603	11,136,218
Total	27,023,427	4,099,604	31,123,031

5. INVESTMENTS, NET (continued)

	June 30, 2025 (Unaudited)*		
SAR' 000	Domestic	International	Total
Fair value through other comprehensive income (FVOCI)			
Equities	822,226	-	822,226
Sukuk	13,489,642	1,089,822	14,579,464
	14,311,868	1,089,822	15,401,690
Fair value through statement of income (FVSI)			
Mutual funds	278,568	623,220	901,788
Equities	111,305	10,795	122,100
	389,873	634,015	1,023,888
Amortized cost			
Bei-Ajel with Saudi Central Bank	876,849	-	876,849
Sukuk	8,975,672	2,359,167	11,334,839
	9,852,521	2,359,167	12,211,688
Total	24,554,262	4,083,004	28,637,266

*Refer note 19 for comparative figures

Income from investing and financing assets includes profit for tier 1 sukuk amounting to SAR 173.3 million (2025: SAR 133.4 million).

b. The analysis of investments by rate type is as follows:

	June 30, 2026 (Unaudited)		
SAR' 000	**Domestic**	**International**	**Total**
Fixed-rate securities	**25,467,464**	**2,770,619**	**28,238,083**
Floating-rate securities	**1,556,432**	**281,206**	**1,837,638**
Others	**1,367,339**	**669,781**	**2,037,120**
Total	**28,391,235**	**3,721,606**	**32,112,841**

	December 31, 2025 (Audited)		
SAR' 000	Domestic	International	Total
Fixed-rate securities	24,068,443	3,190,981	27,259,424
Floating-rate securities	1,556,236	281,885	1,838,121
Others	1,398,748	626,738	2,025,486
Total	27,023,427	4,099,604	31,123,031

	June 30, 2025 (Unaudited)		
SAR' 000	Domestic	International	Total
Fixed-rate securities	21,530,526	3,156,274	24,686,800
Floating-rate securities	1,811,637	292,715	2,104,352
Others	1,212,099	634,015	1,846,114
Total	24,554,262	4,083,004	28,637,266

5. INVESTMENTS, NET (continued)

c. The analysis of investments by counterparty is as follows:

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Government and quasi government	**19,378,773**	18,629,981	16,572,162
Corporate and banks	**12,734,068**	12,493,050	12,065,104
Total	**32,112,841**	31,123,031	28,637,266

The following tables further explains changes in gross exposure amount for investments measured at amortized cost to help explain their significance to the changes in the loss allowance for the same portfolio:

June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount as at January 1, 2026	**11,159,007**	**-**	**-**	**11,159,007**
Net change for the period	**516,328**	**-**	**-**	**516,328**
Gross exposure amount as at June 30, 2026	**11,675,335**	**-**	**-**	**11,675,335**

December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	12,871,027	-	-	12,871,027
Net change for the year	(1,712,020)	-	-	(1,712,020)
Gross exposure amount as at December 31, 2025	11,159,007	-	-	11,159,007

June 30, 2025 (Unaudited)* SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	12,871,027	-	-	12,871,027
Net change for the period	(628,309)	-	-	(628,309)
Gross exposure amount as at June 30, 2025	12,242,718	-	-	12,242,718

*Refer note 19 for comparative figures

5. INVESTMENTS, NET (continued)

The analysis of changes in expected credit loss allowance for investments measured at amortized cost is as follows:

June 30, 2026 (Unaudited) **SAR' 000**	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Expected credit loss allowance as at January 1, 2026	**22,789**	**-**	**-**	**22,789**
Net reversal for the period	**(5,138)**	**-**	**-**	**(5,138)**
Expected credit loss allowance as at June 30, 2026	**17,651**	**-**	**-**	**17,651**

December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	21,271	-	-	21,271
Net charge for the year	1,518	-	-	1,518
Expected credit loss allowance as at December 31, 2025	22,789	-	-	22,789

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	21,271	-	-	21,271
Net charge for the period	9,759	-	-	9,759
Expected credit loss allowance as at June 30, 2025	31,030	-	-	31,030

6. FINANCING, NET

June 30, 2026 (Unaudited) SAR' 000	**Performing financing**	**Non-performing financing**	**Gross financing**	**Allowance for expected credit losses**	**Financing, net**
Commercial	**72,313,352**	**945,721**	**73,259,073**	**(1,617,428)**	**71,641,645**
- Corporate	60,764,864	756,349	61,521,213	(1,304,032)	60,217,181
- MSMEs	11,548,488	189,372	11,737,860	(313,396)	11,424,464
Retail	**62,003,455**	**544,023**	**62,547,478**	**(770,668)**	**61,776,810**
- Real estate	45,402,488	453,713	45,856,201	(642,903)	45,213,298
- Personal financing	13,182,084	49,198	13,231,282	(83,728)	13,147,554
- Credit cards	561,636	10,418	572,054	(11,831)	560,223
- Auto financing	2,857,247	30,694	2,887,941	(32,206)	2,855,735
Total	**134,316,807**	**1,489,744**	**135,806,551**	**(2,388,096)**	**133,418,455**

December 31, 2025 (Audited) SAR' 000	Performing financing	Non-performing financing	Gross financing	Allowance for expected credit losses	Financing, net
Commercial	**64,734,615**	**710,058**	**65,444,673**	**(1,629,783)**	**63,814,890**
- Corporate	53,335,997	476,090	53,812,087	(1,285,731)	52,526,356
- MSMEs	11,398,618	233,968	11,632,586	(344,052)	11,288,534
Retail	**58,643,378**	**505,164**	**59,148,542**	**(774,933)**	**58,373,609**
- Real estate	43,620,947	403,263	44,024,210	(640,342)	43,383,868
- Personal financing	11,753,668	65,596	11,819,264	(93,645)	11,725,619
- Credit cards	605,294	10,399	615,693	(11,155)	604,538
- Auto financing	2,663,469	25,906	2,689,375	(29,791)	2,659,584
Total	123,377,993	1,215,222	124,593,215	(2,404,716)	122,188,499

June 30, 2025 (Unaudited) SAR' 000	Performing financing	Non-performing financing	Gross financing	Allowance for expected credit losses	Financing, net
Commercial	**60,921,539**	**804,964**	**61,726,503**	**(1,629,466)**	**60,097,037**
- Corporate	50,546,642	546,301	51,092,943	(1,256,290)	49,836,653
- MSMEs	10,374,897	258,663	10,633,560	(373,176)	10,260,384
Retail	**55,890,924**	**439,664**	**56,330,588**	**(738,764)**	**55,591,824**
- Real estate	41,652,446	342,180	41,994,626	(596,957)	41,397,669
- Personal financing	11,205,252	62,359	11,267,611	(95,623)	11,171,988
- Credit cards	554,604	8,867	563,471	(10,544)	552,927
- Auto financing	2,478,622	26,258	2,504,880	(35,640)	2,469,240
Total	116,812,463	1,244,628	118,057,091	(2,368,230)	115,688,861

6. FINANCING, NET (continued)

The following tables further explains changes in gross exposure amount for financing portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Commercial June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount as at January 1, 2026	**58,410,816**	**6,323,799**	**710,058**	**65,444,673**
Transfers to stage 1	**767,401**	**(767,401)**	**-**	**-**
Transfers to stage 2	**(1,837,465)**	**1,837,465**	**-**	**-**
Transfers to stage 3	**-**	**(292,851)**	**292,851**	**-**
Net change for the period	**8,491,454**	**(619,866)**	**3,018**	**7,874,606**
Write-offs	**-**	**-**	**(60,206)**	**(60,206)**
Gross exposure amount as at June 30, 2026	**65,832,206**	**6,481,146**	**945,721**	**73,259,073**

Commercial December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	50,134,530	7,878,447	807,655	58,820,632
Transfers to stage 1	269,583	(269,583)	-	-
Transfers to stage 2	(1,475,320)	1,475,320	-	-
Transfers to stage 3	(178,667)	(70,007)	248,674	-
Net change for the year	9,660,690	(2,690,378)	(40,476)	6,929,836
Write-offs	-	-	(305,795)	(305,795)
Gross exposure amount as at December 31, 2025	58,410,816	6,323,799	710,058	65,444,673

Commercial June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	50,134,530	7,878,447	807,655	58,820,632
Transfers to stage 1	101,042	(101,042)	-	-
Transfers to stage 2	(701,439)	701,439	-	-
Transfers to stage 3	(179,123)	(72,276)	251,399	-
Net change for the period	5,231,758	(2,072,556)	25,012	3,184,214
Write-offs	-	-	(278,343)	(278,343)
Gross exposure amount as at June 30, 2025	54,586,768	6,334,012	805,723	61,726,503

6. FINANCING, NET (continued)

Retail June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount as at January 1, 2026	**57,404,004**	**1,090,930**	**653,608**	**59,148,542**
Transfers to stage 1	**306,819**	**(270,007)**	**(36,812)**	**-**
Transfers to stage 2	**(588,519)**	**599,822**	**(11,303)**	**-**
Transfers to stage 3	**(6,796)**	**(192,171)**	**198,967**	**-**
Net change for the period	**3,362,831**	**116,039**	**6,327**	**3,485,197**
Write-offs	**-**	**-**	**(86,261)**	**(86,261)**
Gross exposure amount as at June 30, 2026	**60,478,339**	**1,344,613**	**724,526**	**62,547,478**

Retail December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	51,926,573	672,904	522,177	53,121,654
Transfers to stage 1	284,056	(234,959)	(49,097)	-
Transfers to stage 2	(641,232)	664,928	(23,696)	-
Transfers to stage 3	(167,798)	(126,866)	294,664	-
Net change for the year	6,002,405	114,923	36,033	6,153,361
Write-offs	-	-	(126,473)	(126,473)
Gross exposure amount as at December 31, 2025	57,404,004	1,090,930	653,608	59,148,542

Retail June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	51,926,573	672,904	522,177	53,121,654
Transfers to stage 1	248,030	(223,279)	(24,751)	-
Transfers to stage 2	(393,724)	408,267	(14,543)	-
Transfers to stage 3	(70,578)	(92,687)	163,265	-
Net change for the period	3,269,475	42	9,249	3,278,766
Write-offs	-	-	(69,832)	(69,832)
Gross exposure amount as at June 30, 2025	54,979,776	765,247	585,565	56,330,588

6. FINANCING, NET (continued)

Total **June 30, 2026 (Unaudited)** **SAR' 000**	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount as at January 1, 2026	**115,814,820**	**7,414,729**	**1,363,666**	**124,593,215**
Transfers to stage 1	**1,074,220**	**(1,037,408)**	**(36,812)**	**-**
Transfers to stage 2	**(2,425,984)**	**2,437,287**	**(11,303)**	**-**
Transfers to stage 3	**(6,796)**	**(485,022)**	**491,818**	**-**
Net change for the period	**11,854,285**	**(503,827)**	**9,345**	**11,359,803**
Write-offs	**-**	**-**	**(146,467)**	**(146,467)**
Gross exposure amount as at June 30, 2026	**126,310,545**	**7,825,759**	**1,670,247**	**135,806,551**

Total December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	102,061,103	8,551,351	1,329,832	111,942,286
Transfers to stage 1	553,639	(504,542)	(49,097)	-
Transfers to stage 2	(2,116,552)	2,140,248	(23,696)	-
Transfers to stage 3	(346,465)	(196,873)	543,338	-
Net change for the year	15,663,095	(2,575,455)	(4,443)	13,083,197
Write-offs	-	-	(432,268)	(432,268)
Gross exposure amount as at December 31, 2025	115,814,820	7,414,729	1,363,666	124,593,215

Total June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	102,061,103	8,551,351	1,329,832	111,942,286
Transfers to stage 1	349,072	(324,321)	(24,751)	-
Transfers to stage 2	(1,095,163)	1,109,706	(14,543)	-
Transfers to stage 3	(249,701)	(164,963)	414,664	-
Net change for the period	8,501,233	(2,072,514)	34,261	6,462,980
Write-offs	-	-	(348,175)	(348,175)
Gross exposure amount as at June 30, 2025	109,566,544	7,099,259	1,391,288	118,057,091

6. FINANCING, NET (continued)

The analysis of changes in expected credit loss allowance is as follows:

Commercial June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Expected credit loss allowance as at January 1, 2026	**185,177**	**819,845**	**624,761**	**1,629,783**
Transfers to stage 1	**15,789**	**(15,789)**	**-**	**-**
Transfers to stage 2	**(26,756)**	**26,756**	**-**	**-**
Transfers to stage 3	**-**	**(227,629)**	**227,629**	**-**
Net charge / (reversal) for the period	**30,793**	**25,405**	**(8,347)**	**47,851**
Write-offs	**-**	**-**	**(60,206)**	**(60,206)**
Expected credit loss allowance as at June 30, 2026	**205,003**	**628,588**	**783,837**	**1,617,428**

Commercial December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	166,171	1,174,654	633,129	1,973,954
Transfers to stage 1	4,260	(4,260)	-	-
Transfers to stage 2	(48,054)	48,054	-	-
Transfers to stage 3	(178,460)	(66,182)	244,642	-
Net charge / (reversal) for the year	241,260	(332,421)	52,785	(38,376)
Write-offs	-	-	(305,795)	(305,795)
Expected credit loss allowance as at December 31, 2025	185,177	819,845	624,761	1,629,783

Commercial June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	166,171	1,174,654	633,129	1,973,954
Transfers to stage 1	412	(412)	-	-
Transfers to stage 2	(16,616)	16,616	-	-
Transfers to stage 3	(125,543)	(68,779)	194,322	-
Net charge / (reversal) for the period	157,562	(271,407)	47,700	(66,145)
Write-offs	-	-	(278,343)	(278,343)
Expected credit loss allowance as at June 30, 2025	181,986	850,672	596,808	1,629,466

6. FINANCING, NET (continued)

Retail June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Expected credit loss allowance as at January 1, 2026	**168,450**	**143,069**	**463,414**	**774,933**
Transfers to stage 1	**2,381**	**(2,218)**	**(163)**	**-**
Transfers to stage 2	**(47,696)**	**49,704**	**(2,008)**	**-**
Transfers to stage 3	**(3,410)**	**(105,419)**	**108,829**	**-**
Net charge for the period	**55,069**	**25,164**	**1,763**	**81,996**
Write-offs	**-**	**-**	**(86,261)**	**(86,261)**
Expected credit loss allowance as at June 30, 2026	**174,794**	**110,300**	**485,574**	**770,668**

Retail December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	148,107	105,446	410,693	664,246
Transfers to stage 1	2,195	(1,921)	(274)	-
Transfers to stage 2	(78,841)	84,002	(5,161)	-
Transfers to stage 3	(105,185)	(81,683)	186,868	-
Net charge / (reversal) for the year	202,174	37,225	(2,239)	237,160
Write-offs	-	-	(126,473)	(126,473)
Expected credit loss allowance as at December 31, 2025	168,450	143,069	463,414	774,933

Retail June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	148,107	105,446	410,693	664,246
Transfers to stage 1	1,489	(1,443)	(46)	-
Transfers to stage 2	(56,400)	59,386	(2,986)	-
Transfers to stage 3	(53,833)	(71,778)	125,611	-
Net charge / (reversal) for the period	111,320	36,327	(3,297)	144,350
Write-offs	-	-	(69,832)	(69,832)
Expected credit loss allowance as at June 30, 2025	150,683	127,938	460,143	738,764

6. FINANCING, NET (continued)

Total June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Expected credit loss allowance as at January 1, 2026	**353,627**	**962,914**	**1,088,175**	**2,404,716**
Transfers to stage 1	**18,170**	**(18,007)**	**(163)**	**-**
Transfers to stage 2	**(74,452)**	**76,460**	**(2,008)**	**-**
Transfers to stage 3	**(3,410)**	**(333,048)**	**336,458**	**-**
Net charge / (reversal) for the period	**85,862**	**50,569**	**(6,584)**	**129,847**
Write-offs	**-**	**-**	**(146,467)**	**(146,467)**
Expected credit loss allowance as at June 30, 2026	**379,797**	**738,888**	**1,269,411**	**2,388,096**

Total December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	314,278	1,280,100	1,043,822	2,638,200
Transfers to stage 1	6,455	(6,181)	(274)	-
Transfers to stage 2	(126,895)	132,056	(5,161)	-
Transfers to stage 3	(283,645)	(147,865)	431,510	-
Net charge / (reversal) for the year	443,434	(295,196)	50,546	198,784
Write-offs	-	-	(432,268)	(432,268)
Expected credit loss allowance as at December 31, 2025	353,627	962,914	1,088,175	2,404,716

Total June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	314,278	1,280,100	1,043,822	2,638,200
Transfers to stage 1	1,901	(1,855)	(46)	-
Transfers to stage 2	(73,016)	76,002	(2,986)	-
Transfers to stage 3	(179,376)	(140,557)	319,933	-
Net charge / (reversal) for the period	268,882	(235,080)	44,403	78,205
Write-offs	-	-	(348,175)	(348,175)
Expected credit loss allowance as at June 30, 2025	332,669	978,610	1,056,951	2,368,230

6. FINANCING, NET (continued)

The breakdown of gross exposure amount and the related expected credit loss allowance by IFRS 9 stage is presented below:

June 30, 2026 (Unaudited) **SAR' 000**	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount				
Commercial	**65,832,206**	**6,481,146**	**945,721**	**73,259,073**
Retail	**60,478,339**	**1,344,613**	**724,526**	**62,547,478**
Total	**126,310,545**	**7,825,759**	**1,670,247**	**135,806,551**
Expected credit loss allowance				
Commercial	**205,003**	**628,588**	**783,837**	**1,617,428**
Retail	**174,794**	**110,300**	**485,574**	**770,668**
Total	**379,797**	**738,888**	**1,269,411**	**2,388,096**

December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount				
Commercial	58,410,816	6,323,799	710,058	65,444,673
Retail	57,404,004	1,090,930	653,608	59,148,542
Total	115,814,820	7,414,729	1,363,666	124,593,215
Expected credit loss allowance				
Commercial	185,177	819,845	624,761	1,629,783
Retail	168,450	143,069	463,414	774,933
Total	353,627	962,914	1,088,175	2,404,716

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount				
Commercial	54,586,768	6,334,012	805,723	61,726,503
Retail	54,979,776	765,247	585,565	56,330,588
Total	109,566,544	7,099,259	1,391,288	118,057,091
Expected credit loss allowance				
Commercial	181,986	850,672	596,808	1,629,466
Retail	150,683	127,938	460,143	738,764
Total	332,669	978,610	1,056,951	2,368,230

7. CUSTOMERS' DEPOSITS

Customers' deposits comprise of the following:

	June 30, 2026 SAR'000 (Unaudited)	December 31, 2025 SAR'000 (Audited)	June 30, 2025 SAR'000 (Unaudited)
Demand	**43,655,918**	44,361,140	44,107,036
Direct investment	**62,673,855**	53,364,980	43,311,123
Albilad account (Mudarabah)	**37,115,907**	31,437,032	32,802,146
Others	**3,742,236**	3,715,964	3,708,201
Total	**147,187,916**	132,879,116	123,928,506

8. SUKUK AND TERM FINANCING

Sukuk and term financing comprises of:

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Tier 2 Sukuk	**-**	3,044,407	3,044,457
Term financing	**-**	100,000	100,000
Total	**-**	3,144,407	3,144,457

On April 15, 2021, the Bank issued 3,000 Tier 2 Sukuk Certificates (Sukuk) of SAR 1 million each. The profit on Sukuk is payable quarterly each year until April 15, 2031. The Bank has a call option which can be exercised on or after April 15, 2026 as per the terms mentioned in the related offering circular. The expected profit distribution on the sukuk is the base rate for three-month in addition to a profit margin of 1.65% per annum. The Bank has not defaulted on any of payments (profit / principal) due during the current and prior period. The Bank exercised the call option on its sukuk on April 15, 2026. Regulatory approval has been obtained in this regard.

On May 22, 2025, the Bank successfully completed the issuance of a USD 650 million (SAR 2,438 million**)** USD-denominated Additional Tier 1 Sukuk. This issuance forms part of the Bank's USD 2 billion Additional Tier 1 Capital Sukuk Programme and was executed through a private placement in both Kingdom of Saudi Arabia and international markets. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The Sukuk carries a return rate of 6.5% per annum and is classified as perpetual security, with no fixed or contractual maturity date.

On January 15, 2026, the Bank successfully completed the issuance of a USD 500 million (SAR 1,875 million) USD-denominated Additional Tier 1 Sukuk as part of the Bank's USD 2 billion Additional Tier 1 Capital Sukuk Programme. The Sukuk carries a return rate of 6.375% per annum and is classified as a perpetual security, with no fixed or contractual maturity date.

9. COMMITMENTS AND CONTINGENCIES

a) The Group's credit related commitments and contingencies are as follows:

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Letters of guarantee	**11,869,653**	12,564,026	14,777,981
Letters of credit	**1,870,540**	1,742,894	1,898,600
Acceptances	**880,264**	1,136,263	736,777
Irrevocable commitments to extend credit	**1,883,980**	975,344	1,321,895
Total	**16,504,437**	16,418,527	18,735,253

The following tables further explains changes in gross exposure amount for commitments and contingencies:

June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Gross exposure amount as at January 1, 2026	**15,310,390**	**919,417**	**188,720**	**16,418,527**
Transfers to stage 1	**11,158**	**(11,158)**	**-**	**-**
Transfers to stage 2	**(664,103)**	**664,103**	**-**	**-**
Transfers to stage 3	**-**	**(6,719)**	**6,719**	**-**
Net change for the period	**332,347**	**(197,829)**	**(48,608)**	**85,910**
Gross exposure amount as at June 30, 2026	**14,989,792**	**1,367,814**	**146,831**	**16,504,437**

December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	18,969,418	819,485	171,396	19,960,299
Transfers to stage 1	222,575	(222,575)	-	-
Transfers to stage 2	(568,482)	568,482	-	-
Transfers to stage 3	(38,010)	(18,628)	56,638	-
Net change for the year	(3,275,111)	(227,347)	(39,314)	(3,541,772)
Gross exposure amount as at December 31, 2025	15,310,390	919,417	188,720	16,418,527

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	18,969,418	819,485	171,396	19,960,299
Transfers to stage 1	216,951	(216,951)	-	-
Transfers to stage 2	(451,001)	451,001	-	-
Transfers to stage 3	(37,011)	(18,628)	55,639	-
Net change for the period	(1,141,145)	(62,145)	(21,756)	(1,225,046)
Gross exposure amount as at June 30, 2025	17,557,212	972,762	205,279	18,735,253

9. COMMITMENTS AND CONTINGENCIES (continued)

The analysis of changes in expected credit loss allowance is as follows:

June 30, 2026 (Unaudited) SAR' 000	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL not credit impaired)**	**Stage 3 (Lifetime ECL credit impaired)**	**Total**
Expected credit loss allowance as at January 1, 2026	**23,524**	**16,355**	**65,499**	**105,378**
Transfers to stage 1	**56**	**(56)**	**-**	**-**
Transfers to stage 2	**(37)**	**37**	**-**	**-**
Transfers to stage 3	**-**	**-**	**-**	**-**
Net charge / (reversal) for the period	**9,735**	**(2,416)**	**(18,545)**	**(11,226)**
Expected credit loss allowance as at June 30, 2026	**33,278**	**13,920**	**46,954**	**94,152**

December 31, 2025 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	41,867	14,243	72,578	128,688
Transfers to stage 1	3	(3)	-	-
Transfers to stage 2	(10,211)	10,211	-	-
Transfers to stage 3	(18,500)	(4,350)	22,850	-
Net charge / (reversal) for the year	10,365	(3,746)	(29,929)	(23,310)
Expected credit loss allowance as at December 31, 2025	23,524	16,355	65,499	105,378

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	41,867	14,243	72,578	128,688
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(11,328)	11,328	-	-
Transfers to stage 3	(12,950)	(4,350)	17,300	-
Net charge / (reversal) for the period	16,176	4,107	(12,783)	7,500
Expected credit loss allowance as at June 30, 2025	33,765	25,328	77,095	136,188

b) The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as disclosed at December 31, 2025.

10. DERIVATIVES

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

June 30, 2026 (Unaudited) **SAR in '000'**	**Positive fair value**	**Negative fair value**	**Notional amount Total**
Held for trading:			
Profit rate swaps	**36,298**	**(27,947)**	**8,405,573**
Forward foreign exchange contracts	**6,794**	**(2,235)**	**6,346,397**
Held as cash flow hedges:			
Profit rate swaps	**11,281**	**(1,507)**	**2,100,000**
Held as fair value hedges:			
Profit rate swaps	**-**	**(5,203)**	**500,000**
Total	**54,373**	**(36,892)**	**17,351,970**

December 31, 2025 (Audited) SAR in '000'	Positive fair value	Negative fair value	Notional amount Total
Held for trading:			
Profit rate swaps	29,783	(22,735)	3,974,535
Forward foreign exchange contracts	3,923	(3,336)	4,027,550
Held as cash flow hedges:			
Profit rate swaps	-	(9,778)	600,000
Total	33,706	(35,849)	8,602,085

June 30, 2025 (Unaudited) SAR in '000'	Positive fair value	Negative fair value	Notional amount Total
Held for trading:			
Profit rate swaps	23,708	(22,917)	1,266,092
Forward foreign exchange contracts	5,900	(4,076)	1,787,896
Held as cash flow hedges:			
Profit rate swaps	-	(11,810)	600,000
Total	29,608	(38,803)	3,653,988

11. CASH AND CASH EQUIVALENTS

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

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Cash and balances with Saudi Central Bank (excluding statutory deposit)	**2,039,068**	3,265,158	4,685,773
Due from banks and other financial institutions (maturing within ninety days from the acquisition date)	**5,794,197**	4,170,044	1,031,134
Total	**7,833,265**	7,435,202	5,716,907

12. FAIR VALUES 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 to sell the asset or transfer the liability takes place either:

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

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.

<u>Determination of fair value and fair value hierarchy</u>

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

12. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. 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 of fair value:

		Fair value			
SAR' 000	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2026 (Unaudited)					
Financial assets measured at fair value					
Measured at FVSI - mutual funds	**955,596**	**63,545**	**892,051**	**-**	**955,596**
Measured at FVSI - equity instruments	**215,186**	**215,186**	**-**	**-**	**215,186**
Measured at FVOCI - equity instruments	**866,339**	**686,668**	**-**	**179,671**	**866,339**
Measured at FVOCI - Sukuk	**18,418,036**	**13,925,967**	**4,492,069**	**-**	**18,418,036**
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	**8,139,754**	**-**	**-**	**8,139,754**	**8,139,754**
Investments measured at amortized cost	**11,657,684**	**8,943,478**	**2,061,679**	**-**	**11,005,157**
Financing, net	**133,418,455**	**-**	**-**	**133,173,808**	**133,173,808**

		Fair value			
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2025 (Audited)					
Financial assets measured at fair value					
Measured at FVSI - mutual funds	979,038	71,914	907,124	-	979,038
Measured at FVSI - equity instruments	150,733	150,733	-	-	150,733
Measured at FVOCI - equity instruments	895,715	732,710	-	163,005	895,715
Measured at FVOCI - Sukuk	17,961,327	13,710,421	4,250,906	-	17,961,327
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	5,883,033	-	-	5,883,033	5,883,033
Investments measured at amortized cost	11,136,218	8,120,624	2,381,641	-	10,502,265
Financing, net	122,188,499	-	-	122,434,238	122,434,238

		Fair value			
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
June 30, 2025 (Unaudited)*					
Financial assets measured at fair value					
Measured at FVSI - mutual funds	901,788	62,920	838,868	-	901,788
Measured at FVSI - equity instruments	122,100	122,100	-	-	122,100
Measured at FVOCI - equity instruments	822,226	659,221	-	163,005	822,226
Measured at FVOCI - Sukuk	14,579,464	11,698,689	2,880,775	-	14,579,464
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	2,821,961	-	-	2,821,961	2,821,961
Investments measured at amortized cost	12,211,688	9,092,194	2,453,939	-	11,546,133
Financing, net	115,688,861	-	-	115,950,081	115,950,081

*Refer note 19 for comparative figures

12. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

		Fair value			
SAR' 000	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2026 (Unaudited)					
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	**7,766,912**	**-**	**-**	**7,766,912**	**7,766,912**
Customers' deposits	**147,187,916**	**-**	**-**	**147,187,916**	**147,187,916**

		Fair value			
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2025 (Audited)					
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	6,982,815	-	-	6,982,815	6,982,815
Customers' deposits	132,879,116	-	-	132,879,116	132,879,116
Sukuk and term financing	3,144,407	-	-	3,144,407	3,144,407

		Fair value			
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
June 30, 2025 (Unaudited)					
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	6,308,340	-	-	6,308,340	6,308,340
Customers' deposits	123,928,506	-	-	123,928,506	123,928,506
Sukuk and term financing	3,144,457	-	-	3,144,457	3,144,457

The fair values of financial instruments which are not measured at fair value in these interim condensed consolidated financial statements are not significantly different from the carrying values included in these interim condensed consolidated financial statements.

Cash and balances with Saudi Central Bank, due from banks and other financial institutions with maturity of less than 90 days and other short-term receivable are assumed to have fair values that reasonably approximate their corresponding carrying values due to their short-term nature.

12. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The fair values of profit bearing customers' deposits, due from banks and other financial institutions and due to banks, Saudi Central Bank and other financial institutions which are measured at amortized cost, are not significantly different from the carrying values included in the interim condensed consolidated financial statements, since either the current market profit rates for similar financial instruments are not significantly different from the contracted rates, or for the short duration of certain financial instruments particularly due from banks and other financial institutions and due to banks, Saudi Central Bank and other financial institutions or a combination of both. An active market for these instruments is not available and the Group intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

Valuation technique and significant unobservable inputs for level 2

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
FVSI investments	Fair value is determined based on the investee fund's most recent reported net assets value which is based on fair value of underlying assets.	None	Not applicable
FVOCI equity instruments	Market comparable approach	None	Not applicable

Financing classified as level 3 have been valued using expected cash flows discounted at relevant SAIBOR.

During the current period, no financial assets / liabilities have been transferred between level 1 and / or level 2 fair value hierarchy.

Reconciliation of level 3 fair values measured at FVOCI

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Balance at the beginning of the period	**163,005**	160,940	160,940
Gain / (loss) included in OCI			
Net changes in fair value (unrealised)	**16,666**	2,065	2,065
Balance at the end of the period	**179,671**	163,005	163,005

13. OPERATING SEGMENT

Operating segments based on customer groups are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Assets and Liabilities Committee (“ALCO”) in order to allocate resources to the segments and to assess its performance. The Group’s main business is conducted in the Kingdom of Saudi Arabia.

There has been no change to the basis of segmentation or the measurements basis for the segment profit or loss since December 31, 2025.

For management purposes, the Group is divided into the following four operating segments:

Retail banking
Services and products to individuals, including deposits, financing, remittances and currency exchange.

Corporate banking
Services and products to corporate customers including deposits, financing and trade services.

Treasury
Money market and treasury services.

Investment banking and brokerage
Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Transactions between the above operating segments are under the terms and conditions of the approved Fund Transfer Pricing (FTP) system. The support segments and Head Office expenses are allocated to other operating segments, based on an approved criterion.

The Group’s total operating income and expenses, and net income before zakat, for the six-month period ended June 30, 2026 and 2025, for each segment are as follows:

	June 30, 2026 (Unaudited)				
SAR’000	**Retail banking**	**Corporate banking**	**Treasury**	**Investment banking and brokerage**	**Total**
Income from investing and financing assets, net	**1,011,869**	**853,294**	**595,697**	**70,149**	**2,531,009**
Fee, commission and other income, net	**181,287**	**173,592**	**137,530**	**118,956**	**611,365**
Total operating income	**1,193,156**	**1,026,886**	**733,227**	**189,105**	**3,142,374**
Impairment charge for expected credit losses, net	**82,056**	**36,625**	**7,812**	**818**	**127,311**
Depreciation and amortization	**131,339**	**18,530**	**3,817**	**1,280**	**154,966**
Total operating expenses	**1,005,099**	**261,439**	**71,899**	**101,182**	**1,439,619**
Net income for the period before zakat	**188,057**	**765,447**	**661,328**	**87,923**	**1,702,755**

13. OPERATING SEGMENT (continued)

	June 30, 2025 (Unaudited)				
SAR'000	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Income from investing and financing assets, net	948,890	760,955	548,826	80,062	2,338,733
Fee, commission and other income, net	205,575	146,730	158,842	154,678	665,825
Total operating income	1,154,465	907,685	707,668	234,740	3,004,558
Impairment charge for expected credit losses, net	144,344	(58,556)	16,635	(701)	101,722
Depreciation and amortization	117,985	23,432	3,902	857	146,176
Total operating expenses	1,042,731	144,382	83,966	98,976	1,370,055
Net income for the period before zakat	111,734	763,303	623,702	135,764	1,634,503

The Group's total assets and liabilities at June 30, 2026 and 2025 and December 31, 2025, for each segment are as follows:

	June 30, 2026 (Unaudited)				
SAR'000	**Retail banking**	**Corporate banking**	**Treasury**	**Investment banking and brokerage**	**Total**
Total assets	**73,934,936**	**70,610,175**	**40,356,053**	**1,576,852**	**186,478,016**
Total liabilities	**81,442,298**	**31,644,530**	**49,300,068**	**321,375**	**162,708,271**

	December 31, 2025 (Audited)				
SAR'000	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	69,320,282	63,019,288	39,109,737	1,522,764	172,972,071
Total liabilities	75,005,265	30,211,567	46,051,632	347,687	151,616,151

	June 30, 2025 (Unaudited)				
SAR'000	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
Total assets	66,404,949	59,855,650	34,229,638	1,412,059	161,902,296
Total liabilities	72,488,311	30,057,397	38,270,218	329,988	141,145,914

14. SHARE CAPITAL AND BONUS SHARES

The authorized, issued and fully paid share capital of the Bank consists of 1,500 million shares of SAR 10 each (June 30, 2025: 1,500 million shares of SAR 10 each).

The Board of Directors in its meeting held on Sha'ban 7, 1446H (corresponding to February 6, 2025) recommended to the Extra-ordinary General Assembly the issuance of bonus shares of one share for every five shares held. The increase has been approved in the Extraordinary General Assembly meeting held on Shawwal 16, 1446H (corresponding to April 14, 2025), increasing the Bank’s capital from SAR 12,500 million to SAR 15,000 million. The increase has been done through capitalization of SAR 1,500 million from the retained earnings and SAR 1,000 million from statutory reserve. The number of shares outstanding after the bonus issuance increased from 1,250 million shares to 1,500 million shares.

15. CASH DIVIDENDS

The Board of Directors resolved to distribute interim cash dividends of SAR 750 million (SAR 0.50 per share after deduction of Zakat) to shareholders for the first half of 2026 in the meeting held Safar 7, 1448H (corresponding to July 21, 2026).

The Board of Directors recommended to the General Assembly to distribute cash dividends of SAR 825 million (SAR 0.55 per share after deduction of Zakat) to shareholders for the Second half of 2025 in the meeting held Sha’aban 16, 1447H (corresponding to February 4, 2026). The dividends has been approved in the Extraordinary General Assembly meeting held on Dhual-Qa’dah 18, 1447H (corresponding to May 5, 2026) and the dividends have been distributed.

16. BASIC AND DILUTED EARNING PER SHARE

Basic and diluted earnings per share for the six-month period ended June 30, 2026 and 2025 is calculated by dividing the net income for the period attributable to the equity holders (after deduction of Tier 1 sukuk costs) by the weighted average number of outstanding shares as at June 30, 2026: 1,485 million shares (June 30, 2025: 1,490 million shares) after accounting for treasury shares.

17. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of 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 Saudi Central Bank.

The nature and balances of transactions with the related parties for the six-month period ended June 30 are as follows:

a. Directors, key management personnel, other major shareholders, their affiliates balances and others:

	2026 **SAR' 000** **(Unaudited)**	2025 SAR' 000 (Unaudited)
• Financing	**3,415,552**	2,569,457
• Commitments and contingencies	**137,522**	129,267
• Customers' deposits	**110,001**	108,261

b. Group's mutual funds:

These are the outstanding balances with Group's mutual funds as of June 30:

	2026 **SAR' 000** **(Unaudited)**	2025 SAR' 000 (Unaudited)
• Customers' deposits	**1,432**	558
• Investments	**398,672**	405,551

c. Income and expense:

Directors, Key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:

	2026 **SAR' 000** **(Unaudited)**	2025 SAR' 000 (Unaudited)
• Income	**156,178**	99,309
• Expenses	**7,225**	6,987

d. The total amount of compensation paid to key management personnel for the six-month period ended June 30 is as follows:

	2026 **SAR' 000** **(Unaudited)**	2025 SAR' 000 (Unaudited)
• Employee benefits	**170,860**	114,813

18. CAPITAL ADEQUACY

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

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management. Saudi Central Bank 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 the agreed minimum of 8%.

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

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

	June 30, 2026 SAR' 000 (Unaudited)	December 31, 2025 SAR' 000 (Audited)	June 30, 2025 SAR' 000 (Unaudited)
Credit Risk RWA	**128,751,145**	118,341,390	112,716,267
Operational Risk RWA	**5,464,554**	5,022,005	5,022,005
Market Risk RWA	**4,350,735**	4,072,222	3,591,533
Total Pillar-I RWA	**138,566,434**	127,435,617	121,329,805
CET1	**19,307,252**	18,918,062	18,318,524
Tier I Capital	**23,620,385**	21,355,920	20,756,382
Tier II Capital	**1,191,923**	4,386,562	4,408,055
Total Tier I & II Capital	**24,812,308**	25,742,482	25,164,437
Capital Adequacy Ratio %			
Common Equity Tier I ratio	**13.93%**	14.85%	15.10%
Tier I ratio	**17.05%**	16.76%	17.11%
Tier I + Tier II ratio	**17.91%**	20.20%	20.74%

19. COMPARATIVE FIGURES

During the six-month period ended June 30, 2026, the Bank has reassessed the classification of its Tier 1 Sukuk and reclassified these investments amounting to SAR 3,701 million as at June 30, 2025 from “Amortized cost” to “Fair value through other comprehensive income” categories within note 5 to the interim condensed consolidated financial statements, due to fact that these are equity instruments. These Tier 1 Sukuks are equity instruments from the issuer's perspective and therefore did not meet the amortized cost classification criteria in IFRS 9 (Financial Instruments) on initial recognition.

These adjustments are considered as correction of error in accordance with the requirements of International Accounting Standard 8 (Accounting policies, Changes in Accounting Estimates and Errors). As a result, the purchase of investments measured at amortized costs amounting to SAR 1,403 million during the six-month period ended June 30, 2025 have been re-classified from “Proceeds from maturity / (purchase) of investments held as amortized cost” to “purchase of investments measured at FVOCI”, both within investing activities in the interim consolidated statement of cash flows.

The impact of the reclassification of Tier 1 sukuk investments on the interim consolidated statement of financial position as at June 30, 2025 and the interim consolidated statement of income, interim consolidated statement of comprehensive income and interim consolidated statement of changes in equity for the six-month period ended June 30, 2025 was immaterial.

20. IMPACT OF GEO-POLITICAL SITUATION ON EXPECTED CREDIT LOSSES (“ECL”)

The geopolitical situation in the Middle East has deteriorated significantly since 28 February 2026. The situation has remained highly volatile and has impacted several countries in the Middle East including the Kingdom of Saudi Arabia, causing disruption to some business and economic activities.

The prevailing geopolitical situation has brought about additional uncertainties in the economic environment which require the Bank to revise certain inputs and assumptions used for the determination of expected credit losses (“ECL”). As a result, the management has taken certain steps to respond to the above. Those steps includes the following:

- Review of credit exposures at a more granular level with particular focus on specific economic sectors.
- Update of macroeconomic factors for the period ended June 30, 2026.

The impact of such uncertain economic environment is judgmental, and the Bank will continue to reassess its position and the related impact on a regular basis as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

21. BOARD OF DIRECTORS’ APPROVAL

These interim condensed consolidated financial statements were authorized for issue by the Bank’s Board of Directors on Safar 9, 1448H (corresponding to July 23, 2026).