Alinma Bank
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED
June 30, 2026

CONTENTS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No. 1010425494

Headquarters in Riyadh

PricewaterhouseCoopers Public Accountants
(Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
CR no. 1010371622, UN No.7000928734, Capital of 500,000 SAR National address: 2537 Mohammad Ibn Fuhayd St secondary no. 7912, West Umm Al Hamam Dist, postal code 12329 Riyadh, Kingdom of Saudi Arabia
T: +966 (11) 211 0400, F: +966 (11) 211 0401
www.pwc.com

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

To the shareholders of Alinma Bank
(a Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Alinma Bank and its subsidiaries (collectively referred to as the "Bank") as of June 30, 2026, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and cash flows for the six-month period then ended, and explanatory notes (the "interim condensed consolidated financial statements").

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

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

KPMG Professional Services Company

Khalil Ibrahim Al Sedais
Certified Public Accountant
License number 371

PricewaterhouseCoopers

Mufaddal A. Ali
Certified Public Accountant
License number 447

(14 Safar 1448H)
(July 28, 2026)

الإنمـاء
alinma

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	June 30, 2026 (Unaudited) SAR '000	December 31, 2025 (Audited) SAR '000	June 30, 2025 (Unaudited) SAR '000
ASSETS				
Cash and balances with Saudi Central Bank (SAMA)		**16,795,024**	14,942,407	14,547,008
Due from banks and other financial institutions, net		**2,642,634**	1,720,458	4,799,647
Investments held at fair value through statement of income (FVSI)	4	**3,829,043**	3,895,782	3,504,561
Investments held at fair value through other comprehensive income (FVOCI)	4	**12,333,348**	13,654,039	14,579,971
Investments held at amortized cost, net	4	**40,320,722**	38,940,510	33,506,373
Investments in associates and joint venture	4	**133,741**	132,221	48,591
Positive fair value of derivatives	5	**515,897**	443,077	412,179
Financing, net	6	**243,911,154**	229,746,838	218,596,197
Property, equipment and right of use assets, net		**4,821,330**	4,522,728	3,786,817
Other assets		**3,984,490**	3,069,088	3,435,098
TOTAL ASSETS		**329,287,383**	311,067,148	297,216,442
LIABILITIES AND EQUITY				
LIABILITIES				
Due to SAMA, banks and other financial institutions	7	**9,678,915**	16,212,965	11,253,297
Customers' deposits	8	**245,254,218**	227,373,930	229,944,244
Sukuks and certificates of deposit issued	11.1	**9,856,174**	7,624,921	-
Negative fair value of derivatives	5	**392,824**	265,984	260,963
Amount due to Mutual Funds' unitholders		**14,452**	100,782	121,887
Other liabilities		**13,966,343**	11,247,444	10,861,499
TOTAL LIABILITIES		**279,162,926**	262,826,026	252,441,890
EQUITY				
Share capital	13	**30,000,000**	25,000,000	25,000,000
Treasury shares	18.1	**(238,229)**	(180,957)	(180,957)
Statutory reserve		**3,935,633**	6,435,633	4,836,346
Other reserves	15	**64,376**	233,953	(72,189)
Retained earnings		**3,983,602**	4,250,443	4,565,402
Equity attributable to the shareholders of the Bank		**37,745,382**	35,739,072	34,148,602
Tier 1 Sukuk	11.2	**12,379,075**	12,502,050	10,625,950
TOTAL EQUITY		**50,124,457**	48,241,122	44,774,552
TOTAL LIABILITIES AND EQUITY		**329,287,383**	311,067,148	297,216,442

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

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Notes	For the three months period ended June 30, 2026 SAR '000	For the three months period ended June 30, 2025 SAR '000	For the six months period ended June 30, 2026 SAR '000	For the six months period ended June 30, 2025 SAR '000
Income from investments and financing		**4,583,029**	4,254,356	**9,001,681**	8,371,938
Return on time investments		**(2,033,123)**	(1,982,512)	**(3,976,639)**	(3,817,139)
Income from investments and financing, net		**2,549,906**	2,271,844	**5,025,042**	4,554,799
Fee from banking services – income		**667,633**	834,077	**1,341,011**	1,578,421
Fee from banking services – expense		**(304,247)**	(368,005)	**(610,820)**	(732,665)
Fees from banking services, net		**363,386**	466,072	**730,191**	845,756
Exchange income, net		**90,652**	97,520	**173,263**	189,364
Income from FVSI financial instruments, net		**117,831**	92,033	**193,393**	141,358
Gain from FVOCI sukuk investments, net		**58**	25	**2,917**	25
Dividend income on FVOCI equity investments		**2,212**	10,729	**7,331**	18,056
Other operating income		**4,327**	8,405	**5,948**	10,922
Total operating income		**3,128,372**	2,946,628	**6,138,085**	5,760,280
Salaries and employee related expenses		**480,897**	450,929	**965,056**	895,968
Rent and premises related expenses		**19,184**	18,627	**36,714**	37,234
Depreciation and amortization		**104,971**	103,974	**227,273**	204,364
Other general and administrative expenses		**344,756**	343,721	**703,246**	684,587
Operating expenses before impairment charges		**949,808**	917,251	**1,932,289**	1,822,153
Impairment charge on financing, net of recoveries	16	**388,007**	274,199	**541,633**	500,145
Impairment charge on other financial assets	16	**11,992**	7,064	**14,109**	7,436
Total operating expenses		**1,349,807**	1,198,514	**2,488,031**	2,329,734
Net operating income		**1,778,565**	1,748,114	**3,650,054**	3,430,546
Share of loss from associates and joint venture		**-**	(615)	**-**	(1,676)
Net income for the period before zakat		**1,778,565**	1,747,499	**3,650,054**	3,428,870
Zakat for the period		**(183,383)**	(174,244)	**(376,347)**	(347,606)
Net income for the period after zakat		**1,595,182**	1,573,255	**3,273,707**	3,081,264
Basic and diluted earnings per share (SAR)	13	**0.50**	0.51	**0.98**	0.96

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

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

الإنماء
alinma

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	Notes	For the three months period ended June 30, 2026 SAR '000	For the three months period ended June 30, 2025 SAR '000	For the six months period ended June 30, 2026 SAR '000	For the six months period ended June 30, 2025 SAR '000
Net income for the period after zakat		**1,595,182**	1,573,255	**3,273,707**	3,081,264
Other comprehensive income / (loss):					
Items that cannot be recycled back to interim condensed consolidated statement of income in subsequent periods					
Net change in fair value of FVOCI equity investments	15	**7,479**	(49,343)	**12,376**	(71,823)
Items that can be recycled back to interim condensed consolidated statement of income in subsequent periods					
Net change in fair value of FVOCI sukuk investments	15	**48,109**	(55,116)	**(32,753)**	81,801
Gain on sale of FVOCI sukuk investments	15	**(58)**	(25)	**(2,917)**	(25)
Cash flow hedge:					
Effective portion of change in the fair value of cash flow hedge	15	**(32,462)**	7,760	**(64,285)**	75,153
Net amounts transferred to interim condensed consolidated statement of income	15	**606**	6,994	**1,993**	14,739
Total other comprehensive income / (loss)		**23,674**	(89,730)	**(85,586)**	99,845
Total comprehensive income for the period		**1,618,856**	1,483,525	**3,188,121**	3,181,109

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

Chief Financial Officer **Managing Director and CEO** **Authorized Board Member**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30,

2026 SAR '000	Notes	Share capital	Treasury shares (Note18.1)	Statutory reserve	Other reserves (Note 15)	Retained earnings	Total equity attributable to the shareholders	Tier 1 Sukuk	Total equity
Balance at the beginning of the period		**25,000,000**	**(180,957)**	**6,435,633**	**233,953**	**4,250,443**	**35,739,072**	**12,502,050**	**48,241,122**
Net income for the period after zakat		-	-	-	-	3,273,707	3,273,707	-	3,273,707
Net change in fair value of FVOCI equity investments	15	-	-	-	12,376	-	12,376	-	12,376
Net change in fair values of FVOCI sukuk investments	15	-	-	-	(32,753)	-	(32,753)	-	(32,753)
Gain on sale of FVOCI sukuk investments	15	-	-	-	(2,917)	-	(2,917)	-	(2,917)
Cash flow hedge	15	-	-	-	(62,292)	-	(62,292)	-	(62,292)
Total comprehensive income		-	-	-	(85,586)	3,273,707	3,188,121	-	3,188,121
Issuance of bonus shares	13	5,000,000	-	(2,500,000)	-	(2,500,000)	-	-	-
Transfers to retained earnings on disposal of FVOCI equity investments	15	-	-	-	(487)	487	-	-	-
Tier 1 Sukuk costs	13	-	-	-	-	(342,598)	(342,598)	-	(342,598)
Issuance of Tier 1 sukuk	11.2	-	-	-	-	(12,721)	(12,721)	4,877,025	4,864,304
Reclassification of Tier 1 sukuk	11.2	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Interim dividends paid for 2026	18.2	-	-	-	-	(747,545)	(747,545)	-	(747,545)
Employee share based plans and other reserve movements		-	(57,272)	-	(83,504)	61,829	(78,947)	-	(78,947)
Balance at the end of the period		**30,000,000**	**(238,229)**	**3,935,633**	**64,376**	**3,983,602**	**37,745,382**	**12,379,075**	**50,124,457**

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

Chief Financial Officer	Managing Director and CEO	Authorized Board Member

alinma الإنماء

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, (Continued)

2025 SAR '000	Notes	Share capital	Treasury shares	Statutory reserve	Other reserves (note 15)	Retained earnings	Total equity attributable to the shareholders	Tier 1 Sukuk	Total equity
Balance at the beginning of the period		25,000,000	(203,958)	4,836,346	(129,404)	3,188,291	32,691,275	8,750,500	41,441,775
Net income for the period after zakat		-	-	-	-	3,081,264	3,081,264	-	3,081,264
Net change in fair value of FVOCI equity investments	15	-	-	-	(71,823)	-	(71,823)	-	(71,823)
Net change in fair values of FVOCI sukuk investments	15	-	-	-	81,801	-	81,801	-	81,801
Gain on sale of FVOCI sukuk investments	15	-	-	-	(25)	-	(25)	-	(25)
Cash flow hedge	15	-	-	-	89,892	-	89,892	-	89,892
Total comprehensive income		-	-	-	99,845	3,081,264	3,181,109	-	3,181,109
Transfers to retained earnings on disposal of FVOCI equity investments	15	-	-	-	1,435	(1,435)	-	-	-
Tier 1 Sukuk costs	13	-	-	-	-	(221,921)	(221,921)	-	(221,921)
Issuance of Tier 1 sukuk	11.2	-	-	-	-	(6,435)	(6,435)	1,875,450	1,869,015
Final dividends paid for 2024		-	-	-	-	(746,145)	(746,145)	-	(746,145)
Interim dividends paid for 2025	18.2	-	-	-	-	(746,160)	(746,160)	-	(746,160)
Employee share based plans and other reserve movements		-	23,001	-	(44,065)	17,943	(3,121)	-	(3,121)
Balance at the end of the period		25,000,000	(180,957)	4,836,346	(72,189)	4,565,402	34,148,602	10,625,950	44,774,552

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

Chief Financial Officer | **Managing Director and CEO** | **Authorized Board Member**

alinma

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30

	Notes	2026 SAR '000	2025 SAR '000
OPERATING ACTIVITIES			
Net income for the period before zakat		3,650,054	3,428,870
Adjustments to reconcile income for the period before zakat to net cash from operating activities:			
Depreciation and amortization		227,273	204,364
Gain on disposal of property and equipment, net		(150)	(898)
Unrealized gain from FVSI financial instruments, net		(64,989)	(75,897)
Gain from sukuk investments held at amortized cost		-	(1,090)
Gain from FVOCI sukuk investments, net		(2,917)	(25)
Fair value adjustment to derivatives		54,020	(82,425)
Dividend income on FVOCI equity investments		(7,331)	(18,056)
Impairment charge on financing, net of recoveries	16	541,633	500,145
Impairment charge on other financial assets	16	14,109	7,436
Recoveries of previously written-off accounts	16	161,059	113,268
Unwinding of deferred payment program modification loss		(2,252)	(4,375)
Employees share based plans reserve	15	43,846	34,539
Share of loss from associates and joint venture		-	1,676
		4,614,355	4,107,532
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(667,994)	(595,789)
Due from banks and other financial institutions with original maturity of more than three months		3,500	(7,568)
Investments held at FVSI		99,857	(285,999)
Financing		(15,268,222)	(17,540,928)
Other assets		(516,039)	182,056
Net increase / (decrease) in operating liabilities:			
Due to SAMA, banks and other financial institutions		(6,534,050)	(2,682,959)
Customers' deposits		17,880,288	19,399,594
Other liabilities		(1,939,301)	1,439,891
Financing cost on lease liability		(8,529)	(9,688)
Net cash (used in) / generated from operating activities before Zakat paid		(2,336,135)	4,006,142
Zakat Paid, net of refund		(730,534)	(666,208)
Net cash (used in) / generated from operating activities		(3,066,669)	3,339,934
INVESTING ACTIVITIES			
Purchases of investments held at FVOCI		(583,862)	(945,465)
Purchases of investments held at amortized cost		(1,685,101)	(1,996,083)
Purchases of investment in subsidiary		(4,237)	-
Proceeds from sales and maturities of investments held at FVOCI		1,884,176	126,290
Proceeds from sales and maturities of investments held at amortized cost		300,938	173,670
Proceeds from derecognition of investment in subsidiary		31,871	-
Purchase of property and equipment		(489,965)	(424,665)
Proceeds from disposal of property and equipment		2,441	1,122
Dividends received from FVOCI equity investments		7,772	24,263
Net cash used in investing activities		(535,967)	(3,040,868)

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

Chief Financial Officer **Managing Director and CEO** **Authorized Board Member**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, (Continued)

	Notes	2026 SAR '000	2025 SAR '000
FINANCING ACTIVITIES			
Proceeds from the issuance of Tier 1 Sukuk, net of related costs	11.2	4,864,304	1,869,015
Payment for Tier 1 Sukuk costs	13	(342,598)	(221,921)
Proceeds from sukuks and certificates of deposit issuance	11.1	2,122,017	-
Cash payment for principal portion of lease liability		(60,795)	(70,347)
Dividend paid	18.2	(747,545)	(1,492,305)
Purchase of treasury shares	18.1	(122,554)	-
Net cash generated from financing activities		5,712,829	84,442
Net change in cash and cash equivalents		2,110,193	383,508
Cash and cash equivalents at beginning of the period		3,544,244	6,408,581
Cash and cash equivalents at end of the period	10	5,654,437	6,792,089
Income received from investments and financing		9,087,840	7,718,865
Return paid on time investments		3,444,471	3,867,019
Supplemental non-cash information:			
Right-of-use assets		(19,492)	(165,816)
Lease liabilities		29,064	95,527
Net change in fair value of FVOCI investments		20,377	(9,978)
Recoveries of previously written-off accounts	16	421,431	-
Reclassification of Tier 1 Sukuk	11.2	5,000,000	-

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

Chief Financial Officer	Managing Director and CEO	Authorized Board Member

1. General

a) Introduction

Alinma Bank, a Saudi Joint Stock Company, was formed and licensed pursuant to Royal Decree No. M/15 dated 28 Safar 1427H (corresponding to March 28, 2006), in accordance with the Council of Ministers' Resolution No. 42 dated 27 Safar 1427H (corresponding to March 27, 2006). It operates under Ministerial Resolution No. 173 and Commercial Registration No. 1010250808 both dated 21 Jumada-I 1429H (corresponding to May 26, 2008) and provides banking services through 130 branches (June 30, 2025: 121 branches) in the Kingdom of Saudi Arabia. Its head office address is as follows:

Alinma Bank
Head Office
King Fahad Road
P.O. Box 66674
Riyadh 11586
Kingdom of Saudi Arabia (KSA)

The interim condensed consolidated financial statements comprise the financial statements of Alinma Bank and its following subsidiaries (collectively referred as the "Bank") which are registered in KSA except for Alinma SPV Ltd which is registered in the Cayman Islands:

Subsidiaries	Bank's Ownership	Commercial Registration Date	Main Activities
Alinma Capital Company	100%	23 Jumada - II 1430H (corresponding to Jun 16, 2009)	Asset management, custodianship, advisory, underwriting and brokerage services.
Al-Tanweer Real Estate Company	100%	24 Sha'aban 1430H (corresponding to August 15, 2009)	Formed principally to hold legal title of properties financed by the Bank.
Saudi Fintech Company	100%	28 Dhul Hijjah 1440H (corresponding to August 29, 2019)	Provide financial technology products and services to the Bank and others.
Esnad Company	100%	24 Ramadan 1440H (corresponding to May 29, 2019)	To provide outsourced staff to the Bank.
Alinma SPV Ltd	100%	22 Jumada - II 1443H (corresponding to January 25, 2022)	Engage and execute financial derivatives transactions and repurchase agreements with international banks.
TechStrike Company	100%	19 Sha'aban 1446H (corresponding to February 18, 2025)	Provide technology products and services to the Bank.
Ersal Financial Remittance Company	100%	21 Jumada I 1436H (corresponding to March 12, 2015)	Provide money transfer services

In addition to above subsidiaries, the management has concluded that the Bank has effective control of the below funds and started consolidating the Funds' financial statements from the respective dates of effective control:

Funds	Bank's Ownership	Establishment date	Date of effective control	Purpose
Alinma Sukuk ETF	As at June 30, 2026: 97.8% (December 31, 2025: 92.5%; June 30, 2025: 92.8%)	January 1, 2020	January 22, 2020	To invest in a basket of local sovereign Sukuks issued by the Kingdom of Saudi Arabia.
Alinma Digital Fund	As at June 30, 2026: 100% (December 31, 2025: 100%, June 30, 2025: Nil)	May 18, 2025	October 12, 2025	To provide unit holders with long-term capital gains by investing in private equity companies operating in the financial technology or payments sector, or in similar companies operating in related sectors.
Alinma 8th Opportunities Real Estate Fund	As at June 30, 2026: 100% (December 31, 2025: Nil, June 30, 2025: Nil)	November 2, 2025	March 26, 2026	To achieve medium-term capital growth through direct investment in the real estate sector.

Dhahban Real Estate Fund, a previously fully-owned Fund, established on 30 Safar 1445H (corresponding to September 15, 2023). The Bank lost control of the Fund during the year ended December 31, 2025.

During the period ended June 30, 2026, the Bank lost control of its Alinma IPO fund following the disposal of a portion of its units. Prior to this transaction, the Bank held effective control and consolidated the fund. As a result of the divestment, in accordance with IFRS 10, the Bank de-consolidated the Fund's assets and liabilities from its consolidated financial statements. The remaining ownership interest has been recognized at its fair value on the date control was lost. The remaining stake is subsequently accounted for as a financial asset in accordance with IFRS 9.

The objective of the Bank is to provide a full range of banking and investment services through products and instruments that are in accordance with Sharia'a, its By-Laws and within the provisions of laws and regulations applicable to banks in the Kingdom of Saudi Arabia.

b) Shariah Committee

The Bank has established a Shariah Committee in accordance with its commitment to comply with Islamic Shariah laws. Shariah Committee ascertains that all the Bank's activities are subject to its review and approval.

2. Basis of preparation

These interim condensed consolidated financial statements 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 Organisation for Chartered and Professional Accountants ("SOCPA").

These interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements, and therefore, these should be read in conjunction with the annual consolidated financial statements of the Bank as of and for the financial year ended December 31, 2025.

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.

a) **Basis of measurement**

The interim condensed consolidated financial statements are prepared on a going concern basis. The interim condensed consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of derivatives, financial instruments held at fair value through statement of income (“FVSI”), investments carried at fair value through other comprehensive income (“FVOCI”) and end of service benefits which are measured using projected unit credit method under IAS-19.

The interim condensed consolidated statement of financial position is stated broadly in order of liquidity.

b) **Functional and presentation currency**

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (“SAR”) which is the Bank’s functional currency. Except as indicated, financial information presented in SAR has been rounded off to the nearest thousand.

c) **Basis of consolidation**

These interim condensed consolidated financial statements comprise the financial statements of Alinma Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank.

Subsidiaries are the entities that are controlled by the Bank. The Bank controls an entity when, it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity.

When the Bank has less than a majority of the voting or similar rights of an entity, it considers relevant facts and circumstances in assessing whether it has power over the entity, including:

- The contractual arrangement with the other voters of the entity;
- Rights arising from other contractual arrangements; and
- Bank’s current and potential voting rights granted by instruments such as shares.

The Bank re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and cease to be consolidated from the date on which the control is transferred from the Bank. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated statement of income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The accounting policies adopted by the subsidiaries are consistent with that of the Bank’s accounting policies. Adjustments, if any, are made to the financial statements of the subsidiaries to align with the Bank’s interim condensed consolidated financial statements.

Amounts due to Mutual Funds’ unitholders represent the portion of net assets of the mutual funds which are attributable to interests which are not owned, directly or indirectly, by the Bank or its subsidiaries and are presented separately within liability in the interim condensed consolidated statement of financial position.

Intra-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial statements.

3. Summary of material accounting policies and estimates

a) Significant accounting estimates and assumptions

In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2025, except for change in the estimated useful lives of certain buildings and intangible assets. During the period, the estimated total useful lives were revised as follows:

Property, equipment and right of use assets, net	Estimated useful life before change	Estimated useful life after change
Building	**33 years**	**40 years**
Software programs	**5-10 years**	**6-15 years**

The revision in useful lives were based on the operational efficiency review of these assets. The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard IAS 8 "Accounting policies, changes in accounting estimates and errors". The net effect of the changes is a decrease in depreciation and amortization expense of SAR 23.5 million with a total expected impact of SAR 76 million for 2026. Assuming these assets are held until the end of their estimated useful lives, depreciation and amortization expense in 2027 in relation to these assets is estimated to decrease by SAR 105 million.

b) Material accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards effective as of January 1, 2026, which is explained below. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

c) Adoption of new standards

Below amendment to accounting standards and interpretations became applicable for annual reporting periods commencing on or after January 1, 2026 and does not have an impact on the interim condensed consolidated financial statements of the Bank:

Standard, interpretation, amendment	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

Standard, interpretation, amendment	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

d) Prospective changes in the International Financial Reporting Standards

Below are the standards, amendments and interpretations which will become applicable for annual reporting periods commencing on or after January 1, 2027:

Standard, interpretation, 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 profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

Except for IFRS 18, the management has assessed that the above amendments have no significant impact on the Bank's interim condensed consolidated financial statements.

The Bank has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance with effect from future dates.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 ‘Presentation and Disclosure in Financial Statements’, as endorsed in the Kingdom of Saudi Arabia (“IFRS 18”) will replace IAS 1 ‘Presentation of Financial Statements’, as endorsed in the Kingdom of Saudi Arabia, for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The Bank has not early adopted IFRS 18 in preparing these interim condensed consolidated financial statements.
The Bank has established a formal IFRS 18 implementation programme overseen by senior management, supported by a cross-functional working group comprising representatives from the Finance group and Information Technology functions. 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, income taxes and discontinued operations. It also introduces mandatory subtotals including Operating Profit and Profit for the year.
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 customer 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.
- 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 customer financing, 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.

The share of profit or loss from associates and joint ventures accounted for using the equity method, if any, will be presented within the investing category and outside operating profit as required by 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. financing cost on lease liabilities and the financing cost on end of service benefit liabilities, 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, for example net operating income before impairment provision or other performance metrics that meet the definition of Management-defined Performance Measures under IFRS 18 may require enhanced disclosures and reconciliations.

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, other general and administrative expenses and other operating 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 interest, 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 becomes available.

4. Investments, net

	Notes	**June 30, 2026 (Unaudited) SAR '000**	December 31, 2025 (Audited) SAR '000	June 30, 2025 (Unaudited) SAR '000
Held at FVSI	**4.1**	**3,829,043**	3,895,782	3,504,561
Held at FVOCI	**4.2**	**12,333,348**	13,654,039	14,579,971
Held at Amortized Cost		**40,365,814**	38,981,651	33,522,124
Less: Allowance for impairment	**4.3**	**(45,092)**	(41,141)	(15,751)
Held at Amortized Cost, net		**40,320,722**	38,940,510	33,506,373
Investment in associates	**4.4**	**133,741**	132,221	46,550
Investment in joint venture	**4.5**	**-**	-	2,041
Investment in associate and joint ventures		**133,741**	132,221	48,591
Total		**56,616,854**	56,622,552	51,639,496

4.1 Held at FVSI

June 30, 2026 (Unaudited)	**SAR '000**		
	Domestic	**International**	**Total**
Equities	**137,372**	**140,272**	**277,644**
Sukuk	**58,284**	**15,077**	**73,361**
Funds	**1,142,771**	**2,335,267**	**3,478,038**
Total	**1,338,427**	**2,490,616**	**3,829,043**

December 31, 2025 (Audited)	SAR '000		
	Domestic	International	Total
Equities	113,813	154,611	268,424
Sukuk	63,278	15,145	78,423
Funds	1,448,185	2,100,750	3,548,935
Total	1,625,276	2,270,506	3,895,782

June 30, 2025 (Unaudited)	SAR '000		
	Domestic	International	Total
Equities	119,590	131,671	251,261
Sukuk	62,000	15,734	77,734
Funds	1,399,451	1,776,115	3,175,566
	1,581,041	1,923,520	3,504,561

4.2 Held at FVOCI

June 30, 2026 (Unaudited)	**SAR '000**		
	Domestic	**International**	**Total**
Sukuks	**10,799,875**	**1,103,401**	**11,903,276**
Equities	**420,499**	**9,573**	**430,072**
	11,220,374	**1,112,974**	**12,333,348**

December 31, 2025 (Audited)	SAR '000		
	Domestic	International	Total
Sukuks	11,841,724	1,433,224	13,274,948
Equities	369,465	9,626	379,091
	12,211,189	1,442,850	13,654,039

June 30, 2025 (Unaudited)	SAR '000		
	Domestic	International	Total
Sukuks	12,315,642	1,509,705	13,825,347
Equities	748,327	6,297	754,624
	13,063,969	1,516,002	14,579,971

The Bank holds SAR 3,874 million (December 31, 2025: SAR 4,513 million, June 30, 2025: SAR 4,372 million) in investment in Tier 1 sukuk out of the total FVOCI sukuk investments.

4.3 As at June 30, 2026, December 31, 2025 and June 30, 2025, all investments held at amortized cost are classified as Stage 1 credit exposures.

4.4 Investment in an associate represents the Bank’s share of investment of 20.25% (December 31, 2025: 20.25%, June 30, 2025: 20.25%) in in Alinma Water Fund. During the year ended December 31, 2025, the Bank also invested SAR 86.7 million in the Alinma Jeddah Residential Fund, representing an ownership interest of 46.19%.

4.5 During the period ended June 30, 2026, the Bank acquired the remaining 50% shareholding in Ersal Financial Remittance Company for a total consideration of SAR 4.2 million. Prior to the acquisition, the Bank’s 50% shareholding in the entity was accounted for as a joint venture. Upon completion of the acquisition, the Bank obtained control of the entity. Accordingly, the investment was reclassified from a joint venture to a subsidiary, and the entity has been consolidated from the acquisition date.

5. Derivative financial instruments

The table below summarizes 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, if any, nor market risk.

	SAR '000		
June 30, 2026 (Unaudited)	**Positive fair value**	**Negative fair value**	**Total notional amount**
Held for trading:			
Profit rate swaps	**489,165**	**360,366**	**47,127,220**
Foreign exchange forward contracts	**13,315**	**8,523**	**6,043,279**
Foreign exchange Swaps	**3,886**	**-**	**2,531,920**
Cross Currency Swaps	**2,178**	**1,920**	**1,562,500**
Held as cash flow hedges:			
Profit rate swaps	**7,353**	**22,015**	**4,301,000**
Total	**515,897**	**392,824**	**61,565,919**

	SAR '000		
December 31, 2025 (Audited)	Positive fair value	Negative fair value	Total notional amount
Held for trading:			
Profit rate swaps	388,257	258,460	45,110,111
Foreign exchange forward contracts	5,992	3,516	6,521,557
Foreign exchange Swaps	-	985	3,097,135
Held as cash flow hedges:			
Profit rate swaps	48,828	3,023	5,201,000
Total	443,077	265,984	59,929,803

	SAR '000		
June 30, 2025 (Unaudited)	Positive fair value	Negative fair value	Total notional amount
Held for trading:			
Profit rate swaps	340,965	256,030	38,016,765
Foreign exchange forward contracts	3,595	2,467	2,930,748
Foreign exchange Swaps	673	89	3,189,416
Held as cash flow hedges:			
Profit rate swaps	66,946	2,377	5,201,000
Total	412,179	260,963	49,337,929

6. Financing, net

June 30, 2026 (Unaudited)	SAR '000 Performing	Non-performing	Gross	Allowance for impairment (note 6.1)	Financing, net
Retail					
-Home finance	**32,793,687**	**176,915**	**32,970,602**	**(267,670)**	**32,702,932**
-Personal finance	**28,709,471**	**218,367**	**28,927,838**	**(336,925)**	**28,590,913**
-Auto finance	**4,160,887**	**46,453**	**4,207,340**	**(67,187)**	**4,140,153**
-Credit cards	**1,198,401**	**27,449**	**1,225,850**	**(50,592)**	**1,175,258**
	66,862,446	**469,184**	**67,331,630**	**(722,374)**	**66,609,256**
Commercial					
- Corporate	**165,817,411**	**1,645,378**	**167,462,789**	**(3,141,946)**	**164,320,843**
- SMEs	**13,034,460**	**260,078**	**13,294,538**	**(313,483)**	**12,981,055**
	178,851,871	**1,905,456**	**180,757,327**	**(3,455,429)**	**177,301,898**
Total	**245,714,317**	**2,374,640**	**248,088,957**	**(4,177,803)**	**243,911,154**

December 31, 2025 (Audited)	SAR '000 Performing	Non-performing	Gross	Allowance for impairment (note 6.1)	Financing, net
Retail					
-Home finance	29,110,475	197,419	29,307,894	(254,434)	29,053,460
-Personal finance	24,722,292	110,698	24,832,990	(222,637)	24,610,353
-Auto finance	3,908,642	34,564	3,943,206	(55,350)	3,887,856
-Credit cards	1,139,612	24,545	1,164,157	(45,256)	1,118,901
	58,881,021	367,226	59,248,247	(577,677)	58,670,570
Commercial					
- Corporate	160,029,383	1,655,076	161,684,459	(2,331,570)	159,352,889
- SMEs	11,910,175	112,361	12,022,536	(299,157)	11,723,379
	171,939,558	1,767,437	173,706,995	(2,630,727)	171,076,268
Total	230,820,579	2,134,663	232,955,242	(3,208,404)	229,746,838

June 30, 2025 (Unaudited)	SAR '000 Performing	Non-performing	Gross	Allowance for impairment (note 6.1)	Financing, net
Retail					
-Home finance	26,301,658	213,958	26,515,616	(265,566)	26,250,050
-Personal finance	22,888,575	213,235	23,101,810	(281,406)	22,820,404
-Auto finance	3,554,255	24,433	3,578,688	(41,072)	3,537,616
-Credit cards	1,061,288	31,997	1,093,285	(40,427)	1,052,858
	53,805,776	483,623	54,289,399	(628,471)	53,660,928
Commercial					
- Corporate	156,543,810	2,208,475	158,752,285	(3,963,059)	154,789,226
- SMEs	10,305,026	91,754	10,396,780	(250,737)	10,146,043
	166,848,836	2,300,229	169,149,065	(4,213,796)	164,935,269
Total	220,654,612	2,783,852	223,438,464	(4,842,267)	218,596,197

The comparative figures have been disaggregated to provide more granular information and to align with the current period presentation. Retail financing, previously presented as a single category, has been separated into Home Finance, Personal Finance, Auto Finance, and Credit Cards. In addition, Commercial financing has been further disaggregated into Corporate and SMEs.

Below tables show the stage-wise breakdown of gross exposure and allowance for impairment of financing:

	June 30, 2026 (Unaudited)							
	Gross exposure				**Allowance for impairment**			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Allowance for impairment**
	SAR ’000							
Retail	**65,638,247**	**1,224,199**	**469,184**	**67,331,630**	**284,308**	**126,796**	**311,270**	**722,374**
Corporate	**163,905,818**	**14,946,053**	**1,905,456**	**180,757,327**	**560,040**	**1,451,401**	**1,443,988**	**3,455,429**
Total	**229,544,065**	**16,170,252**	**2,374,640**	**248,088,957**	**844,348**	**1,578,197**	**1,755,258**	**4,177,803**

	December 31, 2025 (Audited)							
	Gross exposure				Allowance for impairment			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Allowance for impairment
	SAR ’000							
Retail	57,463,641	1,417,380	367,226	59,248,247	237,618	119,206	220,853	577,677
Corporate	162,344,278	9,595,280	1,767,437	173,706,995	627,244	1,250,240	753,243	2,630,727
Total	219,807,919	11,012,660	2,134,663	232,955,242	864,862	1,369,446	974,096	3,208,404

	June 30, 2025 (Unaudited)							
	Gross exposure				Allowance for impairment			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Allowance for impairment
	SAR ’000							
Retail	52,467,659	1,338,117	483,623	54,289,399	221,965	67,126	339,380	628,471
Corporate	155,870,331	10,978,505	2,300,229	169,149,065	625,775	1,968,022	1,619,999	4,213,796
Total	208,337,990	12,316,622	2,783,852	223,438,464	847,740	2,035,148	1,959,379	4,842,267

6.1 Movement in allowance for impairment of financing

	June 30, 2026 (Unaudited)			
	SAR '000			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at January 1, 2026	**864,862**	**1,369,446**	**974,096**	**3,208,404**
Transfer to 12-month ECL	**50,753**	**(31,957)**	**(18,796)**	**-**
Transfer to life time ECL, not credit impaired	**(52,088)**	**55,765**	**(3,677)**	**-**
Transfer to life time ECL, credit impaired	**(4,887)**	**(22,304)**	**27,191**	**-**
Net (reversal) / charge for the period	**(14,292)**	**207,247**	**913,203**	**1,106,158**
Write-off	**-**	**-**	**(136,759)**	**(136,759)**
Balance as at June 30, 2026	**844,348**	**1,578,197**	**1,755,258**	**4,177,803**

	December 31, 2025 (Audited)			
	SAR '000			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at January 1, 2025	800,338	1,757,620	1,201,106	3,759,064
Transfer to 12-month ECL	64,256	(44,960)	(19,296)	-
Transfer to life time ECL, not credit impaired	(42,480)	374,999	(332,519)	-
Transfer to life time ECL, credit impaired	(3,940)	(2,074,370)	2,078,310	-
Net charge for the period	46,688	1,356,157	730,854	2,133,699
Write-off	-	-	(2,684,359)	(2,684,359)
Balance as at December 31, 2025	864,862	1,369,446	974,096	3,208,404

	June 30, 2025 (Unaudited)			
	SAR '000			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at January 1, 2025	800,338	1,757,620	1,201,106	3,759,064
Transfer to 12-month ECL	62,515	(49,278)	(13,237)	-
Transfer to life time ECL, not credit impaired	(28,640)	30,399	(1,759)	-
Transfer to life time ECL, credit impaired	(1,213)	(21,802)	23,015	-
Net charge for the period	14,740	318,209	924,251	1,257,200
Write-off	-	-	(173,997)	(173,997)
Balance as at June 30, 2025	847,740	2,035,148	1,959,379	4,842,267

7. Due to SAMA, banks and other financial institutions

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000	SAR '000
Placements from SAMA	**994,996**	5,317,974	2,659,044
Time investments from banks and other financial institutions	**8,510,194**	10,370,382	8,129,079
Current accounts	**173,725**	524,609	465,174
Total	**9,678,915**	16,212,965	11,253,297

8. Customers' deposits

		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	Note	**SAR '000**	SAR '000	SAR '000
Demand		**97,702,305**	94,465,228	102,788,153
Savings		**16,581,017**	13,463,935	11,813,249
Customers' time investments	8.1	**129,127,940**	117,591,129	113,424,363
Others		**1,842,956**	1,853,638	1,918,479
Total		**245,254,218**	227,373,930	229,944,244

8.1 This represents Murabaha and Mudaraba deposits from customers.

9. Commitments and contingencies

i) The Bank's credit related commitments and contingencies are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000	SAR '000
Letters of credit	**5,775,504**	5,218,265	6,010,639
Letters of guarantee	**21,254,487**	20,578,534	20,219,043
Acceptance	**951,891**	1,167,413	1,075,895
Irrevocable commitments to extend credit	**13,726,208**	12,831,447	13,468,607
Total	**41,708,090**	39,795,659	40,774,184

ii) Other liabilities include provision for credit-related commitments and contingencies as follow:

	June 30, 2026 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
	SAR '000			
Opening allowance at January 1, 2026	**48,764**	**49,510**	**138,037**	**236,311**
Transfer to life time ECL, not credit impaired	**(2,732)**	**2,732**	**-**	**-**
Transfer to life time ECL, credit impaired	**(8)**	**(11)**	**19**	**-**
Net charge / (reversal) for the period	**5,873**	**(13,684)**	**25,776**	**17,965**
Balance as at June 30, 2026	**51,897**	**38,547**	**163,832**	**254,276**

	December 31, 2025 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR '000			
Opening allowance at January 1, 2025	45,955	537,245	528,349	1,111,549
Transfer to 12-month ECL	33	(33)	-	-
Transfer to life time ECL, not credit impaired	(1,374)	2,501	(1,127)	-
Transfer to life time ECL, credit impaired	(206)	(237,884)	238,090	-
Net charge / (reversal) for the period	4,356	(252,319)	(627,275)	(875,238)
Balance as at December 31, 2025	48,764	49,510	138,037	236,311

	June 30, 2025 (Unaudited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR '000			
Opening allowance at January 1, 2025	45,955	537,245	528,349	1,111,549
Transfer to 12-month ECL	33	(33)	-	-
Transfer to life time ECL, not credit impaired	(1,579)	1,579	-	-
Transfer to life time ECL, credit impaired	-	(5)	5	-
Net reversal for the period	(2,631)	(208,406)	(432,750)	(643,787)
Balance as at June 30, 2025	41,778	330,380	95,604	467,762

10. Cash and cash equivalents

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000	SAR '000
Cash in hand	**2,416,108**	2,239,507	2,175,340
Balances with SAMA excluding statutory deposits	**1,107,533**	99,511	338,379
Due from banks and other financial institutions maturing within ninety days from the date of acquisition	**2,130,796**	1,205,226	4,278,370
Total	**5,654,437**	3,544,244	6,792,089

11. Sukuk, certificates of deposit issued and Tier 1 Sukuk

11.1 Sukuk and certificates of deposit issued

During the year ended December 31, 2025, the Bank established a USD 5 billion senior unsecured and Tier 2 Sukuk programme.

On July 15, 2025, the Bank issued U.S. dollar denominated senior unsecured Sukuk, amounting to USD 500 million with 5-years maturity and a profit rate of 4.937%. The Sukuk is listed on the London Stock Exchange's International Securities Market and could be sold in light of applicable acts and regulations.

On November 10, 2025, the Bank issued USD dollar Tier 2 Sukuk, amounting to USD 500 million with maturity of 10 years, callable after 5 years with a profit rate of 5.792%. The Tier 2 Sukuks are listed on the London Stock Exchange's International Securities Market and could be sold in light of applicable acts and regulations.

On January 23, 2026, the Bank issued USD dollar Tier 2 Sukuk, amounting to USD 300 million with maturity of 10 years, callable after 5 years with a profit rate of 5.873%. The Tier 2 Sukuks are listed on the London Stock Exchange's International Securities Market and could be sold in light of applicable acts and regulations.

During the year ended December 31, 2025, the Bank established a USD denominated Certificates of Deposit programme, out of which USD 1 billion was issued during, 2025, and a further USD 450 million was issued during the period ended June 30, 2026. These instruments are issued at fixed profit rates.

11.2 Tier 1 Sukuk

During the period ended June 30, 2026, the Bank announced its intention to recall and redeem its SAR 5 billion Tier 1 Sukuk. The Sukuk were originally issued on July 1, 2021 through a Shariah compliant arrangement with a profit rate of 4% payable on quarterly basis, following the Bank's announcement on June 16, 2026, these Sukuk were reclassified from equity to a financial liability and disclosed in other liabilities at its fair value SAR 5 billion. Subsequent to the period ended June 30, 2026, the Bank redeemed the Sukuk at face value on its first call date of July 1, 2026.

On March 6, 2024, the Bank issued additional Tier 1 sukuk of USD 1 billion with a profit rate of 6.5% payable on semi-annual basis.

On May 28, 2025, the Bank has issued its first international sustainable Tier 1 Sukuk of USD 500 million with a profit rate of 6.5% payable on semi-annual basis.

On September 3, 2025, the Bank has issued additional sustainable Tier 1 Sukuk of USD 500 million with a profit rate of 6.25% payable on semi-annual basis.

On May 21, 2026, the Bank issued Additional Tier 1 Sukuk of SAR 3 billion with a profit rate of 6.5% payable on quarterly basis.

On June 3, 2026, the Bank has issued additional sustainable Tier 1 Sukuk of USD 500 million with a profit rate of 6.625% payable on semi-annual basis.

These issuances were approved by the regulatory authorities and the Board of Directors of the Bank. These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement. These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of SAMA. The applicable profit on the Sukuks is payable in arrears on each periodic distribution date except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

12. Operating segments

Operating segments are identified on the basis of internal reports about activities of the Bank that are regularly reviewed by the key decision makers including Chief Executive Officer (“CEO”) and the Assets and Liabilities Committee (“ALCO”), in order to allocate resources to the segments and to assess their performance.

The Bank’s primary business is conducted in Saudi Arabia. Transactions between the operating segments are on terms as approved by the management. The majority of the segment assets and liabilities comprise operating assets and liabilities. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2025.

The Bank’s reportable segments are as follows:

a) Retail banking
Financing, deposit and other products/services for individuals.

b) Corporate banking
Financing, deposit and other products and services for corporate, SME and institutional customers.

c) Treasury
Investments, interbank and other treasury services.

d) Investment and brokerage

Investment, asset management and brokerage services through dealing, managing, arranging, advising and custodial services.

Profit is charged or credited to operating segments using internally developed Fund Transfer Pricing (FTP) rates, which approximate the marginal cost of funds.

Following is an analysis of the Bank's assets, liabilities, income and results by operating segments:

	June 30, 2026 (Unaudited)				
SAR '000	**Retail**	**Corporate**	**Treasury**	**Investment and brokerage**	**Total**
Total assets	**65,143,825**	**177,301,898**	**82,901,805**	**3,939,855**	**329,287,383**
Total liabilities	**154,075,843**	**43,879,327**	**80,559,813**	**647,943**	**279,162,926**
Income from investments and financing	**4,174,069**	**2,348,886**	**2,409,003**	**69,723**	**9,001,681**
Return on time investments	**(1,498,447)**	**(882,211)**	**(1,590,198)**	**(5,783)**	**(3,976,639)**
Income from investments and financing, net	**2,675,622**	**1,466,675**	**818,805**	**63,940**	**5,025,042**
Fees from banking services, net	**124,572**	**154,711**	**9,612**	**441,296**	**730,191**
Other operating income	**5,647**	**1,295**	**271,593**	**104,317**	**382,852**
Total operating income	**2,805,841**	**1,622,681**	**1,100,010**	**609,553**	**6,138,085**
Depreciation and amortization	**179,005**	**29,917**	**12,380**	**5,971**	**227,273**
Other operating expenses	**995,317**	**334,438**	**110,101**	**265,160**	**1,705,016**
Charge for credit impairment	**164,383**	**375,062**	**10,719**	**5,578**	**555,742**
Total operating expenses	**1,338,705**	**739,417**	**133,200**	**276,709**	**2,488,031**
Net operating income	**1,467,136**	**883,264**	**966,810**	**332,844**	**3,650,054**
Income for the period before zakat	**1,467,136**	**883,264**	**966,810**	**332,844**	**3,650,054**

	June 30, 2025 (Unaudited)				
SAR '000	Retail	Corporate	Treasury	Investment and brokerage	Total
Total assets	52,466,228	164,935,269	75,802,838	4,012,107	297,216,442
Total liabilities	147,970,214	41,219,633	62,921,186	330,857	252,441,890
Income from investments and financing	4,007,735	2,208,307	2,092,343	63,553	8,371,938
Return on time investments	(1,597,166)	(831,606)	(1,387,769)	(598)	(3,817,139)
Income from investments and financing, net	2,410,569	1,376,701	704,574	62,955	4,554,799
Fees from banking services, net	239,171	175,863	14,181	416,541	845,756
Other operating income	10,513	1,239	264,063	83,910	359,725
Total operating income	2,660,253	1,553,803	982,818	563,406	5,760,280
Depreciation and amortization	163,918	26,180	9,954	4,312	204,364
Other operating expenses	967,658	338,721	91,619	219,791	1,617,789
Charge for credit impairment	14,001	486,760	2,715	4,105	507,581
Total operating expenses	1,145,577	851,661	104,288	228,208	2,329,734
Net operating income	1,514,676	702,142	878,530	335,198	3,430,546
Share of loss from associates and joint venture	-	-	(1,676)	-	(1,676)
Income for the period before zakat	1,514,676	702,142	876,854	335,198	3,428,870

	June 30, 2026 (Unaudited)				
SAR '000 **Other information:**	**Retail**	**Corporate**	**Treasury**	**Investment and brokerage**	**Total**
Revenue from:					
- External	**505,700**	**5,096,904**	**(74,072)**	**609,553**	**6,138,085**
- Inter-segment	**2,300,141**	**(3,474,223)**	**1,174,082**	**-**	**-**
Total operating income	**2,805,841**	**1,622,681**	**1,100,010**	**609,553**	**6,138,085**

	June 30, 2025 (Unaudited)				
SAR '000 Other information:	Retail	Corporate	Treasury	Investment and brokerage	Total
Revenue from:					
- External	184,968	4,999,716	12,190	563,406	5,760,280
- Inter-segment	2,475,285	(3,445,913)	970,628	-	-
Total operating income	2,660,253	1,553,803	982,818	563,406	5,760,280

13. Earnings per share

Basic and diluted earnings per share are calculated by dividing net income (after adjustment for Tier 1 Sukuk costs) by the weighted average number of ordinary shares outstanding.

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net income for the period attributable to the Bank's shareholders	**3,273,707**	3,081,264
Less: Tier 1 Sukuk costs	**(342,598)**	(221,921)
Net Income after Tier 1 Sukuk costs	**2,931,109**	2,859,344
Weighted average number of ordinary shares	**2,988,462**	2,984,240
Basic and diluted earnings per share in SAR	**0.98**	0.96

On January 27, 2026, the Board of Directors recommended to the Extraordinary General Assembly of the Bank to increase the capital by SAR 5,000 million through capitalization from the statutory reserve and retained earnings by way of granting one share for every five shares. The Shareholders, in their Extraordinary General Assembly meeting dated April 21, 2026, approved the increase of share capital by issuance of bonus shares. Accordingly, the weighted average number of shares have been retrospectively adjusted for prior periods to reflect the effect of the change in number of shares due to issuance of bonus shares.

14. Fair values of financial assets and liabilities

Fair value is the price that would be received on sale of 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 principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank.

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

Level 1: Quoted prices in active market for the same instrument (i.e. without modification or repacking).

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 includes 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.

Valuation technique and significant unobservable inputs for financial instruments at fair value

The Bank uses various valuation techniques used in measuring level 2 and level 3 fair values at June 30, 2026, December 31, 2025 and June 30, 2025, as well as the significant unobservable inputs used.

For the valuation of investments in mutual funds, the Bank utilizes fund manager reports. The fund manager deploys various techniques (such as discounted cash flow models and multiples method) for the valuation of underlying assets classified under level 2 and 3 of the respective fund's fair value hierarchy. Significant unobservable inputs embedded in the models used by the fund manager include risk-adjusted discount rates, marketability and liquidity discounts and control premiums.

14 (a) Fair values of financial assets and liabilities carried at fair value

Following table shows an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

	SAR '000			
June 30, 2026 (Unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	**190,654**	**-**	**86,990**	**277,644**
- Sukuk	**58,283**	**15,078**	**-**	**73,361**
- Mutual funds	**143,676**	**237,172**	**3,097,190**	**3,478,038**
Financial assets held as FVOCI				
- Equities	**398,228**	**-**	**31,844**	**430,072**
- Sukuk	**744,505**	**11,155,635**	**3,136**	**11,903,276**
Positive fair value of derivatives				
- Held for trading	**-**	**508,544**	**-**	**508,544**
- Held for cash flow hedges	**-**	**7,353**	**-**	**7,353**
Total	**1,535,346**	**11,923,782**	**3,219,160**	**16,678,288**
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	**-**	**370,809**	**-**	**370,809**
- Held for cash flow hedges	**-**	**22,015**	**-**	**22,015**
Total	**-**	**392,824**	**-**	**392,824**

	SAR '000			
December 31, 2025 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	204,515	-	63,909	268,424
- Sukuk	63,278	15,145	-	78,423
- Mutual funds	242,602	428,272	2,878,061	3,548,935
Financial assets held as FVOCI				
- Equities	347,193	-	31,898	379,091
- Sukuk	491,635	12,783,313	-	13,274,948
Positive fair value of derivatives				-
- Held for trading	-	394,249	-	394,249
- Held for cash flow hedges	-	48,828	-	48,828
Total	1,349,223	13,669,807	2,973,868	17,992,898
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	262,952	-	262,952
- Held for cash flow hedges	-	3,032	-	3,032
Total	-	265,984	-	265,984

June 30, 2025 (Unaudited)	SAR '000 Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets held as FVSI				
- Equities	187,352	-	63,909	251,261
- Sukuk	62,000	15,734	-	77,734
- Mutual funds	267,261	345,723	2,562,582	3,175,566
Financial assets held as FVOCI				-
- Equities	727,297	-	27,327	754,624
- Sukuk	570,487	13,254,860	-	13,825,347
Positive fair value of derivatives				-
- Held for trading	-	345,233	-	345,233
- Held for cash flow hedges	-	66,946	-	66,946
Total	1,814,397	14,043,496	2,638,818	18,496,711
Financial liabilities measured at fair value				
Negative fair value of derivatives				
- Held for trading	-	258,586	-	258,586
- Held for cash flow hedges	-	2,377	-	2,377
	-	260,963	-	260,963

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values:

June 30, 2026 (Unaudited)	**SAR '000 Financial assets held as FVSI**	**Financial assets held as FVOCI**
Balance at January 1, 2026	**2,941,970**	**31,898**
Additional / new investments	**362,845**	**3,136**
Capital return and disposals during the period	**(178,009)**	**-**
Net change in fair value (unrealized)	**57,374**	**(54)**
Balance at June 30, 2026	**3,184,180**	**34,980**

December 31, 2025 (Audited)	SAR '000 Financial assets held as FVSI	Financial assets held as FVOCI
Balance at January 1, 2025	2,349,676	27,202
Additional / new investments	492,891	138
Capital return and disposals during the period	(796,811)	2,175
Net change in fair value (unrealized)	896,214	2,383
Balance at December 31, 2025	2,941,970	31,898

June 30, 2025 (Unaudited)	SAR '000 Financial assets held as FVSI	Financial assets held as FVOCI
Balance at January 1, 2025	2,349,676	27,202
Additional / new investments	303,084	135
Capital return and disposals during the period	(97,987)	(10)
Net change in fair value (unrealized)	71,718	-
Balance at June 30, 2025	2,626,491	27,327

There were no transfers between Level 1, 2 and 3 during the period.

14 (b) Fair values of financial assets and liabilities not carried at fair value

Management adopts discounted cash flow method using the current yield curve to arrive at the fair value of financial instruments which is categorized within Level 3 of the fair value hierarchy except for investments in Sukuks and Murabaha with SAMA which are categorized within Level 2. The fair values of cash and balances with SAMA are not materially different from its carrying values included in the interim condensed consolidated financial statements. Following table shows the fair value of financial instruments carried at amortized cost

	SAR '000	
June 30, 2026 (Unaudited)	**Carrying value**	**Fair value**
ASSETS		
Due from banks and other financial institutions	**2,642,634**	**2,641,657**
Investments – Murabaha with SAMA, gross	**653,702**	**654,019**
Sukuks – Amortized Cost, gross	**39,712,112**	**39,047,656**
Financing, net	**243,911,154**	**243,660,137**
LIABILITIES		
Due to SAMA, banks and other financial institutions	**9,678,915**	**9,646,778**
Customers' deposits	**245,254,218**	**245,383,309**
Certificates of deposit	**4,900,023**	**4,794,789**
Senior unsecured sukuk	**1,917,358**	**1,848,757**
Tier 2 Sukuk	**3,038,793**	**3,082,114**

	SAR '000	
December 31, 2025 (Audited)	Carrying value	Fair value
ASSETS		
Due from banks and other financial institutions	1,720,458	1,718,921
Investments – Murabaha with SAMA, gross	904,597	904,734
Sukuks – Amortized Cost, gross	38,077,054	38,234,670
Financing, net	229,746,838	229,679,100
LIABILITIES		
Due to SAMA, banks and other financial institutions	16,212,965	16,196,068
Customers' deposits	227,373,930	227,636,258
Certificates of deposit	3,816,638	3,773,665
Senior unsecured sukuk	1,918,087	1,892,091
Tier 2 Sukuk	1,890,196	1,942,094

	SAR '000	
June 30, 2025 (Unaudited)	Carrying value	Fair value
ASSETS		
Due from banks and other financial institutions	4,799,647	4,798,639
Investments – Murabaha with SAMA, gross	1,793,494	1,797,587
Sukuks – Amortized Cost, gross	31,728,630	31,124,377
Financing, net	218,596,197	218,678,395
LIABILITIES		
Due to SAMA, banks and other financial institutions	11,253,297	11,255,180
Customers' deposits	229,944,244	230,070,415

15. Other reserves

June 30, 2026 (Unaudited)	**Fair value reserve for FVOCI investments**	**Employees share-based plan reserve**	**Social contribution reserve**	**Remeasurement of End of Service Benefits**	**Cash flow hedge reserve**	**Total**
			SAR ’000			
Balance at January 1, 2026	**(203,783)**	**163,550**	**192,978**	**33,260**	**47,948**	**233,953**
Net change in fair value of FVOCI equity investments	**12,376**	**-**	**-**	**-**	**-**	**12,376**
Net change in fair value of FVOCI sukuk investments	**(32,753)**	**-**	**-**	**-**	**-**	**(32,753)**
Gain on sale of FVOCI sukuk investments	**(2,917)**	**-**	**-**	**-**	**-**	**(2,917)**
Transfers to retained earnings on disposal of FVOCI equity investments	**(487)**	**-**	**-**	**-**	**-**	**(487)**
Cash flow hedges	**-**	**-**	**-**	**-**	**(62,292)**	**(62,292)**
Employee share based plan reserve	**-**	**43,846**	**-**	**-**	**-**	**43,846**
Vesting of shares	**-**	**(122,553)**	**-**	**-**	**-**	**(122,553)**
Utilization during the period	**-**	**-**	**(4,797)**	**-**	**-**	**(4,797)**
Balance as at June 30, 2026	**(227,564)**	**84,843**	**188,181**	**33,260**	**(14,344)**	**64,376**

June 30, 2025 (Unaudited)	Fair value reserve for FVOCI investments	Employees share-based plan reserve	Social contribution reserve	Remeasurement of End of Service Benefits	Cash flow hedge reserve	Total
			SAR ’000			
Balance at January 1, 2025	(421,404)	119,794	190,582	4,584	(22,960)	(129,404)
Net change in fair value of FVOCI equity investments	(71,823)	-	-	-	-	(71,823)
Net change in fair value of FVOCI sukuk investments	81,801	-	-	-	-	81,801
Gain on sale of FVOCI sukuk investments	(25)	-	-	-	-	(25)
Transfers to retained earnings on disposal of FVOCI equity investments	1,435	-	-	-	-	1,435
Cash flow hedges	-	-	-	-	89,892	89,892
Employee share based plan reserve	-	34,539	-	-	-	34,539
Vesting of shares	-	(33,369)	-	-	-	(33,369)
Utilization during the period	-	-	(45,235)	-	-	(45,235)
Balance as at June 30, 2025	(410,016)	120,964	145,347	4,584	66,932	(72,189)

16. Financial Risk Management

16.1 Credit Risk

Credit risk arises when a counterparty fails to fulfil its contractual obligations to the Bank. To effectively manage this risk of a counterparty failing to meet its obligation, the Bank implements a comprehensive and proactive credit process designed to ensure that all credits originated are consistent with the institution's risk appetite and adhere to defined criteria under which credits are extended. Each credit proposal is subjected to an exhaustive due diligence process intended to assess all potential risks associated with granting the credit.

a) Internal Credit-Rating Model

To evaluate the creditworthiness of corporate obligors, the Bank employs an internal credit-rating model that determines the Obligor Risk Rating (ORR). This rating serves as a key indicator of the obligor's probability of default and is crucial in the decision-making process and serves as first filter for prospective and existing obligors to avoid initiating or maintaining relationships that do not fit the Bank’s strategy and desired risk profile. In addition to internal assessments, the Bank considers external ratings from major credit rating agencies whenever available and disclosed by clients. This dual approach enhances the accuracy of risk assessments and ensures a well-rounded view of each obligor’s credit profile. The credit assessment for individual obligors of Retail Asset products is performed through automated product specific scorecard framework. Credits are extended based on the Corporate, Financial Institutions and Retail Banking Credit Policies and Guidelines.

b) Target Market and Risk Acceptance Criteria (RAC)

A critical component of the credit assessment process is the identification of the Target Market. This initial filter helps the Bank to avoid initiating or continuing relationships with obligors that do not align with its strategic objectives and risk appetite. RAC is a set of variables indicating the terms under which the Bank is willing to initiate and/or maintain a credit relationship with an obligor that meets the target market. This structured approach ensures that all credit activities are consistent with the Bank's overarching risk management framework.

c) Credit Approval Process

The Bank's credit approval process involves a front-end marketing team responsible for originating, evaluating, and recommending credit proposals. Approval is granted in accordance with the Board-approved “Credit Approval Authority Delegation Matrix” wherever applicable by the Executive Committee or Credit Committee, which comprises key executives, including the CEO, Group Head, Senior Credit Officer, and Chief Credit Officer. This multi-tiered approval structure promotes accountability and thorough scrutiny of credit decisions.

d) Role of Risk Management

Risk Management as a key stakeholder, actively participates in the formulation and periodic update of the credit policies in order to ensure that policies framework is aligned and adjusted in accordance with prevalent economic, market, regulatory and legal landscape. The Unit also performs pro-active monitoring of the credit portfolio to ensure that credit risk is effectively measured and managed within the defined threshold of the Risk Appetite metrics.

e) Portfolio Diversification

The Bank actively manages various credit portfolios to achieve diversification and reduce concentration risks. This involves careful consideration of economic activity, geography, collateral types, and underlying products. The Bank seeks to diversify its credit exposure by acquiring customers from a broad spectrum of industries and economic activities. By targeting large, medium, and small corporate clients as well as individual clients, the Bank enhances its risk profile. Continuous monitoring of obligor and sector concentrations allows the Bank to assess financing risks proactively. The Bank also conducts regular stress tests on its credit portfolios to evaluate the potential impact of adverse economic factors on asset quality, risk ratings, profitability, and capital allocations.

16.2 Credit Risk Evaluation - Expected Credit Loss (ECL)

To systematically evaluate credit risk, the Bank employs a robust credit evaluation process anchored in a well-defined Target Market and RAC. The framework includes extensive due diligence procedures, stringent credit administration controls, and ongoing limit monitoring functions. This comprehensive approach ensures that credit risk is managed effectively throughout the credit lifecycle.

a) Internal Risk Rating Grades

The Bank utilizes Moody's CreditLens, a sophisticated credit rating system recognized globally, to generate internal risk ratings for corporate obligors. This system enables the Bank to assign a risk rating reflecting a 12-month probability of default (PD). The risk ratings are conveyed through a 10-point scale, with 1 representing the highest credit quality and 10 indicating the lowest. For a more granular assessment, the ratings include sub-grades (e.g., 5+, 5, 5-) to capture slight variations in creditworthiness. According to the Bank's policy, only obligors rated 6- or better are considered for new financing facilities. The Moody's CreditLens rating system is regularly reviewed and validated by independent internal or external consultants to ensure its predictive power, and reliability.

Credit assessment in the retail portfolio are estimated based on individual credit-worthiness scores, derived from an automated credit scoring platform and is not subject to the Moody's rating system. This tailored approach ensures that the unique characteristics of retail borrowers are adequately assessed.

b) Ongoing Monitoring and Review

All credit exposures under corporate business segment are subject to continuous monitoring and annual reviews, which may lead to adjustments in risk ratings based on qualitative and quantitative factors. These factors can include changes in the obligor's audited financial statements, compliance with covenants, management changes, and shifts in the broader economic environment. This ongoing vigilance helps the Bank to respond swiftly to emerging risks.

c) Point-in-Time PD and Economic Scenarios

The Bank has developed a structured approach to estimate the Term Structure of PD, which describes the relationship between PD and time-to-maturity. By formulating three forward-looking economic scenarios, the Bank generates estimates of PD that account for expected migrations based on various stages of the economic cycle. For example, in a down-swing economic environment, obligors already classified under Stage 2 may experience further deterioration. Conversely, in an up-swing, the likelihood of default may decrease for similar obligors. The Long-Term Survival Probability Adjusted PD model indicates that the longer a stressed obligor survives, the lower its probability of default becomes.

d) Significant Increase in Credit Risk (SICR) Criteria

The SICR criteria play a crucial role in the Bank's credit risk management framework and are integral to the calculation of ECL under IFRS 9. The SICR threshold determines when a financial asset transitions from Stage 1 (performing) to Stage 2 (underperforming) of the ECL model, triggering the recognition of lifetime expected credit losses. A SICR signifies a deterioration in the credit quality of an obligor, even if the obligor is not yet in default category.

As outlined in the regulations, the SICR backstop and rebuttal criteria are applied consistently across all types of exposures without modifications. Any exceptions to these criteria are thoroughly documented, including detailed justifications and the rationale for SICR overrides.

The Bank employs a forward-looking approach to assess whether there has been a SICR since the initial recognition of a financial asset. The determination of SICR is based on both quantitative and qualitative factors.

e) Stage Categorization under IFRS 9

The Bank's impairment framework is designed to ensure the accurate recognition of credit losses and the appropriate provision of allowances in accordance with IFRS 9. The framework is integral to maintaining the financial health of the Bank, ensuring that all financial assets including investment and credit exposures are assessed for impairment and that sufficient provisions are made to absorb potential losses.

The Bank recognizes impairments on financial assets through an ECL model, which applies a forward-looking approach to estimate potential credit losses. This model incorporates both historical data and forward-looking information to assess the credit quality of assets and to determine an appropriate impairment allowance. The ECL model is based on three stages of credit deterioration:

- **Stage 1 - Performing Assets:** Financial assets that have not experienced significant credit deterioration since initial recognition. A 12-month ECL is recognized in this stage.
- **Stage 2 - Underperforming Assets**: Financial assets that have shown significant credit deterioration since initial recognition but are not yet considered impaired. A lifetime ECL is recognized in this stage.
- **Stage 3 - Credit-Impaired Assets (Non-performing Assets):** Financial assets that are considered credit-impaired. A lifetime ECL is recognized, and profit income is calculated on the net carrying amount (i.e., after adjusting for the impairment allowance).

The Bank’s Credit Risk Management function is responsible for monitoring credit exposures, identifying deteriorating assets based on pre-set SICR criteria, and ensuring the accuracy of impairment provisions. Regular periodic reviews of the credit portfolio are conducted to assess changes in credit risk and to update impairment provisions as necessary. The Bank also employs a range of models, including internal credit ratings, macroeconomic variables, and industry-specific factors, to estimate the expected credit loss and assess the adequacy of provisions.

16.3 Definition of ‘Default’

As defined in the Basel regulation, a default is considered to have occurred when any of the following conditions are met for an obligor with the Bank:

- The obligor is over 90 days past due on any of their material obligations with the Bank.
- Any of the obligor’s obligations with the Bank have been charged-off in part or in full.
- Profit has stopped accruing profit on any of the obligor’s obligations with the Bank within a specified segment.
- The obligor has filed for bankruptcy protection.
- The obligor’s debt has been restructured in a manner that results in an economic loss to the Bank.
- The obligor has been classified as non-performing by the Bank, in accordance with internal policies and regulatory guidelines

a) **Loss allowance**

The following table shows reconciliations from the opening to the closing balance of the allowance for impairment for due from banks and other financial institutions, investments, financing and credit related contingencies and commitments:

	June 30, 2026 (Unaudited)			
	12 month ECL	**Life time ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
	SAR '000			
Balance at January 1, 2026	**953,440**	**1,424,924**	**1,112,133**	**3,490,497**
Transfer to 12 month ECL	**50,753**	**(31,957)**	**(18,796)**	**-**
Transfer to life time ECL, not credit impaired	**(54,820)**	**58,497**	**(3,677)**	**-**
Transfer to life time ECL, credit impaired	**(4,895)**	**(22,315)**	**27,210**	**-**
Net (reversal) / charge for the period	**(4,348)**	**195,528**	**940,374**	**1,131,554**
Write off	**-**	**-**	**(136,759)**	**(136,759)**
Balance as at June 30, 2026	**940,130**	**1,624,677**	**1,920,485**	**4,485,292**

	June 30, 2025 (Unaudited)			
	12 month ECL	Life time ECL not credit impaired	Lifetime ECL credit impaired	Total
	SAR '000			
Balance at January 1, 2025	868,237	2,294,864	1,729,455	4,892,556
Transfer to 12 month ECL	62,548	(49,311)	(13,237)	-
Transfer to life time ECL, not credit impaired	(30,219)	31,978	(1,759)	-
Transfer to life time ECL, credit impaired	(1,213)	(21,807)	23,020	-
Net charge for the period	9,895	114,732	491,501	616,128
Write off	-	-	(173,997)	(173,997)
Balance as at June 30, 2025	909,248	2,370,456	2,054,983	5,334,687

b) **Reconciliation of 'Impairment charge of financing and other financial assets'**

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000
Impairment charge on financing (note 6.1)	**1,106,158**	1,257,200
Impairment charge / (reversal) of non-funded financing and credit related commitments (note 9)	**17,965**	(643,787)
Impairment charge on other financial exposures	**7,431**	2,715
Total charge for the period before recoveries from written off bad debts	**1,131,554**	616,128
Impairment charge of other financial assets	**6,678**	4,721
Recoveries from written off bad debts	**(582,490)**	(113,268)
Total impairment charge for period, net of recoveries	**555,742**	507,581

16.4 Impact of geopolitical situation

The geopolitical situation in the Middle East has deteriorated significantly since February 28, 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 Bank continues to evaluate and closely monitor the current situation to assess any impact the geopolitical situation may have had on its business and financial performance, through activating business continuity plans to mitigate any possible business disruption; and conducting rigorous risk reviews of the financing portfolio. In determining ECL estimates as of June 30, 2026, the Bank assessed the latest macroeconomic forecasts, which indicated moderated near-term GDP expectations against an improved medium-term outlook, along with elevated inflation and volatile, albeit stronger, oil prices relative to December 31, 2025.

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 ECL. To cater for the additional uncertainty, management adjusted the weightings of its forward-looking scenarios. The Downturn weighting was increased to 30% (from 20%), while the Upturn weighting was reduced to 20% (from 30%). The Base Case remained unchanged, underpinned by Saudi Arabia's robust medium-term growth prospects. In isolation, these adjustments resulted in a modest increase in ECL.

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 further adjustments in the ECL are required in subsequent reporting periods.

17. Related party balances and transactions

In the ordinary course of its activities, the Bank transacts business with related parties. Related party transactions are governed by limits set by the Banking Control Law and regulations issued by SAMA. Major shareholder represents shareholding of more than 5% of the Bank's issued share capital. Related parties are the persons or close members of those persons' families and their entities where the Bank have control, joint control or significant influence over these entities.

The balances as at June 30, 2026, December 31, 2025 and June 30, 2025, resulting from such transactions included in the interim condensed consolidated financial statements are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000	SAR '000
Balances with related parties except Bank's mutual funds			
Financing to directors and key management personnel	**192,367**	176,432	169,916
Allowance for impairment on financing to directors, key management personnel	**450**	350	410
Customers' deposits from major shareholder	**2,911,720**	3,533,339	9,052,844
Customers' deposits from directors and key management personnel	**125,223**	111,669	120,148
Customer's deposits from associate and joint venture	**1,439**	34,428	68,253
Investments in associate and joint venture	**133,741**	132,221	48,591
Investments in major shareholder held at FVOCI	**166,788**	170,322	161,148
Bank's mutual funds			
Investments in mutual funds	**409,709**	465,819	505,446
Deposits from mutual funds	**148**	201	91

Financing and customer deposits with related parties are transacted at market rate and in the normal course of business.

(i) Income and expenses pertaining to transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SAR ’000	SAR ’000
Income from investment and financing	**5,485**	8,750
Return on time investments	**37,656**	99,012
Fee from banking services, net	**985**	1,892
Board of directors and shariah committee remunerations	**6,339**	5,616

The advances and expenses related to executives are in line with the normal employment terms.

(ii) The total amount of compensation paid to key management personnel during the period is as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SAR ’000	SAR ’000
Short-term employees’ benefits	**82,215**	81,732
End of service benefit	**2,977**	5,492

18. Capital and capital adequacy

The Bank’s objectives when managing capital are, to comply with the capital requirements set by SAMA; to safeguard the Bank’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 by the Bank’s management. SAMA requires holding a minimum level of regulatory capital and maintaining a ratio of total regulatory capital to risk (“RWA”) at or above 10.5% including a capital conservation buffer of 2.5%.

The Bank actively manages its capital base to cover the risks inherent in its business. The Bank 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.

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	June 30, 2025 (Unaudited)
	SAR '000	SAR '000	SAR '000
Credit risk weighted assets	**266,082,769**	251,334,745	244,408,396
Operational risk weighted assets	**10,543,845**	8,724,584	8,724,584
Market risk weighted assets	**3,482,371**	3,617,574	4,877,896
Total Pillar-I Risk Weighted Assets	**280,108,985**	263,676,903	258,010,876
Tier I capital	**50,138,802**	48,193,174	44,707,620
Tier II capital	**5,564,808**	4,252,593	2,899,696
Total Tier I & II Capital	**55,703,610**	52,445,767	47,607,316
Capital Adequacy Ratio %			
Common Equity Tier I	**13%**	14%	13%
Tier I ratio	**18%**	18%	17%
Tier I + Tier II ratio	**20%**	20%	18%

Tier 1 capital is comprised of share capital, statutory reserve, other reserves, retained earnings and Tier 1 Sukuk less treasury shares and other prescribed deductions. Tier 2 capital comprises of Tier 2 sukuk and the prescribed amounts of eligible portfolio collective provisions.

18.1 Treasury Shares

The Extraordinary General Assembly Meeting on April 21, 2026, approved the Employee Stock Incentive Program for which 5 million shares were to be purchased as treasury shares for allocating them to the Employee Stock Plan. The Bank has completed the purchase of these shares during the period ended June 30, 2026.

18.2 Dividends

The Board of Directors approved on April 23, 2026 an interim dividend of SAR 747.5 million for the first quarter of 2026 (2025: SAR 746.2 million). This resulted to a net payment of SAR 0.25 per share to the shareholders of the Bank (2025: SAR 0.30 per share).

19. Comparative figures

Certain comparative figures have been rearranged or reclassified, wherever necessary, for the purpose of better presentation.

20. Events after the reporting period

Except for the event mentioned in note 11.2, there have been no events subsequent to the reporting date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the six months period ended June 30, 2026.

21. Approval of the financial statements

These interim condensed consolidated financial statements were approved by the Board of Directors of the Bank on 6 Safar 1448H (corresponding to July 20, 2026).