

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

For the three-month and nine-month periods ended
30 September 2024 (Unaudited)





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

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf International Bank – Saudi Arabia (“the Bank”) and its subsidiaries (collectively referred to as “the Group”) as at 30 September 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three months and nine months periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended, and explanatory notes (collectively referred to as “the interim condensed consolidated financial statements”). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the *International Accounting Standard 34: Interim Financial Reporting* (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Ernst & Young Professional Services

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KPMG Professional Services
(Professional Closed Joint Stock Company)
Paid-up capital SR 70,000,000
Licence No. 46/11/323 issued on 11/3/1992
C.R. No. 2051062328

15 Jumaad Al-Thani 1446H
16 December 2024

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

<u>Note</u>		<u>Page</u>
	Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
	Interim Condensed Consolidated Statement of Income (Unaudited)	2
	Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
	Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
	Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5-6
	Notes to the Interim Condensed Consolidated Financial Statements	7-27
1.	General	7
2.	Basis of Preparation	8
3.	Impact of Changes in Material Accounting Policies due to Adoption of New Standards	8-10
4.	Cash and Balances with Saudi Central Bank (SAMA)	11
5.	Due From Banks and Other Financial Institutions, net	11
6.	Investments, net	11-14
7.	Loans and Advances, net	15-17
8.	Due to banks, SAMA and other financial institutions	18
9.	Customers' Deposits	18
10.	Derivatives and Foreign Exchange Instruments	18-19
11.	Subordinated debt	19
12.	Contingencies and Commitments	20-22
13.	Cash and Cash Equivalents	22
14.	Zakat	22
15.	Share Capital and Earnings Per Share	22
16.	Fair Value of Financial Instruments	23-26
17.	Capital Adequacy	26
18.	Related Party Transactions	27
19.	Approval of the Interim Condensed Consolidated Financial Statements	27

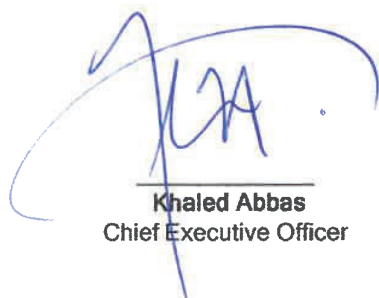
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT**

	Note	30.09.24 (Unaudited) SAR '000	31.12.23 (Audited) SAR '000	30.09.23 (Unaudited) SAR '000
ASSETS				
Cash and balances with Saudi Central Bank (SAMA)	4	9,005,186	6,667,497	8,876,771
Due from banks and other financial institutions, net	5	5,274,452	2,365,409	2,684,481
Investments, net	6	10,840,162	9,105,539	7,881,475
Positive fair value of derivatives	10	207,378	316,414	438,032
Loans and advances, net	7	28,607,422	27,299,961	26,318,594
Other assets		526,692	465,410	468,812
Furniture, fixtures and equipments, net		63,577	58,668	50,495
Right-of-use assets, net		215,142	233,276	213,748
Intangible assets, net		111,563	90,608	77,895
Total assets		54,851,574	46,602,782	47,010,303
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, SAMA and other financial institutions	8	5,147,348	3,856,211	6,168,709
Customers' deposits	9	38,449,423	32,105,619	31,513,100
Negative fair value of derivatives	10	200,428	250,613	318,226
Subordinated debt	11	1,503,518	1,504,072	-
Other liabilities		1,627,524	1,140,276	1,319,974
Lease liabilities		221,956	246,200	235,488
Total liabilities		47,150,197	39,102,991	39,555,497
Equity				
Share capital	15	7,500,000	7,500,000	7,500,000
Statutory reserve		1,753	1,753	1,753
Fair value reserve		(7,658)	(2,482)	(912)
Retained earnings / (accumulated losses)		207,282	520	(46,035)
Total equity		7,701,377	7,499,791	7,454,806
Total liabilities and equity		54,851,574	46,602,782	47,010,303

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



Abdulla Mohammed Al-Zamil
Chairman



Khaled Abbas
Chief Executive Officer



Mazen Faisal Azoony
Chief Financial Officer

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

	Note	Three-month ended		Nine-month ended	
		30.09.24	30.09.23	30.09.24	30.09.23
		(Unaudited)		(Unaudited)	
		SAR '000	SAR '000	SAR '000	SAR '000
Special commission income		730,535	693,080	2,147,253	1,923,772
Special commission expense		(488,995)	(453,875)	(1,440,206)	(1,262,978)
Net special commission income		241,540	239,205	707,047	660,794
Fee and commission income		85,053	85,033	281,540	220,023
Fee and commission expense		(2,639)	(5,199)	(34,173)	(13,469)
Net fee and commission income		82,414	79,834	247,367	206,554
Exchange income, net		18,182	14,264	44,409	56,216
Gain / (loss) on FVSI investments, net		16,904	(3,358)	48,961	22,836
Loss / (gain) on other financial instruments, net		2,678	7,021	(9,778)	7,952
Dividend income		329	366	1,104	3,610
Other operating income		2,349	3,534	25,033	8,205
Total operating income		364,396	340,866	1,064,143	966,167
Salaries and employee related expenses		(147,485)	(126,749)	(425,346)	(375,357)
Rent and premises related expenses		(3,126)	(1,495)	(9,462)	(8,377)
Depreciation and amortisation		(18,189)	(14,534)	(49,952)	(42,134)
Other general and administrative expenses		(80,236)	(73,313)	(249,325)	(202,211)
Operating expenses before expected credit losses		(249,036)	(216,091)	(734,085)	(628,079)
Expected credit (losses) / reversal on:					
Loans and advances	7	(27,217)	(42,239)	(60,564)	(115,840)
Financial contingencies and commitments	12	2,580	(2,232)	(13,703)	(409)
Investments and placements	5,6	(225)	208	(245)	(205)
Total expected credit losses		(24,862)	(44,263)	(74,512)	(116,454)
Total operating expenses		(273,898)	(260,354)	(808,597)	(744,533)
Net income for the period before zakat		90,498	80,512	255,546	221,634
Zakat charge		(16,949)	(15,465)	(48,799)	(41,687)
Net income for the period		73,549	65,047	206,747	179,947
Earnings per share (expressed in SAR per share)					
Basic and diluted earnings per share	15	<u>0.10</u>	<u>0.09</u>	<u>0.28</u>	<u>0.24</u>

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

	Three-month ended		Nine-month ended	
	30.09.24	30.09.23	30.09.24	30.09.23
	(Unaudited)			
	SAR '000	SAR '000	SAR '000	SAR '000
Net income for the period	73,549	65,047	206,747	179,947
Other comprehensive income:				
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
- Net changes in fair value of equity investments classified as fair value through other comprehensive income (FVOCI)	(639)	2,214	(4,303)	43,089
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
- Debt instruments at fair value through other comprehensive income:				
Net change in fair value	(1,034)	-	(1,086)	-
Net change in expected credit losses	382	-	228	-
Total other comprehensive (loss) / income for the period	(1,291)	2,214	(5,161)	43,089
Total comprehensive income for the period	72,258	67,261	201,586	223,036

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

<u>For the nine-month period ended</u> <u>30 September 2024 (Unaudited)</u>	Share capital SAR '000	Statutory reserve SAR '000	Fair value reserve SAR '000	Retained earnings SAR '000	Total SAR '000
Balance at 1 January 2024	7,500,000	1,753	(2,482)	520	7,499,791
Net income for the period	-	-	-	206,747	206,747
<i>Other comprehensive income:</i>					
Net fair value changes:					
Equity investments classified as FVOCI	-	-	(4,303)	-	(4,303)
Debt securities classified as FVOCI	-	-	(1,086)	-	(1,086)
Expected credit losses on debt securities	-	-	228	-	228
Total comprehensive income / (loss) for the period	-	-	(5,161)	206,747	201,586
Disposal of FVOCI equity investments	-	-	(15)	15	-
Balance at 30 September 2024	7,500,000	1,753	(7,658)	207,282	7,701,377

<u>For the nine-month period ended</u> <u>30 September 2023 (Unaudited)</u>	Share capital SAR '000	Statutory reserve SAR '000	Fair value reserve SAR '000	Accumulated losses SAR '000	Total SAR '000
Balance at 1 January 2023	7,500,000	1,753	16,163	(286,146)	7,231,770
Net income for the period	-	-	-	179,947	179,947
<i>Other comprehensive income:</i>					
Net fair value changes:					
Equity investments classified as FVOCI	-	-	43,089	-	43,089
Total comprehensive income for the period	-	-	43,089	179,947	223,036
Disposal of FVOCI equity investments			(60,164)	60,164	-
Balance at 30 September 2023	7,500,000	1,753	(912)	(46,035)	7,454,806

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

	Note	2024	2023
		(Unaudited)	
		SAR '000	SAR '000
OPERATING ACTIVITIES		255,546	221,634
Net income before zakat			
Adjustments to reconcile net income before zakat to net cash flow (used in) / from operating activities:			
Depreciation of right-of-use assets		19,685	17,283
Depreciation and amortisation		30,267	24,851
Interest expense on lease liabilities		9,189	8,393
Expected credit losses on:			
Financial contingencies and commitments	12	13,703	409
Loans and advances	7	60,564	115,840
Investments held at amortised cost	5,6	245	205
Gain on investments held at FVSI		(48,961)	(22,836)
Loss / (gain) on other financial instruments, net		9,778	(7,952)
Operating income before changes in operating assets & liabilities		<u>350,016</u>	<u>357,827</u>
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		115,125	(265,146)
Due from banks and other financial institutions		30,000	30,100
Positive fair value of derivatives		99,258	(12,600)
Loans and advances		(1,368,025)	(1,644,106)
Other assets		(61,282)	(12,647)
Net increase / (decrease) in operating liabilities:			
Due to banks and other financial institutions		1,291,137	1,980,667
Negative fair value of derivatives		(50,185)	1,918,090
Customers' deposits		6,343,804	(13,333)
Other liabilities		380,054	366,913
Net cash generated from operating activities		<u>7,129,902</u>	<u>2,705,765</u>
INVESTING ACTIVITIES			
Purchase of investments		(2,085,000)	(2,711,250)
Maturity of investments		423,775	1,409,952
Sale of FVOCI equity investments		3,555	302,944
Purchase of furniture, fixtures, equipments and intangible assets		(56,131)	(52,413)
Net cash used in investing activities		<u>(1,713,801)</u>	<u>(1,050,767)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	Note	2024 (Unaudited) SAR '000	2023 SAR '000
FINANCING ACTIVITY			
Payment of principal portion of lease liabilities		(24,244)	(13,620)
Cash used in a financing activity		(24,244)	(13,620)
Net change in cash and cash equivalents		5,391,857	1,641,378
Cash and cash equivalents at the beginning of the period		7,227,783	8,110,176
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	12,619,640	9,751,554
Special Commission received during the period		2,111,788	1,769,021
Special Commission paid during the period		1,371,991	1,237,202
Supplemental non-cash information			
Net changes in fair value of FVOCI investments		(4,303)	43,089

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)**

1. GENERAL

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

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

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

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

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

<u>Name of subsidiary</u>	<u>Ownership interest % held by the owners of the Bank</u>		
	<u>30.09.24</u>	<u>31.12.23</u>	<u>Country of incorporation</u>
GIB Capital Company (a)	100	100	Kingdom of Saudi Arabia
Dar Enjaz Gulf Real Estate Company (b)	100	100	Kingdom of Saudi Arabia
GIB KSA Markets Limited (c)	100	100	Cayman Islands

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group as at and for the nine-months period ended 30 September 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023, were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the international Accounting Standard Board (IASB) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA. The interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand except where otherwise stated and the functional currency of the Bank is Saudi Arabian Riyal except where otherwise stated in the notes to the interim condensed consolidated financial statements. The Group presents its interim condensed consolidated statement of financial position in the order of liquidity.

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

In preparing these interim condensed consolidated financial statements, significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation were consistent with those that were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

Standards, interpretations, amendments

	Description	Effective from periods beginning on or after
Amendment to IFRS 16 - Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

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

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

Standards, interpretations, amendments

	Description	Effective from periods beginning on or after
Amendment to IAS 1 - Non-current liabilities with covenants and classification of liabilities as current or non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

Accounting standards issued but not yet effective

Standards, interpretations, amendments

	Description	Effective from periods beginning on or after
Amendment to IFRS 21 - Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

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

Accounting standards issued but not yet effective (continued)

Standards, interpretations, amendments	Description	Effective from periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Money market placements with SAMA	7,080,000	4,873,000	7,043,000
Statutory deposits	1,659,998	1,775,123	1,809,698
Cash in hand	17,688	15,693	18,366
Current account	247,500	3,681	5,707
	<u>9,005,186</u>	<u>6,667,497</u>	<u>8,876,771</u>

5. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS, NET

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Current accounts	452,630	186,733	1,844,016
Money market placements	4,821,831	2,178,688	840,465
Less: expected credit losses	(9)	(12)	-
	<u>5,274,452</u>	<u>2,365,409</u>	<u>2,684,481</u>

6. INVESTMENTS, NET

Investment securities are classified as follows:

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Investments held at FVSI (6a)	360,844	282,806	248,930
Investments held FVOCI (6b)	291,566	36,897	38,465
Investments held at amortised cost - gross (6c)	10,190,369	8,788,433	7,595,520
Less: expected credit losses (6e)	(2,617)	(2,597)	(1,440)
	<u>10,840,162</u>	<u>9,105,539</u>	<u>7,881,475</u>

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Mutual funds	334,332	257,919	226,278
Equity investments	26,512	24,887	22,652
	<u>360,844</u>	<u>282,806</u>	<u>248,930</u>

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Debt investments	262,501	-	-
Equity investments	29,065	36,897	38,465
	<u>291,566</u>	<u>36,897</u>	<u>38,465</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

6. INVESTMENTS, NET (continued)

c) Investments held at amortised cost, net

30 September 2024 (Unaudited)

	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	9,816,711	-	9,816,711
Debt securities - floating-rate securities	297,092	76,566	373,658
Less: expected credit losses	(2,540)	(77)	(2,617)
	<u>10,111,263</u>	<u>76,489</u>	<u>10,187,752</u>

31 December 2023 (Audited)

	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	8,459,798	-	8,459,798
Debt securities - floating-rate securities	253,364	75,271	328,635
Less: expected credit losses	(2,464)	(133)	(2,597)
	<u>8,710,698</u>	<u>75,138</u>	<u>8,785,836</u>

30 September 2023 (Unaudited)

	Quoted	Unquoted	Total
Debt securities - fixed-rate securities	7,254,648	15,234	7,269,882
Debt securities - floating-rate securities	249,084	76,554	325,638
Less: expected credit losses	(1,366)	(74)	(1,440)
	<u>7,502,366</u>	<u>91,714</u>	<u>7,594,080</u>

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

30 September 2024 (Unaudited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	8,788,433	8,788,433
Net change	1,401,936	1,401,936
Balance at 30 September 2024	<u>10,190,369</u>	<u>10,190,369</u>

31 December 2023 (Audited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2023	6,294,222	6,294,222
Net change	2,494,211	2,494,211
Balance at 31 December 2023	<u>8,788,433</u>	<u>8,788,433</u>

30 September 2023 (Unaudited)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

6. INVESTMENTS, NET (continued)

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

30 September 2024 (Unaudited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	2,597	2,597
Net remeasurement of loss allowance	20	20
Balance at 30 September 2024	<u>2,617</u>	<u>2,617</u>

31 December 2023 (Audited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2023	1,235	1,235
Net remeasurement of loss allowance	1,362	1,362
Balance at 31 December 2023	<u>2,597</u>	<u>2,597</u>

30 September 2023 (Unaudited)

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

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

30 September 2024 (Unaudited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	-	-
New originated	259,060	259,060
Change in fair value	3,441	3,441
Balance at 30 September 2024	<u>262,501</u>	<u>262,501</u>

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

30 September 2024 (Unaudited)

	Stage 1 (12-month ECL)	Total
Balance at 1 January 2024	-	-
Net remeasurement of loss allowance	228	228
Balance at 30 September 2024	<u>228</u>	<u>228</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

6. INVESTMENTS, NET (continued)

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Government and quasi government	8,821,763	7,713,842	6,574,839
Corporate	729,640	690,885	659,651
Banks and other financial institutions	1,291,376	703,409	648,425
Less: expected credit losses	(2,617)	(2,597)	(1,440)
	<u>10,840,162</u>	<u>9,105,539</u>	<u>7,881,475</u>

i) Investments composition as per geography:

	30.09.2024		
	Domestic	International	Total
Investments held at amortised cost, net	9,212,847	974,905	10,187,752
Investments held at FVSI	340,816	20,028	360,844
Investments held at FVOCI	55,297	236,269	291,566
	<u>9,608,960</u>	<u>1,231,202</u>	<u>10,840,162</u>
		31.12.2023	
	Domestic	International	Total
Investments held at amortised cost, net	8,349,979	435,857	8,785,836
Investments held at FVSI	282,806	-	282,806
Investments held at FVOCI	36,897	-	36,897
	<u>8,669,682</u>	<u>435,857</u>	<u>9,105,539</u>
		30.09.2023	
	Domestic	International	Total
Investments held at amortised cost, net	7,104,629	489,451	7,594,080
Investments held at FVSI	248,930	-	248,930
Investments held at FVOCI	38,465	-	38,465
	<u>7,392,024</u>	<u>489,451</u>	<u>7,881,475</u>

j) Equity investments held at fair value through other comprehensive income (FVOCI)

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Equity investments	<u>29,065</u>	<u>36,897</u>	<u>38,465</u>

The FVOCI designation was made on the basis that the investments are expected to be held for the long-term for strategic purposes. The Following table shows the reconciliation from opening balances to the closing balances for level 3 fair value of FVOCI investments:

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Balance at period / year beginning	10,332	6,883	6,883
Net change in fair value	131	3,449	3,408
Balance at period/year end	<u>10,463</u>	<u>10,332</u>	<u>10,291</u>

k) Total investments include Shariah based investments amounting to SAR 6.7 billion (31 December 2023: SAR 5.2 billion; 30 September 2023: SAR 4.9 billion).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

7. LOANS AND ADVANCES, NET

a) Loans and advances are classified as follows:

30 September 2024 (Unaudited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	26,979,324	779,301	986,990	28,745,615
Non-performing loans and advances	547,242	-	15,294	562,536
Loans and advances, gross	27,526,566	779,301	1,002,284	29,308,151
Less: expected credit losses	(666,346)	(1,392)	(32,991)	(700,729)
Loans and advances, net	26,860,220	777,909	969,293	28,607,422
31 December 2023 (Audited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	24,699,210	1,525,814	1,156,880	27,381,904
Non-performing loans and advances	564,824	-	26,472	591,296
Loans and advances, gross	25,264,034	1,525,814	1,183,352	27,973,200
Less: expected credit losses	(632,018)	(751)	(40,470)	(673,239)
Loans and advances, net	24,632,016	1,525,063	1,142,882	27,299,961
30 September 2023 (Unaudited)	Commercial loans	Overdrafts	Retail loans	Total
Performing loans and advances	24,401,582	733,389	1,231,678	26,366,649
Non-performing loans and advances	565,083	-	17,919	583,002
Loans and advances, gross	24,966,665	733,389	1,249,597	26,949,651
Less: expected credit losses	(600,453)	(437)	(30,167)	(631,057)
Loans and advances, net	24,366,212	732,952	1,219,430	26,318,594

Total loans and advances include Shariah based loans and advances amounting to SAR 16.1 billion (31 December 2023: SAR 16.6 billion; 30 September 2023: SAR 15.7 billion).

b) Reconciliation of gross carrying amounts:

30 September 2024 (Unaudited)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	26,362,295	1,019,609	591,296	27,973,200
<i>Transfers during the period</i>				
Transfer to Stage 1	16,338	(14,849)	(1,489)	-
Transfer to Stage 2	(1,743,304)	1,746,027	(2,723)	-
Transfer to Stage 3	(12,849)	(20,453)	33,302	-
	(1,739,815)	1,710,725	29,090	-
Written-off during the period	-	-	(33,074)	(33,074)
Net change during the period	1,608,478	(215,677)	(24,776)	1,368,025
Balance at 30 September 2024	26,230,958	2,514,657	562,536	29,308,151

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

7. LOANS AND ADVANCES (continued)

b) Reconciliation of gross carrying amounts: (continued)

31 December 2023 (Audited)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2023	23,858,497	941,342	631,500	25,431,339
<i>Transfers during the year</i>				
Transfer to Stage 1	440,602	(440,602)	-	-
Transfer to Stage 2	(735,244)	735,244	-	-
Transfer to Stage 3	(4,019)	(46,421)	50,440	-
	(298,661)	248,221	50,440	-
Written-off during the year	-	-	(135,915)	(135,915)
Net change during the year	2,802,459	(169,954)	45,271	2,677,776
Balance at 31 December 2023	26,362,295	1,019,609	591,296	27,973,200

30 September 2023 (Unaudited)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2023	23,858,497	941,342	631,500	25,431,339
<i>Transfers during the period</i>				
Transfer to Stage 1	565,315	(565,315)	-	-
Transfer to Stage 2	(519,328)	519,328	-	-
Transfer to Stage 3	(1,272)	(45,221)	46,493	-
	44,715	(91,208)	46,493	-
Written-off during the period	-	-	(125,385)	(125,385)
Net change during the period	1,811,969	(198,666)	30,394	1,643,697
Balance at 30 September 2023	25,715,181	651,468	583,002	26,949,651

c) Reconciliation of expected credit losses:

30 September 2024 (Unaudited)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2024	91,406	173,492	408,341	673,239
<i>Transfers during the period</i>				
Transfer to Stage 1	1,585	(689)	(896)	-
Transfer to Stage 2	(28,417)	30,129	(1,712)	-
Transfer to Stage 3	(183)	(7,994)	8,177	-
	(27,015)	21,446	5,569	-
<i>Net change during the period</i>				
Corporate	(10,582)	47,236	(1,695)	34,959
Retail	860	1,849	22,896	25,605
	(9,722)	49,085	21,201	60,564
<i>Written-off during the period</i>				
Corporate	-	-	-	-
Retail	-	-	(33,074)	(33,074)
	-	-	(33,074)	(33,074)
Balance at 30 September 2024	54,669	244,023	402,037	700,729

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

7. LOANS AND ADVANCES (continued)

c) Reconciliation of expected credit losses: (continued)

31 December 2023 (Audited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL for increase in SICR but not impaired)	Stage 3 (lifetime ECL credit-impaired)	Total
Balance at 1 January 2023	76,354	148,430	415,818	640,602
<i>Transfers during the year</i>				
Transfer to Stage 1	13,134	(13,134)	-	-
Transfer to Stage 2	(2,795)	2,795	-	-
Transfer to Stage 3	(59)	(29,818)	29,877	-
	10,280	(40,157)	29,877	-
<i>Net change during the year</i>				
Corporate	980	65,864	59,788	126,632
Retail	3,792	(645)	38,770	41,917
	4,772	65,219	98,558	168,549
<i>Written-off during the year</i>				
Corporate	-	-	(107,530)	(107,530)
Retail	-	-	(28,382)	(28,382)
	-	-	(135,912)	(135,912)
Balance at 31 December 2023	<u>91,406</u>	<u>173,492</u>	<u>408,341</u>	<u>673,239</u>

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

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Corporate	34,959	126,632	94,727
Retail	25,605	41,917	21,113
Total	<u>60,564</u>	<u>168,549</u>	<u>115,840</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

8. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	<u>30.09.24</u> (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Current accounts	123,750	125,388	84,515
Money market deposits	<u>5,023,598</u>	<u>3,730,823</u>	<u>6,084,194</u>
	<u><u>5,147,348</u></u>	<u><u>3,856,211</u></u>	<u><u>6,168,709</u></u>

9. CUSTOMERS' DEPOSITS

	<u>30.09.24</u> (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Demand	21,045,950	18,810,969	17,503,595
Time	16,783,164	12,560,360	13,426,761
Saving	348,290	307,758	337,533
Margin	<u>272,019</u>	<u>426,532</u>	<u>245,211</u>
	<u><u>38,449,423</u></u>	<u><u>32,105,619</u></u>	<u><u>31,513,100</u></u>

Customers' deposits include Shariah based deposits amounting to SAR 16.3 billion (31 December 2023: SAR 13.3 billion; 30 September 2023: SAR 14.1 billion).

10. DERIVATIVES AND FOREIGN EXCHANGE INSTRUMENTS

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

<u>30 September 2024 (Unaudited)</u>	<u>Positive</u> <u>fair value</u>	<u>Negative</u> <u>fair value</u>	<u>Notional</u> <u>amount</u>
Held for trading			
Commission rate swaps	82,999	(78,073)	4,052,766
Commission rate futures and currency options	73,686	(73,683)	12,032,800
Forward foreign exchange contracts	1,384	(7,133)	536,120
Others	12,572	(13,029)	604,187
Held as fair value hedge			
Commission rate swaps - investments	25,349	(25,786)	1,252,927
Commission rate swaps - loans	11,388	(2,724)	1,009,792
	<u><u>207,378</u></u>	<u><u>(200,428)</u></u>	<u><u>19,488,592</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

10. DERIVATIVES AND FOREIGN EXCHANGE INSTRUMENTS (continued)

<u>31 December 2023 (Audited)</u>	<u>Positive fair value</u>	<u>Negative fair value</u>	<u>Notional amount</u>
<u>Held for trading</u>			
Commission rate swaps	104,874	(98,294)	4,963,381
Commission rate futures and currency options	121,012	(121,012)	13,590,469
Forward foreign exchange contracts	6,672	(5,700)	614,661
Others	24,147	(23,967)	361,406
<u>Held as fair value hedge</u>			
Commission rate swaps - investments	34,074	(1,640)	686,256
Commission rate swaps - loans	25,635	-	748,949
	<u>316,414</u>	<u>(250,613)</u>	<u>20,965,122</u>
<u>30 September 2023 (Unaudited)</u>	<u>Positive fair value</u>	<u>Negative fair value</u>	<u>Notional amount</u>
<u>Held for trading</u>			
Commission rate swaps	160,877	(153,138)	7,217,616
Commission rate futures and currency options	141,075	(136,777)	14,516,984
Forward foreign exchange contracts	13,926	(12,543)	953,663
Others	15,934	(15,768)	348,514
<u>Held as fair value hedge</u>			
Commission rate swaps - loans and investments	72,469	-	1,393,516
Commission rate swaps - deposits	33,751	-	986,879
	<u>438,032</u>	<u>(318,226)</u>	<u>25,417,172</u>

11. SUBORDINATED DEBT

During 2023, the bank began issuing its Tier II sukuk (non-convertible and unlisted) worth SAR 3 billion. An amount of SAR 1.5 billion was issued and subscribed on December 19, 2023. The issuance of the Sukuk is under the Bank's Sukuk issuance programme ("the Programme") and matures in 2033, with the Bank having the option to redeem the Sukuk after 5 years, subject to SAMA's prior approval and the conditions of the Programme being met. The Bank's Sukuk programme is in line with the Bank's strategic objectives to promote growth and actively contribute to the achievement of the national economic goals set out in the Kingdom's Vision 2030. The structure of the Sukuk was approved by the Bank's Shari'ah Committee and the Regulatory Authority. The Sukuk is unsecured and was offered through a private placement in the Kingdom of Saudi Arabia. The effective special commission rate is the three-month SAIBOR plus a margin of 120 basis points and is payable quarterly. The sukuk are denominated in Saudi Arabian riyals.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

12. CONTINGENCIES AND COMMITMENTS

a) Legal proceedings

As at 30 September 2024, there were no significant legal proceedings outstanding against the Group which requires a disclosure or provision. The Group is subject to legal proceedings in the ordinary course of business.

b) Credit related contingencies and commitments

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Letters of guarantee	15,265,285	13,168,075	12,662,800
Irrevocable commitments to extend credit	2,163,505	6,001,766	6,280,117
Letters of credit	3,284,412	2,479,367	3,185,548
Acceptances	1,665,025	1,553,982	1,445,087
	<u>22,378,227</u>	<u>23,203,190</u>	<u>23,573,552</u>

ii) Reconciliation of exposure of financial contingencies and commitments:

30 September 2024 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2024	21,569,460	1,319,808	313,922	23,203,190
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(1,105,498)	1,105,498	-	-
Transfer to Stage 3	-	-	-	-
	(1,105,498)	1,105,498	-	-
Net change during the period	(670,471)	(125,553)	(28,939)	(824,963)
Balance at 30 September 2024	<u>19,793,491</u>	<u>2,299,753</u>	<u>284,983</u>	<u>22,378,227</u>

31 December 2023 (Audited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2023	15,507,553	1,444,009	355,014	17,306,576
<i>Transfers during the year</i>				
Transfer to Stage 1	282,027	(282,027)	-	-
Transfer to Stage 2	(86,556)	86,556	-	-
Transfer to Stage 3	-	-	-	-
	195,471	(195,471)	-	-
Net change during the year	5,866,436	71,270	(41,092)	5,896,614
Balance at 31 December 2023	<u>21,569,460</u>	<u>1,319,808</u>	<u>313,922</u>	<u>23,203,190</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

12. CONTINGENCIES AND COMMITMENTS (continued)

b) Credit related contingencies and commitments (continued)

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

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
30 September 2023 (Unaudited)				
Balance at 1 January 2023	15,507,553	1,444,009	355,014	17,306,576
<i>Transfers during the period</i>				
Transfer to Stage 1	808,505	(808,505)	-	-
Transfer to Stage 2	(16,173)	16,173	-	-
Transfer to Stage 3	-	-	-	-
	792,332	(792,332)	-	-
Net change during the period	6,322,515	(14,449)	(41,090)	6,266,976
Balance at 30 September 2023	22,622,400	637,228	313,924	23,573,552

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

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
30 September 2024 (Unaudited)				
Balance at 1 January 2024	14,563	14,030	133,611	162,204
<i>Transfers during the period</i>				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(994)	994	-	-
Transfer to Stage 3	-	-	-	-
	(994)	994	-	-
Net change during the period	44	(2,792)	16,451	13,703
Balance at 30 September 2024	13,613	12,232	150,062	175,907

	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
31 December 2023 (Audited)				
Balance at 1 January 2023	12,056	12,286	116,995	141,337
<i>Transfers during the year</i>				
Transfer to Stage 1	1,984	(1,984)	-	-
Transfer to Stage 2	(370)	370	-	-
Transfer to Stage 3	-	-	-	-
	1,614	(1,614)	-	-
Net change during the year	893	3,358	16,616	20,867
Balance at 31 December 2023	14,563	14,030	133,611	162,204

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

12. CONTINGENCIES AND COMMITMENTS (continued)

b) Credit related contingencies and commitments (continued)

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

30 September 2023 (Unaudited)	Stage 1 (12- month ECL)	Stage 2 (lifetime ECL but not credit- impaired)	Stage 3 (lifetime ECL credit- impaired)	Total
Balance at 1 January 2023	12,056	12,286	116,995	141,337
<i>Transfers during the period</i>				
Transfer to Stage 1	4,344	(4,344)	-	-
Transfer to Stage 2	(90)	90	-	-
Transfer to Stage 3	-	-	-	-
	4,254	(4,254)	-	-
Net change during the period	4,768	480	(4,839)	409
Balance at 30 September 2023	21,078	8,512	112,156	141,746

13. CASH AND CASH EQUIVALENTS

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Cash and balances with			
Saudi Central Bank (SAMA) excluding statutory deposit	7,345,188	4,892,374	7,067,073
Due from banks and other financial institutions with original maturities of three-months or less	5,274,452	2,335,409	2,684,481
	12,619,640	7,227,783	9,751,554

14. ZAKAT

Gulf International Bank - Saudi Arabia

The Bank has filed its zakat declaration with the Zakat, Tax and Customs Authority ("ZATCA") for the period from 3rd April 2019 to 31 December 2019 and for the years 2020 to 2023. The assessments have been finalised by ZATCA for the period / year 2019 and 2020, without any additional liability, however, no assessment has been raised by the ZATCA for the year 31 December 2021 to 2023.

GIB Capital Company

In 2016, the Company obtained an approval from ZATCA for an exemption to pay zakat. Accordingly, the Company has not considered zakat for the years from 2016 to 2023.

15. SHARE CAPITAL AND EARNINGS PER SHARE

The authorised, issued and fully paid share capital at 30 September 2024, 31 December 2023 and 30 September 2023 comprised 750 million shares of SAR 10 each. Basic and diluted earnings per share for the period/ year ended 30 September 2024, 31 December 2023 and 30 September 2023 is calculated on a weighted average basis by dividing the net income for the year by 750 million shares. Gulf International Bank BSC is the parent, Public Investment Fund is the Ultimate parent and Government of Saudi Arabia is the Ultimate Controlling Party of the Group.

	30.09.24	31.12.23
Gulf International Bank BSC	50%	50%
Public Investment Fund	50%	50%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

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

Determination of fair value and fair value hierarchy

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

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

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

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

At 30 September 2024 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
<i>Investments held at FVOCI</i>					
Debt securities	262,501	262,501	-	-	262,501
Equity securities	29,065	18,602	-	10,463	29,065
Investments held at FVSI	360,844	26,512	334,332	-	360,844
Positive fair value of derivatives	207,378	-	207,378	-	207,378
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	10,187,752	9,905,597	-	74,948	9,980,545
Loans and advances, net	28,607,422	-	-	28,406,166	28,406,166

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2023 (Audited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
Equity investments held at FVOCI	36,897	26,565	-	10,332	36,897
Investments held at FVSI	282,806	24,887	257,919	-	282,806
Positive fair value of derivatives	316,414	-	316,414	-	316,414
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	8,785,836	8,413,545	-	74,971	8,488,516
Loans and advances, net	27,299,961	-	-	26,710,214	26,710,214
<u>At 30 September 2023 (Unaudited)</u>					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
Equity investments held at FVOCI	38,465	28,174	-	10,291	38,465
Investments held at FVSI	248,930	22,652	226,278	-	248,930
Positive fair value of derivatives	438,032	-	438,032	-	438,032
<u>Financial assets not measured at fair value:</u>					
Investments at amortised cost, net	7,594,080	-	5,050,751	2,363,432	7,414,183
Loans and advances, net	26,318,594	-	-	26,028,086	26,028,086
<u>At 30 September 2024 (Unaudited)</u>					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	200,428	-	200,428	-	200,428
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	38,449,423	-	-	38,395,419	38,395,419

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2023 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	250,613	-	250,613	-	250,613
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	32,105,619	-	-	32,528,178	32,528,178
<u>At 30 September 2023 (Unaudited)</u>					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities measured at fair value:</u>					
Negative fair value of derivatives	318,226	-	318,226	-	318,226
<u>Financial liabilities not measured at fair value:</u>					
Customers' deposits	31,513,100	-	-	30,915,547	30,915,547

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

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

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

Investment held at FVSI

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

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

Investment held at FVOCI (Equity securities)

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

Investment held at amortised cost / FVOCI (Debt securities)

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

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

There were no transfers between the levels during the nine month period ended 30 September 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Loans and advances, customer deposits and subordinated debt

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

Other on-balance sheet items

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

17. CAPITAL ADEQUACY

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

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

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

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

	30.09.24 (Unaudited)	31.12.23 (Audited)	30.09.23 (Unaudited)
Risk Weighted Assets (RWA)			
Credit risk RWA	42,734,211	40,200,319	39,513,071
Operational risk RWA	1,591,323	1,217,537	1,217,537
Market risk RWA	3,698,519	2,784,820	2,390,283
Total Pillar-I RWA	48,024,053	44,202,676	43,120,891
Tier I capital	7,589,814	7,409,183	7,376,911
Tier II capital	1,827,163	1,796,088	257,180
Total Tier I & II Capital	9,416,977	9,205,271	7,634,091
Capital adequacy ratios %			
Tier I ratio	15.80%	16.76%	17.11%
Tier I + Tier II ratio	19.61%	20.83%	17.70%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(AMOUNTS IN SAR '000)

18. RELATED PARTY TRANSACTIONS

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

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

	<u>30.09.24</u> <u>(Unaudited)</u>	<u>31.12.23</u> <u>(Audited)</u>	<u>30.09.23</u> <u>(Unaudited)</u>
Gulf International Bank BSC, its subsidiaries and branches:			
Due from banks and other financial institutions	16,376	72,082	150,847
Due to banks and other financial institutions	31,920	123,725	1,019,388
Other assets	67,193	51,741	157,831
Other liabilities	81,583	141,647	280,330
Public Investment Fund and its affiliates			
Loans and advances	3,663,680	3,423,462	947,718
Customers' deposits	11,833,043	8,266,172	9,722,182
Investments	823,373	452,700	432,942

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

	<u>30.09.24</u> <u>(Unaudited)</u>	<u>31.12.23</u> <u>(Audited)</u>	<u>30.09.23</u> <u>(Unaudited)</u>
Gulf International Bank BSC, its subsidiaries and branches:			
Derivatives	7,094,655	9,873,330	9,827,021
Contingencies and commitments	1,626,206	1,621,904	1,644,170
Public Investment Fund and its affiliates			
Derivatives	665,038	1,038,698	2,531,807
Contingencies and commitments	335,398	1,318,608	3,675,887

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

	<u>30.09.24</u> <u>(Unaudited)</u>	<u>31.12.23</u> <u>(Audited)</u>	<u>30.09.23</u> <u>(Unaudited)</u>
Gulf International Bank BSC, its subsidiaries and branches:			
Special commission income	28,602	9,380	35,753
Special commission expense	1,918	13,093	10,164
Fees and commission income and expense, net	45	955	334
Public Investment Fund and its affiliates			
Special commission income	211,350	147,823	72,647
Special commission expense	306,488	488,050	405,863
Fees and commission income and expense, net	13,462	36,606	7,689

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 5 November 2024G (corresponding to 3 Jumada Al-Awwal1446H).