

Aljazira Bank

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026



PricewaterhouseCoopers
Professional Limited Liability Company
Share Capital SR 500,000
CR No. 1010371622
5th floor, Jameel Square,
P.O. Box 16415
Jeddah 21464
Kingdom of Saudi Arabia



KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

Independent auditors' report on review of interim condensed consolidated financial information

To the Shareholders of aljazira bank

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of aljazira bank (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2026, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes (collectively referred to as the "interim condensed consolidated financial information"). Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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 this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with 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, as 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 information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Waleed A. Alhidiri
Certified Public Accountant
License Number 559



KPMG Professional Services Company

Ebrahim Oboud Baeshen
Certified Public Accountant
License Number 382



29 April 2026G
(12 Dhul Qadah 1447H)

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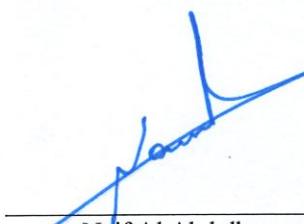
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

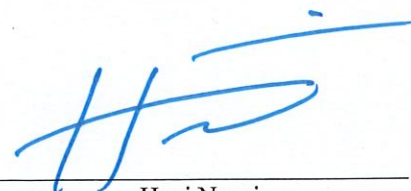
		31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000 Restated (note 20)
ASSETS				
Cash and balances with Saudi Central Bank (SAMA)	15	9,303,758	7,059,209	6,399,469
Due from banks and other financial institutions, net		5,134,168	6,025,771	6,632,286
Investments, net	5	40,232,178	38,967,880	36,923,442
Positive fair value of Shari'ah compliant derivatives	9	165,275	96,183	121,180
Financing, net	6	114,265,528	110,862,169	100,571,324
Other assets		2,035,379	927,024	937,991
Investment in an associate	7	341,376	336,713	330,909
Other real estate, net		131,175	126,000	138,315
Property, equipment, intangibles and right of use assets, net		1,504,948	1,523,025	1,313,646
Total assets		173,113,785	165,923,974	153,368,562
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks, Saudi Central Bank and other financial institutions		21,068,267	23,912,230	20,245,868
Customers' deposits	8	123,958,303	115,395,315	109,644,328
Negative fair value of Shari'ah compliant derivatives	9	235,590	180,907	183,126
Subordinated Sukuk	10	2,041,993	2,007,489	2,041,062
Other liabilities		2,805,518	2,653,204	2,173,241
Total liabilities		150,109,671	144,149,145	134,287,625
EQUITY				
Share capital	11(a)	12,812,500	12,812,500	10,250,000
Treasury shares	11(c)	(74,407)	(81,768)	(83,190)
Statutory reserve		802,412	802,412	1,707,276
Other reserves	12	(494,225)	(578,763)	(490,112)
Retained earnings		1,743,834	2,070,448	2,821,963
Equity attributable to shareholders of the Bank		14,790,114	15,024,829	14,205,937
Tier 1 Sukuk	13	8,214,000	6,750,000	4,875,000
Total equity		23,004,114	21,774,829	19,080,937
Total liabilities and equity		173,113,785	165,923,974	153,368,562



Engr. Abdulmajeed Al-Sultan
Chairman



Naif Al Abdulkareem
CEO and Managing Director



Hani Noori
Chief Financial Officer

The accompanying notes 1 to 22 form an integral part of this interim condensed consolidated financial information.

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(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

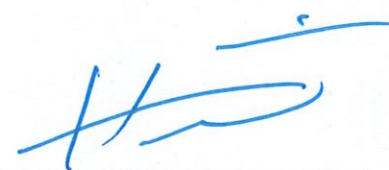
	Notes	For the three-month period ended	
		31 March 2026 SAR'000	31 March 2025 SAR'000
Income from investments and financing		2,259,037	2,081,782
Return on deposits and financial liabilities		(1,440,360)	(1,327,838)
Net financing and investment income		818,677	753,944
Fees from banking services - income		281,838	311,571
Fees from banking services - expense		(94,918)	(116,982)
Fees from banking services, net		186,920	194,589
Exchange income, net		62,787	68,456
Net gain /(loss) on fair value through statement of income (FVIS) financial instruments		4,409	(9,216)
Dividend income		78,638	69,600
Net gain / (loss) on de-recognition of financial assets at fair value through other comprehensive income (FVOCI) – debt		7	(15)
Other operating income		807	1,860
Total operating income		1,152,245	1,079,218
Salaries and employee-related expenses		332,820	303,350
Rent and premises-related expenses		14,602	12,719
Depreciation and amortisation		48,794	41,833
Other general and administrative expenses		179,924	201,760
Other operating expenses		31,675	6,013
Total operating expenses before impairment charge		607,815	565,675
Impairment charge for financing and other financial assets, net	6 (c)	74,372	102,953
Total operating expenses		682,187	668,628
Net operating income		470,058	410,590
Share in net income of an associate		1,655	1,347
Net income for the period before zakat and income tax		471,713	411,937
Zakat and income tax			
Zakat		(63,194)	(47,953)
Income tax		(3,491)	(2,989)
Net income for the period		405,028	360,995
Basic and diluted earnings per share for the period (expressed in SAR per share)	11(b)	0.24	0.28



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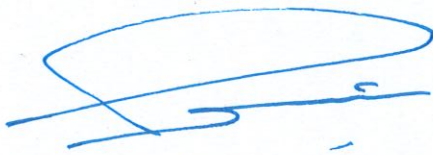
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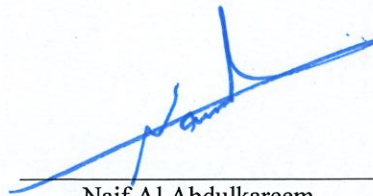
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

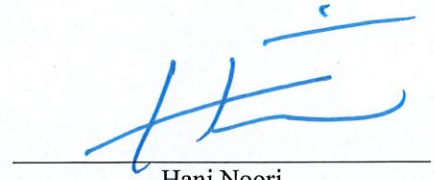
	<u>Notes</u>	<u>For the three-month period ended</u>	
		<u>31 March 2026</u>	<u>31 March 2025</u>
		<u>SAR'000</u>	<u>SAR'000</u>
Net income for the period		<u>405,028</u>	<u>360,995</u>
Other comprehensive income			
<i>Items that that are, or may be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>			
Cash flow hedges:			
- Effective portion of change in the fair value	12	12,303	(25,493)
- Net amount transferred to interim condensed consolidated statement of income	12	(6,750)	(6,879)
Net changes in fair value of investments classified as at FVOCI- debt	12	36,610	387,661
<i>Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods</i>			
Net changes in fair value of investments classified as at FVOCI- equity	12	41,949	27,871
Share in other comprehensive income of an associate	12	3,008	5,845
Total other comprehensive income for the period		<u>87,120</u>	<u>389,005</u>
Total comprehensive income for the period		<u>492,148</u>	<u>750,000</u>



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(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

	Notes	Share capital SAR'000	Treasury shares SAR'000	Statutory reserve SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Total shareholders' equity SAR'000	Tier 1 Sukuk SAR'000	Total equity SAR'000
Balance at 1 January 2026 (audited)		12,812,500	(81,768)	802,412	(578,763)	2,070,448	15,024,829	6,750,000	21,774,829
Net income for the period		-	-	-	-	405,028	405,028	-	405,028
Other comprehensive income		-	-	-	87,120	-	87,120	-	87,120
Total comprehensive income for the period		-	-	-	87,120	405,028	492,148	-	492,148
Employee share-based plan reserve	12	-	-	-	4,808	-	4,808	-	4,808
Share based payment transactions		-	7,361	-	(7,390)	29	-	-	-
Tier 1 sukuk issued	13	-	-	-	-	-	-	1,464,000	1,464,000
Tier 1 sukuk issuance cost		-	-	-	-	(1,124)	(1,124)	-	(1,124)
Tier 1 Sukuk related costs		-	-	-	-	(92,438)	(92,438)	-	(92,438)
2025 dividend		-	-	-	-	(638,109)	(638,109)	-	(638,109)
Balance at 31 March 2026 (unaudited)		12,812,500	(74,407)	802,412	(494,225)	1,743,834	14,790,114	8,214,000	23,004,114
Balance at 1 January 2025 (audited)		10,250,000	-	1,707,276	(1,093,466)	2,462,887	13,326,697	3,875,000	17,201,697
Impact of restatement	20(i)	-	-	-	212,633	-	212,633	-	212,633
Balance at 1 January 2025 (audited)- restated		10,250,000	-	1,707,276	(880,833)	2,462,887	13,539,330	3,875,000	17,414,330
Net income for the period		-	-	-	-	360,995	360,995	-	360,995
Other comprehensive income		-	-	-	389,005	-	389,005	-	389,005
Total comprehensive income for the period		-	-	-	389,005	360,995	750,000	-	750,000
Purchase of Treasury shares for employees share plan	11(c)	-	(83,190)	-	-	-	(83,190)	-	(83,190)
Employee share-based plan reserve	12	-	-	-	1,716	-	1,716	-	1,716
Tier 1 sukuk issued	13	-	-	-	-	-	-	1,000,000	1,000,000
Tier 1 sukuk issuance cost		-	-	-	-	(1,919)	(1,919)	-	(1,919)
Balance at 31 March 2025 (unaudited)		10,250,000	(83,190)	1,707,276	(490,112)	2,821,963	14,205,937	4,875,000	19,080,937

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

	Notes	For the three month period ended	
		31 March 2026	31 March 2025
		SAR'000	SAR'000
Net income for the period before zakat and income tax		471,713	411,937
OPERATING ACTIVITIES			
Adjustments to reconcile net income to net cash generated from / (used in) operating activities:			
Net (gain) / loss on FVIS financial instruments		(7,072)	3,499
(Gain) / loss on investments held at amortised cost and FVOCI, net		(7)	15
Dividend income		(40,596)	(39,194)
Return on subordinated sukuk		34,504	35,144
Depreciation and amortization		48,794	41,833
Impairment charge for financing and other financial assets, net	6 (c)	74,372	102,953
Provision for end of service benefit obligations		12,491	11,469
Share in net income of an associate		(1,655)	(1,347)
Gain on disposal of property and equipment		-	(322)
Employee share-based plan reserve		4,808	-
		<u>597,352</u>	<u>565,987</u>
Net changes in operating assets:			
Statutory deposit with SAMA		(574,365)	147,363
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		780,060	(1,250,921)
Investments held at FVIS		(81,831)	167,927
Positive fair value of Shari'ah compliant derivatives		(69,092)	30,557
Financing		(3,459,462)	(3,755,709)
Other real estate		(5,175)	1,402
Other assets		(1,108,355)	(292,295)
Net changes in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		(2,843,963)	936,535
Customers' deposits		8,562,988	1,457,814
Negative fair value of Shari'ah compliant derivatives		54,683	18,127
Other liabilities		88,288	19,870
		<u>1,941,128</u>	<u>(1,953,343)</u>
End of service benefits paid		(9,802)	(5,615)
Zakat and income tax paid		-	-
Net cash generated from / (used in) operating activities		<u>1,931,326</u>	<u>(1,958,958)</u>
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments held at amortised cost and FVOCI		8,944	150,727
Purchase of investments held at amortised cost and FVOCI		(1,105,303)	(423,068)
Dividend received		40,596	39,194
Acquisition of property and equipment		(26,555)	(63,827)
Proceed from disposal of property and equipment		-	397
Net cash used in investing activities		<u>(1,082,318)</u>	<u>(296,577)</u>

(CONTINUED)

The accompanying notes 1 to 22 form an integral part of this interim condensed consolidated financial information.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (continued)

	Notes	For the three month period ended	
		31 March 2026	31 March 2025
		SAR'000	SAR'000
FINANCING ACTIVITIES			
Proceeds from issue of Tier 1 Sukuk	13	1,464,000	1,000,000
Purchase of treasury shares	11(c)	-	(83,190)
Payment of sukuk related transaction costs		(1,124)	(1,919)
Payment of return on Tier 1 Sukuk		(94,289)	-
Dividends paid		(635,798)	(266)
Payment for principal portion of lease liabilities		(24,324)	(11,679)
Net cash generated from financing activities		708,465	902,946
Net change in cash and cash equivalents held		1,557,473	(1,352,589)
Cash and cash equivalents at the beginning of the period		2,540,659	2,789,806
Cash and cash equivalents at the end of the period	15	4,098,132	1,437,217
Income from investments and financing received during the period		2,466,624	2,218,269
Return on deposits and financial liabilities paid during the period		1,556,243	1,185,142
Supplemental non-cash information			
Right of use assets and lease liabilities		4,162	33,650
Net changes in fair value of cash flow hedges and transfers to the interim condensed consolidated statement of income		5,553	(32,372)

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Chairman

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CEO and Managing Director

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Chief Financial Officer

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aljazeera bank

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

1. GENERAL

This interim condensed consolidated financial information includes the financial information of aljazeera bank (the “Bank”) and its subsidiaries (collectively referred to as the “Group”). aljazeera bank is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia and formed pursuant to Royal Decree number 46/M dated 12 Jumad Al-Thani 1395H (21 June 1975). The Bank commenced its business on 16 Shawwal 1396H (9 October 1976) with the takeover of The National Bank of Pakistan’s branches in the Kingdom of Saudi Arabia under commercial registration number 4030010523 dated 29 Rajab 1396H (27 July 1976) issued in Jeddah. The Bank is regulated by the Saudi Central Bank (SAMA). The Bank operates through its 73 branches (31 December 2025: 73 branches and 31 March 2025: 73 branches) and 24 Fawri Remittance Centers (31 December 2025: 24 and 31 March 2025: 32 Fawri Remittance Centers) in the Kingdom of Saudi Arabia. The Bank’s Head Office is located at the following address:

aljazeera bank
7724 King Abdulaziz Road - Al-Shatea District
Jeddah 23513 - 3551
P.O. Box 6277, Jeddah 21442
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of Shari’ah compliant (non-interest based) banking products and services comprising of Murabaha, Istisna’a, Ijarah, Tawaraq, Musharaka, Wa’ad Fx and Sukuk which are approved and supervised by an independent Shari’ah Board established by the Bank. The Bank’s shares are listed on Saudi Exchange in the Kingdom of Saudi Arabia.

The details of the Bank’s subsidiaries are as follows:

	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Ownership (direct and indirect) 31 March 2026</u>	<u>Ownership (direct and indirect) 31 December 2025</u>	<u>Ownership (direct and indirect) 31 March 2025</u>
Subsidiaries					
AlJazeera Capital Company	Kingdom of Saudi Arabia	Brokerage, margin financing and asset management	100%	100%	100%
Aman Development and Real Estate Investment Company	Kingdom of Saudi Arabia	Holding and managing real estate collaterals on behalf of the Bank	100%	100%	100%
AlJazeera Securities Limited	Cayman Islands	Carryout Shari’ah compliant derivative and capital market transactions	100%	100%	100%
BAJ Sukuk Tier 1 Limited	Cayman Islands	Trustee for issuance of Tier 1 capital certificates	100%	100%	100%

aljazeera bank

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

1. GENERAL (continued)

The Group invests in structured entities with the objective to resell the investment in a short period after the establishment. Structured entities are consolidated when the relationship between the Group and the structured entity indicates that the Group has power over the relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure. In other cases, the Group may sponsor or have exposure to such entities but not consolidate the entities.

Certain structured entities that meet the above criteria have been consolidated in this interim condensed consolidated financial information. The consolidated structured entities are individually immaterial, and their inclusion does not have a material impact on the Group's financial position, financial performance or cash flows.

The details of the Bank's associate are as follows:

	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Ownership (direct and indirect) 31 March 2026</u>	<u>Ownership (direct and indirect) 31 December 2025</u>	<u>Ownership (direct and indirect) 31 March 2025</u>
Associate					
AlJazeera Takaful Ta'awuni Company	Kingdom of Saudi Arabia	Fully Shari'ah compliant protection and saving products	33.08%*	33.08%	33.08%

This includes the Bank's standalone shareholding of 29.36% (31 December 2025: 29.36%, 31 March 2025: 29.36%) and AJC's shareholding of 3.72% (31 December 2025: 3.72%, 31 March 2025: 3.72%)

2. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group as at and for the period ended 31 March 2026, has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants ("SOCPA").

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(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

2. BASIS OF PREPARATION (continued)

This interim condensed consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. The consolidated financial statements of the Group as at and for the year ended 31 December 2025, were prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia and in compliance with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

In preparing this interim condensed consolidated financial information, significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation were consistent with those that were applied to the consolidated financial statements as at and for the year ended 31 December 2025, except for amendments that are applicable from the period beginning 1 January 2026 as disclosed in note 4.

This interim condensed consolidated financial information is expressed in Saudi Arabian Riyals (SAR) and is rounded off to the nearest thousands except where otherwise stated and the functional currency of the Bank is Saudi Riyal.

3. BASIS OF CONSOLIDATION

This interim condensed consolidated financial information comprises the interim condensed financial information of aljazeera bank and its subsidiaries as set out in note 1. The financial information of the subsidiaries is prepared for the same reporting period as that of the Bank.

The interim condensed consolidated financial information has been prepared using uniform accounting policies and valuation methods for like transactions and other events in similar circumstances. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

a) Subsidiaries

Subsidiaries are entities which 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 the entity. To meet the definition of control, all of the following three criteria must be met:

- i. the Group has power over an entity;
- ii. the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- iii. the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

aljazeera bank

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

3. BASIS OF CONSOLIDATION (continued)

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred from the Group. 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 date of the acquisition or up to the date of disposal, as appropriate.

b) Non-controlling interests

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the Group in its subsidiaries and are presented separately in the interim condensed consolidated statement of income and within equity in the interim condensed consolidated statement of financial position, separately from the Bank's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Transactions eliminated on consolidation

Balances between the Group entities, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial information. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

d) Investment in an associate

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the interim condensed consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

Equity-accounted value represents the cost-plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains/ (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share in net income / (loss) of an associate' in the interim condensed consolidated statement of income.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

3. BASIS OF CONSOLIDATION (continued)

d) Investment in an associate (continued)

The previously recognized impairment loss in respect of investment in associate can be reversed through the interim condensed consolidated statement of income, such that the carrying amount of the investment in the interim condensed consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

4. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. Several amendments apply for the first time in 2026 but do not have impact on this interim condensed consolidated financial information of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Following standard, interpretation or amendment are effective from the current period and are adopted by the Group, however, these does not have any significant impact on the interim condensed consolidated financial information of the Group, unless otherwise stated below:

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Amendments to IFRS9 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.	1 January 2026
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.	1 January 2026

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

4. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS (continued)

b) Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments and revisions which are not yet effective. The Group has opted not to early adopt these pronouncements and they do not have a significant impact on the interim condensed consolidated financial statements of the Group except for IFRS 18 for which the management is currently assessing the impact.

Standard, interpretation, amendments	Description	Effective date
Accounting & Financial reporting standards		
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. The management is currently assessing the impact of IFRS 18.	January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

5. INVESTMENTS, NET

a) Investments are classified as follows:

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000 Restated
Held at FVIS	2,823,818	2,734,915	2,083,192
Held at FVOCI	14,065,779	14,000,663	13,566,556
Held at Amortised Cost	23,353,536	22,241,528	21,282,575
Allowance for impairment	(10,955)	(9,226)	(8,881)
Held at Amortized Cost, net	<u>23,342,581</u>	<u>22,232,302</u>	<u>21,273,694</u>
Total	<u>40,232,178</u>	<u>38,967,880</u>	<u>36,923,442</u>

b) The details of the Group's investments by type are summarized as follows:

	31 March 2026 (Unaudited) SAR'000		
	Domestic	International	Total
i) FVIS			
Mutual funds	307,316	1,908,797	2,216,113
Equities – quoted	42,005	-	42,005
Equities – unquoted	542,434	-	542,434
Fixed rate Sukuks	23,266	-	23,266
Convertible debt instrument	-	-	-
	<u>915,021</u>	<u>1,908,797</u>	<u>2,823,818</u>
ii) FVOCI			
Equities – unquoted	335,806	1,847	337,653
Fixed rate Sukuk – equities	2,279,408	211,425	2,490,833
Floating rate Sukuk – equities	702,885	-	702,885
Fixed rate Sukuks	9,979,430	-	9,979,430
Floating rate Sukuks	556,757	-	556,757
	<u>13,854,286</u>	<u>213,272</u>	<u>14,067,558</u>
Allowance for impairment	(1,779)	-	(1,779)
	<u>13,852,507</u>	<u>213,272</u>	<u>14,065,779</u>
iii) Amortised cost			
Fixed rate Sukuks	19,222,747	377,288	19,600,035
Floating rate Sukuks	3,753,501	-	3,753,501
	<u>22,976,248</u>	<u>377,288</u>	<u>23,353,536</u>
Allowance for impairment	(10,589)	(366)	(10,955)
	<u>22,965,659</u>	<u>376,922</u>	<u>23,342,581</u>
Total	<u>37,733,187</u>	<u>2,498,991</u>	<u>40,232,178</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

5. INVESTMENTS, NET (continued)

c) The analysis of the Group's investments by nature of counterparty is as follows:

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000
Government and quasi Government	31,178,891	30,299,842	28,824,039
Corporate	5,258,748	4,856,603	4,159,375
Banks and other financial institutions	3,794,539	3,811,435	3,940,028
Total	40,232,178	38,967,880	36,923,442

Sukuk and wakala floating rate investments include SAR 5.56 billion (31 December 2025: SAR 5.79 billion, 31 March 2025: SAR 10.83 billion), which have been pledged under repurchase agreements with other banks.

d) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at amortised cost:

Investments at Amortised Cost	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2026	9,226	-	-	9,226	22,241,528	-	-	22,241,528
New originated or purchased	526	-	-	526	1,017,135	-	-	1,017,135
Derecognised during the year	-	-	-	-	-	-	-	-
Other movements	1,203	-	-	1,203	94,873	-	-	94,873
At 31 March 2026	10,955	-	-	10,955	23,353,536	-	-	23,353,536

Investments at Amortised Cost	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	10,105	-	-	10,105	21,093,972	-	-	21,093,972
New originated or purchased	535	-	-	535	319,780	-	-	319,780
Derecognised during the year	(1,224)	-	-	(1,224)	(3,036,065)	-	-	(3,036,065)
Other movements	(190)	-	-	(190)	3,863,841	-	-	3,863,841
At 31 December 2025	9,226	-	-	9,226	22,241,528	-	-	22,241,528

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

5. INVESTMENTS, NET (continued)

d) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at amortised cost: (continued)

Investments at Amortised Cost	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	10,105	-	-	10,105	21,093,972	-	-	21,093,972
New originated or purchased	410	-	-	410	296,724	-	-	296,724
Derecognised during the year	(93)	-	-	(93)	(159,405)	-	-	(159,405)
Other movements	(1,541)	-	-	(1,541)	51,284	-	-	51,284
At 31 March 2025	<u>8,881</u>	<u>-</u>	<u>-</u>	<u>8,881</u>	<u>21,282,575</u>	<u>-</u>	<u>-</u>	<u>21,282,575</u>

Other movements reflect changes in exposures for instruments which remained in the same stage during the period.

e) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at FVOCI:

Investments at FVOCI - Debt	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2026	3,980	-	-	3,980	10,516,343	-	-	10,516,343
New originated or purchased	9	-	-	9	50,376	-	-	50,376
Derecognised during the year	-	-	-	-	-	-	-	-
Other movements	(2,210)	-	-	(2,210)	(30,532)	-	-	(30,532)
At 31 March 2026	<u>1,779</u>	<u>-</u>	<u>-</u>	<u>1,779</u>	<u>10,536,187</u>	<u>-</u>	<u>-</u>	<u>10,536,187</u>

Investments at FVOCI - Debt	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	1,847	-	-	1,847	9,786,433	-	-	9,786,433
New originated or purchased	-	-	-	-	-	-	-	-
Derecognised during the year	(21)	-	-	(21)	(198,143)	-	-	(198,143)
Other movements	2,154	-	-	2,154	928,053	-	-	928,053
At 31 December 2025	<u>3,980</u>	<u>-</u>	<u>-</u>	<u>3,980</u>	<u>10,516,343</u>	<u>-</u>	<u>-</u>	<u>10,516,343</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

5. INVESTMENTS, NET (continued)

e) The following table explains changes in gross carrying amount and loss allowance for debt instruments carried at FVOCI: (continued)

Investments at FVOCI - Debt	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)		Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	
					SAR'000			
At 1 January 2025	1,847	-	-	1,847	9,786,433	-	-	9,786,433
New originated or purchased	-	-	-	-	-	-	-	-
Derecognised during the year	-	-	-	-	(36)	-	-	(36)
Other movements	570	-	-	570	320,285	-	-	320,285
At 31 March 2025	2,417	-	-	2,417	10,106,682	-	-	10,106,682

f) The breakdown of investments and the related expected credit loss (ECL) allowances by IFRS 9 stage is presented below:

Held at FVOCI

31 March 2026

	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	10,536,187	-	-	10,536,187
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	10,536,187	-	-	10,536,187
ECL	(1,779)	-	-	(1,779)
Net exposure	10,534,408	-	-	10,534,408

31 December 2025

	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	10,516,343	-	-	10,516,343
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	10,516,343	-	-	10,516,343
ECL	(3,980)	-	-	(3,980)
Net exposure	10,512,363	-	-	10,512,363

31 March 2025

	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	10,106,682	-	-	10,106,682
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	10,106,682	-	-	10,106,682
ECL	(2,417)	-	-	(2,417)
Net exposure	10,104,265	-	-	10,104,265

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

5. INVESTMENTS, NET (continued)

e) The breakdown of investments and the related expected credit loss (ECL) allowances by IFRS 9 stage is presented below: (continued)

Held at Amortised Cost

31 March 2026	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	23,353,536	-	-	23,353,536
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	23,353,536	-	-	23,353,536
ECL	(10,955)	-	-	(10,955)
Net exposure	23,342,581	-	-	23,342,581

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	22,241,528	-	-	22,241,528
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	22,241,528	-	-	22,241,528
ECL	(9,226)	-	-	(9,226)
Net exposure	22,232,302	-	-	22,232,302

31 March 2025	Stage 1	Stage 2	Stage 3	Total
Performing gross carrying amount	21,282,575	-	-	21,282,575
Non-performing gross carrying amount - Individually impaired	-	-	-	-
Total	21,282,575	-	-	21,282,575
ECL	(8,881)	-	-	(8,881)
Net exposure	21,273,694	-	-	21,273,694

6. FINANCING, NET

The financing is classified as at amortized cost as follows:

31 March 2026	Performing	Non-performing	Gross financing	Allowance for impairment	Financing, net
			SAR'000		
Commercial Financing	75,044,117	1,242,555	76,286,672	(1,988,526)	74,298,146
- Corporate	52,984,125	691,316	53,675,441	(1,454,628)	52,220,813
- MSME	7,542,861	190,887	7,733,748	(349,372)	7,384,376
- Others	14,517,131	360,352	14,877,483	(184,526)	14,692,957
Consumer Financing	40,007,043	290,723	40,297,766	(330,384)	39,967,382
- Personal Finance	11,968,959	51,632	12,020,591	(121,274)	11,899,317
- Real Estate	23,623,697	175,904	23,799,601	(110,601)	23,689,000
- Auto lease	3,310,909	9,353	3,320,262	(23,645)	3,296,617
- Credit cards	810,046	45,989	856,035	(70,852)	785,183
- Others	293,432	7,845	301,277	(4,012)	297,265
Total	115,051,160	1,533,278	116,584,438	(2,318,910)	114,265,528

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

The financing is classified as at amortized cost as follows: (continued)

31 December 2025	Performing	Non-performing	Gross financing	Allowance for impairment	Financing, net
			SAR'000		
Commercial Financing	72,436,239	930,979	73,367,218	(1,858,689)	71,508,529
- Corporate	50,622,431	695,377	51,317,808	(1,364,999)	49,952,809
- MSME	7,450,778	161,862	7,612,640	(336,343)	7,276,297
- Others	14,363,030	73,740	14,436,770	(157,347)	14,279,423
Consumer Financing	39,428,712	233,680	39,662,392	(308,752)	39,353,640
- Personal Finance	11,776,824	46,588	11,823,412	(115,804)	11,707,608
- Real Estate	23,443,112	134,233	23,577,345	(103,680)	23,473,665
- Auto lease	3,073,153	3,344	3,076,497	(18,468)	3,058,029
- Credit cards	837,653	42,244	879,897	(66,961)	812,936
- Others	297,970	7,271	305,241	(3,839)	301,402
Total	111,864,951	1,164,659	113,029,610	(2,167,441)	110,862,169
			SAR'000		
31 March 2025	Performing	Non-performing	Gross financing	Allowance for impairment	Financing, net
Commercial Financing	65,002,492	1,201,739	66,204,231	(2,125,338)	64,078,893
- Corporate	45,574,190	599,322	46,173,512	(1,265,762)	44,907,749
- MSME	6,047,777	496,352	6,544,129	(759,542)	5,784,588
- Others	13,380,525	106,065	13,486,590	(100,034)	13,386,556
Consumer Financing	36,512,823	282,441	36,795,264	(302,833)	36,492,431
- Personal Finance	10,991,491	51,179	11,042,670	(105,211)	10,937,459
- Real Estate	22,569,995	178,818	22,748,813	(118,924)	22,629,891
- Auto lease	1,901,476	1,505	1,902,981	(12,573)	1,890,407
- Credit cards	739,088	40,499	779,587	(60,907)	718,680
- Others	310,773	10,440	321,213	(5,218)	315,994
Total	101,515,315	1,484,180	102,999,495	(2,428,171)	100,571,324

Financing, net represents Shari'ah compliant products in respect of Murabaha agreements, Ijarah, Istisnaat, Musharaka and Tawarruq.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

- a) An analysis of changes in ECL allowance and gross carrying amounts in total and by each class of financial instrument is, as follows:

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross Financing								
					<u>SAR'000</u>			
At 1 January 2026	337,463	240,677	1,589,301	2,167,441	107,196,956	3,275,034	2,557,620	113,029,610
Transfers:								
- to 12-months	7,931	(2,935)	(4,996)	-	187,567	(174,331)	(13,236)	-
- to lifetime	(2,896)	11,824	(8,928)	-	(1,722,366)	1,749,119	(26,753)	-
- to credit-impaired	(3,728)	(2,694)	6,422	-	(30,275)	(128,399)	158,674	-
New originated or purchased	25,226	-	-	25,226	5,470,663	-	-	5,470,663
Derecognised during the period	(7,502)	(238)	(10,219)	(17,959)	(2,462,548)	(23,703)	(25,581)	(2,511,832)
Other movements	176	18,260	133,557	151,993	24,348	716,293	(9,499)	731,142
Changes in profit accrual	-	-	-	-	(127,354)	-	-	(127,354)
Write-offs	-	-	(7,791)	(7,791)	-	-	(7,791)	(7,791)
At 31 March 2026	<u>356,670</u>	<u>264,894</u>	<u>1,697,346</u>	<u>2,318,910</u>	<u>108,536,991</u>	<u>5,414,013</u>	<u>2,633,434</u>	<u>116,584,438</u>

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross Financing								
					<u>SAR'000</u>			
At 1 January 2025	317,382	282,012	1,929,613	2,529,007	93,437,785	2,571,824	3,431,894	99,441,503
Transfers:								
- to 12-months	5,686	(3,746)	(1,940)	-	560,695	(556,706)	(3,989)	-
- to lifetime	(10,500)	29,632	(19,132)	-	(1,941,530)	2,247,513	(305,983)	-
- to credit-impaired	(36,188)	(47,311)	83,499	-	(217,085)	(285,355)	502,440	-
New originated or purchased	124,833	-	-	124,833	25,182,052	-	-	25,182,052
Derecognised during the year	(32,060)	(8,325)	(447,535)	(487,920)	(9,580,645)	(200,667)	(1,091,870)	(10,873,182)
Other movements	(31,690)	(11,585)	940,153	896,878	(439,242)	(501,575)	920,485	(20,332)
Changes in profit accrual	-	-	-	-	194,926	-	-	194,926
Write-offs	-	-	(895,357)	(895,357)	-	-	(895,357)	(895,357)
At 31 December 2025	<u>337,463</u>	<u>240,677</u>	<u>1,589,301</u>	<u>2,167,441</u>	<u>107,196,956</u>	<u>3,275,034</u>	<u>2,557,620</u>	<u>113,029,610</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross Financing								
					<u>SAR'000</u>			
At 1 January 2025	317,382	282,012	1,929,613	2,529,007	93,437,785	2,571,824	3,431,894	99,441,503
Transfers:								
- to 12-months	3,787	(1,138)	(2,649)	-	113,830	(107,877)	(5,953)	-
- to lifetime	(910)	1,335	(425)	-	(221,507)	224,963	(3,456)	-
- to credit-impaired	(189)	(5,861)	6,050	-	(40,691)	(107,852)	148,543	-
New originated or purchased	40,308	124	15	40,447	8,490,728	10,982	25	8,501,735
Derecognised during the period	(7,994)	(871)	(16,001)	(24,866)	(2,326,497)	(82,561)	(117,326)	(2,526,384)
Other movements	(7,727)	7,625	96,766	96,664	(1,999,643)	(30,090)	(92,560)	(2,122,293)
Changes in profit accrual	-	-	-	-	(81,985)	-	-	(81,985)
Write-offs	-	-	(213,081)	(213,081)	-	-	(213,081)	(213,081)
At 31 March 2025	<u>344,657</u>	<u>283,226</u>	<u>1,800,288</u>	<u>2,428,171</u>	<u>97,372,020</u>	<u>2,479,389</u>	<u>3,148,086</u>	<u>102,999,495</u>

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Commercial Financing								
					<u>SAR'000</u>			
At 1 January 2026	185,975	234,401	1,438,313	1,858,689	68,288,436	2,838,897	2,239,885	73,367,218
Transfers:								
- to 12-months	708	(335)	(373)	-	52,115	(51,393)	(722)	-
- to lifetime	(850)	3,486	(2,636)	-	(1,417,866)	1,424,181	(6,315)	-
- to credit-impaired	-	(2,057)	2,057	-	(37)	(83,218)	83,255	-
New originated or purchased	5,123	-	-	5,123	2,268,711	-	-	2,268,711
Derecognised during the period	(2,495)	(8)	(9,061)	(11,564)	(1,429,120)	(4,809)	(23,713)	(1,457,642)
Other movements	9,312	22,538	105,910	137,760	1,522,765	729,498	(6,132)	2,246,131
Changes in profit accrual	-	-	-	-	(136,264)	-	-	(136,264)
Write-offs	-	-	(1,482)	(1,482)	-	-	(1,482)	(1,482)
At 31 March 2026	<u>197,773</u>	<u>258,025</u>	<u>1,532,728</u>	<u>1,988,526</u>	<u>69,148,740</u>	<u>4,853,156</u>	<u>2,284,776</u>	<u>76,286,672</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

Commercial Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	177,349	279,274	1,756,482	2,213,105	58,399,170	2,323,170	3,140,702	63,863,042
Transfers:								
- to 12-months	2,752	(2,752)	-	-	472,372	(472,372)	-	-
- to lifetime	(6,471)	24,263	(17,792)	-	(1,537,721)	1,840,548	(302,827)	-
- to credit-impaired	(14,433)	(46,989)	61,422	-	(102,255)	(267,998)	370,253	-
New originated or purchased	35,787	-	-	35,787	11,624,138	-	-	11,624,138
Derecognised during the year	(9,460)	(7,455)	(434,807)	(451,722)	(4,534,794)	(112,997)	(1,050,826)	(5,698,617)
Other movements	451	(11,940)	923,877	912,388	3,803,360	(471,454)	933,452	4,265,358
Changes in profit accrual	-	-	-	-	164,166	-	-	164,166
Write-offs	-	-	(850,869)	(850,869)	-	-	(850,869)	(850,869)
At 31 December 2025	<u>185,975</u>	<u>234,401</u>	<u>1,438,313</u>	<u>1,858,689</u>	<u>68,288,436</u>	<u>2,838,897</u>	<u>2,239,885</u>	<u>73,367,218</u>

Commercial Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	177,349	279,274	1,756,482	2,213,105	58,399,170	2,323,170	3,140,702	63,863,042
Transfers:								
- to 12-months	9	(9)	-	-	3,289	(3,289)	-	-
- to lifetime	(123)	123	-	-	(37,377)	37,377	-	-
- to credit- impaired	(106)	(5,460)	5,566	-	(29,010)	(80,616)	109,626	-
New originated or purchased	24,603	1	5	24,609	4,726,344	74	11	4,726,429
Derecognised during the period	(1,694)	(635)	(12,261)	(14,590)	(919,123)	(57,334)	(105,776)	(1,082,233)
Other movements	4,031	6,886	77,883	88,800	(925,306)	(18,667)	(92,332)	(1,036,305)
Changes in profit accrual	-	-	-	-	(80,116)	-	-	(80,116)
Write-offs	-	-	(186,586)	(186,586)	-	-	(186,586)	(186,586)
At 31 March 2025	<u>204,069</u>	<u>280,180</u>	<u>1,641,089</u>	<u>2,125,338</u>	<u>61,137,871</u>	<u>2,200,715</u>	<u>2,865,645</u>	<u>66,204,231</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

Consumer Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
	<u>SAR'000</u>							
At 1 January 2026	151,488	6,276	150,988	308,752	38,908,520	436,137	317,735	39,662,392
Transfers:								
- to 12-months	7,223	(2,600)	(4,623)		135,452	(122,938)	(12,514)	
- to lifetime	(2,046)	8,338	(6,292)		(304,500)	324,938	(20,438)	
- to credit- impaired	(3,728)	(637)	4,365		(30,238)	(45,181)	75,419	
New originated or purchased	20,103	-	-	20,103	3,201,952	-	-	3,201,952
Derecognised during the period	(5,007)	(230)	(1,158)	(6,395)	(1,033,428)	(18,894)	(1,868)	(1,054,190)
Other movements	(9,136)	(4,278)	27,647	14,233	(1,498,417)	(13,205)	(3,367)	(1,514,989)
Changes in profit accrual	-	-	-	-	8,910	-	-	8,910
Write-offs	-	-	(6,309)	(6,309)	-	-	(6,309)	(6,309)
At 31 March 2026	<u>158,897</u>	<u>6,869</u>	<u>164,618</u>	<u>330,384</u>	<u>39,388,251</u>	<u>560,857</u>	<u>348,658</u>	<u>40,297,766</u>

Consumer Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
	<u>SAR'000</u>							
At 1 January 2025	140,033	2,738	173,131	315,902	35,038,615	248,654	291,192	35,578,461
Transfers:								
- to 12-months	2,934	(994)	(1,940)	-	88,323	(84,334)	(3,989)	-
- to lifetime	(4,029)	5,369	(1,340)	-	(403,809)	406,965	(3,156)	-
- to credit- impaired	(21,755)	(322)	22,077	-	(114,830)	(17,357)	132,187	-
New originated or purchased	89,046	-	-	89,046	13,557,914	-	-	13,557,914
Derecognised during the year	(22,600)	(870)	(12,728)	(36,198)	(5,045,851)	(87,670)	(41,044)	(5,174,565)
Other movements	(32,141)	355	16,276	(15,510)	(4,242,602)	(30,121)	(12,967)	(4,285,690)
Changes in profit accrual	-	-	-	-	30,760	-	-	30,760
Write-offs	-	-	(44,488)	(44,488)	-	-	(44,488)	(44,488)
At 31 December 2025	<u>151,488</u>	<u>6,276</u>	<u>150,988</u>	<u>308,752</u>	<u>38,908,520</u>	<u>436,137</u>	<u>317,735</u>	<u>39,662,392</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

Consumer Financing	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (Life time ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
					SAR'000			
At 1 January 2025	140,033	2,738	173,131	315,902	35,038,615	248,654	291,192	35,578,461
Transfers:								
- to 12-months	3,778	(1,129)	(2,649)	-	110,541	(104,588)	(5,953)	-
- to lifetime	(787)	1,212	(425)	-	(184,130)	187,586	(3,456)	-
- to credit-impaired	(83)	(401)	484	-	(11,681)	(27,236)	38,917	-
New originated or purchased	15,705	123	10	15,838	3,764,384	10,908	14	3,775,306
Derecognised during the period	(6,300)	(236)	(3,740)	(10,276)	(1,407,374)	(25,227)	(11,550)	(1,444,151)
Other movements	(11,758)	739	18,883	7,864	(1,074,337)	(11,423)	(228)	(1,085,988)
Changes in profit accrual					(1,869)	-	-	(1,869)
Write-offs	-	-	(26,495)	(26,495)	-	-	(26,495)	(26,495)
At 31 March 2025	<u>140,588</u>	<u>3,046</u>	<u>159,199</u>	<u>302,833</u>	<u>36,234,149</u>	<u>278,674</u>	<u>282,441</u>	<u>36,795,264</u>

b) Movement in allowance for impairment is as follows:

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000
Balance at the beginning of the period / year	2,167,441	2,529,007	2,529,007
Impairment charge for financing	187,754	671,783	140,680
Bad debts written off	(7,791)	(895,357)	(213,081)
(Reversal) / (recoveries) of amounts previously provided	(28,494)	(137,992)	(28,435)
Balance at the end of the period / year	<u>2,318,910</u>	<u>2,167,441</u>	<u>2,428,171</u>

c) Net impairment charge for financing and other financial assets for the period in the interim condensed consolidated statement of income comprised of:

	31 March 2026 (Unaudited) SAR'000	31 March 2025 (Unaudited) SAR'000
Impairment charge for financing	187,754	140,680
Reversal of amounts previously provided	(28,494)	(28,435)
Recoveries from debts previously written off	(103,155)	(15,364)
Net (reversal) / impairment charge for ECL in respect of due from banks and other financial institutions	(1,169)	122
Net reversal for ECL in respect of investments	(472)	(654)
Net impairment charge for ECL in respect of non-funded financing and credit related commitments	19,908	6,604
Impairment charge for financing and other financial assets, net	<u>74,372</u>	<u>102,953</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

6. FINANCING, NET (continued)

d) The breakdown of Financing and the related expected credit loss (ECL) allowances by IFRS 9 stage is presented below:

	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 March 2026				
Exposure				
Commercial	69,148,740	4,853,156	2,284,776	76,286,672
Retail	39,388,251	560,857	348,658	40,297,766
Gross carrying amount	108,536,991	5,414,013	2,633,434	116,584,438
ECL				
Commercial	(197,773)	(258,025)	(1,532,728)	(1,988,526)
Retail	(158,897)	(6,869)	(164,618)	(330,384)
Total ECL	(356,670)	(264,894)	(1,697,346)	(2,318,910)
31 December 2025				
Exposure				
Commercial	68,288,436	2,838,897	2,239,885	73,367,218
Retail	38,908,520	436,137	317,735	39,662,392
Gross carrying amount	107,196,956	3,275,034	2,557,620	113,029,610
ECL				
Commercial	(185,975)	(234,401)	(1,438,313)	(1,858,689)
Retail	(151,488)	(6,276)	(150,988)	(308,752)
Total ECL	(337,463)	(240,677)	(1,589,301)	(2,167,441)
31 March 2025				
Exposure				
Commercial	61,137,871	2,200,715	2,865,645	66,204,231
Retail	36,234,149	278,674	282,441	36,795,264
Gross carrying amount	97,372,020	2,479,389	3,148,086	102,999,495
ECL				
Commercial	(204,069)	(280,180)	(1,641,089)	(2,125,338)
Retail	(140,588)	(3,046)	(159,199)	(302,833)
Total ECL	(344,657)	(283,226)	(1,800,288)	(2,428,171)

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

7. INVESTMENT IN AN ASSOCIATE

Investment in an associate represents the investment made by the Group in AlJazeera Takaful Ta'awuni Company ("ATT"). The Group effectively holds 33.08% (31 December 2025: 33.08% and 31 March 2025: 33.08%) shareholding in ATT.

The share of total comprehensive income in an associate represents the Group's share in the total comprehensive income of ATT and was based on the latest available financial information of ATT for the year ended 31 December 2025. ATT is listed with Saudi Stock Exchange (Tadawul) and the market value of the investment in ATT as of 31 March 2026 was SAR 251.06 million (31 December 2025: SAR 243.85 million and 31 March 2025: SAR 329.21 million) based on Saudi Stock Exchange (Tadawul) market price.

8. CUSTOMERS' DEPOSITS

	31 March 2026 (Unaudited) <u>SAR'000</u>	31 December 2025 (Audited) <u>SAR'000</u>	31 March 2025 (Unaudited) <u>SAR'000</u>
Demand	32,857,040	32,046,487	34,462,078
Saving and call deposits	16,336,992	13,654,158	11,085,411
Customers' time investments	72,773,201	67,398,888	61,089,853
Other	<u>1,991,070</u>	<u>2,295,782</u>	<u>3,006,986</u>
Total	<u><u>123,958,303</u></u>	<u><u>115,395,315</u></u>	<u><u>109,644,328</u></u>

Customers' time investments comprise deposits received on Shari'ah Compliant (non-commission based) Murabaha and Wakala products.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

9. SHARIAH COMPLIANT DERIVATIVES

9.1 Nature/type of derivatives held

In the ordinary course of business, the Group utilizes the following Shari'ah compliant derivative financial instruments for both trading and strategic hedging purposes:

a) Swaps

Swaps are commitments to exchange one set of cash flows for another. For profit rate swaps, counterparties generally exchange fixed and floating rate profit payments in a single currency without exchanging principal. For cross-currency profit rate swaps, principal, fixed and floating profit payments are exchanged in different currencies.

b) Options (Wa'ad Fx)

Foreign exchange options are transactions, whereby a client, in consideration for the payment of a fee agrees to enter into one or a series of trades in which one party (promisor) gives a commitment as a unilateral undertaking, to a second party (promisee).

An option can be a unilateral promise or combination of promises. The Group enters into the option depending on the client's risk profile, whereby the client may promise to buy, sell or buy and sell a currency with or without conditions for hedging its exposure.

9.2 Purpose of derivatives

a) Held for trading purposes

Most of the Group's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers in order, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profiting from, price differentials between markets or products.

b) Held for hedging purposes

The Group uses Shari'ah compliant derivatives for hedging purposes in order to reduce its exposure to profit rate risk and foreign exchange risk.

The Group has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves managing the Group's exposure to fluctuations in foreign exchange and profit rates to reduce its exposure to currency and profit rate risks to acceptable levels as determined by the Board of Directors within the guidelines issued by Saudi Central Bank.

As part of its financial asset and liability management, the Group uses Shari'ah compliant derivatives for hedging purposes in order to adjust its own exposure to currency and profit rate risk. This is generally achieved by hedging specific transactions.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

9. SHARIAH COMPLIANT DERIVATIVES (continued)

9.2 Purpose of derivatives (continued)

b) Held for hedging purposes (continued)

Cash flow hedges

The Group is exposed to variability in future cash flows on non-trading assets and liabilities which bear profit at a variable rate. The Group uses profit rate swaps as cash flow hedges of these profit rate risks.

The gains on cash flow hedges reclassified to the interim condensed consolidated statement of income during the period are as follows:

	31 March 2026 (Unaudited) SAR'000	31 March 2025 (Unaudited) SAR'000
Income from investments and financing	11,501	12,695
Return on deposits and financial liabilities	(4,751)	(5,816)
	<hr/>	<hr/>
Net gains on cash flow hedges reclassified to the interim condensed consolidated statement of income	6,750	6,879
	<hr/> <hr/>	<hr/> <hr/>

The cash flow hedges of profit rate swap were highly effective in offsetting the variability of return on investments, deposits and other financial liabilities.

Fair value gain on cash flow hedges amounting to SAR 12.30 million (31 March 2025: loss of SAR 25.49 million) included in the interim condensed consolidated statement of comprehensive income comprised of net unrealized gain of SAR 12.30 million (31 March 2025: net unrealized loss of SAR 50.70 million) and net realized gain of SAR Nil (31 March 2025: net realized gain of SAR 25.21 million) on terminated hedge relationships.

During the current and prior periods, the Group sold certain of its profit rate swaps used for cash flows hedges. However, the gain / (loss) would continue to be classified in interim condensed consolidated statement of comprehensive income as the related hedge items are still outstanding. In accordance with the IFRS requirements, the gain / (loss) will be reclassified to interim condensed consolidated statement of income in the period when the cash flows pertaining to hedged items will affect the interim condensed consolidated statement of income i.e. when profit receipts / payments impact the interim condensed consolidated statement of income which is over the remaining maturity of financial instrument / hedge items.

9.3 Details of shar'iah compliant derivatives

The table below summarize the positive and negative fair values of the Group's derivative financial instruments, together with their notional amounts. The notional amounts, which provide an indication of the volume of transactions outstanding at the end of the period, 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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

9. SHARIAH COMPLIANT DERIVATIVES (continued)

	31 March 2026 (Unaudited) SAR'000		
	Positive fair value	Negative fair value	Notional amount
Held for trading:			
Options	1,498	1,498	563,845
Profit rate swaps	69,327	54,283	5,423,262
Cross currency profit rate swaps	19,669	21,103	1,875,000
Currency swaps	6,958	61	3,499,029
Currency forwards (Wa'ad)	108	94	426,164
Total	97,560	77,039	11,787,300
Held as cash flow hedge:			
Profit rate swaps	67,715	158,551	6,601,250
Total	165,275	235,590	18,388,550
	31 December 2025 (Audited) SAR'000		
	Positive fair value	Negative fair value	Notional amount
Held for trading:			
Options	1,901	1,901	588,833
Profit rate swaps	62,747	52,296	5,894,689
Cross currency profit rate swaps	6,216	459	1,875,000
Currency swaps	2,531	1,214	3,508,936
Currency forwards (Wa'ad)	53	47	77,966
Total	73,448	55,917	
Held as cash flow hedge:			
Profit rate swaps	22,735	124,990	5,351,250
Total	96,183	180,907	17,296,674
	31 March 2025 (Unaudited) SAR'000		
	Positive fair value	Negative fair value	Notional amount
Held for trading:			
Options	14,651	14,651	1,188,833
Profit rate swaps	67,908	59,213	5,650,086
Cross currency profit rate swaps	18,927	24,344	1,875,000
Currency swaps	337	1,174	3,900,000
Currency forwards (Wa'ad)	2	2	6,006
Total	101,825	99,384	12,619,925
Held as cash flow hedge:			
Profit rate swaps	19,355	83,742	3,875,000
Total	121,180	183,126	16,494,925

Held for trading profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to SAR 28.84 million (31 December 2025: SAR 7.73 million and 31 March 2025: SAR 35.86 million) and accrued payable amounting to SAR 30.94 million (31 December 2025: SAR 7.73 million and 31 March 2025: SAR 37.89 million). Held as cash flow hedge profit rate swaps (positive fair value / negative fair value) include accrued receivable amounting to SAR 54.03 million (31 December 2025: SAR 22.74 million and 31 March 2025: SAR 19.06 million) and accrued payable amounting to SAR 52.62 million (31 December 2025: SAR 20.44 million and 31 March 2025: SAR 16.19 million).

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

10. SUBORDINATED SUKUK

On 8 December 2021, the Bank issued 2,000 Subordinated Sukuk Certificates (Sukuk) of SAR 1 million each, with a profit distribution rate based on 6 month Saudi Inter-Bank Offered Rate (SIBOR), reset semi-annually in advance, plus a margin of 155 basis point per annum and payable semi-annually in arrears on 8 December and 8 June each year until 8 December 2031, on which date the Sukuk will expire. The Bank has a call option which can be exercised on or after 8 December 2026 on meeting certain conditions and as per the terms mentioned in the related offering circular. The Sukuk may also be called upon occurrence of certain other conditions as per the terms specified in the offering circular. These Sukuk are registered with Saudi Exchange (Tadawul).

11. SHARE CAPITAL AND EARNINGS PER SHARE

a) Share Capital:

The authorized, issued and fully paid share capital of the Bank consists of 1,281.25 million shares of SAR 10 each (31 December 2025: 1,281.25 million shares of SAR 10 each and 31 March 2025: 1,025 million shares of SAR 10 each).

b) Earnings per share

Basic earnings per share for the current and prior period is calculated by dividing the net income for the period attributable to common equity holders of the Bank (adjusted for Tier 1 sukuk related costs) by the weighted average number of ordinary shares outstanding after the adjustment of treasury shares.

In the comparative period, the Board of Directors proposed a bonus issue of one share for every four shares held, which was approved by the shareholders in the Extraordinary General Assembly held on April 28, 2025. As this approval occurred before the financial statements were authorised for issue, the impact of the bonus shares was included in the calculation of the weighted average number of shares in accordance with IAS 33.

	For the three month period ended	
	31 March	31 March
	2026	2025
	(Unaudited)	(Unaudited)
	<u>SAR'000</u>	<u>SAR'000</u>
Net income for the period attributable to ordinary shareholders (adjusted for Tier 1 sukuk related costs)		
For basic and diluted earnings per share	312,590	360,995
Weighted-average number of ordinary shares after the adjustment of treasury shares		
For basic and diluted earnings per share	1,276,202,254	1,277,955,279
Basic and diluted earnings per share (in SAR)	0.24	0.28

The calculations of basic and diluted earnings per share are same for the Bank.

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11. SHARE CAPITAL AND EARNINGS PER SHARE (continued)

c) Treasury Shares

The Extraordinary General Assembly Meeting held on 11 December 2024, approved the Employee Share Plan for which shares were to be purchased as treasury shares for allocating them to the Employee Share Plan. The Bank completed the purchase of these shares during the first quarter of 2025.

12. OTHER RESERVES

<u>31 March 2026</u> <u>(Unaudited)</u>	<u>Cash flow</u> <u>hedges</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>debt</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>equity</u> <u>SAR' 000</u>	<u>Actuarial</u> <u>Gains</u> <u>SAR' 000</u>	<u>Employees</u> <u>share-</u> <u>based plan</u> <u>reserve</u> <u>SAR' 000</u>	<u>Share in</u> <u>OCI of</u> <u>associate</u> <u>SAR' 000</u>	<u>Total</u> <u>SAR' 000</u>
Balance at beginning of the period	(40,351)	(869,884)	276,644	23,651	13,685	17,492	(578,763)
Net change in fair value	12,303	36,610	41,949	-	-	3,008	93,870
Transfer to interim condensed consolidated statement of income (note 9.2(b))	(6,750)	-	-	-	-	-	(6,750)
Employee share based plan reserve	-	-	-	-	4,808	-	4,808
Share based payment transactions	-	-	-	-	(7,390)	-	(7,390)
Net movement during the period	<u>5,553</u>	<u>36,610</u>	<u>41,949</u>	<u>-</u>	<u>(2,582)</u>	<u>3,008</u>	<u>84,538</u>
Balance at end of the period	<u>(34,798)</u>	<u>(833,274)</u>	<u>318,593</u>	<u>23,651</u>	<u>11,103</u>	<u>20,500</u>	<u>(494,225)</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

12. OTHER RESERVES (continued)

<u>31 December</u> <u>2025 (Audited)</u>	<u>Cash flow</u> <u>hedges</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>debt</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>equity</u> <u>SAR' 000</u>	<u>Actuarial</u> <u>gains</u> <u>SAR' 000</u>	<u>Employees</u> <u>share-based</u> <u>plan reserve</u> <u>SAR' 000</u>	<u>Share in</u> <u>OCI of</u> <u>associate</u> <u>SAR' 000</u>	<u>Total</u> <u>SAR' 000</u>
Balance at beginning of the year – restated	38,319	(1,187,941)	226,281	31,691	-	10,817	(880,833)
Net change in fair value	(48,518)	318,057	50,363	-	-	6,675	326,577
Transfer to consolidated statement of income	(30,152)	-	-	-	-	-	(30,152)
Actuarial gains on employee benefit obligation	-	-	-	(8,040)	-	-	(8,040)
Employee share based plan reserve	-	-	-	-	14,892	-	14,892
Share based payment transactions	-	-	-	-	(1,207)	-	(1,207)
Net movement during the year	<u>(78,670)</u>	<u>318,057</u>	<u>50,363</u>	<u>(8,040)</u>	<u>13,685</u>	<u>6,675</u>	<u>302,070</u>
Balance at end of the year	<u>(40,351)</u>	<u>(869,884)</u>	<u>276,644</u>	<u>23,651</u>	<u>13,685</u>	<u>17,492</u>	<u>(578,763)</u>
<u>31 March 2025</u> <u>(Unaudited)</u>	<u>Cash flow</u> <u>hedges</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>debt</u> <u>SAR' 000</u>	<u>Fair value</u> <u>reserve –</u> <u>FVOCI</u> <u>equity</u> <u>SAR' 000</u>	<u>Actuarial</u> <u>Gains</u> <u>SAR' 000</u>	<u>Employees</u> <u>share-based</u> <u>plan reserve</u> <u>SAR' 000</u>	<u>Share in</u> <u>OCI of</u> <u>associate</u> <u>SAR' 000</u>	<u>Total</u> <u>SAR' 000</u>
Balance at beginning of the period – restated	38,319	(1,187,941)	226,281	31,691	-	10,817	(880,833)
Net change in fair value	(25,493)	387,661	27,871	-	-	5,845	395,884
Transfer to interim condensed consolidated statement of income (note 9.2(b))	(6,879)	-	-	-	-	-	(6,879)
Employee share based plan reserve	-	-	-	-	1,716	-	1,716
Net movement during the period	<u>(32,372)</u>	<u>387,661</u>	<u>27,871</u>	<u>-</u>	<u>1,716</u>	<u>5,845</u>	<u>390,721</u>
Balance at end of the period-restated	<u>5,947</u>	<u>(800,280)</u>	<u>254,152</u>	<u>31,691</u>	<u>1,716</u>	<u>16,662</u>	<u>(490,112)</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

13. TIER 1 SUKUK

During the current quarter, the Bank completed the issuance of an SAR-denominated additional Tier 1 sukuk of SAR 1.46 billion (which is part of additional Tier 1 Capital Sukuk Programme of SAR 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.35% per annum from date of issue up to March 2031 and is subject to reset every 5 years.

During 3rd quarter of 2025, the Bank issued cross border Tier 1 Sukuk through a Shari'ah compliant arrangement amounting to SAR 1.875 billion (denominated in US Dollars). This issuance forms part of the Bank's USD 1.5 billion Additional Tier 1 Capital Sukuk Programme. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.5% per annum from date of issue up to September 2030 and is subject to reset every 5 years.

During 1st quarter of 2025, the Bank completed the issuance of an SAR-denominated additional Tier 1 sukuk of SAR 1 billion (which is part of additional Tier 1 Capital Sukuk Programme of SAR 5 billion) by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6.3% per annum from date of issue up to January 2030 and is subject to reset every 5 years.

As part of the additional Tier 1 Capital Sukuk Programme of SAR 5 billion, the Bank had also completed during year 2023, the issuance of an SAR-denominated additional Tier 1 sukuk of SAR 2 billion by way of a private placement in Saudi Arabia. This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 6% per annum from date of issue up to June 2028 and is subject to reset every 5 years.

Additionally, during the year 2021, the Bank issued cross border Tier 1 Sukuk (the "Sukuk") through a Shari'ah compliant arrangement amounting to SAR 1.875 billion (denominated in US Dollars). This arrangement was approved by the regulatory authorities and the Board of Directors of the Bank. The applicable profit rate is 3.95% per annum from date of issue up to June 2026 and is subject to reset every 5 years.

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.

The applicable profit on the Sukuks is payable semi-annual 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.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

14. COMMITMENTS AND CONTINGENCIES

- a) The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as disclosed at 31 December 2025.
- b) The Bank's credit related commitments and contingencies are as follows:

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000
Letters of credit	4,234,012	4,332,903	2,880,649
Letters of guarantee	19,022,290	15,769,975	15,181,307
Acceptances	1,437,718	1,330,997	2,081,922
Irrevocable commitments to extend credit	2,154,925	2,102,602	1,975,724
Total	26,848,945	23,536,477	22,119,602
Allowance for impairment [b(ii)]	(343,266)	(323,358)	(357,856)
Net exposure	26,505,679	23,213,119	21,761,746

- b)(i) The following table explains changes in gross carrying amount of the credit related commitments and contingencies to help explain their significance to the changes in the credit loss allowance for the same portfolio.

	31 March 2026 (Unaudited)			Total
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	
	(SAR'000)			
Gross carrying amount as at 1 January 2026	21,415,391	1,681,034	440,052	23,536,477
Transfer to 12-month ECL	24,253	(24,253)	-	-
Transfer to lifetime ECL not credit – impaired	(8,352)	8,352	-	-
Transfer to lifetime ECL credit – impaired	(400)	-	400	-
New financial assets originated	835,298	227,504	-	1,062,802
Financial assets derecognised during the period	(121,571)	(635)	-	(122,206)
Other movements	1,008,707	1,363,165	-	2,371,872
Gross carrying amount as at 31 March 2026	23,153,326	3,255,167	440,452	26,848,945
	31 December 2025 (Audited)			
	(SAR'000)			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
Gross carrying amount as at 1 January 2025	17,283,933	486,381	533,945	18,304,259
Transfer to 12-month ECL	17,859	(16,583)	(1,276)	-
Transfer to lifetime ECL not credit – impaired	(436,873)	436,873	-	-
Transfer to lifetime ECL credit – impaired	(122,348)	-	122,348	-
New financial assets originated	5,514,272	171,348	-	5,685,620
Financial assets derecognised during the year	(837,175)	(116,559)	(174,341)	(1,128,075)
Other movements	(4,277)	719,574	(40,624)	674,673
Gross carrying amount as at 31 December 2025	21,415,391	1,681,034	440,052	23,536,477

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

14. COMMITMENTS AND CONTINGENCIES (continued)

	31 December 2025 (Audited)			Total
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	
	(SAR'000)			
ECL as at 1 January 2025	52,487	2,059	296,706	351,252
Transfer to 12-month ECL	712	(74)	(638)	-
Transfer to lifetime ECL not credit – impaired	(1,031)	1,031	-	-
Transfer to lifetime ECL credit – impaired	(530)	-	530	-
Net re-measurement of loss allowance	(18,276)	10,526	72,303	64,553
New financial assets originated	8,716	2,330	-	11,046
Financial assets that have been Derecognized	(2,183)	(166)	(101,144)	(103,493)
ECL as at 31 December 2025	<u>39,895</u>	<u>15,706</u>	<u>267,757</u>	<u>323,358</u>
	(SAR'000)			
	31 March 2025 (Unaudited)			
	12 month ECL (Stage 1)	Life time ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
ECL as at 1 January 2025	52,487	2,059	296,706	351,252
Transfer to 12-month ECL	666	(28)	(638)	-
Transfer to lifetime ECL not credit – impaired	(945)	945	-	-
Transfer to lifetime ECL credit – impaired	-	-	-	-
Net re-measurement of loss allowance	(1,065)	13,284	1,517	13,736
New financial assets originated	2,250	3,126	-	5,376
Financial assets that have been Derecognized	(344)	(6)	(12,158)	(12,508)
ECL as at 31 March 2025	<u>53,049</u>	<u>19,380</u>	<u>285,427</u>	<u>357,856</u>

c) As at March 31, 2026 the Bank had capital commitments of SAR 149.34 million (December 31, 2025: SAR 154.44 million; March 31, 2025: SAR 288.51 million) in respect of premises and IT related projects.

d) The Bank has submitted its objection to the General Secretariat of Tax Committees (GSTC) related to Zakat assessments for the years 2019 and 2021, amounting to SAR 77.57 million and SAR 65.5 million respectively. The Bank continues to contest this case as it has strong grounds.

As of 31 March 2026, the Bank has filed its Zakat and Income Tax returns with the Zakat, Tax, and Customs Authority (ZATCA) and has paid Zakat and Income Tax for the years up to and including 2024. Zakat and Income Tax assessments have been finalized up to the fiscal year 2018.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

15. CASH AND CASH EQUIVALENTS

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

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000 Restated
Cash and balances with SAMA, excluding statutory deposit	3,224,707	1,554,523	1,117,377
Due from banks and other financial institutions with an original maturity of 90 days or less from the date of acquisition	<u>873,425</u>	<u>986,136</u>	<u>319,840</u>
Total	<u>4,098,132</u>	<u>2,540,659</u>	<u>1,437,217</u>

The reconciliation of cash and cash equivalents to cash and balances with Saudi Central Bank is as follows:

	31 March 2026 (Unaudited) SAR'000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000 Restated
Cash and cash equivalents as per statement of cash flows	4,098,132	2,540,659	1,437,217
Statutory deposit	6,079,051	5,504,686	5,282,092
Due from banks and other financial institutions with original maturity of 90 days or less from the date of acquisition	<u>(873,425)</u>	<u>(986,136)</u>	<u>(319,840)</u>
Cash and balances with Saudi Central Bank	<u>9,303,758</u>	<u>7,059,209</u>	<u>6,399,469</u>

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

15. CASH AND CASH EQUIVALENTS (continued)

15.1 Below is a reconciliation of liabilities arising from financing activities:

	Subordinated Sukuk	Dividend Payable (SAR' 000)	lease liabilities against right of use assets
31 March 2026 (Unaudited)			
Balances as at 1 January 2026	2,007,489	48,282	203,537
Changes from financing cash flows			
Payment of leased liability - principal	-	-	(24,324)
Dividend declared	-	638,109	-
Dividend paid	-	(635,798)	-
Other changes			
Increase due to additions	-	-	4,162
Payment of leased liability - profit	-	-	2,715
Financing cost	34,069	-	(2,715)
Amortisation of transaction cost	435	-	-
Balances as at 31 March 2026	2,041,993	50,593	183,375
31 March 2025 (Unaudited)			
Balances as at 1 January 2025	2,005,918	62,934	177,821
Changes from financing cash flows			
Payment of leased liability - principal	-	-	(11,679)
Dividend paid	-	(266)	-
Other changes			
Increase due to additions	-	-	33,650
Payment of leased liability - profit	-	-	7,770
Financing cost	34,709	-	(7,770)
Amortisation of transaction cost	435	-	-
Balances as at 31 March 2025	2,041,062	62,668	199,792

16. OPERATING SEGMENTS

The operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (Chief Executive Officer) in order to allocate resources to the segments and to assess their performance.

All of the Group's operations are based in the Kingdom of Saudi Arabia.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the interim condensed consolidated statement of income. 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 31 December 2025.

For management purposes, the Group is organized into following main operating segments:

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

16. OPERATING SEGMENTS (continued)

Personal banking

Financing, deposits, other credit and investment products for individuals.

Corporate banking

Financing, deposits and other credit products for corporate, small to medium sized businesses and institutional customers.

Treasury

Treasury includes money market, foreign exchange, trading and treasury services.

Brokerage and asset management

Group provides shares brokerage services to customers (this segment includes the activities of the Bank's subsidiary AlJazeera Capital Company).

Others

Others include investment in associate, inter segment income and expense eliminations and gain on sale of other real estate.

The Group's total assets and liabilities at 31 March 2026 and 31 March 2025, its total operating income and expenses, and its net income for the three month periods then ended, by operating segment, are as follows:

(SAR'000)	Personal banking	Corporate banking	Treasury	Brokerage and asset management	Others	Total
31 March 2026						
(Unaudited)						
Total assets	51,455,665	60,472,990	56,329,216	4,514,612	341,302	173,113,785
Total liabilities	47,387,253	59,280,490	41,135,657	2,306,345	(74)	150,109,671
Net special commission income from external customers	464,622	289,670	35,670	28,715	-	818,677
Inter - segment income / (loss)	17,601	(17,693)	16,388	-	(16,296)	-
Net financing and investment income	482,223	271,977	52,058	28,715	(16,296)	818,677
Fees from banking services, net	52,817	73,789	18	74,519	(14,223)	186,920
Other operating income	47,288	21,424	121,632	13,039	(56,735)	146,648
Total operating income	582,328	367,190	173,708	116,273	(87,254)	1,152,245
Impairment charge for financing and other financial assets, net	(18,772)	(56,461)	861	-	-	(74,372)
Depreciation and amortization	(37,846)	(5,076)	(3,651)	(2,221)	-	(48,794)
Other operating expenses	(369,766)	(82,191)	(42,806)	(64,546)	288	(559,021)
Total operating expenses	(426,384)	(143,728)	(45,596)	(66,767)	288	(682,187)
Share in net income of an associate	-	-	-	236	1,419	1,655
Net income / (loss) before zakat and income tax	155,944	223,462	128,112	49,742	(85,547)	471,713

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

16. OPERATING SEGMENTS (continued)

(SAR'000)	<u>Personal banking</u>	<u>Corporate banking</u>	<u>Treasury</u>	<u>Brokerage and asset management</u>	<u>Others</u>	<u>Total</u>
31 December 2025 (Audited)						
Total assets	50,493,881	58,676,385	51,637,409	4,779,660	336,639	165,923,974
Total liabilities	40,818,288	57,717,783	42,914,733	2,698,415	(74)	144,149,145
31 March 2025 (Unaudited)						
Total assets	47,200,554	51,928,469	49,611,227	4,297,484	330,828	153,368,562
Total liabilities	46,147,352	51,693,683	34,035,507	2,411,164	(81)	134,287,625
Net special commission income from external customers	392,063	291,756	36,923	33,203	(1)	753,944
Inter - segment income / (loss)	63,769	(34,860)	(28,909)	-	-	-
Net financing and investment income	455,832	256,896	8,014	33,203	(1)	753,944
Fees from banking services, net	66,710	57,117	45	87,030	(16,313)	194,589
Other operating income	50,732	19,214	110,971	24,814	(75,046)	130,685
Total operating income	573,274	333,227	119,030	145,047	(91,360)	1,079,218
Impairment charge for financing and other financial assets, net	(16,339)	(87,074)	460	-	-	(102,953)
Depreciation and amortization	(31,837)	(3,722)	(2,712)	(3,563)	1	(41,833)
Other operating expenses	(351,271)	(71,983)	(39,809)	(61,014)	235	(523,842)
Total operating expenses	(399,447)	(162,779)	(42,061)	(64,577)	236	(668,628)
Share in net income of an associate	-	-	-	192	1,155	1,347
Net income / (loss) before zakat and income tax	173,827	170,448	76,969	80,662	(89,969)	411,937

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

17. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy

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.

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 categorization (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 input used in the fair value measurements during the period.

a) The following table presents the Group's financial assets and liabilities that are measured at fair values:

	Carrying Value	31 March 2025 (Unaudited)			Total
		Fair value (SAR'000)			
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
FVIS - Mutual funds	2,216,113	-	98,117	2,117,996	2,216,113
FVIS – Equities	584,439	42,005	-	542,434	584,439
FVIS – Sukuk – debt	23,266	-	23,266	-	23,266
FVIS–Convertible debt instrument	-	-	-	-	-
FVOCI – Equities	337,653	-	-	337,653	337,653
FVOCI – Sukuk – equity	3,193,718	-	3,193,718	-	3,193,718
FVOCI – Sukuk – debt	10,534,408	-	10,534,408	-	10,534,408
Shari'ah compliant derivatives	165,275	-	165,275	-	165,275
Total	17,054,872	42,005	14,014,784	2,998,083	17,054,872
<u>Financial liabilities measured at fair value:</u>					
Shari'ah compliant derivatives	235,590	-	235,590	-	235,590

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17 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Carrying Value	31 December 2025 (Audited) Fair value (SAR'000)			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value:</u>					
FVIS - Mutual funds	2,105,933	-	102,467	2,003,466	2,105,933
FVIS – Equities	607,262	38,300	-	568,962	607,262
FVIS–Convertible debt instrument	21,720	-	-	21,720	21,720
FVOCI – Equities	280,859	-	-	280,859	280,859
FVOCI – Sukuk – equity	3,207,441	-	3,207,441	-	3,207,441
FVOCI – Sukuk – debt	10,512,363	-	10,512,363	-	10,512,363
Shari’ah compliant derivatives	96,183	-	96,183	-	96,183
Total	16,831,761	38,300	13,918,454	2,875,007	16,831,761
<u>Financial liabilities measured at fair value:</u>					
Shari’ah compliant derivatives	180,907	-	180,907	-	180,907
<u>31 March 2025 (Unaudited) Fair value (SAR'000)</u>					
	Carrying Value	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value:</u>					
FVIS - Mutual funds	1,566,398	-	98,566	1,467,832	1,566,398
FVIS – Equities	507,926	25,337	-	482,589	507,926
FVIS–Convertible debt instrument	8,868	-	-	8,868	8,868
FVOCI – Equities	283,935	-	-	283,935	283,935
FVOCI – Sukuk – equity	3,178,356	-	3,178,356	-	3,178,356
FVOCI – Sukuk – debt	10,104,265	-	10,104,265	-	10,104,265
Shari’ah compliant derivatives	121,180	-	121,180	-	121,180
Total	15,770,928	25,337	13,502,367	2,243,224	15,770,928
<u>Financial liabilities measured at fair value:</u>					
Shari’ah compliant derivatives	183,126	-	183,126	-	183,126

Fair value of quoted investments is based on price quoted on the reporting date. Level 2 trading and hedging derivatives comprise foreign exchange, options and profit rate swaps. These foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Profit rate swaps and options are fair valued using forward profit rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

There were no changes in valuation techniques during the period.

There were no transfers between levels 1 and 2 during the period. New investments acquired during the period are classified under the relevant levels. Level 3 includes investment in unquoted equities which have been valued using a valuation model.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

17. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

c) Following table represent fair values of financial assets and liabilities which are carried at amortised cost. There are no financial assets and liabilities where fair value is measurable as level 1 and level 3 fair value.

	31 March 2026 (Unaudited) (SAR'000)	
	Amortised cost	Fair value Level 2
Financial assets:		
Due from banks and other financial institutions, net	5,134,168	5,146,005
Investment held at amortised cost, net	23,342,581	22,766,147
Financing, net	114,265,528	114,167,202
Total	142,742,277	142,079,354
Financial liabilities:		
Due to banks, Saudi Central Bank and other financial institutions	21,068,267	21,007,049
Customers' deposits	123,958,303	124,480,599
Subordinated Sukuk	2,041,993	2,041,993
Total	147,068,563	147,529,641
	31 December 2025 (Audited) (SAR'000)	
	Amortised cost	Fair value Level 2
Financial assets:		
Due from banks and other financial institutions, net	6,025,771	6,039,909
Investment held at amortised cost, net	22,232,302	21,606,319
Financing, net	110,862,169	111,505,245
Total	139,120,242	139,151,473
Financial liabilities:		
Due to banks, Saudi Central Bank and other financial institutions	23,912,230	26,710,746
Customers' deposits	115,395,315	116,229,463
Subordinated Sukuk	2,007,489	2,007,489
Total	141,315,034	144,947,698

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17. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	31 March 2025 (Unaudited) (SAR'000)	
	Amortised cost	Fair value Level 2
<u>Financial assets:</u>		
Due from banks and other financial institutions, net	6,632,286	6,650,075
Investment held at amortised cost, net	21,273,694	20,772,994
Financing, net	100,571,324	101,510,440
Total	128,477,304	128,933,509
<u>Financial liabilities:</u>		
Due to banks, Saudi Central Bank and other financial institutions	20,245,868	21,745,170
Customers' deposits	109,644,328	110,358,835
Subordinated Sukuk	2,041,062	2,041,062
Total	131,931,258	134,145,067

The fair value of the cash and balances with Saudi Central Bank, other assets and other liabilities approximate to their carrying amount. The fair values of level 2 financial instruments are estimated as at 31 March 2026 at the current applicable yield curve taking into account the counterparty risks and applicable market rate.

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and Level 3 fair values at 31 March 2026, 31 December 2025 and 31 March 2025, as well as the significant unobservable inputs used.

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17. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Type	Accounting Classification	Valuation Technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund units	FVIS	Fair valued using the net asset value determined by the fund manager. The fund manager deploys various techniques for the valuation of underlying assets classified under level 3 of the respective fund's fair value hierarchy	Risk adjusted discount rates, marketability and liquidity discounts and control premiums	None
Equities	FVIS	Includes investment in unquoted equities which have been valued using a valuation model.	Risk Free Rate, Asset Volatility	Valuation is highly sensitive to changes in the asset volatility
Equities	FVOCI	Includes investment in unquoted equities which have been valued using a valuation model.	Revenue growth rate, terminal growth rate	Higher growth rates increase fair value, while lower growth rates reduce it.
Investment held at FVOCI – Sukuks (debt & equity)	FVOCI	Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate.	Not applicable	Not applicable
Forward exchange contracts (Wa'ad) and Profit rate swaps	FVIS	Forward exchange contracts (Wa'ad): Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves Profit rate swaps: The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves.	Not applicable	Not applicable
Due from banks and other financial institutions, Financing, Due to banks and other financial institutions, Customer Deposits	Amortised Cost	Market Data: Used observable market data inputs for yield curves. Fair value technique: The fair value is determined by discounting the future cash flows. A discounted cash flow is the product of: <ul style="list-style-type: none"> The anticipated nominal magnitude and sign of a cash flow. The accumulated discount over the amount of time remaining until the anticipated time of the cash flow, at a rate of discount. The fair value is determined only for the Customers' time investments.	Not applicable	Not applicable
Investment held at amortised cost - net	Amortised Cost	Fair valued using the quoted prices, where available or estimating present value by discounting cash flows using adjusted discount rate.	Not applicable	Not applicable

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

18. 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 on a periodic basis by the Bank's management. SAMA requires holding the minimum level of the regulatory capital and maintaining a ratio of total eligible capital to the risk-weighted assets at or above the agreed minimum percentage.

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

The following table summarizes the Group's Pillar-I Risk Weighted Assets (RWA), Regulatory Capital and Capital Adequacy Ratios as per Basel III final reforms issued by SAMA (circular number 44047144) effective from January 01, 2023.

	31 March 2026 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000
Credit Risk RWA	123,801,729	116,415,075	112,056,313
Market Risk RWA	1,570,729	1,046,111	1,515,492
Operational Risk RWA	5,716,855	5,228,814	5,394,426
Total Pillar-I RWA	131,089,313	122,690,000	118,966,231
Common Equity Tier 1 (CET 1) Capital	14,824,911	15,065,179	13,987,358
Additional Tier 1 (AT1) Capital	8,214,000	6,750,000	4,875,000
Tier I Capital	23,038,911	21,815,179	18,862,358
Tier II Capital	2,702,558	2,654,505	2,644,639
Total Tier I and II Capital	25,741,469	24,469,684	21,506,997
Capital Adequacy Ratio (%)			
Common Equity Tier I Ratio	11.31%	12.28%	11.76%
Tier I ratio	17.57%	17.78%	15.86%
Total Tier I and II Capital	19.64%	19.94%	18.08%

As at 31 March 2026, the Bank is in compliance with all externally imposed capital requirements.

19. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. The related party transactions are governed by the limits set by the Banking Control Law and regulations issued by Saudi Central Bank (SAMA).

The balances as at March 31 resulting from such transactions are as follows:

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

19. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	31 March 2025 (Unaudited) SAR' 000	31 December 2025 (Audited) SAR'000	31 March 2025 (Unaudited) SAR'000
Subsidiary companies*			
Investments	500,980	500,980	500,980
Customer deposits	2,196,071	1,687,290	2,046,003
Due from banks and other financial institutions	2,152,489	2,400,930	2,272,599
Due to banks and other financial institutions	1,295,983	1,288,671	293,881
Receivables and other assets	240,970	144,199	276,576
Payables and liabilities	49,848	43,524	53,934
Commitments and contingencies	68	42	74
Notional values of outstanding shari'ah compliant contracts	3,975,457	4,142,944	3,175,436
Outstanding Sukuk liability	1,875,000	1,875,000	1,875,000
Associate with significant influence			
Investments	341,376	336,713	330,909
Customer deposits	273,622	240,811	311,809
Contingencies and commitments	7,280	7,280	7,280
Sukuk liability	194,000	160,000	150,000
Directors, key management personnel, other major shareholders and their affiliates			
Financing	2,256,074	2,383,466	2,491,276
Customers' deposits	161,798	144,553	232,455
Contingencies and commitments	2,751	7,864	21,337
Mutual Funds under subsidiary's management			
Investments	1,050,961	972,065	717,266
Customers' deposits	144,734	369,505	153,005

Other major shareholders represent shareholdings of more than 5% of the Bank's issued share capital.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

19. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Material income, expenses and other transactions with related parties included in the interim condensed consolidated financial statements information are as follows:

	Period ended 31 March 2026 <u>SAR' 000</u>	Period ended 31 March 2025 <u>SAR'000</u>
Subsidiary companies*		
Income from investments and financing	50,536	58,837
Return on deposits and financial liabilities	68,498	65,960
Fees income	-	25
Fee expense	2,613	3,086
Income under shared service agreements	288	288
Reimbursement of building related expense	1,000	731
Associate with significant influence		
Return on deposits and financial liabilities	2,689	3,086
Fees income	-	166
Insurance premium	20,522	6,785
Claims received	6,262	4,006
Investment in the sukuks issued by the Bank	34,000	-
Profit on the sukuks issued by the Bank	315	-
Directors, key management personnel, other major shareholders and their affiliates		
Income from investments and financing	35,464	43,627
Return on deposits and financial liabilities	1,523	1,955
Directors' remuneration	4,744	4,792
Operating expenses	1,400	83
Rent expense for branches	334	334
Mutual Funds under subsidiary's management		
Return on deposits and financial liabilities	1,452	2,413

*This is in addition to the requirements of IAS 24.

The total amount of compensation paid to directors and key management personnel during the period is as follows:

	Period ended 31 March 2026 <u>SAR' 000</u>	Period ended 31 March 2025 <u>SAR'000</u>
Short-term employee benefits	33,014	32,735
Termination benefits	716	577

Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

20. RESTATEMENT OF COMPARATIVE FIGURES

During the year ended 31 December 2025, as more fully explained in Note 43 to the consolidated financial statements for FY 2025, certain restatements and reclassifications were made. Accordingly, these have been appropriately reflected in the interim condensed consolidated financial information. A summary of these changes is as follows:

- (i) The Group corrected the valuation of its interest in an equity investment that was classified as investments at fair value through other comprehensive income (FVOCI) which was historically valued at cost and net assets value. As a result of using appropriate valuation method, the fair value of the investment has increased by SAR 212.63 million as at 31 March 2025.
- (ii) The Group retrospectively reclassified an investment of SAR 460 million from FVOCI to FVTPL following a refined assessment of contractual terms of Share Purchase Agreement which clarified that the embedded downside-protection feature meant the Group did not hold an equity instrument and therefore, the instrument should be measured at fair value through profit or loss. This restatement, performed under IAS 8, represented a classification shift only and resulted in no change to the Group's previously reported total assets, net profit, or equity.
- (iii) To align with the requirements of IAS 7, following a more detailed analysis of the contractual terms with cash management companies, the Group reclassified certain balances held with cash management companies from "Other assets" to "Cash and balances with SAMA" as it met the definition of cash and cash equivalents. This reclassification affected the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows, with no impact on the interim condensed consolidated statement of income and interim condensed consolidated statement of changes in equity.

The impact of these restatements and reclassifications on prior period information is summarized below:

SAR' 000	As previously presented	Impact of (i)	Impact of (ii)	Impact of (iii)	Restated balance
As at 31 March 2025					
Interim condensed consolidated statement of financial position (extract)					
Cash and balances with SAMA	6,071,950	-	-	327,519	6,399,469
Investments, net	36,710,809	212,633	-	-	36,923,442
Other assets	1,265,510	-	-	(327,519)	937,991
Total assets	153,155,929	212,633	-	-	153,368,562
Other reserves	(702,745)	212,633	-	-	(490,112)
Equity attributable to shareholders of the Bank	13,993,304	212,633	-	-	14,205,937
Total equity	18,868,304	212,633	-	-	19,080,937
Total liabilities and equity	153,155,929	212,633	-	-	153,368,562
Interim condensed consolidated statement of changes in equity (extract)					
Other reserves	(702,745)	212,633	-	-	(490,112)
Interim condensed consolidated statement of cash-flows (extract)					
Other assets	(154,393)	-	-	(137,902)	(292,295)
Net cash generated from / (used in) operating activities	(1,821,056)	-	-	(137,902)	(1,958,958)
Net change in cash and cash equivalents	(1,214,687)	-	-	(137,902)	(1,352,589)

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (CONTINUED)

20. RESTATEMENT AND COMPARATIVE FIGURES (continued)

SAR' 000	As previously presented	Impact of (i)	Impact of (ii)	Impact of (iii)	Restated balance
As at 31 March 2025					
Interim condensed consolidated statement of cash-flows (continued)					
Cash and cash equivalents at the beginning of the year	2,324,385	-	-	465,421	2,789,806
Cash and cash equivalents at the end of the year	1,109,698	-	-	327,519	1,437,217
Note 6 – Investments , net					
Held at FVIS	1,623,192	-	460,000	-	2,083,192
Held at FVOCI, net	13,813,923	212,633	(460,000)	-	13,566,556

In addition, certain prior period amounts have been rearranged or reclassified in some notes, wherever necessary, to align with the current period's presentation. However, there was no impact of such reclassifications on the interim condensed consolidated statement of income and interim condensed consolidated statement of changes in equity.

21. IMPACT OF GEO-POLITICAL SITUATION ON EXPECTED CREDIT LOSSES ("ECL")

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

The Group continues to evaluate and closely monitor the current situation to assess any impact geopolitical situation may have had on its business and financial performance.

The prevailing geopolitical situation, has brought about additional uncertainties in the economic environment which require the Group to revise certain inputs and assumptions used for the determination of expected credit losses ("ECL"). In response to the increased uncertainty, the Group has reassessed the forward-looking assumptions used in the measurement of expected credit losses ("ECL"), including macroeconomic scenarios and their associated probability weightings. Accordingly, the Group has adjusted the scenario weightings to reflect a more cautious outlook, with relatively higher weight assigned to the downside scenario, which incorporates a higher degree of stress in key macroeconomic variables. The revised assumptions reflect management's best estimate of the potential impact of the evolving geopolitical conditions as at the reporting date. The resulting impact was assessed to be immaterial.

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

22. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was authorized for issue by the Board of Directors of the Bank on 20 April 2026 (corresponding to 3rd Dhul Qadah, 1447AH).