



BANK ALBILAD
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025



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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Bank Albilad - A Saudi Joint Stock Company (“the Bank”) and its subsidiaries (collectively referred to as “the Group”) as at June 30, 2025, and the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes (collectively referred to as “the interim condensed consolidated financial statements”). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Ernst & Young Professional Services

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5 Safar 1447H
30 July 2025



BANK ALBILAD

(A Saudi Joint Stock Company)

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

		June 30, 2025 SAR'000 (Unaudited)	December 31, 2024 SAR'000 (Audited)	June 30, 2024 SAR'000 (Unaudited)
	Note			
ASSETS				
Cash and balances with Saudi Central Bank		10,909,768	11,248,481	8,114,425
Due from banks and other financial institutions, net		2,821,961	5,099,401	6,487,515
Investments, net	5	28,637,266	25,032,071	22,890,668
Financing, net	6	115,688,861	109,304,086	104,309,834
Other assets		1,190,843	1,909,913	1,243,967
Property, equipment and right of use assets, net		2,653,597	2,370,735	2,244,099
Total assets		<u>161,902,296</u>	<u>154,964,687</u>	<u>145,290,508</u>
LIABILITIES AND EQUITY				
Liabilities				
Due to banks, Saudi Central Bank and other financial institutions		6,308,340	5,492,799	4,321,420
Customers' deposits	7	123,928,506	121,776,215	114,529,961
Sukuk and term financing	8	3,144,457	3,147,121	3,050,601
Other liabilities		7,764,611	7,855,322	7,582,779
Total liabilities		<u>141,145,914</u>	<u>138,271,457</u>	<u>129,484,761</u>
Equity				
Share capital	14	15,000,000	12,500,000	12,500,000
Treasury shares		(190,439)	(210,866)	(218,505)
Statutory reserve		1,883,989	2,883,989	2,182,356
Other reserves		(235,432)	(387,077)	(387,000)
Retained earnings		1,835,283	1,869,134	1,697,208
Employees' share plan reserve		25,123	38,050	31,688
Equity attributable to the shareholders of the Bank		<u>18,318,524</u>	<u>16,693,230</u>	<u>15,805,747</u>
Tier 1 Sukuk	8	2,437,858	-	-
Total equity		<u>20,756,382</u>	<u>16,693,230</u>	<u>15,805,747</u>
Total liabilities and equity		<u>161,902,296</u>	<u>154,964,687</u>	<u>145,290,508</u>

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

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

	<u>For the three month period ended</u>		<u>For the six month period ended</u>		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	
	<u>Note</u>	<u>SAR'000</u>	<u>SAR'000</u>	<u>SAR'000</u>	
INCOME:					
Income from investing and financing assets		2,248,715	2,104,692	4,440,991	4,164,922
Return on deposits and financial liabilities		(1,071,978)	(1,019,918)	(2,102,258)	(2,035,419)
Income from investing and financing assets, net		1,176,737	1,084,774	2,338,733	2,129,503
Fee and commission income		322,739	278,458	616,254	557,624
Fee and commission expenses		(131,994)	(123,210)	(253,808)	(245,276)
Fee and commission income, net		190,745	155,248	362,446	312,348
Exchange income, net		82,452	71,678	167,268	126,520
Dividend income		33,171	24,025	54,676	76,576
Gain on FVSI Financial instruments, net		5,762	24,252	8,007	28,506
Other operating income		51,844	47,764	73,428	75,638
Total operating income		1,540,711	1,407,741	3,004,558	2,749,091
EXPENSES:					
Salaries and employee related expenses		374,625	357,048	751,081	700,603
Depreciation and amortization		74,907	67,544	146,176	133,523
Other general and administrative expenses		188,652	153,090	371,076	316,469
Operating expenses before expected credit losses		638,184	577,682	1,268,333	1,150,595
Impairment charge for expected credit losses, net		48,831	82,181	101,722	133,728
Total operating expenses		687,015	659,863	1,370,055	1,284,323
Net income for the period before zakat		853,696	747,878	1,634,503	1,464,768
Zakat for the period		87,931	77,031	168,354	150,871
Net income for the period after zakat		765,765	670,847	1,466,149	1,313,897
Basic and diluted earnings per share (SAR)	16	0.51	0.45	0.98	0.88

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

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	<u>For the three month period ended</u>		<u>For the six month period ended</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<u>Note</u>	<u>SAR'000</u>	<u>SAR'000</u>	<u>SAR'000</u>	<u>SAR'000</u>
Net income for the period after zakat	765,765	670,847	1,466,149	1,313,897
Other comprehensive income / (loss):				
Items that will not be reclassified to interim consolidated statement of income in subsequent periods				
- Net changes in fair value of FVOCI - equity instruments	(42,316)	(5,051)	(60,822)	(21,282)
- Re-measurement of employees' end of service benefits ("EOSB")	552	1,360	3,858	(8,363)
Items that may be reclassified to interim consolidated statement of income in subsequent periods				
- Net changes in fair value of FVOCI - debt instruments	(10,113)	(8,180)	209,055	(181,163)
- Impairment reversal for expected credit losses of FVOCI - debt instruments	7,300	711	9,296	33
- Effective portion of change in the fair value of cash flow hedges	10 (2,271)	(19,410)	(9,742)	1,994
Total other comprehensive (loss) / income for the period	(46,848)	(30,570)	151,645	(208,781)
Total comprehensive income for the period	718,917	640,277	1,617,794	1,105,116

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

BANK ALBILAD

(A Saudi Joint Stock Company)

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)**

		2025 (SAR' 000)								
	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
Balance at the beginning of the period		12,500,000	(210,866)	2,883,989	(387,077)	1,869,134	38,050	16,693,230	-	16,693,230
Net changes in fair value of FVOCI - equity instruments					(60,822)			(60,822)		(60,822)
Re-measurement of employees' end of service benefits ("EOSB")					3,858			3,858		3,858
Net changes in fair value of FVOCI - debt instruments					209,055			209,055		209,055
Impairment reversal for expected credit losses of FVOCI - debt instruments					9,296			9,296		9,296
Effective portion of change in fair value of cash flow hedge					(9,742)			(9,742)		(9,742)
Total other comprehensive income for the period					151,645			151,645		151,645
Net income for the period after zakat						1,466,149		1,466,149		1,466,149
Total comprehensive income for the period					151,645	1,466,149		1,617,794		1,617,794
Movement in treasury shares			20,427					20,427		20,427
Employees' share plan reserve							(12,927)	(12,927)		(12,927)
Tier 1 Sukuk issued	8								2,437,858	2,437,858
Issuance of bonus shares		2,500,000		(1,000,000)		(1,500,000)		-		-
Balance at the end of the period		15,000,000	(190,439)	1,883,989	(235,432)	1,835,283	25,123	18,318,524	2,437,858	20,756,382

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BANK ALBILAD

(A Saudi Joint Stock Company)

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024 (UNAUDITED)**

		2024 (SAR' 000)								
	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Employees' share plan reserve	Equity attributable to the shareholders	Tier 1 sukuk	Total equity
Balance at the beginning of the period		10,000,000	(148,493)	2,182,356	(166,337)	3,371,429	19,155	15,258,110	-	15,258,110
Net changes in fair value of FVOCI - equity instruments					(21,282)			(21,282)		(21,282)
Re-measurement of employees' end of service benefits ("EOSB")					(8,363)			(8,363)		(8,363)
Net changes in fair value of FVOCI - debt instruments					(181,163)			(181,163)		(181,163)
Impairment reversal for expected credit losses of FVOCI - debt instruments					33			33		33
Effective portion of change in fair value of cash flow hedge					1,994			1,994		1,994
Total other comprehensive loss for the period					(208,781)			(208,781)		(208,781)
Net income for the period after zakat						1,313,897		1,313,897		1,313,897
Total comprehensive income for the period					(208,781)	1,313,897		1,105,116		1,105,116
Realized gain from sale of FVOCI - equity instruments					(11,882)	11,882				-
Movement in treasury shares			(70,012)					(70,012)		(70,012)
Employees' share plan reserve							12,533	12,533		12,533
Dividends paid	15					(500,000)		(500,000)		(500,000)
Issuance of bonus shares		2,500,000				(2,500,000)		-		-
Balance at the end of the period		12,500,000	(218,505)	2,182,356	(387,000)	1,697,208	31,688	15,805,747	-	15,805,747

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

BANK ALBILAD

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 AND 2024 (UNAUDITED)**

	<u>Note</u>	<u>2025</u> <u>SAR'000</u>	<u>2024</u> <u>SAR'000</u>
OPERATING ACTIVITIES			
Net income for the period before zakat		1,634,503	1,464,768
Adjustments to reconcile net income to net cash generated from / (used in) operating activities:			
Return on sukuk		105,899	119,322
Gain on FVSI Financial instruments, net		(8,007)	(28,506)
Gain on disposal of property and equipment, net		-	(167)
Finance charges on lease liabilities		6,842	5,837
Depreciation and amortization		146,176	133,523
Impairment charge for expected credit losses, net		101,722	133,728
Employees' share plan reserve		(12,927)	12,533
Net (increase) / decrease in operating assets:			
Statutory deposit with Saudi Central Bank		(211,730)	(133,185)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		(182,244)	(31,946)
Investments at amortized cost maturing after ninety days from the date of acquisition		275,091	1,120,646
Financing, net		(6,470,479)	(2,368,629)
Other assets		719,070	390,717
Net increase / (decrease) in operating liabilities:			
Due to banks, Saudi Central Bank and other financial institutions		815,541	47,512
Customers' deposits		2,152,291	1,698,716
Other liabilities		(390,698)	(216,639)
Net cash (used in) / generated from operating activities		(1,318,950)	2,348,230
INVESTING ACTIVITIES			
Purchase of investments held as FVOCI		(3,556,297)	(1,293,908)
Proceeds from sale of investments held as FVOCI		775,459	193,473
Proceeds from sale of investments held as FVSI		106,340	15,862
Purchase of investments held as amortized cost		(1,056,270)	(1,015,596)
Purchase of property and equipment		(262,452)	(211,321)
Proceeds from sale of property and equipment		-	167
Net cash used in investing activities		(3,993,220)	(2,311,323)
FINANCING ACTIVITIES			
Sukuk return paid		(108,563)	(120,334)
Issuance of sukuk	8	2,437,858	-
Movement in treasury shares		20,427	(70,012)
Dividends paid		-	(500,000)
Payment of finance charges on lease liabilities		(6,842)	(5,837)
Principal payment of lease liabilities		(40,837)	(57,107)
Net cash from / (used in) financing activities		2,302,043	(753,290)
Net decrease in cash and cash equivalents		(3,010,127)	(716,383)
Cash and cash equivalents at the beginning of the period		8,727,034	6,869,477
Cash and cash equivalents at the end of the period	11	5,716,907	6,153,094
Supplemental information			
Income received from investing and financing assets during the period		4,416,962	4,211,275
Return paid on deposits and financial liabilities during the period		2,080,480	2,103,497
Effective portion of change in fair value of cash flow hedge		(9,742)	1,994

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

BANK ALBILAD

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)

1. GENERAL

a) Incorporation and operation

Bank Albilad (“the Bank”), a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia, was formed and licensed pursuant to Royal Decree No. M/48 dated Ramadan 21, 1425 (corresponding to November 4, 2004) in accordance with the Counsel of Ministers’ resolution no. 258 dated Ramadan 18, 1425 (corresponding to November 1, 2004). The Bank operates under Commercial Registration No 1010208295 (Unified Identification No 7001473102) dated Rabi Al Awal 10, 1426H (corresponding to April 19, 2005) and the Bank provides these services through 107 banking branches (June 30, 2024: 107) in the Kingdom of Saudi Arabia.

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

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

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

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

b) Sharia Committee

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group as at and for the six month period ended June 30, 2025, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and Banking Control Law and Regulations for Companies in the Kingdom of Saudi Arabia. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024.

BANK ALBILAD

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)

2. BASIS OF PREPARATION (continued)

The consolidated financial statements of the Group as at and for the year ended December 31, 2024, were prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and Banking Control Law and Regulations for Companies in the Kingdom of Saudi Arabia. The interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and amounts are rounded to the nearest thousand except where otherwise stated and the functional currency of the Bank is Saudi Riyal except where otherwise stated in the notes to the financial information.

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

In preparing these interim condensed consolidated financial statements, significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation were consistent with those that were applied to the consolidated financial statements for the year ended December 31, 2024, except as disclosed below in note 3.

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

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025.

New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group:

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

Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which are effective from periods on or after January 1, 2026. The Group did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on these interim condensed consolidated financial statements of the Group.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****3. IMPACT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS
(continued)**

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027

4. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The material accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****5. INVESTMENTS, NET**

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Fair value through other comprehensive income (FVOCI)			
Equities	822,226	578,871	604,595
Sukuk	<u>10,878,440</u>	<u>8,183,428</u>	<u>6,987,023</u>
	<u>11,700,666</u>	<u>8,762,299</u>	<u>7,591,618</u>
Fair value through statement of income (FVSI)			
Mutual funds	901,788	1,023,956	1,006,393
Equities	<u>122,100</u>	<u>98,265</u>	<u>68,133</u>
	<u>1,023,888</u>	<u>1,122,221</u>	<u>1,074,526</u>
Amortized cost			
Sukuk	15,035,863	13,995,611	13,412,608
Bai Alajel with Saudi Central Bank	<u>876,849</u>	<u>1,151,940</u>	<u>811,916</u>
	<u>15,912,712</u>	<u>15,147,551</u>	<u>14,224,524</u>
Total	<u>28,637,266</u>	<u>25,032,071</u>	<u>22,890,668</u>

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

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	15,168,822	-	-	15,168,822
Net change during the period	774,920	-	-	774,920
Gross exposure amount as at June 30, 2025	<u>15,943,742</u>	-	-	<u>15,943,742</u>
<hr/>				
December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	14,344,154	-	-	14,344,154
Net change during the year	824,668	-	-	824,668
Gross exposure amount as at December 31, 2024	<u>15,168,822</u>	-	-	<u>15,168,822</u>
<hr/>				
June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure as at January 1, 2024	14,344,154	-	-	14,344,154
Net change during the period	(104,831)	-	-	(104,831)
Gross exposure as at June 30, 2024	<u>14,239,323</u>	-	-	<u>14,239,323</u>

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

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	21,271	-	-	21,271
Net charge for the period	9,759	-	-	9,759
Expected credit loss allowance as at June 30, 2025	31,030	-	-	31,030
December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	19,713	-	-	19,713
Net charge for the year	1,558	-	-	1,558
Expected credit loss allowance as at December 31, 2024	21,271	-	-	21,271
June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	19,713	-	-	19,713
Net reversal for the period	(4,914)	-	-	(4,914)
Expected credit loss allowance as at June 30, 2024	14,799	-	-	14,799

6. FINANCING, NET

	June 30, 2025 SAR'000 (Unaudited)	December 31, 2024 SAR'000 (Audited)	June 30, 2024 SAR'000 (Unaudited)
Commercial	60,921,539	58,012,977	53,450,158
Retail	55,890,924	52,599,477	52,254,422
Performing financing	116,812,463	110,612,454	105,704,580
Non-performing financing	1,244,628	1,329,832	1,351,878
Gross financing	118,057,091	111,942,286	107,056,458
Allowance for expected credit losses	(2,368,230)	(2,638,200)	(2,746,624)
Financing, net	115,688,861	109,304,086	104,309,834

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

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2025	102,061,103	8,551,351	1,329,832	111,942,286
Transfers to stage 1	349,072	(324,321)	(24,751)	-
Transfers to stage 2	(1,095,163)	1,109,706	(14,543)	-
Transfers to stage 3	(249,701)	(164,963)	414,664	-
Net change for the period	8,501,233	(2,072,514)	34,261	6,462,980
Write-offs	-	-	(348,175)	(348,175)
Gross exposure amount as at June 30, 2025	109,566,544	7,099,259	1,391,288	118,057,091
December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	95,032,269	8,510,696	1,432,961	104,975,926
Transfers to stage 1	584,349	(540,287)	(44,062)	-
Transfers to stage 2	(1,470,370)	1,478,695	(8,325)	-
Transfers to stage 3	(169,650)	(201,111)	370,761	-
Net change for the year	8,084,505	(696,642)	(43,898)	7,343,965
Write-offs	-	-	(377,605)	(377,605)
Gross exposure amount as at December 31, 2024	102,061,103	8,551,351	1,329,832	111,942,286
June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	95,032,269	8,510,696	1,432,961	104,975,926
Transfers to stage 1	139,456	(107,792)	(31,664)	-
Transfers to stage 2	(2,847,915)	2,850,744	(2,829)	-
Transfers to stage 3	(60,147)	(184,359)	244,506	-
Net change for the period	1,557,212	814,416	(8,624)	2,363,004
Write-offs	-	-	(282,472)	(282,472)
Gross exposure amount as at June 30, 2024	93,820,875	11,883,705	1,351,878	107,056,458

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

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	314,278	1,280,100	1,043,822	2,638,200
Transfers to stage 1	1,901	(1,855)	(46)	-
Transfers to stage 2	(73,016)	76,002	(2,986)	-
Transfers to stage 3	(179,376)	(140,557)	319,933	-
Net charge / (reversal) for the period	268,882	(235,080)	44,403	78,205
Write-offs	-	-	(348,175)	(348,175)
Expected credit loss allowance as at June 30, 2025	332,669	978,610	1,056,951	2,368,230
December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	344,385	1,456,571	1,094,905	2,895,861
Transfers to stage 1	1,440	(1,157)	(283)	-
Transfers to stage 2	(111,772)	113,549	(1,777)	-
Transfers to stage 3	(121,793)	(125,239)	247,032	-
Net charge / (reversal) for the year	202,018	(163,624)	81,550	119,944
Write-offs	-	-	(377,605)	(377,605)
Expected credit loss allowance as at December 31, 2024	314,278	1,280,100	1,043,822	2,638,200
June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	344,385	1,456,571	1,094,905	2,895,861
Transfers to stage 1	728	(567)	(161)	-
Transfers to stage 2	(137,931)	138,382	(451)	-
Transfers to stage 3	(41,775)	(111,611)	153,386	-
Net charge / (reversal) for the period	107,111	31,038	(4,914)	133,235
Write-offs	-	-	(282,472)	(282,472)
Expected credit loss allowance as at June 30, 2024	272,518	1,513,813	960,293	2,746,624

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Customers' deposits comprise of the following:

	June 30, 2025 SAR'000 (Unaudited)	December 31, 2024 SAR'000 (Audited)	June 30, 2024 SAR'000 (Unaudited)
Demand	44,107,036	43,177,327	43,290,455
Direct investment	43,311,123	44,573,389	34,389,399
Albilad account (Mudarabah)	32,802,146	30,174,831	33,384,380
Others	3,708,201	3,850,668	3,465,727
Total	123,928,506	121,776,215	114,529,961

8. SUKUK AND TERM FINANCING

Sukuk and term financing comprises of:

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Sukuk Tier 2	3,044,457	3,047,121	3,050,601
Term financing	100,000	100,000	-
Total	3,144,457	3,147,121	3,050,601

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

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

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

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Letters of guarantee	14,777,981	15,447,178	15,202,647
Letters of credit	1,898,600	1,785,736	2,202,630
Acceptances	736,777	888,065	528,960
Irrevocable commitments to extend credit	1,321,895	1,839,320	2,178,565
Total	18,735,253	19,960,299	20,112,802

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

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

December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	17,400,550	1,252,202	238,927	18,891,679
Transfers to stage 1	152,028	(152,028)	-	-
Transfers to stage 2	(131,137)	131,137	-	-
Transfers to stage 3	-	(35,634)	35,634	-
Net change for the year	1,547,977	(376,192)	(103,165)	1,068,620
Gross exposure amount as at December 31, 2024	18,969,418	819,485	171,396	19,960,299

June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Gross exposure amount as at January 1, 2024	17,400,550	1,252,202	238,927	18,891,679
Transfers to stage 1	50,128	(50,128)	-	-
Transfers to stage 2	(716,254)	716,254	-	-
Transfers to stage 3	-	(21,111)	21,111	-
Net change for the period	545,147	691,298	(15,322)	1,221,123
Gross exposure amount as at June 30, 2024	17,279,571	2,588,515	244,716	20,112,802

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

June 30, 2025 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2025	41,867	14,243	72,578	128,688
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(11,328)	11,328	-	-
Transfers to stage 3	(12,950)	(4,350)	17,300	-
Net charge / (reversal) for the period	16,176	4,107	(12,783)	7,500
Expected credit loss allowance as at June 30, 2025	33,765	25,328	77,095	136,188
December 31, 2024 (Audited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	58,018	12,600	65,329	135,947
Transfers to stage 1	377	(377)	-	-
Transfers to stage 2	(439)	439	-	-
Transfers to stage 3	-	(10,344)	10,344	-
Net (reversal) / charge for the year	(16,089)	11,925	(3,095)	(7,259)
Expected credit loss allowance as at December 31, 2024	41,867	14,243	72,578	128,688
June 30, 2024 (Unaudited) SAR' 000	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL not credit impaired)	Stage 3 (Lifetime ECL credit impaired)	Total
Expected credit loss allowance as at January 1, 2024	58,018	12,600	65,329	135,947
Transfers to stage 1	948	(948)	-	-
Transfers to stage 2	(549)	549	-	-
Transfers to stage 3	-	(10,315)	10,315	-
Net (reversal) / charge for the period	(11,959)	20,826	(3,242)	5,625
Expected credit loss allowance as at June 30, 2024	46,458	22,712	72,402	141,572

- b) The Group is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as disclosed at December 31, 2024.

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

June 30, 2025 (Unaudited) SAR in '000'	Positive fair value	Negative fair value	Notional amount Total	Effective portion of change in the fair value of cash flow hedges	Ineffective portion of change in the fair value of cash flow hedges
Held for trading:					
Profit rate swaps	23,708	(22,917)	1,266,092	-	-
Forward foreign exchange contracts	5,900	(4,076)	1,787,896	-	-
Held as cash flow hedges:					
Profit rate swaps	-	(11,810)	600,000	(9,742)	-
Total	29,608	(38,803)	3,653,988	(9,742)	-

December 31, 2024 (Audited) SAR in '000'	Positive fair value	Negative fair value	Notional amount Total	Effective portion of change in the fair value of cash flow hedges	Ineffective portion of change in the fair value of cash flow hedges
Held for trading:					
Profit rate swaps	21,080	(19,565)	1,162,442	-	-
Forward foreign exchange contracts	2,988	(3,749)	2,400,999	-	-
Held as cash flow hedges:					
Profit rate swaps	411	(2,479)	600,000	2,564	-
Total	24,479	(25,793)	4,163,441	2,564	-

June 30, 2024 (Unaudited) SAR in '000'	Positive fair value	Negative fair value	Notional amount Total	Effective portion of change in the fair value of cash flow hedges	Ineffective portion of change in the fair value of cash flow hedges
Held for trading:					
Profit rate swaps	30,104	(29,378)	1,311,639	-	-
Forward foreign exchange contracts	3,103	(1,571)	1,954,507	-	-
Held as cash flow hedges:					
Profit rate swaps	-	(1,429)	300,000	1,994	-
Total	33,207	(32,378)	3,566,146	1,994	-

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

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Cash and balances with Saudi Central Bank (excluding statutory deposit)	4,685,773	5,236,216	2,533,481
Due from banks and other financial institutions (maturing within ninety days from acquisition)	1,031,134	3,490,818	3,619,613
Total	5,716,907	8,727,034	6,153,094

12. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

SAR' 000	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
June 30, 2025 (Unaudited)					
Financial assets measured at fair value					
Held as FVSI mutual funds	901,788	62,920	838,868	-	901,788
Held as FVSI equity instruments	122,100	122,100	-	-	122,100
Held as FVOCI equity instruments	822,226	659,221	-	163,005	822,226
Held as FVOCI debt instruments	10,878,440	10,358,705	519,735	-	10,878,440
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	2,821,961	-	-	2,821,961	2,821,961
Investments held at amortized cost	15,912,712	10,432,178	4,814,979	-	15,247,157
Financing, net	115,688,861	-	-	115,950,081	115,950,081
Fair value					
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2024 (Audited)					
Financial assets measured at fair value					
Held as FVSI mutual funds	1,023,956	102,090	921,866	-	1,023,956
Held as FVSI equity instruments	98,265	98,265	-	-	98,265
Held as FVOCI equity instruments	578,871	417,931	-	160,940	578,871
Held as FVOCI debt instruments	8,183,428	7,670,703	512,725	-	8,183,428
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	5,099,401	-	-	5,099,401	5,099,401
Investments held at amortized cost	15,147,551	9,964,509	4,227,426	-	14,191,935
Financing, net	109,304,086	-	-	109,503,201	109,503,201
Fair value					
SAR' 000	Carrying value	Level 1	Level 2	Level 3	Total
June 30, 2024 (Unaudited)					
Financial assets measured at fair value					
Held as FVSI mutual funds	1,006,393	88,562	917,831	-	1,006,393
Held as FVSI equity instruments	68,133	68,133	-	-	68,133
Held as FVOCI equity instruments	604,595	443,655	-	160,940	604,595
Held as FVOCI debt instruments	6,987,023	6,597,858	389,165	-	6,987,023
Financial assets not measured at fair value					
Due from banks and other financial institutions, net	6,487,515	-	-	6,487,515	6,487,515
Investments held at amortized cost	14,224,524	9,860,179	3,270,929	-	13,131,108
Financing, net	104,309,834	-	-	104,539,580	104,539,580

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

SAR' 000	<u>Carrying value</u>	Fair value			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
December 31, 2024 (Audited)					
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	5,492,799	-	-	5,492,799	5,492,799
Customers' deposits	121,776,215	-	-	121,776,215	121,776,215
Sukuk and term financing	3,147,121	-	-	3,147,121	3,147,121

SAR' 000	<u>Carrying value</u>	Fair value			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
June 30, 2024 (Unaudited)					
Financial liabilities not measured at fair value					
Due to banks, Saudi Central Bank and other financial institutions	4,321,420	-	-	4,321,420	4,321,420
Customers' deposits	114,529,961	-	-	114,529,961	114,529,961
Sukuk	3,050,601	-	-	3,050,601	3,050,601

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

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

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

Valuation technique and significant unobservable inputs for level 2

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

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

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

Reconciliation of level 3 fair values held as FVOCI

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Balance at the beginning of the period	160,940	151,530	151,530
Gain / (loss) included in OCI			
Net changes in fair value (unrealised)	2,065	9,410	9,410
Balance at the end of the period	163,005	160,940	160,940

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****13. OPERATING SEGMENT**

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

There has been no change to the basis of segmentation or the measurements basis for the segment profit or loss since December 31, 2024.

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

Retail banking

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

Corporate banking

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

Treasury

Money market and treasury services.

Investment banking and brokerage

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

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

The Group’s total operating income and expenses, and net income before zakat, for the six month period ended June 30, 2025 and 2024, for each segment are as follows:

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

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****13. OPERATING SEGMENT (continued)**

	June 30, 2024 (Unaudited)				Total
	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	
SAR'000					
Income from investing and financing assets, net	829,283	795,395	422,004	82,821	2,129,503
Fee, commission and other income, net	246,060	100,893	167,418	105,217	619,588
Total operating income	1,075,343	896,288	589,422	188,038	2,749,091
Impairment charge / (reversal) for expected credit losses, net	111,525	27,117	(5,081)	167	133,728
Depreciation and amortization	111,831	17,552	3,416	724	133,523
Total operating expenses	965,490	190,364	46,974	81,495	1,284,323
Net income for the period before zakat	109,853	705,924	542,448	106,543	1,464,768

The Group's total assets and liabilities at June 30, 2025 and 2024 and December 31, 2024, for each segment are as follows:

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

	December 31, 2024 (Audited)				Total
	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	
SAR'000					
Total assets	66,558,282	56,795,551	30,421,573	1,189,281	154,964,687
Total liabilities	68,458,285	31,149,431	38,433,793	229,948	138,271,457

	June 30, 2024 (Unaudited)				Total
	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	
SAR'000					
Total assets	62,792,897	52,065,436	29,310,124	1,122,051	145,290,508
Total liabilities	68,161,340	31,139,897	30,083,667	99,857	129,484,761

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****14. SHARE CAPITAL AND BONUS SHARES**

The authorized, issued and fully paid share capital of the Bank consists of 1,500 million shares of SAR 10 each (June 30, 2024: 1,250 million shares of SAR 10 each).

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

The Board of Directors in its meeting held on Rajab 23, 1445H (corresponding to February 4, 2024) recommended to the Extra-ordinary General Assembly the issuance of bonus shares of one share for every four shares held. The increase has been approved in the Extraordinary General Assembly meeting held on Shawwal 20, 1445H (corresponding to April 29, 2024), increasing the Bank's capital from SAR 10,000 million to SAR 12,500 million. The increase has been done through capitalization of SAR 2,500 million from the retained earnings. The number of shares outstanding after the bonus issuance increased from 1,000 million shares to 1,250 million shares.

15. CASH DIVIDEND

During 2024, the Board of Directors recommended the distribution of cash dividends of SAR 500 million to shareholders for the year 2023 in the meeting held on Rajab 23, 1445H (corresponding to February 4, 2024). The dividend distribution has been approved in the Extraordinary General Assembly meeting held on Shawwal 20, 1445H (corresponding to April 29, 2024).

The Board of Directors approved to distribute interim cash dividends of SAR 675 million to shareholders for the first half of 2025 in the meeting held Muharram 27, 1447H (corresponding to July 22, 2025).

16. BASIC AND DILUTED EARNING PER SHARE

Basic and diluted earnings per share for the six month period ended June 30, 2025 and 2024 is calculated by dividing the net income for the period attributable to the equity holders by the weighted average number of outstanding shares as of June 30, 2025: 1,490 million shares (June 30, 2024: 1,490 million shares - restated) after accounting for treasury shares.

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

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

	2025 SAR' 000 <u>(Unaudited)</u>	2024 SAR' 000 <u>(Unaudited)</u>
a. Directors, key management personnel, other major shareholders, their affiliates balances and others:		
• Financing	2,569,457	2,241,193
• Commitments and contingencies	129,267	137,940
• Customers' deposits	108,261	27,028
	2025 SAR' 000 <u>(Unaudited)</u>	2024 SAR' 000 <u>(Unaudited)</u>
b. Group's mutual funds:		
These are the outstanding balances with Group's mutual funds as of June 30:		
• Customers' deposits	558	6,629
• Investments	405,551	133,282
c. Income and expense:		
Directors, Key management personnel, other major shareholders and their affiliates and mutual funds managed by the Group:		
	2025 SAR' 000 <u>(Unaudited)</u>	2024 SAR' 000 <u>(Unaudited)</u>
• Income	99,309	144,095
• Expenses	6,987	7,262
d. The total amount of compensation paid to key management personnel for the six month period ended June 30 is as follows:		
	2025 SAR' 000 <u>(Unaudited)</u>	2024 SAR' 000 <u>(Unaudited)</u>
• Employee benefits	114,813	103,322

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)****18. CAPITAL ADEQUACY**

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

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management. Saudi Central Bank requires holding the minimum level of the regulatory capital and maintaining a ratio of total regulatory capital to the risk-weighted asset at or above the agreed minimum of 8%.

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

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

	June 30, 2025 SAR' 000 (Unaudited)	December 31, 2024 SAR' 000 (Audited)	June 30, 2024 SAR' 000 (Unaudited)
Credit Risk RWA	112,716,267	106,050,880	101,689,430
Operational Risk RWA	5,022,005	6,479,677	6,479,677
Market Risk RWA	3,591,533	2,176,515	2,738,043
Total Pillar-I RWA	121,329,805	114,707,072	110,907,150
CET1	18,318,524	16,693,230	15,805,747
Tier I Capital	20,756,382	16,693,230	15,805,747
Tier II Capital	4,408,055	4,324,648	4,269,993
Total Tier I & II Capital	25,164,437	21,017,878	20,075,740
Capital Adequacy Ratio %			
Common Equity Tier I ratio	15.10%	14.55%	14.25%
Tier I ratio	17.11%	14.55%	14.25%
Tier I + Tier II ratio	20.74%	18.32%	18.10%

19. BOARD OF DIRECTORS' APPROVAL

These interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors on Safar 2, 1447H (corresponding to July 27, 2025).