



AL RAJHI BANKING AND INVESTMENT CORPORATION
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
As of and for the three-month period ended 31 March 2024

CONTENTS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	Page Number
Auditors' Report	
Interim Condensed Consolidated Statement of Financial Position	1
Interim Condensed Consolidated Statement of Income	2
Interim Condensed Consolidated Statement of Comprehensive Income	3
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	4
Interim Condensed Consolidated Statement of Cash Flows	5-6
Notes to the Interim Condensed Consolidated Financial Information	
1) General	7-8
2) Basis of preparation	9
3) Impact of changes in accounting policies due to adoption of new standards	9-11
4) Cash and balances with Central Banks	11
5) Due from banks and other financial institutions, net	12
6) Investments, net	12-14
7) Shariah compliant derivatives	15
8) Financing, net	16-18
9) Due to banks and other financial institutions	19
10) Customers' deposits	19
11) Sukuk issued	19
12) Equity Sukuk	19-20
13) Earnings per share	20
14) Commitments and contingencies	20-22
15) Other reserves	22
16) Cash and cash equivalents	22
17) Operating segments	23-24
18) Fair values of financial assets and liabilities	24-27
19) Dividends	27
20) Capital adequacy	27-28
21) IBOR Transition (Profit Rate Benchmark Reforms)	28
22) Related party transactions	29
23) Comparative Figures	29
24) Approval of the Board of Directors	29

**KPMG Professional Services**

(Professional Closed Joint Stock Company)
Paid-up capital SR 40,000,000

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

Headquarters in Riyadh

kpmg.com/sa

**Ernst & Young Professional Services**

(Professional LLC)

Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)

Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898

+966 11 273 4740

Fax: +966 11 273 4730

ey.ksa@sa.ey.com

ey.com

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

To: The Shareholders of
Al Rajhi Banking and Investment Corporation
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of **Al Rajhi Banking and Investment Corporation** (the "Bank") and its subsidiaries (collectively referred to as the "Group"), consisting of the interim condensed consolidated statement of financial position as at 31 March 2024, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and explanatory notes (the "interim condensed consolidated financial information"). Management is responsible for the preparation and presentation of the 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 the 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other regulatory matters

As required by Saudi Central Bank ("SAMA"), certain capital adequacy information has been disclosed in note 20 to the accompanying interim condensed consolidated financial information. As part of our review, we compared the information in note 20 to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

KPMG Professional Services

Khalil Ibrahim Al Sedais

Certified Public Accountant

License no. 371

**Ernst and Young Professional Services**

Waleed G. Tawfiq

Certified Public Accountant

License no. 437



27 Shawwal 1445H
(06 May 2024)

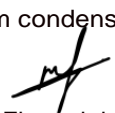
AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)
Interim Condensed Consolidated Statement of Financial Position
(SAR'000)

As at	Note	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Assets				
Cash and balances with Central Banks	4	43,171,472	41,767,641	45,624,860
Due from banks and other financial institutions, net	5	8,913,463	9,506,673	13,009,960
Investments, net	6	142,071,746	133,375,565	113,925,737
Positive fair value of Shariah compliant derivatives	7	1,089,958	877,676	839,892
Financing, net	8	608,989,943	594,204,806	577,010,771
Other assets, net		14,841,995	11,716,865	10,415,878
Investment in associate		967,907	923,046	811,017
Investment properties, net		1,365,649	1,362,658	1,359,335
Property, equipment, and right of use assets, net		13,056,990	12,852,774	11,525,696
Goodwill and other intangibles, net		1,522,860	1,510,568	1,272,565
Total assets		835,991,983	808,098,272	775,795,711
Liabilities and equity				
Liabilities				
Due to banks and other financial institutions	9	82,835,542	97,246,889	88,085,785
Customers' deposits	10	603,978,150	573,100,607	556,196,749
Negative fair value of Shariah compliant derivatives	7	1,021,677	793,541	748,455
Sukuk issued	11	8,090,714	3,789,117	-
Other liabilities		31,794,199	26,408,687	31,537,404
Total liabilities		727,720,282	701,338,841	676,568,393
Equity				
Share capital		40,000,000	40,000,000	40,000,000
Statutory reserve		33,442,996	33,442,996	29,287,706
Other reserves	15	(441,833)	(96,606)	(371,055)
Retained earnings		16,502,147	16,913,041	13,810,667
Equity attributable to shareholders of the Bank		89,503,310	90,259,431	82,727,318
Equity sukuk	12	18,768,391	16,500,000	16,500,000
Total equity		108,271,701	106,759,431	99,227,318
Total liabilities and equity		835,991,983	808,098,272	775,795,711

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial information.


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)
Interim Condensed Consolidated Statement of Income (Unaudited)
(SAR'000)

For the three-month period ended
31 March

	Note	2024	2023
Income			
Gross financing and investment income		10,802,601	8,767,895
Gross financing and investment return		(5,155,730)	(3,642,637)
Net financing and investment income		5,646,871	5,125,258
Fee from banking services, income		2,470,243	2,343,960
Fee from banking services, expenses		(1,431,718)	(1,134,012)
Fee from banking services, net		1,038,525	1,209,948
Exchange income, net		294,708	297,913
Other operating income, net		249,010	147,503
Total operating income		7,229,114	6,780,622
Expenses			
Salaries and employees' related benefits		898,842	872,108
Depreciation and amortization		450,082	362,851
Other general and administrative expenses		544,822	565,177
Total operating expenses before credit impairment charge		1,893,746	1,800,136
Impairment charge for financing and other financial assets, net	8	421,209	358,780
Total operating expenses		2,314,955	2,158,916
Net income for the period before Zakat		4,914,159	4,621,706
Zakat Expense		(509,401)	(476,532)
Net income for the period		4,404,758	4,145,174
Basic and diluted earnings per share (SAR)	13	1.05	0.99

The accompanying notes from 1 to 24 form an integral part of this interim condensed consolidated financial information.


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
(SAR'000)

	For the three-month ended 31 March	
	2024	2023
Net income for the period	4,404,758	4,145,174
Other comprehensive income:		
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
- Net change in fair value of FVOCI equity investments	(7,124)	(4,098)
- Share in FVOCI from associate	4,851	(14,125)
<i>Items that may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
- Exchange difference on translating foreign operations	(24,602)	(6,549)
- Net change in fair value of FVOCI sukuk and structured products investments	(220,224)	14,809
- Cash flow hedge effective portion of change in the fair value	(71,496)	69,429
- Fair Value hedge	10,478	-
- Employee share plan reserve	(37,110)	-
Total other comprehensive (loss) / income	(345,227)	59,466
Total comprehensive income for the period	4,059,531	4,204,640

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial information.


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)

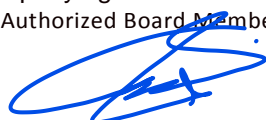
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
(SAR'000)

For the three-month period ended 31 March 2024		Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed gross dividends	Total equity attributable to shareholders of the Bank	Sukuk	Total equity
	Note								
Balance at 31 December 2023		40,000,000	33,442,996	(96,606)	16,913,041	-	90,259,431	16,500,000	106,759,431
Net income for the period		-	-	-	4,404,758	-	4,404,758	-	4,404,758
Net change in fair value of FVOCI equity investments		-	-	(7,124)	-	-	(7,124)	-	(7,124)
Share in FVOCI from associate		-	-	4,851	-	-	4,851	-	4,851
Exchange difference on translation of foreign operations		-	-	(24,602)	-	-	(24,602)	-	(24,602)
Net change in fair value of FVOCI sukuk and structured products investments		-	-	(220,224)	-	-	(220,224)	-	(220,224)
Cash flow hedge Effective portion of change in the fair value		-	-	(71,496)	-	-	(71,496)	-	(71,496)
Fair value hedge		-	-	10,478	-	-	10,478	-	10,478
Employee share plan reserve		-	-	(37,110)	-	-	(37,110)	-	(37,110)
Total other comprehensive loss recognized in shareholders' equity		-	-	(345,227)	-	-	(345,227)	-	(345,227)
Total comprehensive income for the period		-	-	(345,227)	4,404,758	-	4,059,531	-	4,059,531
Equity Sukuk issued	12	-	-	-	-	-	-	2,268,391	2,268,391
Equity Sukuk costs		-	-	-	(215,652)	-	(215,652)	-	(215,652)
Dividend for annual year 2023	19	-	-	-	(4,600,000)	-	(4,600,000)	-	(4,600,000)
Balance at 31 March 2024		40,000,000	33,442,996	(441,833)	16,502,147	-	89,503,310	18,768,391	108,271,701

For the three-month period ended 31 March 2023		Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed gross dividends	Total equity attributable to shareholders of the Bank	Sukuk	Total equity
	Note								
Balance at 31 December 2022		40,000,000	29,287,706	(427,569)	9,864,898	5,000,000	83,725,035	16,500,000	100,225,035
Net income for the period		-	-	-	4,145,174	-	4,145,174	-	4,145,174
Net change in fair value of FVOCI equity investments		-	-	(4,098)	-	-	(4,098)	-	(4,098)
Share in FVOCI from associate		-	-	(14,125)	-	-	(14,125)	-	(14,125)
Exchange difference on translation of foreign operations		-	-	(6,549)	-	-	(6,549)	-	(6,549)
Net change in fair value of FVOCI Sukuk and Structured products investments		-	-	14,809	-	-	14,809	-	14,809
Cash flow hedge Effective portion of change in the fair value		-	-	69,429	-	-	69,429	-	69,429
Total other comprehensive income recognized in shareholders' equity		-	-	59,466	-	-	59,466	-	59,466
Total comprehensive income for the period		-	-	59,466	4,145,174	-	4,204,640	-	4,204,640
Disposal of FVOCI equity instruments		-	-	(2,952)	2,952	-	-	-	-
Equity Sukuk costs		-	-	-	(202,357)	-	(202,357)	-	(202,357)
Dividend for annual year 2022	19	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Balance at 31 March 2023		40,000,000	29,287,706	(371,055)	13,810,667	-	82,727,318	16,500,000	99,227,318

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial information

Authorized Board Member



Chief Executive Officer



Chief Financial Officer



AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
(SAR'000)

For the three-month period ended 31 March	Note	2024	2023
Cash Flows from operating activities			
Net income before Zakat		4,914,159	4,621,706
Adjustments to reconcile net income before zakat to net cash from operating activities:			
(Gain) / loss on investments held at fair value through statement of income (FVIS)		(39,073)	41,736
Depreciation on property, equipment and right of use assets		386,941	317,609
Depreciation on investment properties		5,441	5,523
Amortization of other intangibles		57,700	39,719
Gain on sale of property and equipment, net		(5,524)	(1,969)
Impairment charge for financing and other financial assets, net	8	421,209	358,780
Share in profit of an associate		(40,010)	(3,182)
Dividend income		(34,988)	(27,228)
Accretion/amortisation relating to Sukuk investments, net		(38,976)	(7,671)
Profit charge against lease obligations		6,733	10,825
Fair value adjustment for Shariah compliant derivatives		15,854	(56,699)
Rental income from investment properties		(27,735)	(26,709)
Employee share plan reserve		(37,110)	-
(Increase) / decrease in operating assets			
Statutory deposit with SAMA and other central banks		(854,933)	(399,681)
Due from banks and other financial institutions		756,962	6,574,789
Financing		(15,206,346)	(9,031,437)
FVIS investments, net		(594,385)	(39,781)
Other assets, net		(3,149,732)	(1,910,550)
Increase / (decrease) in operating liabilities			
Due to banks and other financial institutions		(14,411,347)	17,246,668
Customers' deposits		30,877,543	(8,727,939)
Other liabilities		1,185,354	1,499,299
Profit payment against lease obligations		(6,733)	(10,825)
Net cash generated from operating activities before Zakat		4,181,004	10,472,983
Zakat paid		(864,843)	-
Net cash generated from operating activities		3,316,161	10,472,983

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial information.


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

(SAR'000)

For the three-month period ended 31 March	Note	2024	2023
Cash flows from investing activities			
Purchase of property and equipment		(562,032)	(494,154)
Proceeds from disposal of property and equipment		5,745	3,096
Other intangibles assets		(69,992)	(97,737)
Purchase of FVOCI investments		(2,513,235)	(2,114,878)
Proceeds from disposal of FVOCI investments			11,550
Proceeds from maturities of investments recorded at amortized cost		582,267	1,702,608
Purchase of investments held at amortised cost		(6,373,949)	(12,172,488)
Purchase of investment properties		(5,023)	-
Dividend income		34,988	27,228
Rental income from investment properties		27,735	26,709
Net cash used in investing activities		(8,873,496)	(13,108,066)
Cash flows from financing activities			
Equity Sukuk costs		(215,652)	(202,357)
Equity Sukuk issuance	12	2,268,391	-
Payments against lease obligation		(84,351)	(61,057)
Sukuk issued	11	4,301,597	-
Net cash generated from / (used in) financing activities		6,269,985	(263,414)
Net increase / (decrease) in cash and cash equivalents		712,650	(2,898,497)
Cash and cash equivalents at the beginning of the period	16	12,435,642	26,199,150
Cash and cash equivalents at end of the period	16	13,148,292	23,300,653
Financing and investment income received during the period		11,127,877	8,857,187
Financing and investment return paid during the period		(4,662,309)	(2,991,677)
Supplemental Non-cash transactions:			
ROU assets		29,347	11,496
Lease Liability		39,952	15,044
Net change in fair value of FVOCI investments		(227,348)	10,711

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial information.


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

AL RAJHI BANKING AND INVESTMENT CORPORATION (A SAUDI JOINT STOCK COMPANY)
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
(SAR'000)

1 - General

Al Rajhi Banking and Investment Corporation, a Saudi Joint Stock Company, (the "Bank"), was formed and licensed pursuant to Royal Decree No. M/59 dated 3 Dhul Qadah 1407H (corresponding to 29 June 1987) and in accordance with Article 6 of the Council of Ministers' Resolution No. 245, dated 26 Shawal 1407H (corresponding to 23 June 1987).

The Bank operates under Commercial Registration No. 1010000096 and its Head Office is located at the following address:

Al Rajhi Bank
8467 King Fahd Road - Al Muruj Dist. Unit No 1
Riyadh 12263 - 2743 Kingdom of Saudi Arabia

The objectives of the Bank are to carry out banking and investment activities in accordance with its Articles of Association and By-laws, the Banking Control Law and the Council of Ministers Resolution referred to above. The Bank is engaged in banking and investment activities for its own account and on behalf of others inside and outside the Kingdom of Saudi Arabia ("KSA") through of 534 branch (Dec 31, 2023: 545 branch and Mar 31, 2023: 538 branch) and subsidiaries. The Bank has established certain subsidiary companies (together with the Bank hereinafter referred to as the "Group") in which it owns all or the majority of their shares.

Shari'a Authority

As a commitment from the Bank for its activities to be in compliance with Islamic Shari'a legislations, since its inception, the Bank has established a Shari'a Authority to ascertain that the Bank's activities are subject to its approval and control. The Shari'a Authority has reviewed the Bank's activities and issued the required decisions thereon.

The Bank is regulated by the Saudi Central Bank (SAMA).

(a) Subsidiaries

Name of subsidiary	Functional Currency	Shareholding		
		2024	2023	
Al Rajhi Capital Company – KSA	SAR	100%	100%	A Saudi Closed Joint Stock Company authorized by the Capital Market Authority to carry on securities business in the activities of Dealing/brokerage, Managing assets, Advising, Arranging, and Custody.
Management and Development for Human Resources Company – KSA	SAR	100%	100%	A limited liability company registered in Kingdom of Saudi Arabia to provide recruitment services.
Al Rajhi Bank – Kuwait	KWD	100%	100%	A foreign branch registered with the Central Bank of Kuwait.
Al Rajhi Bank – Jordan	JOD	100%	100%	A foreign branch operating in Hashemite Kingdom of Jordan, providing all financial, banking, and investments services and importing and trading in precious metals and stones in accordance with Islamic Sharia'a rules and under the applicable banking law.

1 - General (Continued)

(a) Subsidiaries (Continued)

Name of subsidiaries	Functional Currency	Shareholding		
		2024	2023	
Tuder Real Estate Company – KSA	SAR	100%	100%	A limited liability company registered in Kingdom of Saudi Arabia to support the mortgage programs of the Bank through transferring and holding the title deeds of real estate properties under its name on behalf of the Bank, collection of revenue of certain properties sold by the Bank, provide real estate and engineering consulting services, provide documentation service to register the real estate properties and overseeing the evaluation of real estate properties.
Al Rajhi Corporation Limited – Malaysia	MYR	100%	100%	A licensed Islamic Bank under the Islamic Financial Services Act 2013, incorporated and domiciled in Malaysia.
Emkan Finance Company – KSA	SAR	100%	100%	A closed joint stock company registered in the Kingdom of Saudi Arabia providing micro consumer financing, finance lease and small and medium business financing.
Tawtheeq Company – KSA	SAR	100%	100%	A closed joint stock company registered in Kingdom of Saudi Arabia providing financial leasing contracts registration to organize contracts data and streamline litigation processes.
Al Rajhi Financial Markets Ltd – Cyman Islands	USD	100%	100%	A Limited Liability Company registered in the Cayman Islands with the objective of managing certain treasury related transactions on behalf of the Bank.
International Digital Solutions Co. (Neoleap) – KSA	SAR	100%	100%	A closed joint stock company owned by the Bank for the purpose of practicing technical work in financial services, digital payment systems, financial settlements and related services.
Ejada System Company – KSA	SAR	100%	100%	A Saudi Closed Joint Stock Company owned by the Bank for the purpose of providing professional, scientific, technological activities, information communication services, and system analysis and senior management consultation services.

2 - Basis of preparation

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

The consolidated financial information of the Group as at and for the year ended 31 December 2023, were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA. The interim condensed consolidated financial information 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 Group is Saudi Riyal.

The preparation of this interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and income and expense. Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation were consistent with those that were applied to the annual consolidated financial information as at and for the year ended December 31, 2023.

3 - Impact of changes in accounting policies due to adoption of new standards

(a) Changes in accounting policies due to adoption of new standards, interpretations and amendments adopted by the Group

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 information for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a significant impact on the interim condensed consolidated financial information of the Group.

3 - Impact of changes in accounting policies due to adoption of new standards (Continued)

(a) Changes in accounting policies due to adoption of new standards, interpretations and amendments adopted by the Group (Continued)

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

3 - Impact of changes in accounting policies due to adoption of new standards (Continued)

(b) Forthcoming new standards not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

4 - Cash and balances with Central Banks

Cash and balances with Saudi Central Bank (“SAMA”) and other central banks comprise of the following:

	31 March 2024	31 December 2023	31 March 2023
Cash in hand	6,923,671	6,502,729	6,107,868
Statutory deposit	35,863,031	35,008,098	33,318,916
Balances with central banks (current accounts)	384,770	256,814	2,488,591
Mutajara with SAMA	-	-	3,709,485
Total	43,171,472	41,767,641	45,624,860

In accordance with the Banking Control Law and regulations issued by SAMA and other central banks, the Bank is required to maintain a statutory deposit with SAMA and other central banks at stipulated percentages of its customers' demand deposits, customers' time investments and other customers' accounts calculated at the end of each Gregorian month.

5 - Due from banks and other financial institutions, net

Due from banks and other financial institutions comprise the following:

	31 March 2024	31 December 2023	31 March 2023
Current accounts	2,324,486	3,179,877	4,352,184
Mutajara	6,591,993	6,331,071	8,659,905
Less: Allowance for expected credit losses	(3,016)	(4,275)	(2,129)
Total	8,913,463	9,506,673	13,009,960

6 - Investments, net

(a) Investments comprise the following:

	31 March 2024	31 December 2023	31 March 2023
Investments held at amortized cost:			
Murabaha with Saudi Government and SAMA	19,785,640	20,067,953	22,053,080
Sukuk	94,021,541	87,962,033	80,633,007
Structured Products	2,930,229	2,941,573	2,143,956
Less: Impairment (Stage 1)	(59,249)	(70,234)	(46,175)
Total investments held at amortized cost	116,678,161	110,901,325	104,783,868
Investments held at FVIS:			
Mutual funds	2,581,096	2,525,681	2,313,671
Sukuk	68,404	122,374	94,091
Structured Products	1,389,330	785,242	647,891
Equity investments	146,728	118,803	210,202
Total FVIS investments	4,185,558	3,552,100	3,265,855
FVOCI investments:			
Sukuk	16,019,023	14,242,998	2,927,705
Structured Products	1,102,068	1,106,286	1,086,616
Equity investments*	4,088,678	3,574,700	1,861,988
Less: Impairment (Stage 1)	(1,742)	(1,844)	(295)
Total FVOCI investments	21,208,027	18,922,140	5,876,014
Investments, net	142,071,746	133,375,565	113,925,737

The Bank has consolidated two international mutual funds where the Bank owns 100% of the two funds equity. The investments of these funds are included in the above note and accounted for as fair value through income statement.

The Bank, under repurchase agreements, pledges with other banks sukuk securities that include government sukuk. The fair values of those sukuk pledged as collateral with financial institutions as at 31 march 2024 is SAR 67,213 million (31 March 2023: 77,658 million) and the related balances of the repurchase agreements is SAR 22,433 million (31 March 2023: 16,808 million).

*The Group holds SAR 3,153 million (31 March 2023: 1,290 million) in investments in Tier I Sukuk out of the total equity investments.

6 - Investments, net (Continued)

(b) The domestic and international allocation of the Group's investments are summarized as follows:

31 March 2024	Domestic	International	Total
Investments held at amortized cost:			
Fixed-rate Sukuk	77,031,387	10,630,981	87,662,368
Floating-rate Sukuk	26,144,813	-	26,144,813
Structured products	-	2,930,229	2,930,229
Less: Impairment (Stage 1)	(57,688)	(1,561)	(59,249)
Total investments held at amortized cost	103,118,512	13,559,649	116,678,161
Investments held as FVIS:			
Mutual funds	1,449,973	1,131,123	2,581,096
Fixed-rate Sukuk	50,404	-	50,404
Floating-rate Sukuk	18,000	-	18,000
Structured Products	-	1,389,330	1,389,330
Equity investments	142,105	4,623	146,728
Total FVIS investments	1,660,482	2,525,076	4,185,558
Investments held as FVOCI:			
Fixed-rate Sukuk	10,271,785	4,270,165	14,541,950
Floating-rate Sukuk	1,093,705	383,368	1,477,073
Structured Products	-	1,102,068	1,102,068
Equity investments	4,025,049	63,629	4,088,678
Less: Impairment (Stage 1)	-	(1,742)	(1,742)
Total FVOCI investments	15,390,539	5,817,488	21,208,027
Investments, net	120,169,533	21,902,213	142,071,746

31 December 2023	Domestic	International	Total
Investments held at amortized cost:			
Fixed-rate Sukuk	71,407,909	10,401,339	81,809,248
Floating-rate Sukuk	26,220,738	-	26,220,738
Structured products	-	2,941,573	2,941,573
Less: Impairment (Stage 1)	(68,634)	(1,600)	(70,234)
Total investments held at amortized cost	97,560,013	13,341,312	110,901,325
Investments held as FVIS:			
Mutual funds	1,394,488	1,131,193	2,525,681
Fixed-rate Sukuk	104,374	-	104,374
Floating-rate Sukuk	18,000	-	18,000
Structured Products	-	785,242	785,242
Equity investments	118,803	-	118,803
Total FVIS investments	1,635,665	1,916,435	3,552,100
Investments held as FVOCI:			
Fixed-rate Sukuk	8,909,025	3,781,725	12,690,750
Floating-rate Sukuk	1,181,735	370,513	1,552,248
Structured Products	-	1,106,286	1,106,286
Equity investments	3,529,261	45,439	3,574,700
Less: Impairment (Stage 1)	-	(1,844)	(1,844)
Total FVOCI investments	13,620,021	5,302,119	18,922,140
Investments, net	112,815,699	20,559,866	133,375,565

6 - Investments, net (Continued)

(b) The domestic and international allocation of the Group's investments are summarized as follows (Continued):

31 March 2023	Domestic	International	Total
Investments held at amortized cost:			
Fixed-rate Sukuk	64,892,827	9,998,260	74,891,087
Floating-rate Sukuk	27,795,000	-	27,795,000
Structured products	-	2,143,956	2,143,956
Less: Impairment (Stage 1)	(44,484)	(1,691)	(46,175)
Total investments held at amortized cost	92,643,343	12,140,525	104,783,868
Investments held as FVIS:			
Mutual funds	953,461	1,360,210	2,313,671
Fixed-rate Sukuk	94,091	-	94,091
Structured Products	-	647,891	647,891
Equity investments	210,202	-	210,202
Total FVIS investments	1,257,754	2,008,101	3,265,855
Investments held as FVOCI:			
Fixed-rate Sukuk	1,480,414	1,215,291	2,695,705
Floating-rate Sukuk	232,000	-	232,000
Structured Products	-	1,086,616	1,086,616
Equity investments	1,841,081	20,907	1,861,988
Less: Impairment (Stage 1)	-	(295)	(295)
Total FVOCI investments	3,553,495	2,322,519	5,876,014
Investments, net	97,454,592	16,471,145	113,925,737

(c) The analysis of the composition of investments as follows:

31 March 2024	Quoted	Unquoted	Total
Murabaha with Saudi Government and SAMA	-	19,785,640	19,785,640
Sukuk	93,683,177	16,364,800	110,047,977
Structured Products	-	5,421,627	5,421,627
Equity investments	2,440,472	1,794,934	4,235,406
Mutual Funds	184,318	2,396,778	2,581,096
Total	96,307,967	45,763,779	142,071,746

31 December 2023	Quoted	Unquoted	Total
Murabaha with Saudi Government and SAMA	-	20,067,953	20,067,953
Sukuk	86,387,806	15,867,521	102,255,327
Structured Products	-	4,833,101	4,833,101
Equity investments	1,891,902	1,801,601	3,693,503
Mutual Funds	32,373	2,493,308	2,525,681
Total	88,312,081	45,063,484	133,375,565

31 March 2023	Quoted	Unquoted	Total
Murabaha with Saudi Government and SAMA	-	22,053,080	22,053,080
Sukuk	69,504,886	14,103,447	83,608,333
Structured Products	-	3,878,463	3,878,463
Equity investments	1,184,452	887,738	2,072,190
Mutual Funds	354,959	1,958,712	2,313,671
Total	71,044,297	42,881,440	113,925,737

7 - Shariah compliant derivatives

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

31 March 2024	Positive fair value	Negative fair value	Notional amount total
Held for trading:			
Profit rate swaps	1,047,122	(956,920)	36,342,724
Foreign exchange forward contracts	1,259	(879)	1,298,838
FX Swaps	874	(7,629)	14,852,731
Total Held for trading	1,049,255	(965,428)	52,494,293
Held as cash flow hedge:			
Profit rate swaps	-	(55,683)	4,000,000
Total Held as cash flow hedge	-	(55,683)	4,000,000
Held as fair value Hedge:			
Profit rate swaps	40,703	(566)	5,728,842
Total Held as fair value Hedge	40,703	(566)	5,728,842
Total Shariah compliant derivatives	1,089,958	(1,021,677)	62,223,135

31 December 2023	Positive fair value	Negative fair value	Notional amount total
Held for trading:			
Profit rate swaps	840,868	(771,974)	31,646,205
Foreign exchange forward contracts	2,539	(2,267)	270,863
FX Swaps	176	(1,020)	10,387,362
Total Held for trading	843,583	(775,261)	42,304,430
Held as cash flow hedge:			
Profit rate swaps	34,093	(18,280)	8,743,877
Total Held as cash flow hedge	34,093	(18,280)	8,743,877
Total Shariah compliant derivatives	877,676	(793,541)	51,048,307

31 March 2023	Positive fair value	Negative fair value	Notional amount total
Held for trading:			
Profit rate swaps	804,221	(738,167)	23,869,293
Foreign exchange forward contracts	6,082	(5,878)	295,989
FX Swaps	1,324	(3,599)	8,468,524
Total Held for trading	811,627	(747,644)	32,633,806
Held as cash flow hedge:			
Profit rate swaps	28,265	(811)	4,000,000
Total Held as cash flow hedge	28,265	(811)	4,000,000
Total Shariah compliant derivatives	839,892	(748,455)	36,633,806

8

- Financing, net

(a) Net financing held at amortized cost:

31 March 2024	Retail	Corporate	Total
Performing financing	436,082,570	176,468,628	612,551,198
Non-performing financing	1,875,457	2,854,406	4,729,863
Gross financing	437,958,027	179,323,034	617,281,061
Provision for financing impairment	(5,172,159)	(3,118,959)	(8,291,118)
Financing, net	432,785,868	176,204,075	608,989,943

31 December 2023	Retail	Corporate	Total
Performing financing	431,198,630	167,434,174	598,632,804
Non-performing financing	1,454,446	2,843,493	4,297,939
Gross financing	432,653,076	170,277,667	602,930,743
Provision for financing impairment	(5,413,893)	(3,312,044)	(8,725,937)
Financing, net	427,239,183	166,965,623	594,204,806

31 March 2023	Retail	Corporate	Total
Performing financing	433,871,744	147,714,025	581,585,769
Non-performing financing	2,026,095	1,982,515	4,008,610
Gross financing	435,897,839	149,696,540	585,594,379
Provision for financing impairment	(5,333,006)	(3,250,602)	(8,583,608)
Financing, net	430,564,833	146,445,938	577,010,771

(b) The movement in the allowance for impairment of financing is as follows:

	31 March 2024	31 March 2023
Balance at the beginning of the period	8,725,937	8,528,876
Provided for the period	747,889	763,541
Bad debt written off	(1,182,708)	(708,809)
Balance at the end of the period	8,291,118	8,583,608

(c) The allowance for impairment of financing, off balance sheet, other financial assets charged to the interim statement of income comprise of the following:

	31 March 2024	31 March 2023
Provided for the period for financing	747,889	763,541
Provided for the period for other financial assets & off balance sheet	14,078	(14,719)
Recovery of written off financing for the period	(340,758)	(390,042)
Allowance for financing impairment, net	421,209	358,780

8 - Financing, net (Continued)

(d) The movement of financing by stages is as follows:

Gross carrying amount as of 31 March 2024				
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Financing				
At 1 January 2024	581,556,627	13,917,065	7,457,051	602,930,743
Transfers:				
Transfer to 12-month ECL	4,727,432	(3,789,778)	(937,654)	-
Transfer to Lifetime ECL not credit impaired	(3,527,966)	3,707,440	(179,474)	-
Transfer to Lifetime ECL credit impaired	(699,755)	(1,407,885)	2,107,640	-
Write-offs	-	-	(1,182,708)	(1,182,708)
New business/ Other movements	15,612,730	462,591	(542,295)	15,533,026
At 31 March 2024	597,669,068	12,889,433	6,722,560	617,281,061

Gross carrying amount as of 31 December 2023				
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Financing				
At 1 January 2023	562,049,635	9,576,654	5,240,701	576,866,990
Transfers:				
Transfer to 12-month ECL	2,958,084	(2,520,595)	(437,489)	-
Transfer to Lifetime ECL not credit impaired	(8,380,043)	8,468,850	(88,807)	-
Transfer to Lifetime ECL credit impaired	(3,057,920)	(1,252,129)	4,310,049	-
Write-offs	-	-	(3,084,646)	(3,084,646)
New business/ Other movements	27,986,871	(355,715)	1,517,243	29,148,399
At 31 December 2023	581,556,627	13,917,065	7,457,051	602,930,743

Gross carrying amount as of 31 March 2023				
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Financing				
At 1 January 2023	562,049,635	9,576,654	5,240,701	576,866,990
Transfers:				
Transfer to 12-month ECL	1,172,367	(1,159,727)	(12,640)	-
Transfer to Lifetime ECL not credit impaired	(4,113,409)	4,685,054	(571,645)	-
Transfer to Lifetime ECL credit impaired	(447,690)	(1,112,031)	1,559,721	-
Write-offs	-	-	(708,809)	(708,809)
New business/ Other movements	9,996,409	(967,642)	407,431	9,436,198
At 31 March 2023	568,657,312	11,022,308	5,914,759	585,594,379

8

- Financing, net (Continued)

(e) The movement in ECL allowances for impairment of financing by stages is as follows:

	Credit loss allowance as of 31 March 2024			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
ECL allowances for impairment of financing				
At 1 January 2024	2,523,904	1,695,065	4,506,968	8,725,937
Transfers:				
Transfer to 12-month ECL	683,016	(207,112)	(475,904)	-
Transfer to Lifetime ECL not credit impaired	(95,346)	186,152	(90,806)	-
Transfer to Lifetime ECL credit impaired	(177,457)	(275,110)	452,567	-
Write-offs	-	-	(1,182,708)	(1,182,708)
Net Charge for the Period	(273,284)	305,356	715,817	747,889
At 31 March 2024	2,660,833	1,704,351	3,925,934	8,291,118

	Credit loss allowance as of 31 December 2023			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
ECL allowances for impairment of financing				
At 1 January 2023	3,276,243	1,714,791	3,537,842	8,528,876
Transfers:				
Transfer to 12-month ECL	570,806	(305,258)	(265,548)	-
Transfer to Lifetime ECL not credit impaired	(142,704)	198,965	(56,261)	-
Transfer to Lifetime ECL credit impaired	(69,182)	(274,180)	343,362	-
Write-offs	-	-	(3,084,647)	(3,084,647)
Net Charge for the Period	(1,111,259)	360,747	4,032,220	3,281,708
At 31 December 2023	2,523,904	1,695,065	4,506,968	8,725,937

	Credit loss allowance as of 31 March 2023			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
ECL allowances for impairment of financing				
At 1 January 2023	3,276,243	1,714,791	3,537,842	8,528,876
Transfers:				
Transfer to 12-month ECL	186,007	(178,608)	(7,399)	-
Transfer to Lifetime ECL not credit impaired	(115,931)	452,808	(336,877)	-
Transfer to Lifetime ECL credit impaired	(21,826)	(327,128)	348,954	-
Write-offs	-	-	(708,809)	(708,809)
Net Charge for the Period	(442,913)	110,981	1,095,473	763,541
At 31 March 2023	2,881,580	1,772,844	3,929,184	8,583,608

9 - Due to banks and other financial institutions

Due to banks and other financial institutions comprise the following:

	31 March 2024	31 December 2023	31 March 2023
Current accounts	1,325,811	568,771	405,973
Banks' time investments	81,509,731	96,678,118	87,679,812
Total	82,835,542	97,246,889	88,085,785

10 - Customers' deposits

Customers' deposits by type comprise the following:

	31 March 2024	31 December 2023	31 March 2023
Demand deposits and call accounts	393,295,773	352,107,825	360,780,594
Customers' time investments	196,076,636	207,981,393	184,160,396
Other customer accounts	14,605,741	13,011,389	11,255,759
Total	603,978,150	573,100,607	556,196,749

All Customers' time investments are subject to Murabaha contracts and therefore are non-interest.

11 - Sukuk issued

During March 2024, the Bank successfully issued U.S. dollar denominated senior unsecured sustainable Sukuk, amounting to USD 1 billion (SAR 3.75 billion) with 5-years maturity and a profit rate of 5.047% and redeemable prior to scheduled maturity date in certain cases. The Sukuk represents Al Rajhi Bank's second issuance in the USD international capital markets via a USD 4 billion Sukuk programme. The sustainable Sukuk is listed on the London Stock Exchange's International Securities Market and could be sold in light of applicable acts and regulations.

During April 2023, the Bank successfully issued U.S. dollar denominated senior unsecured sustainable Sukuk, amounting to USD 1 billion (SAR 3.75 billion) with 5-years maturity and a profit rate of 4.75% and redeemable prior to scheduled maturity date in certain cases. The Sukuk represents Al Rajhi Bank's first issuance in the USD international capital markets via a USD 4 billion Sukuk programme that has a multi-issuance variability of one or more tranches of senior unsecured or tier 2 subordinated Sukuk. The sustainable Sukuk is listed on the London Stock Exchange's International Securities Market and could be sold in light of applicable acts and regulations.

12 - Equity Sukuk

In February 2024, Emkan Finance Company completed issuance of SAR 2.27 billion in new perpetual Sukuk. The Sukuk has no fixed maturity, carry an annual fixed profit rate of 5.10%, the Sukuk are callable in one year after the date of issuance.

In January 2022, the Bank through a Shariah compliant arrangement, (the "arrangement"), issued Tier I Sukuk (the "Sukuk"), of SAR 6.5 billion. The Sukuk are perpetual securities in respect of which there are no fixed redemption dates, the Sukuk also represent an undivided ownership interest of the Sukuk-holders in the Sukuk assets without any preference or priority among themselves, with each unit of the Sukuk constituting an unsecured, conditional and subordinated obligation of the Bank and classified under equity. However, the Bank has the exclusive option to redeem or call all of the Sukuk on 23 January 2027 or any periodic distribution date thereafter, subject to the terms and conditions stipulated in the Sukuk agreement.

In addition to the Tier I Sukuk mentioned above, and during November 2022, the Bank has completed the issuance of an additional Tier I sukuk programme of SAR 10 billion in a SAR-denominated Tier I sukuk by way of a public offering in Saudi Arabia. These Sukuk are perpetual securities with no fixed redemption dates, the Sukuk also have an undivided ownership interest of the Sukuk-holders in the Sukuk assets without any preference or priority among those Sukuk-holders. The entire units of such Sukuk are unsecured, conditional and subordinated obligation of the Bank and classified under equity. However, the Bank has the exclusive option to redeem or call all of the Sukuk on 26 November 2027 or any periodic distribution date thereafter, subject to the terms and conditions stipulated in the Sukuk agreement.

12 - Equity Sukuk (Continued)

The applicable profit rate on the Sukuks is payable on each periodic quarterly 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.

13 - Earnings per share

Basic and diluted earnings per share is calculated by dividing net income adjusted for Tier I Sukuk costs by weighted average number of the issued and outstanding shares as below:

	2024	2023
Net income for the period	4,404,758	4,145,174
Less: Tier I Sukuk Costs	(215,652)	(202,357)
Net income after Tier I Sukuk payments	4,189,106	3,942,817
Number of outstanding shares	4,000,000	4,000,000
Basic and diluted earning per share (in SAR)	1.05	0.99

14 - Commitments and contingencies

(a) Commitments and contingencies comprise the following:

	31 March 2024	31 December 2023	31 March 2023
Letters of credit	9,286,459	7,373,129	7,795,732
Acceptances	1,039,162	1,822,800	2,422,578
Letters of guarantee	24,846,532	22,703,348	17,723,504
Irrevocable commitments to extend credit	11,462,101	12,275,623	18,029,394
Total	46,634,254	44,174,900	45,971,208

(b) Legal proceedings

As at 31 March 2024, there were certain legal proceedings outstanding against the Group in the normal course of business including those relating to the extension of credit facilities. Such proceedings are being reviewed by the concerned parties.

Provisions have been made for some of these legal cases based on the assessment of the Group's legal counsel.

The Bank was named as one of many defendants in certain lawsuits initiated in the US commencing in 2002. The Bank was successful in defending the claims, all of which were finally dismissed by the relevant courts. With respect to new lawsuits commencing in 2016, however, the most recent dismissal was reversed by the court of appeals to permit limited jurisdictional discovery, which commenced in 2021. The Bank's management believes that the claims will be defended successfully, although note that there are inherent uncertainties in litigation.

(c) Commitments and contingencies that may result in credit exposure

The table below shows the gross carrying amount and ECL allowance of the financing commitments and financial guarantees.

31 March 2024	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Gross carrying amount					
Stage 1 - (12-months ECL)	9,274,210	1,027,256	23,403,776	11,343,075	45,048,317
Stage 2 - (lifetime ECL not credit impaired)	11,866	816	1,101,778	117,207	1,231,667
Stage 3 - (lifetime ECL for credit impaired)	383	11,090	340,978	1,819	354,270
Total outstanding balance at end of the period	9,286,459	1,039,162	24,846,532	11,462,101	46,634,254

14

- Commitments and contingencies (Continued)

(c) Commitments and contingencies that may result in credit exposure:
(Continued)

31 March 2024	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Credit loss allowance of the financing commitments and financial guarantees					
Stage 1 - (12-months ECL)	62,660	2,525	26,824	2,054	94,063
Stage 2 - (lifetime ECL not credit impaired)	256	3	40,895	47	41,201
Stage 3 - (lifetime ECL for credit impaired)	69	11,090	133,517	20	144,696
Total	62,985	13,618	201,236	2,121	279,960

31 December 2023	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Gross exposure					
Stage 1 - (12-months ECL)	7,357,683	1,815,730	21,233,413	12,176,257	42,583,083
Stage 2 - (lifetime ECL not credit impaired)	15,063	243	1,126,382	97,561	1,239,249
Stage 3 - (lifetime ECL for credit impaired)	383	6,827	343,553	1,805	352,568
Total outstanding balance at end of the year	7,373,129	1,822,800	22,703,348	12,275,623	44,174,900

31 December 2023	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Credit loss allowance of the financing commitments and financial guarantees					
Stage 1 - (12-months ECL)	47,739	1,975	30,335	3,483	83,532
Stage 2 - (lifetime ECL not credit impaired)	263	3	29,122	244	29,632
Stage 3 - (lifetime ECL for credit impaired)	69	6,827	133,470	7	140,373
Total	48,071	8,805	192,927	3,734	253,537

31 March 2023	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Gross exposure					
Stage 1 - (12-months ECL)	7,789,252	2,413,660	17,056,450	17,886,973	45,146,335
Stage 2 - (lifetime ECL not credit impaired)	4,228	5,767	321,174	142,421	473,590
Stage 3 - (lifetime ECL for credit impaired)	2,252	3,151	345,880	-	351,283
Total outstanding balance at end of the period	7,795,732	2,422,578	17,723,504	18,029,394	45,971,208

14 - Commitments and contingencies (Continued)

(c) Commitments and contingencies that may result in credit exposure:
(Continued)

31 March 2023	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Credit loss allowance of the financing commitments and financial guarantees					
Stage 1 - (12-months ECL)	44,076	2,129	55,264	3,981	105,450
Stage 2 - (lifetime ECL not credit impaired)	16	432	2,475	202	3,125
Stage 3 - (lifetime ECL for credit impaired)	2,060	3,151	299,705	-	304,916
Total	46,152	5,712	357,444	4,183	413,491

15 - Other reserves

Other reserves include FVOCI investments reserve, foreign currency translation reserve, employees' end of service benefits reserve, share in FVOCI from associate, cash flow hedge reserve and fair value hedge reserve.

	31 March 2024	31 December 2023	31 March 2023
FVOCI investments	(222,609)	4,738	(282,697)
Foreign currency translation	(268,028)	(243,425)	(207,263)
Employee share plan reserve	-	37,110	37,110
Re-measurement of employees' end of service benefits	45,465	45,465	43,106
Share in OCI from associate	48,544	43,693	11,235
Cash flow hedge effective portion in the fair value	(55,683)	15,813	27,454
Fair value hedge	10,478	-	-
Total	(441,833)	(96,606)	(371,055)

16 - Cash and cash equivalents

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

	31 March 2024	31 December 2023	31 March 2023
Cash in hand	6,923,671	6,502,729	6,107,868
Due from banks and other financial institutions maturing within 90 days from the date of purchase	5,839,851	5,676,099	10,994,709
Balances with SAMA and other central banks (current accounts)	384,770	256,814	2,488,591
Mutajara with SAMA	-	-	3,709,485
Cash and cash equivalents	13,148,292	12,435,642	23,300,653

17 - Operating segments

The Group identifies operating segments on the basis of internal reports about the activities of the Group that are regularly reviewed by the chief operating decision maker, principally the Chief Executive Officer, in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the consolidated statement of income. Segment assets and liabilities comprise operating assets and liabilities, which represents the majority of the Bank's 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 2023.

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

Retail segment:	Includes individual customers' deposits, credit facilities, customer debit current accounts (overdrafts), fees from banking services and remittance business, payment services.
Corporate segment:	Incorporates deposits of VIP, corporate customers' deposits, credit facilities, and debit current accounts (overdrafts).
Treasury segment:	Includes treasury services, Murabaha with SAMA and international Mutajara portfolio.
Investment services, brokerage and other segments:	Includes investments of individuals and corporates in mutual funds, local and international share trading services, investment portfolios and others.

The Group's total assets and liabilities as at 31 March 2024 and 2023 together with the total operating income and expenses, and income before zakat for the three-month periods then ended, for each business segment, are analyzed as follows:

31 March 2024	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
Total Assets	464,944,972	175,549,510	188,297,573	7,199,928	835,991,983
Total Liabilities	308,963,435	296,200,839	121,073,682	1,482,326	727,720,282
Financing and investment income from external customers	5,962,986	3,107,075	1,682,068	50,472	10,802,601
Inter-segment operating income /(expense)	(1,755,258)	1,776,653	(21,395)	-	-
Gross financing and investment income	4,207,728	4,883,728	1,660,673	50,472	10,802,601
Gross financing and investment return	(367,389)	(3,021,844)	(1,766,497)	-	(5,155,730)
Net financing and investment income	3,840,339	1,861,884	(105,824)	50,472	5,646,871
Fee from banking services, net	533,309	208,509	58,179	238,528	1,038,525
Exchange income, net	128,771	80,227	85,710	-	294,708
Other operating income, net	70,094	2,343	109,078	67,495	249,010
Total operating income	4,572,513	2,152,963	147,143	356,495	7,229,114
Depreciation and amortization	(363,488)	(70,092)	(11,163)	(5,339)	(450,082)
Impairment charge for financing and other financial assets, net	(241,441)	(198,621)	18,853	-	(421,209)
Other operating expenses	(1,200,501)	(183,730)	(49,159)	(10,274)	(1,443,664)
Total operating expenses	(1,805,430)	(452,443)	(41,469)	(15,613)	(2,314,955)
Income before Zakat	2,767,083	1,700,520	105,674	340,882	4,914,159

17 - Operating segments (Continued)

31 March 2023	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
Total Assets	454,319,011	146,740,537	167,955,973	6,780,190	775,795,711
Total Liabilities	297,132,655	265,651,957	112,630,495	1,153,286	676,568,393
Financing and investment income from external customers	5,288,352	2,281,188	1,167,967	30,388	8,767,895
Inter-segment operating income /(expense)	(1,812,931)	1,132,790	680,141	-	-
Gross financing and investment income	3,475,421	3,413,978	1,848,108	30,388	8,767,895
Gross financing and investment return	(113,223)	(2,248,353)	(1,281,061)	-	(3,642,637)
Net financing and investment income	3,362,198	1,165,625	567,047	30,388	5,125,258
Fee from banking services, net	503,520	267,145	301,451	137,832	1,209,948
Exchange income, net	146,243	60,404	91,266	-	297,913
Other operating income, net	15,690	5,624	(12,860)	139,049	147,503
Total operating income	4,027,651	1,498,798	946,904	307,269	6,780,622
Depreciation and amortization	(300,834)	(47,859)	(9,330)	(4,828)	(362,851)
Impairment charge for financing, net	(888,070)	534,777	(5,487)	-	(358,780)
Other operating expenses	(1,226,431)	(119,060)	(44,148)	(47,646)	(1,437,285)
Total operating expenses	(2,415,335)	367,858	(58,965)	(52,474)	(2,158,916)
Income before Zakat	1,612,316	1,866,656	887,939	254,795	4,621,706

18 - Fair values of financial assets and liabilities

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 prices (unadjusted) in active markets for the same or identical instrument that an entity can access at the measurement date.

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

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

18

- Fair values of financial assets and liabilities (Continued)

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, for financial instruments measured at fair value and financial instruments not measured at fair value:

31 March 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value:					
FVIS Investments – Mutual funds	2,581,096	194,269	588,710	1,798,117	2,581,096
FVIS Sukuk	68,404	-	68,404	-	68,404
FVIS Structured Products	1,389,330	1,389,330	-	-	1,389,330
FVIS - Equity investments	146,728	146,422	306	-	146,728
FVOCI Sukuk	16,019,023	11,049,304	4,969,719	-	16,019,023
FVOCI Structure Products	1,102,068	1,102,068	-	-	1,102,068
FVOCI - Equity investments	4,088,678	1,923,496	2,140,842	24,340	4,088,678
Positive fair value Shariah compliant derivatives	1,089,958	-	1,089,958	-	1,089,958
Financial assets not measured at fair value:					
Due from banks and other financial institutions	8,913,463	-	-	9,036,223	9,036,223
Investments held at amortized cost:					
Murabaha with Saudi Government and SAMA	19,785,640	-	20,198,974	-	20,198,974
Sukuk	94,021,541	12,183,309	73,842,289	-	86,025,598
Structured Products	2,930,229	2,930,229	-	-	2,930,229
Gross Financing	617,281,061	-	-	610,171,857	610,171,857
Total	769,417,219	30,918,427	102,899,202	621,030,537	754,848,166
Financial liabilities					
Financial liabilities measured at fair value:					
Negative fair value Shariah compliant derivatives	1,021,677	-	1,021,677	-	1,021,677
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	82,835,542	-	-	82,676,967	82,676,967
Customers' deposits	603,978,150	-	-	607,240,065	607,240,065
Total	687,835,369	-	1,021,677	689,917,032	690,938,709

18

- Fair values of financial assets and liabilities (Continued)

31 December 2023	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value:					
FVIS Investments – Mutual funds	2,525,681	217,047	500,000	1,808,634	2,525,681
FVIS Sukuk	122,374	37,782	84,592	-	122,374
FVIS Structured Products	785,242	529,157	-	256,085	785,242
FVIS - Equity investments	118,803	118,803	-	-	118,803
FVOCI Sukuk	14,242,998	9,084,883	5,157,191	924	14,242,998
FVOCI Structured Products	1,106,286	1,106,286	-	-	1,106,286
FVOCI - Equity investments	3,574,700	1,373,939	2,176,412	24,349	3,574,700
Positive fair value Shariah compliant derivatives	877,676	-	877,676	-	877,676
Financial assets not measured at fair value:					
Due from banks and other financial institutions	9,506,673	-	-	9,704,922	9,704,922
Investments held at amortized cost:					
Murabaha with Saudi Government and SAMA	20,067,953	-	20,275,002	-	20,275,002
Sukuk	87,962,033	12,904,857	69,073,906	-	81,978,763
Structured Products	2,941,573	2,941,573	-	-	2,941,573
Gross Financing	602,930,743	-	-	607,686,269	607,686,269
Total	746,762,735	28,314,327	98,144,779	619,481,183	745,940,289
Financial liabilities					
Financial liabilities measured at fair value:					
Negative fair value Shariah compliant derivatives	793,541	-	793,541	-	793,541
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	97,246,889	-	-	97,018,458	97,018,458
Customers' deposits	573,100,607	-	-	576,794,255	576,794,255
Total	671,141,037	-	793,541	673,812,713	674,606,254
31 March 2023	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value:					
FVIS Investments – Mutual funds	2,313,671	-	2,313,671	-	2,313,671
FVIS Sukuk	94,091	-	94,091	-	94,091
FVIS Structured Products	647,891	-	-	647,891	647,891
FVIS - Equity investments	210,202	195,202	15,000	-	210,202
FVOCI Sukuk	2,927,705	501,046	2,426,659	-	2,927,705
FVOCI Structure Products	1,086,616	-	-	1,086,616	1,086,616
FVOCI - Equity investments	1,861,988	1,829,644	8,000	24,344	1,861,988
Positive fair value Shariah compliant derivatives	839,892	-	839,892	-	839,892
Financial assets not measured at fair value:					
Due from banks and other financial institutions	13,009,960	-	-	12,995,891	12,995,891
Investments held at amortized cost:					
Murabaha with Saudi Government and SAMA	22,053,080	-	22,258,620	-	22,258,620
Sukuk	80,633,007	63,322,191	12,769,644	-	76,091,835
Structured Products	2,143,956	-	-	2,143,956	2,143,956
Gross Financing	585,594,379	-	-	579,736,705	579,736,705
Total	713,416,438	65,848,083	40,725,577	596,635,403	703,209,063
Financial liabilities					
Financial liabilities measured at fair value:					
Negative fair value Shariah compliant derivatives	748,455	-	748,455	-	748,455
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	88,085,785	-	-	88,344,278	88,344,278
Customers' deposits	556,196,749	-	-	557,186,717	557,186,717
Total	645,030,989	-	748,455	645,530,995	646,279,450

18

- Fair values of financial assets and liabilities (Continued)

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

For the level 2 Sukuk investments, the Group uses values obtained from reputable third parties where they use valuation techniques. Those valuation techniques use observable market inputs embedded in the models that include risk adjusted discount rates, marketability and liquidity discounts.

For the level 3 structure products investments are valued using reputable third parties valuation prices, who use techniques such as discounted cash flows, option pricing models and other sophisticated models.

Gross financing and Due to banks and other financial institutions classified as level 3 has been valued using expected cash flows discounted at relevant current effective profit rate. Investments held at amortized cost, due to / from banks and other financial institutions have been valued using the actual cash flows discounted at relevant SIBOR/ SAMA murabaha rates.

The value obtained from the relevant valuation model may differ from the transaction price of a financial instrument. The difference between the transaction price and the model value, commonly referred to as 'day one profit and loss', is either amortized over the life of the transaction, deferred until the instrument's fair value can be determined using market observable data, or realized through disposal. Subsequent changes in fair value are recognized immediately in the interim consolidated statement of income without reversal of deferred day one profits and losses.

19

- Dividends

The Board of Directors proposed on 24 January 2024, distribution of final dividends to shareholders for the for the second half of the financial year 2023, amounting to SAR 4,600 million, being SAR 1.15 per share after deduction of Zakat. The proposed final dividends for the second half of the financial year 2023 was approved by the Annual General Assembly in its meeting held on 24 March 2024. These dividends were paid on 3 April 2024.

On 23 July 2023, the Bank's Board of Directors approved a distribution of cash dividends to the shareholders for the first half of 2023, amounting to SAR 4,600 million (SAR 1.15 per share), these dividends were paid on 14 August 2023.

The Board of Directors proposed on 15 January 2023, distribution of final dividends to shareholders for the year ended 31 December 2022, amounting to SAR 5,000 million, being SAR 1.25 per share after deduction of Zakat. The proposed final dividends for 2022 was approved by the Annual General Assembly in its meeting held on 21 March 2023. These dividends were paid on 2 April 2023.

20

- 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 daily by the Group's management. SAMA requires the banks to hold the minimum level of regulatory capital and also to maintain a ratio of total regulatory capital to the risk-weighted assets at or above Basel prescribed minimum.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its interim consolidated statement of financial position, commitments and contingencies to reflect their relative risks.

20 - Capital adequacy (Continued)

As part of SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures, Banks were allowed to add-back up to 100% of the transitional adjustment amount to Common Equity Tier 1 (CET1) for the full two years' period comprising 2020 and 2021 effective from 31 March 2020 financial statement reporting. The add-back amount must be then phased-out on a straight-line basis over the subsequent 3 years.

Starting June 2021, the Group has opted to apply SAMA allowance to recognize 100% of IFRS9 transitional adjustment amount in the Group's Common Equity Tier 1 (CET 1). As of March 2024, this has resulted in an increase of SAR 720 million.

In line with SAMA and the internationally agreed timeline set by the Basel Committee on Banking Supervision (BCBS), the global standard-setter for the prudential regulation of banks, the Group started reporting Capital-Adequacy Ratios (CAR) as per Basel III: Finalizing post-crisis reforms regulations issued by SAMA through its Circular Number 44047144 effectively from January 1, 2023.

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

	31 March 2024	31 December 2023	31 March 2023
Credit risk weighted assets	493,817,136	471,038,148	460,102,122
Operational risk weighted assets	47,008,909	38,443,216	38,443,216
Market risk weighted assets	8,214,841	10,848,214	6,438,486
Total Pillar I - risk weighted assets	549,040,886	520,329,578	504,983,824
Tier I capital	105,272,618	106,151,971	99,636,321
Tier II capital	5,645,626	5,846,939	5,735,087
Total tier I & II capital	110,918,244	111,998,910	105,371,408
Capital Adequacy Ratio %			
Tier I ratio	19.17%	20.40%	19.73%
Tier I & II ratio	20.20%	21.52%	20.87%

21 - IBOR transition (profit rate benchmark reforms)

A fundamental review and reform of major profit rate benchmarks are being undertaken globally. The IASB has published, in two phases, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in order to address issues that might affect financial reporting after the reform of an profit rate benchmark, including the replacement of an existing London Inter-bank Offer Rate ("LIBOR") with an alternative Risk-Free Rate ("RFR").

The bank had put in place a robust transition project for those contracts which reference LIBOR and to transition them to the alternate benchmarks as applicable. This transition project considered changes to systems, processes, risk management policies, and models, as well as accounting implications. Further, the Bank has actively approached customers for awareness and led communication and negotiations with affected counterparties. As of March 31, 2024, most of the impacted financial instruments have transitioned to alternate reference rate except for few complex legacy contracts referencing USD IBOR and transactions which will be repriced after 31 March, 2024, and will transition to alternate rate at the next repricing date. The Bank has no exposure to any other LIBOR rates.

	Yet to transition to an alternative benchmark profit rate as at 31 March 2024	Transition plan for yet to be transitioned exposures
	Carrying Value/Nominal Amount	
Non derivative assets exposed to USD LIBOR	Assets	
Financing	3,252,744	Expected to transition to alternative benchmark by 31/08/2024

22 - Related party transactions

In the ordinary course of business, the Group transacts business with related parties. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA. The nature and balances resulting from such transactions as at and for the period ended 31 March are as follows:

	31 March 2024	31 March 2023
Related parties		
Members of the Board of Directors		
Financing	948,949	749,578
Companies and establishments guaranteed by members of the Board of Directors		
Financing	5,186,503	10,739,248
Contingent liabilities (*)	1,404,849	5,183,221
Associate		
Contributions payable	69,110	166,496
Receivable against claims	524,369	105,511
Bank balances	528,808	53,555

(*) = off balance sheet items.

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the periods ended 31 March are as follows:

	31 March 2024	31 March 2023
Provision for employees' end of service benefits	632	563

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

23 - Comparative Figures

Certain prior period figures have been reclassified to conform to the current period's presentation.

24 - Approval of the Board of Directors

The interim condensed consolidated financial information were approved by the Board of Directors on 23 Shawwal 1445H (corresponding to 02 May 2024).