



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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
As of and for the Six-month period ended 30 June 2024

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KPMG Professional Services

(Professional Closed Joint Stock Company)
Paid-up capital SR 40,000,000
Commercial registration no. 1010425494

Roshn Front
Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia

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 statement of financial position of **Al Rajhi Banking and Investment Corporation** (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024, and the interim condensed consolidated statements of income and comprehensive income for the three-month and the six-month periods ended 30 June 2024, and the interim condensed consolidated statements of changes in shareholders' equity and cash flows for the six-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" 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 information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Ernst and Young Professional Services


Dr. Abdullah Hamad Al Fozan
Certified Public Accountant
License no. 348


Waleed G. Tawfiq
Certified Public Accountant
License no. 437



03 Safar 1446H
(07 August 2024)



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

As at	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Assets				
Cash and balances with Central Banks	4	42,466,985	41,767,641	46,020,421
Due from banks and other financial institutions, net	5	14,126,240	9,506,673	10,983,167
Investments, net	6	153,026,114	133,375,565	120,548,151
Positive fair value of Shariah compliant derivatives	7	1,577,381	877,676	1,085,426
Financing, net	8	621,890,877	594,204,806	579,080,207
Other assets, net		16,356,514	11,716,865	10,899,066
Investment in associate		974,646	923,046	871,701
Investment properties, net		1,368,207	1,362,658	1,361,193
Property, equipment, and right of use assets, net		13,060,637	12,852,774	11,771,672
Goodwill and other intangibles, net		1,217,339	1,510,568	1,308,986
Disposal group classified as held for sale	13	894,647	-	-
Total assets		866,959,587	808,098,272	783,929,990
Liabilities and equity				
Liabilities				
Due to banks and other financial institutions	9	87,700,686	97,246,889	81,591,132
Customers' deposits	10	622,572,292	573,100,607	570,665,286
Negative fair value of Shariah compliant derivatives	7	1,442,598	793,541	1,001,224
Sukuk issued	11	8,086,919	3,789,117	3,789,878
Other liabilities		30,282,352	26,408,687	23,695,024
Non-current liabilities associated with disposal group classified as held for sale	13	478,646	-	-
Total liabilities		750,563,493	701,338,841	680,742,544
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	16	(531,410)	(96,606)	(332,188)
Retained earnings		20,966,117	16,913,041	17,731,928
Equity attributable to shareholders of the Bank		93,877,703	90,259,431	86,687,446
Equity sukuk	12	22,518,391	16,500,000	16,500,000
Total equity		116,396,094	106,759,431	103,187,446
Total liabilities and equity		866,959,587	808,098,272	783,929,990

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)

	Note	For the three-month ended 30 June		For the six-month ended 30 June	
		2024	2023	2024	2023
Income					
Gross financing and investment income		11,237,749	9,295,525	22,040,350	18,063,420
Gross financing and investment return		(5,380,280)	(4,101,855)	(10,536,010)	(7,744,492)
Net financing and investment income		5,857,469	5,193,670	11,504,340	10,318,928
Fee from banking services, income		2,417,412	2,411,512	4,887,655	4,755,472
Fee from banking services, expenses		(1,293,920)	(1,282,913)	(2,725,638)	(2,416,925)
Fee from banking services, net		1,123,492	1,128,599	2,162,017	2,338,547
Exchange income, net		318,857	290,898	613,565	588,811
Other operating income, net		337,183	214,281	586,193	361,784
Total operating income		7,637,001	6,827,448	14,866,115	13,608,070
Expenses					
Salaries and employees' related benefits		918,008	885,346	1,816,850	1,757,454
Depreciation and amortization		473,653	381,659	923,735	744,510
Other general and administrative expenses		564,774	572,901	1,109,596	1,138,078
Total operating expenses before credit impairment charge		1,956,435	1,839,906	3,850,181	3,640,042
Impairment charge for financing and other financial assets, net	8	454,822	360,386	876,031	719,166
Total operating expenses		2,411,257	2,200,292	4,726,212	4,359,208
Net income for the period before Zakat		5,225,744	4,627,156	10,139,903	9,248,862
Zakat Expense		(527,561)	(477,094)	(1,036,962)	(953,626)
Net income for the period		4,698,183	4,150,062	9,102,941	8,295,236
Basic and diluted earnings per share (SAR)	14	1.12	0.98	2.16	1.97

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 30 June		For the six-month ended 30 June	
	2024	2023	2024	2023
Net income for the period	4,698,183	4,150,062	9,102,941	8,295,236
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	(63,248)	51,037	(70,372)	31,639
- Actuarial gain on re-measurement of employees' end of service benefits liabilities ("ESOB")	59,630	10,188	59,630	10,188
- Share in FVOCI from associate	(2,904)	38,118	1,947	23,993
<i>Items that may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
- Exchange difference on translating foreign operations	10,033	(60,161)	(14,569)	(66,709)
- Net change in fair value of FVOCI sukuk and structured products investments	(93,997)	2,694	(314,221)	32,803
- Cash flow hedge effective portion of change in the fair value	(5,314)	(3,010)	(76,810)	66,419
- Fair Value hedge	6,223	-	16,701	-
- Employee share plan reserve	-	-	(37,110)	-
Total other comprehensive (loss) / income	(89,577)	38,866	(434,804)	98,333
Total comprehensive income for the period	4,608,606	4,188,928	8,668,137	8,393,569

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

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

(SAR'000)

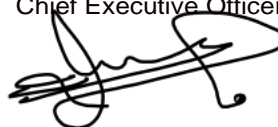
For the Six-month period ended 30 June 2024		Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed gross dividends	Total equity attributable to shareholders of the Bank	Sukuk	Total equity
	Note								
Balance at 31 December 2023		40,000,000	33,442,996	(96,606)	16,913,041	-	90,259,431	16,500,000	106,759,431
Net income for the period		-	-	-	9,102,941	-	9,102,941	-	9,102,941
Net change in fair value of FVOCI equity investments		-	-	(70,372)	-	-	(70,372)	-	(70,372)
Actuarial gain on re-measurement employees' end of service benefits ("EOSB")		-	-	59,630	-	-	59,630	-	59,630
Share in FVOCI from associate		-	-	1,947	-	-	1,947	-	1,947
Exchange difference on translation of foreign operations		-	-	(14,569)	-	-	(14,569)	-	(14,569)
Net change in fair value of FVOCI sukuk and structured products investments		-	-	(314,221)	-	-	(314,221)	-	(314,221)
Cash flow hedge Effective portion of change in the fair value		-	-	(76,810)	-	-	(76,810)	-	(76,810)
Fair value hedge		-	-	16,701	-	-	16,701	-	16,701
Employee share plan reserve		-	-	(37,110)	-	-	(37,110)	-	(37,110)
Total other comprehensive loss recognized in shareholders' equity		-	-	(434,804)	-	-	(434,804)	-	(434,804)
Total comprehensive income for the period		-	-	(434,804)	9,102,941	-	8,668,137	-	8,668,137
Equity Sukuk issued	12	-	-	-	-	-	-	6,018,391	6,018,391
Equity Sukuk costs		-	-	-	(449,865)	-	(449,865)	-	(449,865)
Dividend for annual year 2023	20	-	-	-	(4,600,000)	-	(4,600,000)	-	(4,600,000)
Balance at 30 June 2024		40,000,000	33,442,996	(531,410)	20,966,117	-	93,877,703	22,518,391	116,396,094

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 Six-month period ended 30 June 2023	Note	Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed gross dividends	Total equity attributable to shareholders of the Bank	Sukuk	Total equity
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		-	-	-	8,295,236	-	8,295,236	-	8,295,236
Net change in fair value of FVOCI equity investments		-	-	31,639	-	-	31,639	-	31,639
Actuarial gain on re-measurement employees' end of service benefits ("EOSB")		-	-	10,188	-	-	10,188	-	10,188
Share in FVOCI from associate		-	-	23,993	-	-	23,993	-	23,993
Exchange difference on translation of foreign operations		-	-	(66,709)	-	-	(66,709)	-	(66,709)
Net change in fair value of FVOCI Sukuk and Structured products investments		-	-	32,803	-	-	32,803	-	32,803
Cash flow hedge Effective portion of change in the fair value		-	-	66,419	-	-	66,419	-	66,419
Total other comprehensive income recognized in shareholders' equity		-	-	98,333	-	-	98,333	-	98,333
Total comprehensive income for the period		-	-	98,333	8,295,236	-	8,393,569	-	8,393,569
Disposal of FVOCI equity instruments		-	-	(2,952)	2,952	-	-	-	-
Equity Sukuk costs		-	-	-	(431,158)	-	(431,158)	-	(431,158)
Dividend for annual year 2022	20	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Balance at 30 June 2023		40,000,000	29,287,706	(332,188)	17,731,928	-	86,687,446	16,500,000	103,187,446

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 Six-month period ended 30 June	Note	2024	2023
Cash Flows from operating activities			
Net income before Zakat		10,139,903	9,248,862
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)		(57,908)	44,473
Depreciation on property, equipment and right of use assets		832,048	652,319
Depreciation on investment properties		10,882	15,658
Amortization of other intangibles		80,805	76,533
Gain on sale of property and equipment, net		(10,552)	(4,617)
Impairment charge for financing and other financial assets, net	8	876,031	719,166
Share in profit of an associate		(77,707)	(24,631)
Dividend income		(74,037)	(59,017)
Accretion/amortisation relating to Sukuk investments, net		(79,906)	(24,346)
Profit charge against lease obligations		13,364	17,760
Fair value adjustment for Shariah compliant derivatives		(50,648)	(49,464)
Rental income from investment properties		(54,943)	(49,874)
Employee share plan reserve		(37,110)	-
(Increase) / decrease in operating assets			
Statutory deposit with SAMA and other central banks		(278,598)	(394,182)
Due from banks and other financial institutions		(494,582)	6,035,548
Financing		(28,562,102)	(11,461,259)
FVIS investments, net		(3,055,602)	431,442
Other assets, net		(5,101,164)	(3,013,997)
Increase / (decrease) in operating liabilities			
Due to banks and other financial institutions		(9,546,203)	10,752,015
Customers' deposits		49,471,685	5,740,598
Other liabilities		6,165,884	666,534
Profit payment against lease obligations		(13,364)	(17,760)
Net cash generated from operating activities before Zakat		20,096,176	19,301,761
Zakat paid		(2,725,225)	(1,971,690)
Net cash generated from operating activities		17,370,951	17,330,071

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)

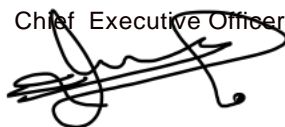
For the Six-month period ended 30 June	Note	2024	2023
Cash flows from investing activities			
Purchase of property and equipment		(1,017,557)	(1,054,178)
Proceeds from disposal of property and equipment		13,237	26,272
Other intangible assets		(165,716)	(170,972)
Purchase of FVOCI investments		(3,250,986)	(4,848,305)
Proceeds from disposal of FVOCI investments		-	11,550
Proceeds from maturities of investments recorded at amortized cost		6,602,003	2,961,851
Purchase of investments held at amortised cost		(20,254,492)	(17,646,901)
Purchase of investment properties		(7,477)	(11,992)
Dividend income		74,037	59,017
Rental income from investment properties		54,943	49,874
Net cash used in investing activities		(17,952,008)	(20,623,784)
Cash flows from financing activities			
Dividends paid		(4,600,000)	(5,000,000)
Equity Sukuk costs		(449,865)	(431,158)
Equity Sukuk issuance	12	6,018,391	-
Payments against lease obligation		(139,540)	(128,478)
Sukuk issued	11	4,297,802	3,789,878
Net cash generated from / (used in) financing activities		5,126,788	(1,769,758)
Net increase / (decrease) in cash and cash equivalents		4,545,731	(5,063,471)
Cash and cash equivalents at the beginning of the period	17	12,435,642	26,199,150
Cash and cash equivalents at end of the period	17	16,981,373	21,135,679
Financing and investment income received during the period		21,411,485	17,671,564
Financing and investment return paid during the period		(9,723,489)	(6,483,379)
Supplemental Non-cash transactions:			
ROU assets		25,039	52,687
Lease Liability		73,860	58,918
Net change in fair value of FVOCI investments		(384,593)	64,442
Remeasurement gain on EOSB		59,630	10,188
Disposal group classified as held for sale		894,647	-
Non-current liabilities associated with disposal group classified as held for sale		478,646	-

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 538 branch (Dec 31, 2023: 545 branch and June 30, 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 – Cayman 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.
Drahim Holdings (Drahim App) - Cayman Islands	USD	65%	-	A holdings company with the objective of offering Open Banking, investment, and financial technology services.

1 - General (Continued)

(a) Subsidiaries (Continued)

During June 2024, the Group acquired 65% shareholding in "Drahim Holding Company". The subsidiary is based in Cayman Island with the objective of offering open banking, investment and financial technology services. The Group has decided not to consolidate the subsidiary in its Interim Condensed Consolidated Financial Information for the period ended 30 June 2024 as it is not yet material. The decision not to consolidate the subsidiary does not have a material impact on the financial position, performance, or cash flows of the Group.

2 - Basis of preparation

The interim condensed consolidated financial information of the Group as at and for the period ended 30 June 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 statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. In addition to the material accounting policies described in the Group's annual consolidated financial statements for the year ended 31 December 2023, the policy as described below is now included. 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 an impact on the interim condensed consolidated financial information of the Group.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction(s) rather than through continuing use. Non-current assets and disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as those arising from employee benefits and financial assets that are carried at fair value. Costs to sell are incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs.

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)

Non-current assets held for sale and discontinued operations (Continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale plan, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the decision to sell will be withdrawn. A sale plan is expected to be completed within a year from the classification date.

Property, plant and equipment and intangible assets are not depreciated or amortised while they are classified as held for sale. Financing costs and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Assets and liabilities classified as held for sale are presented separately from the other assets/liabilities in the consolidated statement of financial position.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the assets is recognised at the date of derecognition.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after zakat from discontinued operations in the consolidated statement of comprehensive income.

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
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

4 - Cash and balances with Central Banks

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

	30 June 2024	31 December 2023	30 June 2023
Cash in hand	6,889,184	6,502,729	8,179,144
Statutory deposit	35,286,696	35,008,098	33,313,417
Balances with central banks (current accounts)	291,105	256,814	612,431
Mutajara with SAMA	-	-	3,915,429
Total	42,466,985	41,767,641	46,020,421

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:

	30 June 2024	31 December 2023	30 June 2023
Current accounts	1,983,584	3,179,877	4,231,964
Mutajara	12,145,084	6,331,071	6,754,908
Less: Allowance for expected credit losses	(2,428)	(4,275)	(3,705)
Total	14,126,240	9,506,673	10,983,167

6 - Investments, net

(a) Investments comprise the following:

	30 June 2024	31 December 2023	30 June 2023
Investments held at amortized cost:			
Murabaha with Saudi Government and SAMA	15,273,227	20,067,953	22,271,687
Sukuk	106,473,421	87,962,033	83,833,166
Structured Products	2,890,678	2,941,573	3,036,922
Less: Impairment (Stage 1)	(65,355)	(70,234)	(48,691)
Total investments held at amortized cost	124,571,971	110,901,325	109,093,084
Investments held at FVIS:			
Mutual funds	3,388,555	2,525,681	2,234,936
Sukuk	68,565	122,374	139,350
Structured Products	2,939,767	785,242	148,891
Equity investments	268,723	118,803	268,719
Total FVIS investments	6,665,610	3,552,100	2,791,896
FVOCI investments:			
Sukuk	16,006,153	14,242,998	5,123,208
Structured Products	1,607,505	1,106,286	1,089,893
Equity investments*	4,176,583	3,574,700	2,450,653
Less: Impairment (Stage 1)	(1,708)	(1,844)	(583)
Total FVOCI investments	21,788,533	18,922,140	8,663,171
Investments, net	153,026,114	133,375,565	120,548,151

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 30 June 2024 is SAR 72,475 million (30 June 2023: 64,811 million) and the related balances of the repurchase agreements is SAR 14,247 million (30 June 2023: 33,391 million).

*The Group holds SAR 3,366 million (30 June 2023: 1,654 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:

30 June 2024	Domestic	International	Total
Investments held at amortized cost:			
Fixed-rate Sukuk	88,905,276	11,213,607	100,118,883
Floating-rate Sukuk	21,516,477	111,288	21,627,765
Structured products	-	2,890,678	2,890,678
Less: Impairment (Stage 1)	(63,636)	(1,719)	(65,355)
Total investments held at amortized cost	110,358,117	14,213,854	124,571,971
Investments held as FVIS:			
Mutual funds	1,971,191	1,417,364	3,388,555
Fixed-rate Sukuk	50,565	-	50,565
Floating-rate Sukuk	18,000	-	18,000
Structured products	-	2,939,767	2,939,767
Equity investments	264,084	4,639	268,723
Total FVIS investments	2,303,840	4,361,770	6,665,610
Investments held as FVOCI:			
Fixed-rate Sukuk	10,231,701	4,294,869	14,526,570
Floating-rate Sukuk	1,094,098	385,485	1,479,583
Structured Products	-	1,607,505	1,607,505
Equity investments	4,015,938	160,645	4,176,583
Less: Impairment (Stage 1)	-	(1,708)	(1,708)
Total FVOCI investments	15,341,737	6,446,796	21,788,533
Investments, net	128,003,694	25,022,420	153,026,114

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):

30 June 2023	Domestic	International	Total
Investments held at amortized cost:			
Fixed-rate Sukuk	68,194,468	10,115,385	78,309,853
Floating-rate Sukuk	27,795,000	-	27,795,000
Structured products	500,000	2,536,922	3,036,922
Less: Impairment (Stage 1)	(46,960)	(1,731)	(48,691)
Total investments held at amortized cost	96,442,508	12,650,576	109,093,084
Investments held as FVIS:			
Mutual funds	1,093,770	1,141,166	2,234,936
Fixed-rate Sukuk	121,350	-	121,350
Floating-rate Sukuk	18,000	-	18,000
Structured Products	-	148,891	148,891
Equity investments	268,719	-	268,719
Total FVIS investments	1,501,839	1,290,057	2,791,896
Investments held as FVOCI:			
Fixed-rate Sukuk	2,430,124	2,085,974	4,516,098
Floating-rate Sukuk	232,000	375,110	607,110
Structured Products	-	1,089,893	1,089,893
Equity investments	2,375,397	75,256	2,450,653
Less: Impairment (Stage 1)	-	(583)	(583)
Total FVOCI investments	5,037,521	3,625,650	8,663,171
Investments, net	102,981,868	17,566,283	120,548,151

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

30 June 2024	Quoted	Unquoted	Total
Murabaha with Saudi Government and SAMA Sukuk	-	15,273,227	15,273,227
Structured Products	110,485,291	11,995,785	122,481,076
Equity investments	-	7,437,950	7,437,950
Mutual Funds	2,572,257	1,873,049	4,445,306
Investments, net	176,274	3,212,281	3,388,555
Investments, net	113,233,822	39,792,292	153,026,114

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

30 June 2023	Quoted	Unquoted	Total
Murabaha with Saudi Government and SAMA Sukuk	-	22,271,687	22,271,687
Structured Products	74,713,324	14,333,126	89,046,450
Equity investments	-	4,275,706	4,275,706
Mutual Funds	1,576,589	1,142,783	2,719,372
Investments, net	28,902	2,206,034	2,234,936
Investments, net	76,318,815	44,229,336	120,548,151

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.

30 June 2024	Positive fair value	Negative fair value	Notional amount total
Held for trading:			
Profit rate swaps	1,492,057	(1,361,463)	43,095,232
Foreign exchange forward contracts	6,525	(2,139)	6,437,690
FX Swaps	2,875	(10,987)	14,617,223
Total Held for trading	1,501,457	(1,374,589)	64,150,145
Held as cash flow hedge:			
Profit rate swaps	-	(60,997)	4,000,000
Total Held as cash flow hedge	-	(60,997)	4,000,000
Held as fair value Hedge:			
Profit rate swaps	75,924	(7,012)	9,728,842
Total Held as fair value Hedge	75,924	(7,012)	9,728,842
Total Shariah compliant derivatives	1,577,381	(1,442,598)	77,878,987

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

30 June 2023	Positive fair value	Negative fair value	Notional amount total
Held for trading:			
Profit rate swaps	1,001,842	(938,590)	26,902,910
Foreign exchange forward contracts	493	(481)	100,036
FX Swaps	758	(4,265)	8,623,370
Total Held for trading	1,003,093	(943,336)	35,626,316
Held as cash flow hedge:			
Profit rate swaps	82,333	(57,888)	8,743,877
Total Held as cash flow hedge	82,333	(57,888)	8,743,877
Total Shariah compliant derivatives	1,085,426	(1,001,224)	44,370,193

8 - Financing, net

(a) Net financing held at amortized cost:

30 June 2024	Retail	Corporate	Total
Performing financing	442,271,206	182,971,609	625,242,815
Non-performing financing	2,097,109	2,828,246	4,925,355
Gross financing	444,368,315	185,799,855	630,168,170
Provision for financing impairment	(4,989,803)	(3,287,490)	(8,277,293)
Financing, net	439,378,512	182,512,365	621,890,877

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

30 June 2023	Retail	Corporate	Total
Performing financing	432,992,829	150,554,858	583,547,687
Non-performing financing	1,850,408	2,224,446	4,074,854
Gross financing	434,843,237	152,779,304	587,622,541
Provision for financing impairment	(5,442,536)	(3,099,798)	(8,542,334)
Financing, net	429,400,701	149,679,506	579,080,207

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

	30 June 2024	30 June 2023
Balance at the beginning of the period	8,725,937	8,528,876
Provided for the period	1,529,547	1,651,292
Bad debt written off	(1,978,191)	(1,637,834)
Balance at the end of the period	8,277,293	8,542,334

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

	30 June 2024	30 June 2023
Provided for the period for financing	1,529,547	1,651,292
Provided for the period for other financial assets & off balance sheet	12,473	(184,916)
Recovery of written off financing for the period	(665,989)	(747,210)
Allowance for financing impairment, net	876,031	719,166

8 - Financing, net (Continued)

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

	Gross carrying amount as of 30 June 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	6,264,077	(5,094,937)	(1,169,140)	-
Transfer to Lifetime ECL not credit impaired	(6,102,198)	6,377,665	(275,467)	-
Transfer to Lifetime ECL credit impaired	(926,951)	(1,811,308)	2,738,259	-
Write-offs	-	-	(1,978,191)	(1,978,191)
New business/ Other movements	28,265,836	590,381	359,401	29,215,618
At 30 June 2024	609,057,391	13,978,866	7,131,913	630,168,170
	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 30 June 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	1,987,974	(1,766,439)	(221,535)	-
Transfer to Lifetime ECL not credit impaired	(6,452,981)	6,492,708	(39,727)	-
Transfer to Lifetime ECL credit impaired	(1,504,952)	(1,312,182)	2,817,134	-
Write-offs	-	-	(1,637,834)	(1,637,834)
New business/ Other movements	13,061,664	(1,016,899)	348,620	12,393,385
At 30 June 2023	569,141,340	11,973,842	6,507,359	587,622,541

8 - Financing, net (Continued)

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

	Credit loss allowance as of 30 June 2024			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
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	1,071,997	(465,263)	(606,734)	-
Transfer to Lifetime ECL not credit impaired	(115,146)	258,980	(143,834)	-
Transfer to Lifetime ECL credit impaired	(22,940)	(287,175)	310,115	-
Write-offs	-	-	(1,978,191)	(1,978,191)
Net Charge for the Period	(928,278)	613,394	1,844,431	1,529,547
At 30 June 2024	2,529,537	1,815,001	3,932,755	8,277,293

	Credit loss allowance as of 31 December 2023			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
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 30 June 2023			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
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	280,482	(144,819)	(135,663)	-
Transfer to Lifetime ECL not credit impaired	(140,061)	163,077	(23,016)	-
Transfer to Lifetime ECL credit impaired	(49,482)	(318,602)	368,084	-
Write-offs	-	-	(1,637,834)	(1,637,834)
Net Charge for the Period	(497,130)	156,241	1,992,181	1,651,292
At 30 June 2023	2,870,052	1,570,688	4,101,594	8,542,334

9 - Due to banks and other financial institutions

Due to banks and other financial institutions comprise the following:

	30 June 2024	31 December 2023	30 June 2023
Current accounts	1,757,071	568,771	138,371
Banks' time investments	85,943,615	96,678,118	81,452,761
Total	87,700,686	97,246,889	81,591,132

10 - Customers' deposits

Customers' deposits by type comprise the following:

	30 June 2024	31 December 2023	30 June 2023
Demand deposits and call accounts	422,257,918	352,107,825	367,940,537
Customers' time investments	186,325,396	207,981,393	192,992,098
Other customer accounts	13,988,978	13,011,389	9,732,651
Total	622,572,292	573,100,607	570,665,286

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 May 2024, the Bank has issued its first international sustainable Tier I Sukuk denominated in USD totaling USD 1 billion by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally. 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 16 May 2029 or any periodic distribution date thereafter, subject to the terms and conditions stipulated in the Sukuk agreement. The Sukuk will be listed on the London Stock Exchange's International Securities Market. The Sukuk may be sold in reliance on Regulation S under the US Securities Act of 1933, as amended.

In February 2024, Emkan Finance Company completed issuance of SAR 2.27 billion in new perpetual Sukuk. The Sukuk has no fixed maturity, 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.

12 - Equity Sukuk (Continued)

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 16 November 2027 or any periodic distribution date thereafter, subject to the terms and conditions stipulated in the Sukuk agreement.

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 - Disposal group classified as held for sale

The Board of Directors has approved a plan to lose control over Ejada Systems Limited Company ("Ejada"), a wholly owned subsidiary, through a sequenced series of arrangements. The subsidiary meets the criteria to be classified as held for sale for the following reasons:

- Ejada is available for immediate sale and can be sold in its current condition;
- There is an active program to proceed with private placements and an IPO, where the sale plan is expected to be completed within one year from the date of initial classification; and
- The Group is committed to follow all steps required for the sale arrangements to be executed in line with the approved plan.

The Group has classified and presented the assets and liabilities of Ejada (the "disposal group") as "held for sale" in the Group's statement of financial position in accordance with IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations". As the business of Ejada does not meet the definition of discontinued operations under IFRS 5, the results for the period have not been classified as discontinued / discontinuing operations in the consolidated statement of comprehensive income.

The approved sale plan involves a series of arrangements which are currently at various stages of progress, including a private placement which is subject to certain conditions precedent as at 30 June 2024, and a subsequent IPO.

As at 30 June 2024, the disposal group was stated at carrying value, which is lower than the fair value less costs to sell. The classification as "held for sale" did not have a significant impact on any of the Group's classes of assets and liabilities, and in addition there were no significant cumulative income or expenses recognised in other comprehensive income relating to the disposal group during the period.

14 - 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:

	30 June 2024	30 June 2023
Net income for the period	9,102,941	8,295,236
Less: Tier I Sukuk Costs	(449,865)	(431,158)
Net income after Tier I Sukuk payments	8,653,076	7,864,078
Number of outstanding shares	4,000,000	4,000,000
Basic and diluted earning per share (in SAR)	2.16	1.97

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- Commitments and contingencies

(a) Commitments and contingencies comprise the following:

	30 June 2024	31 December 2023	30 June 2023
Letters of credit	8,954,806	7,373,129	8,144,001
Acceptances	1,321,341	1,822,800	1,974,353
Letters of guarantee	26,761,644	22,703,348	18,450,210
Irrevocable commitments to extend credit	20,609,874	12,275,623	16,503,911
Total	57,647,665	44,174,900	45,072,475

(b) Legal proceedings

As at 30 June 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.

30 June 2024	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Gross carrying amount					
Stage 1 - (12-months ECL)	8,751,873	1,315,079	25,354,821	20,538,792	55,960,565
Stage 2 - (lifetime ECL not credit impaired)	200,328	-	1,064,492	65,664	1,330,484
Stage 3 - (lifetime ECL for credit impaired)	2,605	6,262	342,331	5,418	356,616
Total outstanding balance at end of the period	8,954,806	1,321,341	26,761,644	20,609,874	57,647,665

30 June 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)	58,420	980	38,401	8,117	105,918
Stage 2 - (lifetime ECL not credit impaired)	267	-	24,957	27	25,251
Stage 3 - (lifetime ECL for credit impaired)	289	6,262	135,121	32	141,704
Total	58,976	7,242	198,479	8,176	272,873

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- **Commitments and contingencies (Continued)**

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

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

30 June 2023	Letters of Credit	Acceptances	Letters of guarantee	Irrevocable commitments to extend credit	Total
Gross exposure					
Stage 1 - (12-months ECL)	8,136,363	1,967,501	17,858,641	16,399,532	44,362,037
Stage 2 - (lifetime ECL not credit impaired)	5,434	767	257,901	104,379	368,481
Stage 3 - (lifetime ECL for credit impaired)	2,204	6,085	333,668	-	341,957
Total outstanding balance at end of the period	8,144,001	1,974,353	18,450,210	16,503,911	45,072,475

30 June 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)	62,374	1,680	28,983	2,848	95,885
Stage 2 - (lifetime ECL not credit impaired)	208	400	3,261	175	4,044
Stage 3 - (lifetime ECL for credit impaired)	251	6,085	132,650	-	138,986
Total	62,833	8,165	164,894	3,023	238,915

16 - 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.

	30 June 2024	31 December 2023	30 June 2023
FVOCI investments	(379,855)	4,738	(228,504)
Foreign currency translation	(257,994)	(243,425)	(267,424)
Employee share plan reserve	-	37,110	37,110
Re-measurement of employees' end of service benefits	105,095	45,465	52,832
Share in OCI from associate	45,640	43,693	49,353
Cash flow hedge effective portion in the fair value	(60,997)	15,813	24,445
Fair value hedge	16,701	-	-
Total	(531,410)	(96,606)	(332,188)

17 - Cash and cash equivalents

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

	30 June 2024	31 December 2023	30 June 2023
Cash in hand	6,889,184	6,502,729	8,179,144
Due from banks and other financial institutions maturing within 90 days from the date of purchase	9,801,084	5,676,099	8,428,675
Balances with SAMA and other central banks (current accounts)	291,105	256,814	612,431
Mutajara with SAMA	-	-	3,915,429
Cash and cash equivalents	16,981,373	12,435,642	21,135,679

18 - 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.

- Operating segments (Continued)

The Group's total assets and liabilities as at 30 June 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:

30 June 2024	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
Total Assets	473,832,073	182,790,996	203,120,492	7,216,026	866,959,587
Total Liabilities	304,424,607	329,322,247	115,019,886	1,796,753	750,563,493
Financing and investment income from external customers	12,013,405	6,403,555	3,522,926	100,464	22,040,350
Inter-segment operating income /(expense)	(3,426,023)	3,378,854	47,169	-	-
Gross financing and investment income	8,587,382	9,782,409	3,570,095	100,464	22,040,350
Gross financing and investment return	(791,400)	(6,215,490)	(3,529,120)	-	(10,536,010)
Net financing and investment income	7,795,982	3,566,919	40,975	100,464	11,504,340
Fee from banking services, net	1,255,012	327,704	128,506	450,795	2,162,017
Exchange income, net	316,674	118,840	178,051	-	613,565
Other operating income, net	197,597	5,122	241,640	141,834	586,193
Total operating income	9,565,265	4,018,585	589,172	693,093	14,866,115
Depreciation and amortization	(745,262)	(146,514)	(22,752)	(9,207)	(923,735)
Impairment charge for financing and other financial assets, net	(608,787)	(290,114)	22,870	-	(876,031)
Other operating expenses	(2,404,862)	(404,708)	(95,528)	(21,348)	(2,926,446)
Total operating expenses	(3,758,911)	(841,336)	(95,410)	(30,555)	(4,726,212)
Income before Zakat	5,806,354	3,177,249	493,762	662,538	10,139,903

30 June 2023	Retail segment	Corporate segment	Treasury segment	Investment services, brokerage and other segments	Total
Total Assets	458,183,145	149,817,769	169,704,014	6,225,062	783,929,990
Total Liabilities	306,733,306	268,988,263	104,326,370	694,605	680,742,544
Financing and investment income from external customers	10,708,188	4,789,931	2,493,824	71,477	18,063,420
Inter-segment operating income /(expense)	(3,489,399)	2,627,563	861,836	-	-
Gross financing and investment income	7,218,789	7,417,494	3,355,660	71,477	18,063,420
Gross financing and investment return	(265,059)	(4,738,241)	(2,741,192)	-	(7,744,492)
Net financing and investment income	6,953,730	2,679,253	614,468	71,477	10,318,928
Fee from banking services, net	1,008,977	468,681	587,498	273,391	2,338,547
Exchange income, net	286,402	134,189	168,220	-	588,811
Other operating income, net	103,889	7,216	34,232	216,447	361,784
Total operating income	8,352,998	3,289,339	1,404,418	561,315	13,608,070
Depreciation and amortization	(611,517)	(99,906)	(18,910)	(14,177)	(744,510)
Impairment charge for financing and other financial assets, net	(1,454,444)	744,599	(9,321)	-	(719,166)
Other operating expenses	(2,402,415)	(317,811)	(94,593)	(80,713)	(2,895,532)
Total operating expenses	(4,468,376)	326,882	(122,824)	(94,890)	(4,359,208)
Income before Zakat	3,884,622	3,616,221	1,281,594	466,425	9,248,862

19

- 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.

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

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.

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:

30 June 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value:					
FVIS Investments – Mutual funds	3,388,555	193,809	996,084	2,198,662	3,388,555
FVIS Sukuk	68,565	-	68,565	-	68,565
FVIS Structured Products	2,939,767	-	2,669,604	270,163	2,939,767
FVIS - Equity investments	268,723	253,723	15,000	-	268,723
FVOCI Sukuk	16,006,153	10,974,285	5,031,868	-	16,006,153
FVOCI Structure Products	1,607,505	1,607,505	-	-	1,607,505
FVOCI - Equity investments	4,176,583	2,058,098	2,094,052	24,433	4,176,583
Positive fair value Shariah compliant derivatives	1,577,381	-	1,577,381	-	1,577,381
Financial assets not measured at fair value:					
Due from banks and other financial institutions	14,126,240	-	-	14,401,800	14,401,800
Investments held at amortized cost:					
Murabaha with Saudi Government and SAMA	15,273,227	-	15,177,466	-	15,177,466
Sukuk	106,473,421	12,824,746	86,088,064	-	98,912,810
Structured Products	2,890,678	-	2,890,678	-	2,890,678
Gross Financing	630,168,171	-	-	617,992,218	617,992,218
Total	798,964,969	27,912,166	116,608,762	634,887,276	779,408,204
Financial liabilities					
Financial liabilities measured at fair value:					
Negative fair value Shariah compliant derivatives	1,442,598	-	1,442,598	-	1,442,598
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	87,700,686	-	-	87,320,173	87,320,173
Customers' deposits	622,572,292	-	-	625,918,835	625,918,835
Total	711,715,576	-	1,442,598	713,239,008	714,681,606

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

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- 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
30 June 2023					
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value:					
FVIS Investments – Mutual funds	2,234,936	28,902	2,206,034	-	2,234,936
FVIS Sukuk	139,350	-	139,350	-	139,350
FVIS Structured Products	148,891	-	-	148,891	148,891
FVIS - Equity investments	268,719	268,719	-	-	268,719
FVOCI Sukuk	5,123,208	3,644,867	1,478,341	-	5,123,208
FVOCI Structure Products	1,089,893	-	-	1,089,893	1,089,893
FVOCI - Equity investments	2,450,653	1,316,888	-	1,133,765	2,450,653
Positive fair value Shariah compliant derivatives	1,085,426	-	1,085,426	-	1,085,426
Financial assets not measured at fair value:					
Due from banks and other financial institutions	10,983,167	-	-	10,981,846	10,981,846
Investments held at amortized cost:					
Murabaha with Saudi Government and SAMA	22,271,687	-	22,461,575	-	22,461,575
Sukuk	83,833,166	65,525,291	13,483,894	-	79,009,185
Structured Products	3,036,922	-	-	3,036,922	3,036,922
Gross Financing	587,622,541	-	-	575,680,326	575,680,326
Total	720,288,559	70,784,667	40,854,620	592,071,643	703,710,930
Financial liabilities					
Financial liabilities measured at fair value:					
Negative fair value Shariah compliant derivatives	1,001,224	-	1,001,224	-	1,001,224
Financial liabilities not measured at fair value:					
Due to banks and other financial institutions	81,591,132	-	-	81,999,799	81,999,799
Customers' deposits	570,665,286	-	-	573,440,296	573,440,296
Total	653,257,642	-	1,001,224	655,440,095	656,441,319

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- 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.

20

- Dividends

The Board of Directors has decided on 04 August 2024, distribution of cash dividends to shareholders for the first half of 2024, amounting to SAR 5,000 million, being SAR 1.25 per share after deduction of Zakat. The Bank has obtained no-objection from the Saudi Central Bank on the Board of Directors' decision to distribute cash dividends to shareholders for the first half of 2024. The Eligibility date shall be at the end of trading day 12 August 2024.

The Board of Directors proposed on 24 January 2024, distribution of final dividends to shareholders 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.

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- 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.

21 - 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 June 2024, this has resulted in an increase of SAR 480 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:

	30 June 2024	31 December 2023	30 June 2023
Credit risk weighted assets	512,873,512	471,038,148	459,950,848
Operational risk weighted assets	47,008,909	38,443,216	38,443,216
Market risk weighted assets	5,634,209	10,848,214	5,123,439
Total Pillar I - risk weighted assets	565,516,630	520,329,578	503,517,503
Tier I capital	113,218,888	106,151,971	103,319,804
Tier II capital	5,799,592	5,846,939	5,722,149
Total tier I & II capital	119,018,480	111,998,910	109,041,953
Capital Adequacy Ratio %			
Tier I ratio	20.02%	20.40%	20.52%
Tier I & II ratio	21.05%	21.52%	21.66%

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 30 June are as follows:

	30 June 2024	30 June 2023
Related parties		
Members of the Board of Directors		
Financing	231,214	204,815
Companies and establishments guaranteed by members of the Board of Directors		
Financing	6,408,535	8,984,730
Contingent liabilities (*)	1,182,285	4,477,822
Associate		
Contributions payable	89,826	137,358
Receivable against claims	523,726	47,857
Bank balances	429,402	406,001

(*) = off balance sheet items.

22 - Related party transactions (Continued)

The amounts of compensations recorded in favor of or paid to the Board of Directors and the executive management personnel during the periods ended 30 June are as follows:

	30 June 2024	30 June 2023
Provision for employees' end of service benefits	615	490

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 03 Safar 1446 H (corresponding to 07 August 2024).