The Saudi British Bank
Interim Condensed Consolidated Financial Statements
For the nine months period ended

30 September 2021

(Unaudited)

KPMG Professional Services
Riyadh Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Headquarters in Riyadh

Commercial Registration No. 1010425494

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

To: The shareholders of The Saudi British Bank
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of The Saudi British Bank ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2021, and the related interim consolidated statements of income and comprehensive income for the three and nine month periods then ended, and the related interim consolidated statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes (collectively referred to as "the interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other regulatory matters

As required by the Saudi Central Bank ("SAMA"), certain capital adequacy information has been disclosed in note 22 to the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note 22 to the relevant analysis prepared by the Bank for its submission to SAMA and found no material inconsistencies.

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26 Rabi Awal 1443H
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The Saudi British Bank
Interim consolidated statement of financial position as at

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	Notes	30 September 2021 Unaudited	31 December 2020 Audited (Restated)	30 September 2020 Unaudited (Restated)
Assets				
Cash and balances with SAMA	5	13,960,749	36,449,415	21,510,775
Due from banks and other financial institutions, net	6	5,819,935	5,105,498	4,923,876
Positive fair value derivatives, net	11	1,463,199	1,961,306	2,169,903
Non-current assets classified as held for sale	9 (a)	68,134	-	-
Investments held at fair value through other comprehensive income (FVOCI)	7	15,090,991	13,703,233	13,437,948
Investments held at fair value through statement of income (FVSI)	7	1,390,505	1,237,760	1,166,415
Investments held at amortised cost, net	7	49,624,487	45,890,014	49,497,556
Loans and advances, net	8	163,500,115	153,243,078	151,885,546
Investment in associates	9	536,079	619,232	595,223
Other assets		4,154,950	4,090,172	4,572,572
Goodwill and other intangibles	10	10,775,742	10,982,536	10,956,532
Property, equipment and right of use assets, net		3,167,567	3,169,427	3,241,215
Total Assets		**269,552,453**	**276,451,671**	**263,957,561**
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions		17,986,284	17,620,956	14,480,455
Customers' deposits	12	180,247,727	189,110,140	180,198,367
Debt securities in issue	13	5,026,153	5,066,610	5,028,906
Negative fair value derivatives, net	11	1,966,739	2,819,086	3,075,982
Other liabilities		11,724,462	11,073,139	11,386,529
Total liabilities		**216,951,365**	**225,689,931**	**214,170,239**
Equity				
Equity attributable to equity holders of the Bank				
Share capital		20,547,945	20,547,945	20,547,945
Share premium		8,524,882	17,586,986	17,586,986
Statutory reserve	24	20,547,945	11,485,841	11,485,841
Other reserves		(30,370)	324,937	40,860
Retained earnings		2,908,576	711,063	18,493
Total equity attributable to equity holders of the Bank		**52,498,978**	**50,656,772**	**49,680,125**
Total equity attributable to Non-controlling interest	14	102,110	104,968	107,197
Total equity		**52,601,088**	**50,761,740**	**49,787,322**
Total liabilities and equity		**269,552,453**	**276,451,671**	**263,957,561**

Lama Ghazzaoui
Lama A GHAZZAOUI
Chief Financial Officer

Tony Cripps
Tony Cripps
Managing Director & Authorized Member

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements

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SAR'000	Notes	Three months ended 30 September 2021	Three months ended 30 September 2020 (Restated)	Nine months ended 30 September 2021	Nine months ended 30 September 2020 (Restated)
Special commission income		1,558,470	1,855,921	4,821,901	6,130,480
Special commission expense		(149,636)	(198,353)	(514,644)	(755,199)
Net special commission income		**1,408,834**	**1,657,568**	**4,307,257**	**5,375,281**
Fee and commission income		655,226	566,921	1,836,497	1,593,755
Fee and commission expense		(315,409)	(224,789)	(899,658)	(602,751)
Fee and commission income, net		**339,817**	**342,132**	**936,839**	**991,004**
Exchange income, net		161,281	124,559	429,206	384,737
Income from FVSI financial instruments, net		36,987	19,799	121,411	122,222
Dividend income		-	-	14,828	25,284
Gains on FVOCI debt instruments, net		16,037	4,694	63,520	31,200
Other operating income / (loss), net		4,658	(7,389)	78,253	(101,374)
Total operating income		**1,967,614**	**2,141,363**	**5,951,314**	**6,828,354**
Provision for expected credit losses, net	20(a)	(12,996)	(51,098)	(40,242)	(1,598,947)
Goodwill impairment		-	-	-	(7,417,776)
Operating expenses:					
Salaries and employee related expenses		(460,209)	(442,680)	(1,263,777)	(1,393,957)
Rent and premises related expenses		(14,706)	(18,118)	(44,290)	(49,005)
Depreciation and amortization		(140,997)	(183,295)	(489,735)	(498,923)
General and administrative expenses		(320,973)	(357,239)	(889,536)	(1,030,170)
Total operating expenses		**(936,885)**	**(1,001,332)**	**(2,687,338)**	**(2,972,055)**
Income / (loss) from operating activities		**1,017,733**	**1,088,933**	**3,223,734**	**(5,160,424)**
Share in earnings of associates	9	20,032	23,398	84,148	57,926
Net income/ (loss) for the period before Zakat and income tax		**1,037,765**	**1,112,331**	**3,307,882**	**(5,102,498)**
Provision for Zakat and income tax - Current		(119,296)	(63,147)	(455,982)	(205,598)
(Provision for) / reversal of income tax – Deferred		(32,697)	-	(77,250)	460,850
Net income/ (loss) for the period after Zakat and income tax		**885,772**	**1,049,184**	**2,774,650**	**(4,847,246)**
Attributable to:					
Equity holders of the Bank		885,302	1,049,991	2,777,508	(4,837,271)
Non-controlling interest		470	(807)	(2,858)	(9,975)
Net income / (loss) for the period after Zakat and income tax		**885,772**	**1,049,184**	**2,774,650**	**(4,847,246)**
Basic and diluted earnings / (loss) per share (in SAR)	16	**0.43**	**0.51**	**1.35**	**(2.35)**

Lama Ghazzaoui

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Chief Financial Officer

Tony Cripps

Tony Cripps

Managing Director & Authorized Member

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements

The Saudi British Bank
Interim consolidated statement of comprehensive income -Unaudited

SAR'000	Three months ended		Nine months ended	
	30 September 2021	30 September 2020 (Restated)	30 September 2021	30 September 2020 (Restated)
Net income / (loss) for the period after Zakat and income tax	**885,772**	**1,049,184**	**2,774,650**	**(4,847,246)**
Other comprehensive income for the period				
Items that will not be reclassified to interim consolidated statement of income in subsequent periods				
Net changes in fair value (FVOCI equity instruments)	2,469	3,612	375,844	(199,854)
Re-measurement of defined benefit liability	(5,221)	-	(19,203)	-
Items that may be reclassified to interim consolidated statement of income in subsequent periods				
Debt instruments at FVOCI:				
Net changes in fair value	(67,292)	413,228	(19,119)	(2,436)
Transfer to interim consolidated statement of income, net	(16,037)	(4,694)	(63,520)	(31,200)
Cash flow hedges:				
Net changes in fair value	261	(3,955)	662	(4,631)
Transfer to interim consolidated statement of income, net	(4,272)	3,330	(10,398)	(1,100)
Total other comprehensive (loss) / income for the period	(90,092)	411,521	264,266	(239,221)
Total comprehensive income / (loss) for the period	**795,680**	**1,460,705**	**3,038,916**	**(5,086,467)**
Attributable to:				
Equity holders of the Bank	795,210	1,461,512	3,041,774	(5,076,492)
Non-controlling interest	470	(807)	(2,858)	(9,975)
Total	**795,680**	**1,460,705**	**3,038,916**	**(5,086,467)**

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Chief Financial Officer

Tony Cripps

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Managing Director & Authorized Member

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The Saudi British Bank
Interim consolidated statement of changes in equity - Unaudited

For the nine months period ended

SAR'000

	Notes	Attributable to equity holders of the Bank: Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total	Non-controlling interest	Total Equity
30 September 2021										
Balance at the beginning of the period as previously reported		20,547,945	17,586,986	11,485,841	324,937	760,954	-	50,706,663	55,077	50,761,740
Effect of restatement		-	-	-	-	(49,891)	-	(49,891)	49,891	-
Restated balance as at 1 January 2021		**20,547,945**	**17,586,986**	**11,485,841**	**324,937**	**711,063**	**-**	**50,656,772**	**104,968**	**50,761,740**
Total comprehensive income for the period										
Net income for the period after Zakat and income tax		-	-	-	-	2,777,508	-	2,777,508	(2,858)	2,774,650
Net changes in fair value of cash flow hedges		-	-	-	662	-	-	662	-	662
Net changes in fair value of FVOCI equity instruments		-	-	-	375,844	-	-	375,844	-	375,844
Net changes in fair value of FVOCI debt instruments		-	-	-	(19,119)	-	-	(19,119)	-	(19,119)
Re-measurement of defined benefit liability		-	-	-	(19,203)	-	-	(19,203)	-	(19,203)
Transfer to interim consolidated statement of income		-	-	-	(73,918)	-	-	(73,918)	-	(73,918)
		-	**-**	**-**	**264,266**	**2,777,508**	**-**	**3,041,774**	**(2,858)**	**3,038,916**
Purchase of treasury shares		-	-	-	(115,000)	-	-	(115,000)	-	(115,000)
Employee share plan reserve					(9,081)	-	-	(9,081)	-	(9,081)
Transfer to statutory reserve	24	-	(9,062,104)	9,062,104	-	-	-	-	-	-
Transfer of gain on disposal of equity instruments at FVOCI to retained earnings		-	-	-	(495,492)	495,492	-	-	-	-
2021 interim dividend paid net of Zakat and income tax	**26**	-	-	-	-	(1,075,487)	-	(1,075,487)	-	(1,075,487)
Balance at the end of the period		**20,547,945**	**8,524,882**	**20,547,945**	**(30,370)**	**2,908,576**	**-**	**52,498,978**	**102,110**	**52,601,088**

	Notes	Attributable to equity holders of the Bank: Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Proposed dividends	Total	Non-controlling interest	Total Equity
30 September 2020										
Balance at the beginning of the period as previously reported		20,547,945	17,586,986	11,485,841	237,429	4,901,004	1,234,454	55,993,659	90,532	56,084,191
Effect of restatement		-	-	-	-	(26,640)	-	(26,640)	26,640	-
Restated balance as at 1 January 2020		**20,547,945**	**17,586,986**	**11,485,841**	**237,429**	**4,874,364**	**1,234,454**	**55,967,019**	**117,172**	**56,084,191**
Total comprehensive income for the period										
Net income for the period after Zakat and income tax		-	-	-	-	(4,837,271)	-	(4,837,271)	(9,975)	(4,847,246)
Net changes in fair value of cash flow hedges		-	-	-	(4,631)	-	-	(4,631)	-	(4,631)
Net changes in fair value of FVOCI equity instruments		-	-	-	(199,854)	-	-	(199,854)	-	(199,854)
Net changes in fair value of FVOCI debt instruments		-	-	-	(2,436)	-	-	(2,436)	-	(2,436)
Transfer to interim consolidated statement of income		-	-	-	(32,300)	-	-	(32,300)	-	(32,300)
		-	**-**	**-**	**(239,221)**	**(4,837,271)**	**-**	**(5,076,492)**	**(9,975)**	**(5,086,467)**
Employee share plan reserve		-	-	-	46,275	-	-	46,275	-	46,275
Transfer of gain on disposal of equity instruments at FVOCI to retained earnings		-	-	-	(3,623)	3,623	-	-	-	-
2019 final dividend paid net of Zakat and income tax		-	-	-	-	(22,223)	(1,234,454)	(1,256,677)		(1,256,677)
Balance at the end of the period		**20,547,945**	**17,586,986**	**11,485,841**	**40,860**	**18,493**	**-**	**49,680,125**	**107,197**	**49,787,322**

Lama Ghazzaoui
Lama A GHAZZAOUI
Chief Financial Officer

Tony Cripps
Tony Cripps
Managing Director & Authorized Member

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements

The Saudi British Bank
Interim consolidated statement of cash flows - Unaudited

For the nine months period ended
SAR'000

	Notes	30 September 2021	30 September 2020 (Restated)
OPERATING ACTIVITIES			
Net income / (loss) for the period before Zakat and income tax		**3,307,882**	**(5,102,498)**
Adjustments to reconcile net income before Zakat and income tax to net cash used in / generated from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		36,208	32,945
Depreciation and amortization		489,735	498,923
Income from FVSI financial instruments, net		-	4,927
Gains on FVOCI debt instruments, net		(63,520)	(31,200)
Cash flow hedge gain transferred to interim consolidated statement of income		(10,398)	(1,100)
Share in earnings of associates		(84,148)	(57,926)
Provision for expected credit losses, net		40,242	1,598,947
Goodwill impairment		-	7,417,776
Employee share plan reserve		(9,081)	46,275
		3,706,920	**4,407,069**
Change in operating assets:			
Statutory deposit with SAMA		23,675	(485,305)
Due from banks and other financial institutions, net		78,995	74,403
Investments held as FVSI		(152,745)	(204,586)
Loans and advances, net		(10,171,243)	(1,344,019)
Other assets and derivatives, net		498,013	(2,357,611)
Change in operating liabilities:			
Due to banks and other financial institutions		365,328	13,634,553
Customers' deposits		(8,862,413)	(11,955,081)
Payment of lease liabilities		(110,872)	(114,563)
Other liabilities and derivatives, net		(653,142)	2,569,462
		(15,277,484)	**4,224,322**
Zakat and income tax paid		(183,717)	(539,828)
Net cash (used in) / generated from operating activities		**(15,461,201)**	**3,684,494**
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		3,620,242	8,511,100
Purchase of investments not held as FVSI		(8,418,299)	(11,664,669)
Dividend received from investment in associates		99,167	122,901
Purchase of property and equipment		(281,081)	(339,706)
Net cash used in investing activities		**(4,979,971)**	**(3,370,374)**
FINANCING ACTIVITIES			
Purchase of treasury shares		(115,000)	-
Debt securities in issue		(40,457)	3,529,154
Dividends paid		(1,074,729)	(1,255,300)
Net cash (used in) / generated from financing activities		**(1,230,186)**	**2,273,854**
Net (decrease) / increase in cash and cash equivalents		**(21,671,358)**	**2,587,974**
Cash and cash equivalents at beginning of the period	18	**29,708,694**	**12,391,789**
Cash and cash equivalents at end of the period	18	**8,037,336**	**14,979,763**
Special commission received during the period		4,743,855	6,037,910
Special commission paid during the period		572,299	972,001
Supplemental non-cash information			
Right of use assets		638,751	943,701
Lease liabilities		675,696	955,476
Net changes in fair value and transfers to interim consolidated statement of income		**264,266**	**(239,221)**

Lama Ghazzaoui	Tony Cripps
Lama A GHAZZAOUI	Tony Cripps
Chief Financial Officer	Managing Director & Authorized Member

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements

1. General

The Saudi British Bank ('SABB') is a Saudi joint stock company incorporated in the Kingdom of Saudi Arabia and was established by Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SABB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SABB operates under Commercial Registration No. 1010025779 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 107 branches (31 December 2020: 113 branches) in the Kingdom of Saudi Arabia. The address of SABB's head office is as follows:

The Saudi British Bank
P.O. Box 9084
Riyadh 11413
Kingdom of Saudi Arabia

The objectives of SABB are to provide a range of banking services. SABB also provides Shariah-compliant products, which are approved and supervised by an independent Shariah Board established by SABB.

SABB has 100% (31 December 2020: 100%) ownership interest in a subsidiary, SABB Insurance Agency Limited ("SIAL"), a limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010235187 dated 18 Jumada II 1428H (3 July 2007) (the company is currently under liquidation). SABB holds 98% of its interest in SIAL directly and 2% indirect ownership interest through another subsidiary ("Arabian Real Estate Company Limited") incorporated in the Kingdom of Saudi Arabia. SIAL's principal activity is to act as an exclusive insurance agent for SABB Takaful Company ("SABB Takaful") (also a subsidiary company of SABB) within the Kingdom of Saudi Arabia.

SABB has 100% (31 December 2020: 100%) ownership interest in a subsidiary, Arabian Real Estate Company Limited ("ARECO"), a limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010188350 dated 12 Jumada I 1424H (12 July 2003). SABB holds 99% of its interest in ARECO directly and 1% indirect ownership interest through another subsidiary ("SABB Insurance Agency") incorporated in the Kingdom of Saudi Arabia. ARECO is engaged in the purchase, sale and lease of land and real estate for investment purposes.

SABB has 100% (31 December 2020: 100%) ownership interest in a subsidiary, SABB Real Estate Company Limited ("SRECO"), a limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010428580 dated 12 Safar 1436H (4 December 2014), (the company is currently under liquidation). SABB holds 99.8% of its interest in SRECO directly and 0.2% indirect ownership interest through another subsidiary ("Arabian Real Estate Company Limited") incorporated in the Kingdom of Saudi Arabia. SRECO's principal activity is the registration of real estate and to hold and manage collateral on behalf of SABB.

SABB has 100% (31 December 2020: 100%) directly held ownership interest in a subsidiary, SABB Markets Limited ("SABB Markets"), a limited liability company incorporated in the Cayman Islands. SABB Markets is engaged in derivatives trading and repo activities.

SABB has 65% (31 December 2020: 65%) directly held ownership interest in a subsidiary, SABB Takaful, a joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010234032 dated 20 Jumada Awal 1428H (6 June 2007). SABB Takaful's principal activity is to engage in Shariah compliant insurance activities and to offer family and general Takaful products to individuals and corporates in the Kingdom of Saudi Arabia. SABB Takaful announced the signing of a non-binding Memorandum of Understanding with Walaa Cooperative Insurance Company on 14 July 2021 corresponding to 04/12/1442H to evaluate a potential merger between the two companies. SABB Takaful will continue to announce any material developments regarding the proposed merger in accordance with the relevant laws and regulations.

SABB has 100% (31 December 2020: 100%) directly held ownership interest in a subsidiary, Alawwal Invest ("AI"), a closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010242378 dated 30 Dhul Hijjah 1428H (9 January 2008). Alawwal Invest was formed in accordance with the CMA's

Resolution No. 1 39 2007. Alawwal Invest's principal activity is to engage in investment services and asset management activities regulated by the CMA related to dealing, managing, arranging, advising and taking custody of securities.

SABB has 100% (31 December 2020: 100%) directly held ownership interest in a subsidiary, Alawwal Real Estate Company ("AREC"), a limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010250772 dated 21 Jumada I 1429H (26 May 2008). AREC's principal activity is the registration of real estate assets under its name which are received by the Bank from its borrowers as collaterals and to hold and manage collateral on behalf of SABB.

SABB has 100% (31 December 2020: 100%) directly held ownership interest in a subsidiary, Alawwal Insurance Agency Company ("AIAC"), a limited liability company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010300250 dated 29 Muharram 1432H (4 January 2011). AIAC's principal activity is to act as an insurance agent for Wataniya Insurance Company (WIC), an associate, to sell its insurance products (the company is currently under liquidation).

SABB has 49% (31 December 2020: 49%) directly held ownership interest in HSBC Saudi Arabia, a closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial registration No. 1010221555 dated 27 Jumada Al-Akhirah 1427H (23 July 2006). HSBC Saudi Arabia was formed in accordance with the Resolution No. 37-05008 of the CMA dated 05/12/1426H corresponding to 05/01/2006G. HSBC Saudi Arabia's principal activity is to engage in the full range of investment banking and advisory services and asset management activities regulated by the CMA related to brokerage, dealing, managing, arranging, advising and taking custody of securities. HSBC Saudi Arabia is an associate of SABB with HSBC Asia Holdings B.V. a related party and shareholder in SABB.

SABB has 20% (31 December 2020: 20%) directly held ownership interest in previously classified an associate, Wataniya Insurance Company ("WIC"), a joint stock company incorporated in the Kingdom of Saudi Arabia formed pursuant to Royal Decree No. M/53 dated Shawwal 21, 1430H (10 October 2009). During the current quarter WIC was classified from an associate to asset classified as held for sale after SABB announced its strategic direction to dispose of its share in the Company. WIC's principal activity is to engage in Shariah compliant insurance activities and to offer family and general Takaful products to individuals and corporates in the Kingdom of Saudi Arabia.

SABB has participated in the following three structured entities for the purpose of effecting syndicated loan transactions in the Kingdom of Saudi Arabia and securing collateral rights over specific assets of the borrowers of those facilities under Islamic financing structures. These entities have no other business operations.

1. Saudi Kayan Assets Leasing Company.
2. Rabigh Asset Leasing Company.
3. Yanbu Asset Leasing Company.

SABB directly owns a 50% (31 December 2020: 50%) share in Saudi Kayan Assets Leasing Company and Rabigh Asset Leasing Company and directly owns a 100% (31 December 2020: 100%) share in Yanbu Asset Leasing Company as a result of SABB's merger with Alawwal Bank (AAB) in June 2019 (the company is currently under liquidation). SABB does not consolidate these entities as it does not have the right to variable returns from its involvement with the entities or ability to affect those returns through its power over the entities excluding Yanbu Asset Leasing Company. The related underlying funding to the relevant borrowers is recorded on SABB's interim consolidated statement of financial position.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group as at and for the period ended 30 September 2021 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with Group's annual consolidated financial statements as at 31 December 2020. The consolidated financial statements of the Group as at and for the year ended 31 December 2020, were prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA.

SABB presents its interim consolidated statement of financial position in the order of liquidity.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands, except where otherwise indicated.

Use of estimates and judgements

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. There were no changes in the current period to the critical accounting estimates and judgements that were applied on 31 December 2020.

3. Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of SABB and its subsidiaries, as mentioned in note 1 (collectively referred to as "the Group"). The financial statements of the subsidiaries are prepared for the same reporting period as that of SABB, using consistent accounting policies, except for SABB Takaful and certain immaterial subsidiaries, where latest interim reviewed financial statements or latest annual audited financial statements, respectively have been used for consolidation purposes to meet the Group's reporting timetable.

Subsidiaries are entities which are directly or indirectly controlled by SABB. SABB controls an entity ("the Investee") over which it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to SABB and cease to be consolidated from the date on which the control is transferred from SABB.

Intra-group transactions and balances have been eliminated in preparing these interim condensed consolidated financial statements.

The Group acts as a Fund Manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the Fund (comprising any carried interests and expected management fees) and the investors' rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

4. Significant accounting policies and impact of changes due to adoption of new standards

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020, except for the addition of the below accounting policy. Please also refer to note 25 to these interim condensed consolidated financial statements.

Non-current assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

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. Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Assets classified as held for sale are presented separately from the other assets in the interim consolidated statement of financial position.

New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

Accounting standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued the following accounting standards, amendments, which were effective from periods on or after January 1, 2022. The Group has opted not to early adopt these pronouncements and they do not have a significant impact on the interim condensed consolidated financial statements of the Group.

- Amendments to IAS 1, Presentation of financial statements', on classification of liabilities
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- IFRS 17, 'Insurance contracts', as amended in June 2020

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5. Cash and balances with SAMA

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Cash in hand	1,865,374	2,252,471	2,398,737
Statutory deposit	11,660,025	11,683,700	11,427,387
Placements with SAMA	306,987	21,841,129	7,534,917
Other balances	128,363	672,115	149,734
Total	**13,960,749**	**36,449,415**	**21,510,775**

6. Due from banks and other financial institutions, net

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Current accounts	5,651,107	4,887,672	4,699,348
Money market placements	168,828	217,826	224,528
Total	**5,819,935**	**5,105,498**	**4,923,876**

The following table sets out information about the credit quality of due from banks and other financial institutions, net:

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30 September 2021 (Unaudited)	**5,819,935**	**-**	**-**	**5,819,935**
31 December 2020 (Audited)	5,105,010	488	-	**5,105,498**

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against due from banks and other financial institutions:

	30 September 2021 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2021	1,629	333	-	**1,962**
Net impairment charge / (reversal) for the period	534	(333)	-	**201**
Balance as at 30 September 2021	**2,163**	**-**	**-**	**2,163**

	31 December 2020 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2020	425	-	**-**	**425**
Net impairment charge for the year	1,204	333	-	**1,537**
Balance as at 31 December 2020	**1,629**	**333**	**-**	**1,962**

7. Investments, net

Investment securities are classified as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
FVOCI – Debt, net	15,066,562	12,574,317	12,438,711
FVOCI – Equity	24,429	1,128,916	999,237
FVSI	1,390,505	1,237,760	1,166,415
Amortised cost, net	49,624,487	45,890,014	49,497,556
Total	**66,105,983**	**60,831,007**	**64,101,919**

The following table sets out information about the credit quality of debt instruments measured at amortised cost and FVOCI.

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30 September 2021 (Unaudited)				
Debt instruments at amortised cost, net	49,624,487	-	-	**49,624,487**
Debt instruments at FVOCI, net	15,066,562	-	-	**15,066,562**

	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
31 December 2020 (Audited)				
Debt instruments at amortised cost, net	45,890,014	-	-	**45,890,014**
Debt instruments at FVOCI, net	12,574,317	-	-	**12,574,317**

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against debt instruments not measured at fair value through consolidated statement of income:

	30 September 2021 (Unaudited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2021	25,700	-	-	**25,700**
Net impairment reversal for the period	(3,656)	-	-	**(3,656)**
Balance as at 30 September 2021	**22,044**	**-**	**-**	**22,044**

	31 December 2020 (Audited)			
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January 2020	10,951	115	-	**11,066**
Net impairment charge/ (reversal) for the year	14,749	(115)	-	**14,634**
Balance as at 31 December 2020	**25,700**	**-**	**-**	**25,700**

8. Loans and advances, net

Loans and advances are comprised of the following:

	30 September 2021 (Unaudited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	1,963,259	33,744,582	98,730,694	134,438,535
Lifetime ECL not credit impaired	119,805	2,091,228	24,528,559	26,739,592
Lifetime ECL credit impaired	51,097	1,038,692	4,447,344	5,537,133
Purchased or originated credit impaired	72	174,111	3,588,328	3,762,511
Total loans and advances, gross	**2,134,233**	**37,048,613**	**131,294,925**	**170,477,771**
Provision for expected credit losses, net	(171,840)	(786,956)	(6,018,860)	(6,977,656)
Loans and advances, net	**1,962,393**	**36,261,657**	**125,276,065**	**163,500,115**

	31 December 2020 (Audited)			
	Credit cards	Other retail lending	Corporate and institutional lending	Total
12 month ECL	1,941,419	33,209,970	89,805,599	124,956,988
Lifetime ECL not credit impaired	63,171	882,803	24,634,505	25,580,479
Lifetime ECL credit impaired	66,244	1,464,922	4,472,301	6,003,467
Purchased or originated credit impaired	135	172,724	3,704,746	3,877,605
Total loans and advances, gross	**2,070,969**	**35,730,419**	**122,617,151**	**160,418,539**
Provision for expected credit losses, net	(234,704)	(1,358,765)	(5,581,992)	(7,175,461)
Loans and advances, net	**1,836,265**	**34,371,654**	**117,035,159**	**153,243,078**

Lifetime ECL credit impaired includes non-performing loans and advances of SAR 4,877 million (31 December 2020: SAR 5,377 million). It also includes exposures that are now performing but have yet to complete a period of 12 months of performance ('the curing period') to be eligible to be upgraded to a not-impaired category. The financial assets recorded in each stage have the following characteristics:

- 12 month ECL not credit impaired (stage 1): without significant increase in credit risk on which a 12 month allowance (or lower if the tenor of the facility is less than 12 months) for ECL is recognised;

- Lifetime ECL not credit impaired (stage 2): a significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognised;
- Lifetime ECL credit impaired (stage 3): objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised; and
- Purchased or originated credit impaired ('POCI'): purchased or originated at a deep discount that reflects the incurred credit losses on which a lifetime ECL is recognised. POCI includes non-performing loans and advances acquired through the merger with AAB that were recorded at fair value as of acquisition date. It also includes recognition of previously written off loans of SABB where the expectation of recovery has improved.

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against loans and advances:

30 September 2021 (Unaudited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2021	**843,299**	**2,450,978**	**3,828,366**	**52,818**	**7,175,461**
Transfer to Stage 1	28,068	(24,897)	(3,171)	-	-
Transfer to Stage 2	(13,564)	49,503	(35,939)	-	-
Transfer to Stage 3	(2,423)	(20,504)	22,927	-	-
Net impairment charge/ (reversal)	(334,270)	652,705	(271,146)	38,396	85,685
Write-offs	-	-	(283,490)	-	(283,490)
Balance as at 30 September 2021	**521,110**	**3,107,785**	**3,257,547**	**91,214**	**6,977,656**

31 December 2020 (Audited)	Non-credit impaired		Credit impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2020	**644,297**	**2,156,103**	**3,142,098**	**60,502**	**6,003,000**
Transfer to Stage 1	38,332	(31,938)	(6,394)	-	-
Transfer to Stage 2	(7,856)	28,552	(20,696)	-	-
Transfer to Stage 3	(5,400)	(35,293)	40,693	-	-
Net impairment charge/ (reversal)	173,926	333,554	1,124,194	(7,684)	1,623,990
Write-offs	-	-	(451,529)	-	(451,529)
Balance as at 31 December 2020	**843,299**	**2,450,978**	**3,828,366**	**52,818**	**7,175,461**

9. Investment in associates

	Notes	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
HSBC Saudi Arabia				
Balance at beginning of the period / year		**542,955**	**585,987**	**585,987**
Share in earnings		92,291	79,870	55,518
Dividend received		(99,167)	(122,902)	(122,901)
Balance at end of the period / year		**536,079**	**542,955**	**518,604**
Wataniya				
Balance at beginning of the period / year		**76,277**	**74,211**	**74,211**
Share in earnings		(8,143)	2,066	2,408
Reclassified to non-current assets held for sale	9 (a)	(68,134)	-	-
Balance at end of the period / year		**-**	**76,277**	**76,619**
Total		**536,079**	**619,232**	**595,223**
Non-current assets classified as held for sale	9 (a)	**68,134**	**-**	**-**

SABB owns 49% (2020: 49%) of the shares of HSBC Saudi Arabia, an associate. The main activities of HSBC Saudi Arabia are to provide a full range of investment banking services including investment banking advisory, brokerage, debt and project finance. It also manages mutual funds and discretionary portfolios. HSBC Saudi Arabia is a capital market institution licensed by the CMA to carry out securities business activities.

9 (a) – Non-current assets classified as held for sale

On 14 July 2021, SABB announced its strategic direction with respect to its holding in WIC which involves a plan to dispose of its 20% shareholding in WIC with the sale expected to complete within twelve months. The associated assets are consequently presented as “Non-Current Assets Classified as Held for Sale” in these interim condensed consolidated financial statements as a result of meeting the classification criteria prescribed in IFRS 5.

10. Goodwill and other intangible assets

Intangibles are comprised of the following:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Amounts arising from business combination			
Goodwill	8,778,091	8,778,091	8,778,091
Other intangibles	1,670,427	1,787,484	1,826,504
Goodwill arising from acquisition of SABB Takaful	13,806	13,806	13,806
Software	313,418	403,155	338,131
Total	**10,775,742**	**10,982,536**	**10,956,532**

Impairment testing of goodwill

The goodwill acquired through business combination is reviewed annually for impairment. At each reporting period, an assessment is made for indicators of impairment. If indicators exist, an impairment test is required. If performed, the impairment test compares the estimated recoverable amount of the Group’s CGUs that carry goodwill, as determined through a Value-In-Use (VIU) model, with the carrying amount of net assets of each CGU.

As at 30 September 2021, no impairment indicators were identified. Therefore, no impairment test was performed.

11. Derivatives

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

	30 September 2021 (Unaudited)			31 December 2020 (Audited)			30 September 2020 (Unaudited)		
	Positive fair Value	**Negative fair value**	**Notional**	Positive fair Value	Negative fair value	Notional	Positive fair Value	Negative fair value	Notional
Derivatives held for trading:									
Special commission rate swaps	**837,674**	**(814,639)**	**41,765,730**	1,172,441	(1,175,729)	38,492,765	1,300,501	(1,299,697)	39,254,684
Special commission rate options	**512,736**	**(540,264)**	**14,844,736**	677,038	(724,737)	16,791,558	754,434	(809,972)	18,047,074
Forward foreign exchange contracts	**27,235**	**(25,499)**	**3,391,546**	68,766	(68,162)	1,534,616	55,722	(49,082)	3,361,912
Currency options	**10,985**	**(11,019)**	**1,334,213**	1,852	(1,852)	645,893	6,461	(6,305)	1,122,503
Currency swaps	**17,979**	**(13,342)**	**5,512,500**	15,418	(7,806)	3,825,000	15,453	(6,245)	5,100,000
Derivatives held as fair value hedges:									
Special commission rate swaps	**28,305**	**(550,991)**	**12,222,061**	-	(834,505)	10,110,416	-	(894,592)	10,110,416
Derivatives held as cash flow hedges:									
Special commission rate swaps	**2,912**	**-**	**90,000**	18,581	(6,295)	90,000	30,357	(10,089)	90,000
Currency swaps	**25,373**	**(10,985)**	**1,781,250**	7,210	-	1,031,250	6,975	-	1,106,250
Total	**1,463,199**	**(1,966,739)**	**80,942,036**	**1,961,306**	**(2,819,086)**	**72,521,498**	**2,169,903**	**(3,075,982)**	**78,192,839**
Fair values of netting arrangements	**20,777**	**(1,166,884)**		27,278	(1,665,900)		30,698	(1,683,871)	
Cash collateral received	**(15,388)**	**1,649,038**		(29,775)	1,979,400		(26,913)	2,109,513	
Fair values after netting	**5,389**	**482,154**		(2,497)	313,500		3,785	425,642	

12. Customers' deposits

	30 September 2021 (Unaudited)	**31 December 2020 (Audited)**	**30 September 2020 (Unaudited)**
Demand	139,640,672	134,240,503	132,657,631
Time	37,258,384	51,636,767	44,493,223
Savings	2,077,371	1,829,933	1,668,692
Margin and others	1,271,300	1,402,937	1,378,821
Total	**180,247,727**	**189,110,140**	**180,198,367**

13. Debt securities in issue

SAR 5 Billion 10 year Sukuk – 2020

SABB completed issuance of its SAR 5 billion Tier II Sukuk on 22 July 2020. The Sukuk issuance is under the Group's local Sukuk Programme (the "Local Programme") and is due in 2030, with SABB having an option to repay the Sukuk after 5 years, subject to prior approval of SAMA and terms and conditions of the Local Programme. The structure of the Sukuk was approved by SABB's Shari'ah committee. The Sukuk is unsecured and was offered by way of private placement in the Kingdom of Saudi Arabia carrying effective special commission profit rate at six months' SAIBOR plus margin of 195 bps payable semi-annually.

14. Restatement in non-controlling interest

The Group refined the approach to calculating the non-controlling interest in SABB Takaful to ensure it is fully compliant with IFRS.

Financial statements impacted	Description	As previously reported as at year ended 31 December 2020	Effect of restatement	Restated – 31 December 2020
Interim Consolidated Statement of Financial Position	Retained earnings	760,954	(49,891)	711,063
Interim Consolidated Statement of Financial Position	Total equity attributable to Non-controlling interest	55,077	49,891	104,968

Financial statements impacted	Description	As previously reported as at year ended 31 December 2019	Effect of restatement	Restated – 31 December 2019
Interim Consolidated Statement of Financial Position	Retained earnings	4,901,004	(26,640)	4,874,364
Interim Consolidated Statement of Financial Position	Total equity attributable to Non-controlling interest	90,532	26,640	117,172

Financial statements impacted	Description	As previously reported 30 September 2020	Effect of restatement	Restated – 30 September 2020
Interim Consolidated Statement of Financial Position	Retained earnings	62,139	(43,646)	18,493
Interim Consolidated Statement of Financial Position	Total equity attributable to Non-controlling interest	63,551	43,646	107,197
Interim Consolidated Statement of Income	Net income / (loss) for the period after zakat and income tax attributable to equity holders of the bank	(4,820,265)	(17,006)	(4,837,271)
Interim Consolidated Statement of Income	Net income / (loss) for the period after zakat and income tax attributable to non-controlling interest	(26,981)	17,006	(9,975)
Interim Consolidated Statement of Comprehensive Income	Total comprehensive income attributable to equity holders of the bank	(5,059,486)	(17,006)	(5,076,492)
Interim Consolidated Statement of Comprehensive Income	Total comprehensive income attributable to non-controlling interest	(26,981)	17,006	(9,975)

15. Commitments and contingencies

a) Legal proceedings

There are no material outstanding legal matters against the Group.

b) Credit related commitments and contingencies

Credit related commitments and contingencies are as follows:

30 September 2021 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	15,498,975	1,242,182	9,532	59,060	16,809,749
Letters of guarantee	64,023,512	8,043,955	1,610,879	2,010,506	75,688,852
Acceptances	1,704,524	398,131	2,306	4,524	2,109,485
Irrevocable commitments to extend credit	3,129,262	152,597	-	-	3,281,859
Total	**84,356,273**	**9,836,865**	**1,622,717**	**2,074,090**	**97,889,945**

31 December 2020 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Letters of credit	13,908,396	1,247,896	-	92,043	15,248,335
Letters of guarantee	55,770,431	8,546,379	1,219,019	2,176,805	67,712,634
Acceptances	2,316,644	744,637	-	51,765	3,113,046
Irrevocable commitments to extend credit	3,969,165	219,348	-	-	4,188,513
Total	**75,964,636**	**10,758,260**	**1,219,019**	**2,320,613**	**90,262,528**

The following table shows reconciliations from the opening to the closing balance of the provision for expected credit losses against off balance sheet exposures:

30 September 2021 (Unaudited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2021	**38,855**	**136,654**	**487,056**	**-**	**662,565**
Transfer to stage 1	1,732	(1,732)	-	-	-
Transfer to stage 2	(499)	799	(300)	-	-
Transfer to stage 3	(3)	(1,996)	1,999	-	-
Net impairment charge / (reversal) for the period	12,542	139,245	(23,863)	1,569	129,493
Write offs	-	-	(15,455)	-	(15,455)
Balance as at 30 September 2021	**52,627**	**272,970**	**449,437**	**1,569**	**776,603**

31 December 2020 (Audited)	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 1 January 2020	**28,129**	**126,322**	**481,614**	**-**	**636,065**
Transfer to stage 1	1,546	(1,426)	(120)	-	-
Transfer to stage 2	(2,051)	2,051	-	-	-
Transfer to stage 3	(350)	(2,002)	2,352	-	-
Net impairment charge for the year	11,581	11,709	3,210	-	26,500
Balance as at 31 December 2020	**38,855**	**136,654**	**487,056**	**-**	**662,565**

16. Basic and diluted earnings per share

Basic and diluted earnings / (loss) per share for the periods ended 30 September 2021 and 30 September 2020 are calculated by dividing the net income / (loss) after Zakat and income tax for the periods by the weighted average number of shares outstanding during the periods.

17. Zakat and income tax

In March 2019, new Zakat Regulations were issued by Zakat, Tax and Customs Authority (ZATCA) under resolution No. 2215 dated 7 Rajab 1440 (14 March 2019) (the "Zakat Regulations"), which provided a new basis for calculation of Zakat for companies engaged in financing activities. The Zakat base computed in accordance with the formula specified in the Zakat Regulations is also subject to thresholds for minimum and maximum liability. In addition, SABB is subject to pay corporate income tax to reflect the portion of the shareholder base that is non-Saudi. Corporate income tax is calculated at a rate of 20%, applied to the share of taxable income of the non-Saudi shareholders.

Tax assessments for the years 2010 to 2018 for SABB has been finalized. SABB has received tax assessments for fiscal years 2005 to 2009 in which the ZATCA raised additional demands for income tax and withholding tax. Together with assessments relating to AAB for fiscal years from 2010 to 2013, SABB will continue to contest the appeals before the Appellate Committee for Resolution of Tax Disputes and expects a favorable outcome. The amounts are not material.

SABB has also received an assessment relating to AAB for years 2015 to 2018 raising additional withholding tax on dividend payments to foreign shareholders. SABB has filed an appeal against the assessment and expects a favorable outcome. The amount is not material. The tax assessments for the years 2014 to 2018 for AAB and 2019 to 2020 for SABB are still under ZATCA review.

SABB has received VAT assessment for the years 2018 and 2019 and has filed an appeal against the assessment and expects a favorable outcome.

18. Cash and cash equivalents

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

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited) – Restated
Cash and balances with SAMA excluding the statutory deposit	2,300,724	24,765,715	10,083,387
Due from banks and other financial institutions with an original maturity of three months or less from date of the acquisition	5,736,612	4,942,979	4,896,376
Total	**8,037,336**	**29,708,694**	**14,979,763**

19. Operating segments

The Group's primary business is conducted in the Kingdom of Saudi Arabia.

Transactions between the operating segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance.

The Group's reportable segments are as follows:

Retail Banking – caters mainly to the banking requirements of personal and private banking customers.

Corporate and Institutional Banking – caters mainly to the banking requirements of corporate and institutional banking customers.

Treasury – manages the Group's liquidity, currency and special commission rate risks. It is also responsible for funding the Group's operations and managing the Group's investment portfolio and liquidity position.

Others – includes activities of the Group's investment in its insurance subsidiary and associates, SABB Takaful, HSBC Saudi Arabia and Wataniya, as well as a subsidiary for investment banking and brokerage, Alawwal Invest, equity investments, and merger-related expenses. It also includes elimination of inter-group income and expense items.

Transactions between the operating segments are reported as recorded by the Group's transfer pricing system.
The Group's total assets and liabilities as at 30 September 2021 and 30 September 2020, its total operating income and expenses, and the results for the periods then ended, by operating segment, are as follows:

30 September 2021 (Unaudited)	**Retail Banking**	**Corporate and Institutional Banking**	**Treasury**	**Others (including intergroup eliminations)**	**Total**
Total Assets	**48,210,431**	**128,945,903**	**90,247,013**	**2,149,106**	**269,552,453**
Loans and advances, net	38,224,050	125,276,065	-	-	163,500,115
Investments	-	-	65,340,208	765,775	66,105,983
Total Liabilities	**80,654,560**	**103,315,699**	**32,288,263**	**692,843**	**216,951,365**
Customers' Deposits	76,364,924	97,868,657	6,014,146	-	180,247,727
Operating income from external customers	1,835,431	3,073,203	1,030,443	12,237	5,951,314
Inter-segment operating income (expense)	162,146	(460,308)	303,342	(5,180)	-
Total Operating Income	**1,997,577**	**2,612,895**	**1,333,785**	**7,057**	**5,951,314**
Provision for expected credit losses, net	449,848	(493,545)	3,455	-	(40,242)
Total operating expenses	(1,368,850)	(1,078,430)	(132,102)	(107,956)	(2,687,338)
Share in earnings of an associate	-	-	-	84,148	84,148
Income for the period before Zakat and income tax	**1,078,575**	**1,040,920**	**1,205,138**	**(16,751)**	**3,307,882**

30 September 2020 (Unaudited)- Restated	Retail Banking	Corporate and Institutional Banking	Treasury	Others (including intergroup eliminations)	Total
Total Assets	**46,542,050**	**119,423,086**	**94,835,047**	**3,157,378**	**263,957,561**
Loans and advances, net	36,351,729	115,533,817	-	-	151,885,546
Investments	-	-	62,467,041	1,634,878	64,101,919
Total Liabilities	**82,836,736**	**104,024,356**	**26,752,429**	**556,718**	**214,170,239**
Customers' Deposits	78,877,880	97,710,469	3,610,018	-	180,198,367
Operating income from external customers	1,933,065	3,883,907	997,638	13,744	6,828,354
Inter-segment operating income (expense)	415,805	(720,402)	305,467	(870)	-
Total Operating Income	**2,348,870**	**3,163,505**	**1,303,105**	**12,874**	**6,828,354**
Provision for expected credit losses, net	(369,136)	(1,209,727)	(20,084)	-	(1,598,947)
Goodwill Impairment	-	(7,417,776)	-	-	(7,417,776)
Total operating expenses	(1,530,728)	(909,538)	(133,967)	(397,822)	(2,972,055)
Share in earnings of an associate	-	-	-	57,926	57,926
Income for the period before Zakat and income tax	**449,006**	**(6,373,536)**	**1,149,054**	**(327,022)**	**(5,102,498)**

20. Financial risk management

Credit Risk

The Board of Directors is responsible for the overall risk management approach within SABB and for reviewing its effectiveness.

The Board's designated committee for risk matters is the Board Risk Committee which approves and provides oversight for the Group’s risk framework, plans and performance targets, which include the establishment of risk appetite statements, risk management strategies, the appointment of senior officers, the delegation of authorities for credit and other risks and the establishment of effective control procedures.

The Group manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities. There is also credit risk on credit related commitments and contingencies and derivatives.

The Group assesses the probability of default of counterparties using internal rating tools. The Group also uses external ratings, of major rating agencies, where available.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group’s risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are monitored daily. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure. In certain cases, the Group may also close out transactions to mitigate credit risk. The Group’s credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfil their obligation. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.Concentrations of credit risk indicate the relative sensitivity of the Group’s performance to developments affecting a particular industry or geographical location.

The Group seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or market sectors. It also takes security when appropriate. The Group also seeks additional collateral, where possible, from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreements.

a. Provision for expected credit losses, net

The following table shows the provision for expected credit losses for due from banks and other financial institutions, investments, loans and advances and off balance sheet exposures:

	Notes	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Net provision for expected credit losses:			
Due from banks and other financial institutions, net	6	(201)	(2,572)
Investments	7	3,656	(17,590)
Loans and advances, net	8	(85,685)	(1,517,583)
Off balance sheet exposures	15	(129,493)	(41,070)
Recoveries / (write offs), net		171,481	(20,132)
Net charge for the period		**(40,242)**	**(1,598,947)**

b. Collaterals

The Group in the ordinary course of lending activities hold collaterals as security to mitigate credit risk in the loans and advances. These collaterals mostly include time, demand, and other cash deposits, financial guarantees, local and international equities, real estate and other fixed assets. The collaterals are held mainly against commercial and consumer loans and are managed against relevant exposures at their net realizable values. For financial assets that are credit impaired at the reporting period, quantitative information about the collateral held as security is needed to the extent that such collateral mitigates credit risk.

21. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences can arise between the carrying values and fair value estimates. The fair values of recognised financial instruments are not materially different from their carrying values.

Determination of fair value and fair value hierarchy

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

- **Level 1:** quoted prices in active markets for the same instrument (e.g, without modification or repacking):
- **Level 2:** quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data: and
- **Level 3:** valuation techniques for which any significant input is not based on observable market data.

30 September 2021 (Unaudited)	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	1,463,199	-	1,463,199	-	**1,463,199**
Assets classified as held for sale	68,134	195,600	-	-	**195,600**
Investments held as FVSI	1,390,505	937,643	452,862	-	**1,390,505**
Investments held as FVOCI – Debt	15,066,562	-	15,066,562	-	**15,066,562**
Investments held as FVOCI – Equity	24,429	-	-	24,429	**24,429**
Financial assets not measured at fair value					
Due from banks and other financial institutions	5,819,935	-	5,819,935	-	**5,819,935**
Investments held at amortised cost	49,624,487	-	49,789,878	-	**49,789,878**
Loans and advances	163,500,115	-	-	161,856,370	**161,856,370**
Financial liabilities measured at fair value					
Derivative financial instruments	1,966,739	-	1,966,739	-	**1,966,739**
Financial liabilities not measured at fair value					
Due to banks and other financial institutions	17,986,284	-	17,986,284	-	**17,986,284**
Customers deposits	180,247,727	-	180,261,539	-	**180,261,539**
Debt securities in issue	5,026,153	-	5,026,153	-	**5,026,153**

31 December 2020 (Audited)	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivative financial instruments	1,961,306	-	1,961,306	-	**1,961,306**
Investments held as FVSI	1,237,760	878,521	359,239	-	**1,237,760**
Investments held as FVOCI – Debt	12,574,317	-	12,574,317	-	**12,574,317**
Investments held as FVOCI – Equity	1,128,916	1,103,450	-	25,466	**1,128,916**
Financial assets not measured at fair value					
Due from banks and other financial institutions	5,105,498	-	5,105,498	-	**5,105,498**
Investments held at amortised cost	45,890,014	-	47,794,071	-	**47,794,071**
Loans and advances	153,243,078	-	-	152,050,680	**152,050,680**
Financial liabilities measured at fair value					
Derivative financial instruments	2,819,086	-	2,819,086	-	**2,819,086**
Financial liabilities not measured at fair value					
Due to banks and other financial institutions	17,620,956	-	17,620,956	-	**17,620,956**
Customers deposits	189,110,140	-	189,231,025	-	**189,231,025**
Debt securities in issue	5,066,610	-	5,066,610	-	**5,066,610**

Derivatives classified as Level 2 comprise over the counter special commission rate swaps, currency swaps, special commission rate options, forward foreign exchange contracts, currency options and other derivative financial instruments. These derivatives are fair valued using the Group's proprietary valuation models that are based on discounted cash flow techniques. The data inputs to these models are based on observable market parameters relevant to the markets in which they are traded and are sourced from widely used market data service providers.

FVOCI investments classified as Level 2 include bonds for which market quotes are not available. These are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads.

FVOCI investments classified as Level 3 include Private Equity Funds, the fair value of which is determined based on the fund's latest reported net assets value as at the reporting date. The movement in Level 3 financial instruments during the period relates to fair value and capital repayment movements only.

Fair values of listed investments are determined using bid marked prices. Fair values of unlisted investments are determined using valuation techniques that incorporate the prices and future earning streams of equivalent quoted securities.

Loans and advances are classified as Level 3, the fair value of which is determined by discounting future cash flows using risk adjusted expected SAIBOR rates.

The fair values of due from and due to banks and other financial institutions which are carried at amortised cost, are not significantly different from the carrying values included in the interim condensed consolidated financial statements, since these are short dated and the current market special commission rates for similar financial instruments are not significantly different from the contracted rates.

The fair values of demand deposits are approximated by their carrying value. For deposits with longer-term maturities, fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities.

Debt securities in issue are floating rate instruments that re-price within a year and accordingly, the fair value of this portfolio approximates the carrying value. The fair value of the remaining portfolio is not significantly different from its carrying value.

There were no transfers between the levels of fair value hierarchies during the period.

There were no transfers between the levels of fair value hierarchies during the period.

The values obtained from valuation models may be different from the transaction price of financial instruments on transaction date. The difference between the transaction price and the model value is commonly referred to as 'day one profit and loss'. It is either amortised over the life of the transaction or 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. Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices and foreign currency exchange rates.

The Group uses widely recognized valuation models for determining the fair value of common and simpler financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives, such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

22. 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.

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

SAMA through its Circular Number 391000029731 dated 15 Rabi Al-Awwal 1439H (3 December 2017), which relates to the interim approach and transitional arrangements for the accounting allocations under IFRS 9, has directed banks that the initial impact on the capital adequacy ratio as a result of applying IFRS 9 shall be transitioned over five years.

As part of the latest SAMA guidance on Accounting and Regulatory Treatment of COVID-19 Extraordinary Support Measures, Banks are now 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.

The impact of these revised transitional arrangements to the Group's Tier 1 and Tier 1 + 2 ratio have been an improvement of 40bps for the period ended 30 September 2021.

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Risk Weighted Assets (RWA)			
Credit Risk RWA	205,119,996	199,268,399	198,393,382
Operational Risk RWA	18,021,472	19,064,614	19,064,614
Market Risk RWA	4,313,175	1,988,398	2,144,679
Total RWA	**227,454,643**	**220,321,411**	**219,602,675**
Tier I Capital	**43,801,205**	**41,774,973**	**40,825,023**
Tier II Capital	**5,991,516**	**6,303,054**	**6,186,893**
Total I and II Capital	**49,792,721**	**48,078,027**	**47,011,916**
Capital Adequacy Ratio %			
Tier I ratio	**19.26%**	**18.96%**	**18.59%**
Tier I + Tier II ratio	**21.89%**	**21.82%**	**21.41%**

23. Impact of Coronavirus ("COVID-19") on Expected Credit Losses ("ECL") and SAMA Programs

The Coronavirus ("COVID-19") pandemic continues to disrupt global markets, although many geographies are now starting to emerge through precautionary measures as vaccination targets achieved. The Government of the Kingdom of Saudi Arabia has managed to successfully control the outbreak to date.

During 2020 management performed a detailed assessment to ascertain the impact of the pandemic and resultant government and SAMA support measures, such as repayment holidays and other mitigating packages, have had on the financing portfolio. The Group made updates within its ECL model to refine the application of the staging criteria due to SICR on affected customers to be able to differentiate and reflect appropriately in its models:

- Customers whose credit quality appear to have deteriorated on a permanent basis and thus the Group is required to recognise lifetime ECL losses on such exposures;
- Customers whose credit quality have either stayed stable or have declined but the decline is deemed to be temporary as the customer may have sound fundamentals to emerge strongly post lockdown.

The Group continues to evaluate the current macroeconomic situation and conducts review of credit exposure concentrations at a more granular level with particular focus on specific economic sectors, regions, counterparties and collateral protection and taking appropriate customer credit rating actions and initiating restructuring of loans, where required. The credit reviews also take into consideration the impact of the government and SAMA support relief programs.

To the extent that certain effects cannot be fully incorporated into the ECL model calculations at this point in time, management continues to exercise expert credit judgement to estimate ECL by considering reasonable and supportable information not already included in the quantitative models. This resulted in an ECL (overlay) of SAR 80 million as at 30 September 2021.

As with any forecasts, the projections and likelihoods of occurrence are underpinned by significant judgement and uncertainty and therefore, the actual outcomes may be different to those projected. The impact of such uncertain economic environment is judgmental and the Group will continue to reassess its position and the related impact on a regular basis.

SAMA support programs and initiatives

Private Sector Financing Support Program ("PSFSP")

In response to COVID-19, SAMA launched the Private Sector Financing Support Program ("PSFSP") in March 2020 to provide the necessary support to eligible (Stage 1 and Stage 2) Micro Small and Medium Enterprises ("MSME") as defined by SAMA via Circular No. 381000064902 dated 16 Jumada II 1438H. The PSFSP mainly encompasses the following programs:

- Deferred payments program (DPP);
- Funding for lending program;
- Loan guarantee program; and
- Point of sale ("POS") and e-commerce service fee support program.

As part of the deferred payments program launched by SAMA in March 2020 and with further extensions to the program subsequently announced, the Group deferred payments on lending facilities to all eligible MSME. The payment reliefs were considered as short-term liquidity support to address borrowers' potential cash flow shortages. The Group implemented the payment reliefs by deferring instalments falling due from 14 March 2020 to 30 June 2021 amounting to initially SAR 6.2 billion and extended the tenure of the applicable loans at no additional costs to the customer.

Further to the above, SAMA on June 22, 2021 announced the extension of the DPP for three additional months from July 1, 2021 to September 30, 2021, only for those MSMEs that were still affected by the COVID-19 precautionary measures in line with guidance issued by SAMA in this regard. On September 29, 2021, for these effected MSME customers, a further extension of three additional months was announced by SAMA i.e., for the installment falling due from October 1, 2021 to December 31, 2021. The Group performed an assessment to determine the pool of customers eligible for continued deferment and accordingly deferred the installment falling due from October 1, 2021 to December 31, 2021 amounting to SAR 154 million and extended the tenure of the applicable loans at no additional costs to the customer. This resulted in no additional modification loss as the amount was determined to be immaterial.

The accounting impact of the above changes in terms of the credit facilities were assessed and treated as per the requirements of IFRS 9 as modification in terms of arrangement. This resulted in total modification losses amounting to SAR 76 million for the nine-month period ended 30 September 2021 (30 September 2020: SAR 124 million).

During the nine-months period ended 30 September 2021, SAR 134 million (30 September 2020: SAR 62 million) has been recognized in the statement of income relating to unwinding of modification losses.

In order to compensate the related cost that the Group is expected to incur under the SAMA and other public authorities program, during the year 2020 and the nine-month period ended 30 September 2021, the Group received profit free deposits from SAMA amounting to SAR 8.8 billion with varying maturities, which qualify as government grants. Out of the total profit free deposits received SAR 2.5 billion was matured during the current quarter and outstanding balance as at 30 September 2021 amounted to SAR 6.3 billion.

Management determined based on communication from SAMA that the government grant primarily relates to compensation for the modification loss incurred on the deferral of payments. The benefit of the subsidised funding rate has been accounted for on a systematic basis, in accordance with government grant accounting requirements. Management has exercised certain judgements in the recognition and measurement of this grant income. Total income of SAR 465 million arose on these profit-free deposits, out of which SAR 351 million was recognised as income in prior periods. During the nine-month period ended 30 September 2021, SAR 90 million has been recognised to the statement of income. The remaining balance of un-amortised deferred grant gain amounts to SAR 24 million.

As at 30 September 2021 the Group has participated in SAMA's funding for lending and facility guarantee programs and the accounting impact for the period is immaterial. Furthermore, during the nine-month period ended 30 September 2021, the Group has received reimbursement from SAMA for the forgone POS and e-commerce service fee amounting to SAR 152 million (30 September 2020: SAR 57 million).

SAMA liquidity support for the Saudi banking sector amounting to SAR 50 billion

In line with its monetary and financial stability mandate, SAMA injected an amount of fifty billion riyals in order to:

- enhance the liquidity in the banking sector and enable it to continue its role in providing credit facilities to private sector companies;
- restructure current credit facilities without any additional fees;
- support plans to maintain employment levels in the private sector; and
- provide relief for a number of banking fees that have been waived for customers.

In this regard, during 2020, the Group received SAR 6.1 billion profit-free deposit with one-year maturity which has been matured during the previous quarter. Management determined, based on the communication received from SAMA, that this government grant primarily related to liquidity support. The benefits of the subsidized funding rate has been accounted for on a systematic basis, in accordance with government grant accounting requirements. This resulted in a total income of SAR 70 million which was recognized during 2020 and was presented in other operating income / (losses), net.

24. Statutory reserve

During the nine months period ended 30 September 2021, the Group has transferred, after the approval of shareholders at the Extra Ordinary General Assembly's meeting, an amount of SAR 9.1 billion from the Share premium to statutory reserve, bringing the statutory reserve equal to the paid up Share capital of the Group. In accordance with the Banking Control Law of the Kingdom of Saudi Arabia, no further transfer of annual net income is required to Statutory reserve as its balance equals the paid up Share capital of the Group. The statutory reserve is not currently available for distribution.

25. IBOR Transition (Interest Rate Benchmark Reforms)

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The International Accounting Standards Board ("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 a profit rate benchmark, including the replacement of an existing Inter-bank Offer Rate ("IBOR") with an alternative Risk Free Rate ("RFR").

The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021, and include practical expedients in respect of:

- Accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform by updating the effective interest rate, resulting in no immediate profit or loss impact. This applies only when the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis; and
- Permitting changes to hedge designation and documentation as a result of IBOR reform without discontinuing the existing hedge accounted relationship.

As the Group believes there continues to be uncertainty as to the timing and the methods for transition, under the Phase 1 amendments, IBOR continues to be used as a reference rate as at 30 September 2021 in the valuation of instruments with maturities that exceed the expected end date for IBORs in various jurisdictions and applying to various currencies. Regulatory authorities, relevant benchmark rate administrators and public and private sector working groups globally are considering, and have started to announce mechanisms for, transition to alternative benchmark rates. The Group continues to monitor this guidance as it emerges.

During 2018 the Board established a steering committee, consisting of key finance, risk, IT, treasury, legal and compliance personnel and, to oversee the Bank's USD LIBOR transition plan. This steering committee put in place a transition project for those contracts which reference USD LIBOR to transition them to SOFR, with the aim of minimising the potential disruption to business and mitigating operational and conduct risks and possible financial losses. This transition project is considering changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications. As at 30 September 2021, changes required to systems, processes and models have been identified and have been partially implemented. There have been general communications with all affected counterparties, but specific changes to contracts required by IBOR reform have not yet been proposed or agreed. The Group has identified that the areas of most significant risk arising from the replacement of USD LIBOR are: updating systems and processes which capture USD LIBOR referenced contracts; amendments to those contracts, or existing fallback/transition clauses not operating as anticipated; mismatches in timing of derivatives and loans transitioning from USD LIBOR and the resulting impact on economic risk management; and updating hedge designations. The Group continues to engage with industry participant, to ensure an orderly transition to SOFR and to minimise the risks arising from transition, and it will continue to identify and assess risks associated with USD LIBOR replacement.

Whilst the LIBOR Steering Committee is overseeing a detailed transition plan to address all potential risks, the Bank's overall exposure to the demise of USD LIBOR is not considered to be material. The extension of the transitionary deadline to 30th June 2023 and the publication of Term SOFR rates have further reduced the risks associated with the project.

26. Interim dividends

During the period ended 30 September 2021, SABB paid an interim dividend of SAR 1,075 million as approved by the Board of Directors, to the shareholders from the net income of the Group for the first half of 2021. This resulted in a SAR 0.50 per share for Saudi shareholders net of Zakat (2020: Nil). The income tax of the foreign shareholders was deducted from their share of the dividends.

27. Board of directors' approval

These interim condensed consolidated financial statements were approved by the Board of Directors on 20 Rabi' al-Awal 1443AH (Corresponding 26 October 2021).